LAI SUN DEVELOPMENT

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

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 JULY 2022

RESULTS

The board of directors (the "**Board**") of Lai Sun Development Company Limited (the "**Company**") announces the consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 July 2022 together with the comparative figures of the last year as follows:

Consolidated Income Statement
For the year ended 31 July 2022

	Notes	**2022 HK$'000**	2021 HK$'000
TURNOVER	*4*	**5,093,703**	5,986,752
Cost of sales		**(3,549,680)**	(4,668,713)
Gross profit		**1,544,023**	1,318,039
Other revenue and gains		**405,769**	555,960
Selling and marketing expenses		**(253,834)**	(272,041)
Administrative expenses		**(851,807)**	(875,773)
Other operating expenses		**(2,214,908)**	(1,548,330)
Fair value gains/(losses) on investment properties, net		**226,415**	(358,857)
LOSS FROM OPERATING ACTIVITIES	*5*	**(1,144,342)**	(1,181,002)
Finance costs	*6*	**(876,416)**	(767,423)
Share of profits and losses of associates		**2,040**	20,050
Share of profits and losses of joint ventures		**(42,036)**	(473,004)
LOSS BEFORE TAX		**(2,060,754)**	(2,401,379)
Tax	*7*	**(262,831)**	(255,806)
LOSS FOR THE YEAR		**(2,323,585)**	(2,657,185)
Attributable to:			
Owners of the Company		**(1,966,921)**	(2,088,090)
Non-controlling interests		**(356,664)**	(569,095)
		(2,323,585)	(2,657,185)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	*9*		
Basic and diluted		**(HK$2.133)**	(HK$3.034)

Consolidated Statement of Comprehensive Income
For the year ended 31 July 2022

	2022 HK$'000	2021 HK$'000
LOSS FOR THE YEAR	**(2,323,585)**	(2,657,185)
OTHER COMPREHENSIVE (EXPENSE)/INCOME		
Other comprehensive (expense)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange realignments	**(1,145,837)**	2,030,052
Share of other comprehensive expense of associates	**(5,680)**	(2,672)
Share of other comprehensive expense of joint ventures	**(9,927)**	(1,225)
Release of exchange reserve upon dissolution and deregistration of subsidiaries	**42,918**	974
Reclassification of reserve upon return of capital from a subsidiary	**29,965**	—
	(1,088,561)	2,027,129
Other comprehensive income/(expense) that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair values of financial assets at fair value through other comprehensive income	**9,140**	(41,463)
OTHER COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR	**(1,079,421)**	1,985,666
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	**(3,403,006)**	(671,519)
Attributable to:		
Owners of the Company	**(2,706,995)**	(926,132)
Non-controlling interests	**(696,011)**	254,613
	(3,403,006)	(671,519)

Consolidated Statement of Financial Position
As at 31 July 2022

	Notes	**2022 HK$'000**	2021 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**6,645,739**	7,464,101
Right-of-use assets		**4,922,940**	5,306,475
Investment properties		**37,168,222**	37,035,152
Film rights		**19,162**	15,109
Film and TV program products		**61,174**	54,838
Music catalogs		**663**	3,124
Goodwill		**207,792**	274,423
Other intangible assets		**132,883**	150,853
Investments in associates		**236,613**	217,163
Investments in joint ventures		**6,826,143**	7,124,459
Financial assets at fair value through other comprehensive income		**1,710,095**	1,689,200
Financial assets at fair value through profit or loss		**906,513**	1,041,480
Derivative financial instruments		**—**	191
Debtors	*10*	**493,643**	526,687
Deposits, prepayments, other receivables and other assets		**721,772**	275,008
Deferred tax assets		**2,118**	2,147
Pledged and restricted bank balances and time deposits		**79,305**	55,105
Total non-current assets		**60,134,777**	61,235,515
CURRENT ASSETS			
Properties under development		**5,576,173**	2,075,324
Completed properties for sale		**5,847,757**	7,351,128
Films and TV programs under production and film investments		**317,109**	235,844
Inventories		**59,612**	48,851
Financial assets at fair value through profit or loss		**120,452**	183,290
Derivative financial instruments		**25,473**	—
Debtors	*10*	**403,293**	340,954
Deposits, prepayments, other receivables and other assets		**767,253**	953,539
Prepaid tax		**140,467**	53,100
Pledged and restricted bank balances and time deposits		**2,444,971**	2,270,483
Cash and cash equivalents		**5,056,442**	8,284,797
		20,759,002	21,797,310
Assets classified as held for sale		**1,855**	5,273
Total current assets		**20,760,857**	21,802,583
CURRENT LIABILITIES			
Creditors, other payables and accruals	*11*	**3,229,241**	3,441,480
Deposits received, deferred income and contract liabilities	*12*	**993,161**	1,430,586
Lease liabilities		**275,181**	283,725
Tax payable		**564,934**	545,295
Bank borrowings		**1,525,333**	3,109,624
Other borrowings		**41,578**	41,159
Guaranteed notes		**5,869,298**	—
Total current liabilities		**12,498,726**	8,851,869
NET CURRENT ASSETS		**8,262,131**	12,950,714
TOTAL ASSETS LESS CURRENT LIABILITIES		**68,396,908**	74,186,229

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

	Notes	**2022 HK$'000**	2021 HK$'000
NON-CURRENT LIABILITIES			
Lease liabilities		**974,959**	1,103,892
Bank borrowings		**15,836,626**	15,661,477
Other borrowings		**281,152**	277,398
Guaranteed notes		**4,281,877**	7,692,495
Derivative financial instruments		**—**	8,965
Deferred tax liabilities		**4,865,562**	5,256,477
Other payables and accruals	*11*	**967,835**	1,001,169
Long-term deposits received	*12*	**201,397**	199,653
Total non-current liabilities		**27,409,408**	31,201,526
		40,987,500	42,984,703
EQUITY			
Equity attributable to owners of the Company			
Share capital	*13*	**5,463,477**	4,134,565
Reserves		**27,330,820**	30,014,749
		32,794,297	34,149,314
Non-controlling interests		**8,193,203**	8,835,389
		40,987,500	42,984,703

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, accounting principles generally accepted in Hong Kong 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 completed investment properties, certain investment properties under construction, 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 2022 and 31 July 2021 included in this preliminary announcement of annual results for the year ended 31 July 2022 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 2021 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 2022 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 revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	*Interest Rate Benchmark Reform — Phase 2*

The adoption of the above amendments to HKFRSs 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	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment revenue:																				
Sales to external customers	**1,685,490**	2,503,316	**1,241,637**	1,287,297	**650,030**	621,199	**419,922**	443,089	**256,771**	321,126	**184,575**	298,892	**385,023**	211,986	**16,049**	30,769	**254,206**	269,078	**5,093,703**	5,986,752
Intersegment sales	**–**	–	**33,460**	38,199	**1,010**	457	**1,436**	12	**–**	4	**5,110**	8,597	**1,972**	1,495	**–**	–	**13,512**	26,530	**56,500**	75,294
Other revenue and gains	**31,226**	7,860	**20,759**	33,898	**12,165**	18,504	**16,606**	35,393	**1,802**	16,558	**1,737**	37,147	**73,011**	98,675	**1,154**	1,446	**42,364**	41,669	**200,824**	291,150
Total	**1,716,716**	2,511,176	**1,295,856**	1,359,394	**663,205**	640,160	**437,964**	478,494	**258,573**	337,688	**191,422**	344,636	**460,006**	312,156	**17,203**	32,215	**310,082**	337,277	**5,351,027**	6,353,196
Elimination of intersegment sales																			**(56,500)**	(75,294)
Total																			**5,294,527**	6,277,902
Segment results	**(26,857)**	(279,932)	**564,252**	874,936	**(340,418)**	(340,979)	**(159,337)**	(88,919)	**(8,362)**	(33,531)	**(52,757)**	(95,019)	**(130,062)**	(151,664)	**(590,999)**	(444,474)	**55,489**	45,902	**(689,051)**	(513,680)
Unallocated other revenue and gains																			**204,945**	264,810
Fair value gains/(losses) on investment properties, net	**–**	–	**226,415**	(358,857)	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**226,415**	(358,857)
Unallocated expenses																			**(886,651)**	(573,275)
Loss from operating activities																			**(1,144,342)**	(1,181,002)
Finance costs																			**(876,416)**	(767,423)
Share of profits and losses of associates	**69**	77	**75**	(235)	**(709)**	(558)	**(217)**	3	**–**	–	**–**	–	**–**	–	**–**	–	**2,920**	1,990	**2,138**	1,277
Share of profits and losses of associates – unallocated																			**(98)**	18,773
Share of profits and losses of joint ventures	**201,338**	105,959	**(231,776)**	(569,167)	**6,363**	(10,216)	**–**	–	**(543)**	1,309	**(847)**	(889)	**(16,462)**	–	**–**	–	**(109)**	–	**(42,036)**	(473,004)
Loss before tax																			**(2,060,754)**	(2,401,379)
Tax																			**(262,831)**	(255,806)
Loss for the year																			**(2,323,585)**	(2,657,185)

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	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment assets	**12,560,833**	10,253,411	**37,820,948**	37,675,821	**8,789,410**	9,272,393	**680,455**	580,155	**265,208**	353,929	**706,865**	588,886	**1,253,869**	1,349,565	**1,109,690**	1,602,919	**1,052,608**	1,084,402	**64,239,886**	62,761,481
Investments in associates	**2,274**	2,177	**116**	45	**155,653**	171,359	**(10,105)**	(10,105)	**–**	–	**–**	–	**–**	–	**–**	–	**5,473**	5,688	**153,411**	169,164
Investments in associates – unallocated																			**83,202**	47,999
Investments in joint ventures	**2,088,023**	2,115,704	**4,620,676**	4,909,949	**80,069**	82,730	**–**	–	**10,524**	15,018	**1,659**	1,058	**12,690**	–	**–**	–	**12,502**	–	**6,826,143**	7,124,459
Unallocated assets																			**9,591,137**	12,929,722
Assets classified as held for sale	**1,855**	5,273	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**1,855**	5,273
Total assets																			**80,895,634**	83,038,098
Segment liabilities	**1,276,657**	2,025,242	**1,050,988**	812,513	**391,022**	513,188	**198,527**	177,914	**80,032**	131,324	**370,283**	367,820	**1,152,785**	1,259,934	**81,106**	132,658	**443,195**	384,570	**5,044,595**	5,805,163
Bank borrowings																			**17,361,959**	18,771,101
Guaranteed notes																			**10,151,175**	7,692,495
Other borrowings																			**322,730**	318,557
Unallocated liabilities																			**7,027,675**	7,466,079
Total liabilities																			**39,908,134**	40,053,395

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	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Depreciation of property, plant and equipment	**881**	880	**17,539**	21,018	**243,894**	233,386	**20,765**	19,533	**993**	1,081	**165**	155	**49,495**	52,368	**125,336**	146,296	**5,941**	6,571	**465,009**	481,288
Depreciation of property, plant and equipment – unallocated																			**12,293**	8,402
																			477,302	489,690
Depreciation of right-of-use assets	**466**	496	**3,934**	5,653	**155,804**	155,828	**50,356**	58,295	**1,096**	1,353	**4,324**	2,693	**139,648**	129,030	**13,728**	18,807	**13,558**	13,850	**382,914**	386,005
Depreciation of right-of-use assets – unallocated																			**28,081**	28,347
																			410,995	414,352
Impairment of property, plant and equipment	**–**	–	**–**	–	**–**	–	**–**	–	**618**	494	**142**	125	**7,829**	8,149	**366,312**	199,631	**855**	643	**375,756**	209,042
Impairment of right-of-use assets	**–**	–	**–**	–	**–**	–	**–**	–	**2,644**	2,613	**8,234**	865	**33,791**	18,335	**–**	–	**1,368**	1,702	**46,037**	23,515
Impairment of goodwill	**–**	–	**–**	–	**–**	–	**36,101**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**36,101**	–
Amortisation of film rights	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**5,397**	6,595	**–**	–	**–**	–	**–**	–	**5,397**	6,595
Amortisation of film and TV program products	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**10,076**	176,388	**–**	–	**–**	–	**–**	–	**10,076**	176,388
Amortisation of music catalogs	**–**	–	**–**	–	**–**	–	**–**	–	**2,461**	21,923	**–**	–	**–**	–	**–**	–	**–**	–	**2,461**	21,923
Impairment of films and TV programs under production	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**39,977**	2,553	**–**	–	**–**	–	**–**	–	**39,977**	2,553
Write-down of properties under development to net realisable value	**310,187**	68,612	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**310,187**	68,612
Write-down of completed properties for sale to net realisable value	**–**	18,241	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	18,241
Impairment of debtors, net	**–**	–	**6,289**	6,661	**–**	–	**4,800**	–	**6,995**	7,209	**(118)**	2,683	**–**	–	**–**	–	**–**	–	**17,966**	16,553
Impairment of advances and other receivables	**–**	–	**–**	–	**–**	–	**–**	–	**5,507**	20,290	**–**	3,609	**–**	–	**–**	–	**–**	–	**5,507**	23,899
Impairment of advances and other receivables – unallocated																			**68,208**	–
																			73,715	23,899
Derecognition loss on rental receivables	**–**	–	**42,728**	14,070	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**42,728**	14,070
Remeasurement of finance lease receivables	**34,193**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**34,193**	–
Foreseeable loss on finance lease contract	**1,558**	15,694	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**1,558**	15,694
Capital expenditure	**384**	664	**896,183**	581,612	**3,589**	31,826	**132,463**	22,837	**548**	987	**732**	1,537	**708**	331,734	**86,530**	113,425	**17,753**	10,273	**1,138,890**	1,094,895
Capital expenditure – unallocated																			**6,526**	82,017
																			1,145,416	1,176,912

3. SEGMENT INFORMATION (continued)

Geographical information

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

	Hong Kong		Mainland China and Macau		United Kingdom		Vietnam		Others		Consolidated	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment revenue												
Sales to external customers	**1,779,434**	1,860,379	**2,751,872**	3,586,739	**84,750**	81,968	**222,361**	181,121	**255,286**	276,545	**5,093,703**	5,986,752
Other revenue	**159,112**	210,713	**39,416**	65,702	**7**	7,409	**259**	3	**2,030**	7,323	**200,824**	291,150
Total	**1,938,546**	2,071,092	**2,791,288**	3,652,441	**84,757**	89,377	**222,620**	181,124	**257,316**	283,868	**5,294,527**	6,277,902
Segment assets												
Non-current assets	**20,045,765**	20,148,111	**26,083,105**	26,388,753	**3,232,935**	3,560,918	**347,354**	386,946	**344,399**	397,856	**50,053,558**	50,882,584
Current assets	**6,403,925**	2,882,210	**7,123,919**	8,430,504	**35,121**	46,364	**151,809**	137,864	**471,554**	381,955	**14,186,328**	11,878,897
Total	**26,449,690**	23,030,321	**33,207,024**	34,819,257	**3,268,056**	3,607,282	**499,163**	524,810	**815,953**	779,811	**64,239,886**	62,761,481

Information about major customers

For both the years ended 31 July 2022 and 31 July 2021, 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:

	2022	2021
	HK$'000	HK$'000
Turnover from contracts with customers:		
Sale of properties	**1,685,490**	2,039,170
Building management fee income	**198,548**	199,469
Income from hotel operation	**650,030**	621,199
Income from restaurant and F&B product sales operations	**419,922**	443,089
Distribution commission income, licence income from and sale of film and TV program products and film rights	**180,175**	297,562
Box-office takings, concessionary income and related income from cinemas	**385,023**	211,986
Entertainment event income	**36,963**	72,429
Sale of game products	**128,043**	157,597
Album sales, licence income and distribution commission income from music publishing and licensing	**80,713**	79,171
Artiste management fee income	**11,052**	11,929
Advertising income	**4,400**	1,330
Income from theme park operation	**16,049**	30,769
Others	**254,206**	269,078
	4,050,614	4,434,778
Turnover from other sources:		
Rental income	**1,043,089**	1,087,828
Income from properties under finance lease	**—**	464,146
	1,043,089	1,551,974
Total turnover	**5,093,703**	5,986,752
Timing of recognition of turnover from contracts with customers:		
At a point in time	**3,444,962**	3,808,230
Over time	**605,652**	626,548
	4,050,614	4,434,778

5. LOSS FROM OPERATING ACTIVITIES

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

	2022 **HK$'000**	2021 HK$'000
Depreciation of property, plant and equipment^	**477,302**	489,690
Depreciation of right-of-use assets^	**410,995**	414,352
Impairment of property, plant and equipment*	**375,756**	209,042
Impairment of right-of-use assets*	**46,037**	23,515
Impairment of goodwill*	**36,101**	—
Amortisation of film rights#	**5,397**	6,595
Amortisation of film and TV program products#	**10,076**	176,388
Amortisation of music catalogs#	**2,461**	21,923
Impairment of films and TV programs under production#	**39,977**	2,553
Fair value change from film investments	**(1,656)**@	12,702*
Write-down of properties under development to net realisable value^^	**310,187**	68,612
Impairment of debtors, net*	**17,966**	16,553
Impairment of advances and other receivables*	**73,715**	23,899
Remeasurement of finance lease receivables*	**34,193**	—
Foreseeable loss on finance lease contract*	**1,558**	15,694
Fair value (gains)/losses on cross currency swaps	**(34,246)**@	29,005*
Fair value losses/(gains) on financial assets at fair value through profit or loss, net	**244,139***	(101,525)@
Foreign exchange differences, net	**198,213***	(50,029)@

\# 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$815,061,000 (2021: HK$829,655,000) are included in "other operating expenses" on the face of the consolidated income statement.

^^ Write-down of properties under development to net realisable value of approximately HK$308,000,000 (2021: Nil) and HK$2,187,000 (2021: HK$68,612,000) is included in "cost of sales" and "other operating expenses" on the face of the consolidated income statement, respectively.

6. FINANCE COSTS

		2022 HK$'000	2021 HK$'000
Interest on bank borrowings		**529,999**	513,325
Interest on guaranteed notes		**527,340**	319,069
Interest on other borrowings		**5,647**	5,640
Interest on lease liabilities		**48,069**	55,188
Bank financing charges		**82,122**	69,800
Interest on put option liabilities		**4,975**	4,424
		1,198,152	967,446
Less:	Amount capitalised in construction in progress	**(15,496)**	(11,917)
	Amount capitalised in properties under development	**(178,580)**	(109,142)
	Amount capitalised in investment properties under construction	**(127,660)**	(78,964)
		876,416	767,423

7. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

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.

	2022 HK$'000	2021 HK$'000
Current tax		
— Hong Kong		
Charge for the year	**19,765**	35,223
Overprovision in prior years	**(3,330)**	(7,351)
	16,435	27,872
— Mainland China		
Corporate income tax		
Charge for the year	**162,281**	167,631
Overprovision in prior years	**(41,971)**	(1,310)
Land appreciation tax		
Charge for the year	**330,104**	191,688
Underprovision in prior years	**—**	4,755
	450,414	362,764
— Elsewhere		
Charge for the year	**17,960**	11,073
Overprovision in prior years	**(980)**	(3,911)
	16,980	7,162
	483,829	397,798
Deferred tax	**(220,998)**	(141,992)
Tax charge for the year	**262,831**	255,806

8. DIVIDEND

No final dividend was declared for the years ended 31 July 2022 and 2021.

9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	2022	2021
	HK$'000	HK$'000
Loss		
Loss for the purpose of basic and diluted loss per share	**(1,966,921)**	(2,088,090)

	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share (Note)	**921,978**	688,131

Note: No adjustment has been made to the basic loss per share amounts presented for the years ended 31 July 2022 and 2021 in respect of a dilution as the impact of the share options of the Company, eSun Holdings Limited ("**eSun**") and Lai Fung Holdings Limited had an anti-dilutive effect on the basic loss per share amounts presented.

The weighted average number of ordinary shares in issue for both years used in the above basic and diluted loss per share calculation has been adjusted to reflect the effect of the rights issue completed during the year ended 31 July 2022 as set out in note 13.

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:

	2022 **HK$'000**	2021 HK$'000
Trade receivables:		
Not yet due or less than 30 days past due	**302,642**	281,435
31 — 60 days past due	**37,680**	17,172
61 — 90 days past due	**17,143**	5,184
Over 90 days past due	**42,303**	35,366
	399,768	339,157
Finance lease receivables, not yet due	**497,168**	528,484
	896,936	867,641
Less: Portion classified as current	**(403,293)**	(340,954)
Non-current portion	**493,643**	526,687

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:

	2022 HK$'000	2021 HK$'000
Creditors:		
Not yet due or less than 30 days past due	**477,855**	447,146
31 — 60 days past due	**11,659**	31,209
61 — 90 days past due	**7,783**	4,648
Over 90 days past due	**115,281**	7,580
	612,578	490,583
Other payables and accruals	**2,344,176**	2,681,090
Put option liabilities	**1,240,322**	1,270,976
	4,197,076	4,442,649
Less: Portion classified as current	**(3,229,241)**	(3,441,480)
Non-current portion	**967,835**	1,001,169

12. DEPOSITS RECEIVED, DEFERRED INCOME AND CONTRACT LIABILITIES

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

	2022 HK$'000	2021 HK$'000
Deposits received and deferred income	**516,673**	563,344
Contract liabilities	**677,885**	1,066,895
	1,194,558	1,630,239
Less: Portion classified as current	**(993,161)**	(1,430,586)
Non-current portion	**201,397**	199,653

13. SHARE CAPITAL

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

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 July 2022 (2021: Nil).

No interim dividend was declared during the year (2021: Nil).

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company ("**AGM**") will be held on Friday, 16 December 2022. Notice of the AGM together with proxy form and the Company's Annual Report for the year ended 31 July 2022 will be published on the respective websites of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") and the Company and despatched to shareholders of the Company ("**Shareholders**") in mid-November 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The global economy experienced a gradual recovery in 2021, however, the momentum for growth, especially in most major economies has slowed considerably since the end of 2021. While central banks across the world have been raising interest rates aggressively over the course of 2022 to tame inflation, the recession risk across the globe has been rising in the midst of, amongst other factors, persistently high inflation, rising borrowing costs, ongoing geopolitical instabilities and conflicts, energy price volatility, as well as lingering supply-chain disruptions.

Hong Kong and Overseas Property Market

Despite continued disruption, Hong Kong's economy showed signs of recovery in 2021 and recorded a strong year-on-year expansion of 6.4%, after contracting by 6.5% in 2020. However, a marked deterioration was seen in the first quarter of 2022 as the fifth wave of COVID-19 infection cases hit in January. With the epidemic situation gradually stabilising in Hong Kong, social distancing measures were relaxed and various measures were launched by the government to assist the affected industries and the public, resulting in local economic activities seeing some revival. However, the consumer sentiment might be dampened by the worse-than-expected economic outlook amid tighter financial conditions and rising borrowing costs as well as deterioration of global economic prospects.

Office leasing activities regained momentum in mid-2022 when the fifth wave of COVID-19 was brought under control. While affected by the weakening economic performance in the second half of 2022, tenants tend to be cautious and have slowed down their relocation or expansion plans in the face of mounting uncertainties. Given the worsening business sentiment and the lack of demand from multinational and Chinese enterprises, the leasing market is under pressure and higher vacancy rates and suppressed rents are expected to prevail in near term. The retail segment remained reliant on domestic consumption. Poor economic outlook, interest rate hike cycle and volatile stock market are expected to continue weighing on local consumption sentiment, therefore downward pressure on retail rents is expect to remain. Market activities have also slowed down in both the primary and secondary residential markets, amid the rising mortgage rates and weak purchase sentiment with home prices softening across different residential market segments.

During the year ended 31 July 2022, prolonged social distancing measures and travel restrictions in Hong Kong continued to impact many industries to varying degrees. Amid weak business sentiment, slowdown of retail leasing activities and soaring vacancies in the market, the Group's major Hong Kong properties performed relatively steadily at over 84% occupancy. The Group have been coping with changing market trends and the operating environment by continuing to optimise the tenant mix. Certain renovation and space optimisation works have been done during the year under review to improve the competitiveness of major rental properties of the Group. With the planning consent approved by the City of London's Planning and Transportation Committee and all leases being aligned to expire in 2023, the Group keeps monitoring the market conditions in London closely for the potential redevelopment of the three properties on Leadenhall Street in London, comprising 100, 106 and 107 Leadenhall Street ("**Leadenhall Properties**"). A revised proposal was submitted to the City of London's Planning and Transportation Committee in August 2022 for improving on the original design and repositioning the new building to provide higher sustainability standards and enhanced amenities within the building.

Despite the uncertain economic outlook in the near term, we remain confident of the long-term prospects of the residential property market in Hong Kong which has been demonstrating resilience supported by limited supply and solid pent-up demand driven by local end-users. During the year under review, the Group continued to source and evaluate suitable land acquisition opportunities to restock its development land bank and successfully secured 3 residential projects. In September 2021, the Group acquired a 3-storey building at No. 116 Waterloo Road in Ho Man Tin and the transaction was completed with vacant possession in March 2022. The Group intends to redevelop the site into residential units with total gross floor area ("**GFA**") of approximately 46,100 square feet, offering around 79 residential units. In October 2021, the Group successfully won the tender for the residential site of approximately 23,900 square feet at No. 79 Broadcast Drive, Kowloon Tong, formerly the Educational Television Centre of Radio Television Hong Kong. The Group plans to develop a high-quality luxury residential project offering around 46 medium-large sized units including 2 houses and the maximum permissible GFA is approximately 71,600 square feet. In January 2022, the Group acquired two adjacent buildings at 1&1A Kotewall Road in Mid-Levels, Hong Kong Island for redevelopment purposes and the transaction was completed with vacant possession in March 2022. The Group intends to redevelop the site into a luxury residential project with a total GFA of approximately 55,200 square feet, offering around 28 medium-large sized residential units.

Construction works of Bal Residence (formerly known as the Hang On Street Project) in Kwun Tong and the Tai Kei Leng Project in Yuen Long are on schedule and completions are expected in the fourth quarter of 2023 and the first quarter of 2024, respectively. Upon completion, these two residential projects are expected to add total GFA of approximately 63,700 square feet and 42,200 square feet, respectively, to the development portfolio of the Group. Presale of Bal Residence and the Tai Kei Leng Project are expected to be launched in the fourth quarter of 2022 and the first quarter of 2023, respectively. The planning and design work of the residential project at the Wong Chuk Hang Station Package Five Property Development is in progress. Construction is expected to be completed in 2025.

604 units, including 23 houses in Alto Residences have been sold, achieving an average selling price of approximately HK$18,000 per square foot. The Group has released 86 car parking spaces of Alto Residences for sale since March 2019. Up to 14 October 2022, 75 car parking spaces have been sold and the total sales proceeds amounted to approximately HK$204.1 million.

The sale and handover of all 209 residential units and 7 commercial units of 93 Pau Chung Street have been completed. Car parking spaces of 93 Pau Chung Street were launched for sale in July 2019. Up to 14 October 2022, 7 out of 20 car parking spaces and 4 out of 5 motor-parking spaces have been sold and the total sales proceeds amounted to approximately HK$10.2 million.

Construction of Monti, the Sai Wan Ho Street project has been completed. Up to 14 October 2022, 140 out of 144 units in Monti has been sold with saleable area of approximately 44,378 square feet and the average selling price amounted to approximately HK$21,300 per square foot. Handover of the sold residential units has been substantially completed.

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

Mainland China Property Market

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

The regional focus and rental-led strategy of Lai Fung Holdings Limited ("**Lai Fung**") and its subsidiaries (together, "**Lai Fung Group**"), the PRC property arm of the Group, has demonstrated resilience in recent years. The rental portfolio of approximately 4.5 million square feet in Shanghai, Guangzhou, Zhongshan and Hengqin, being Tier 1 cities in China and cities within the Greater Bay Area delivered steady performance in rental income for the year ended 31 July 2022. Top tier cities and the Greater Bay Area will remain as the primary drivers for Lai Fung Group's rental growth in coming years. The construction of Shanghai Skyline Tower, the grade A office tower located at Tian Mu Road West in the Jing'an District of Shanghai near the Shanghai Railway Terminal was completed in September 2022, adding approximately 727,200 square feet rental GFA (excluding car parking spaces) to the rental portfolio of Lai Fung Group. Leasing of Shanghai Skyline Tower is in progress. As at the date of this results announcement, approximately 8% of commercial and office area have been pre-leased with letter of intent signed. Upon completion of construction works of remaining projects on hand, which include, Guangzhou Lai Fung International Center (the development of Guangzhou Haizhu Plaza Project) and Phase II ("**Novotown Phase II**") of the Novotown Project in Hengqin ("**Novotown**"), Lai Fung Group will have a rental portfolio of approximately 6.8 million square feet. Construction of Guangzhou Lai Fung International Center is expected to complete by end of 2022 and pre-leasing is underway. As at the date of this results announcement, approximately 20% of commercial and office area have been pre-leased. Leasing of the commercial area of Phase I of Novotown ("**Novotown Phase I**") is underway with approximately 77% of the leasable area having been leased and key tenants include two themed indoor experience centres, namely "Lionsgate Entertainment World®" and "National Geographic Ultimate Explorer Hengqin", Zhuhai Duty Free Group, BaoLian Retail Commerce, Adidas Outlet, Pokiddo Trampoline Park, an indoor gun shooting range, Starbucks, McDonald's, Paulaner Wirtshaus Hengqin, Oyster King and Vanguard Life Superstore.

Construction of Novotown Phase II is in progress. This mixed-used development project is expected to be completed in phases by 2024, providing commercial and experiential entertainment facilities, office and serviced apartment spaces of 355,500 square feet, 1,585,000 square feet and 578,400 square feet, respectively. Parts of the office units and serviced apartment units have been designated as for-sale properties. During the year ended 31 July 2022, Novotown Phase II was awarded as a winner under the Retail & Leisure International ("**RLI**") Best Placemaking Scheme category at the Global RLI Awards for 2021 and the 5 Star — Best Mixed-use Architecture for Guangdong Province, China at Asia Pacific Property Awards 2021-2022. Novotown Phase II is also the sole winner of "Annual Model Project of Cultural Tourism Real Estate" at the 17th China Commercial Real Estate Festival. Lai Fung Group remains confident that the deepening of cooperation between Hengqin and Macau, and the continuous development of the Guangdong-Macau In-Depth Cooperation Zone in Hengqin will encourage more businesses and population to reside in Hengqin which will further enhance the tourism market, making Novotown a new contributor to Lai Fung Group's results in the long run.

Shanghai Wuli Bridge Project, the high-end luxury residential project located by the Huangpu River in Huangpu District providing 28 residential units and 43 car parking spaces was launched for sale in September 2020 and has received an enthusiastic response from the market. As at 31 July 2022, one residential unit and 13 car parking spaces remain unsold. Construction of remaining phases of Zhongshan Palm Spring has been completed and handover of sold units is in progress. The residential units and the unsold serviced apartment units in Zhongshan Palm Spring, the cultural studios, cultural workshops and office of Hengqin Novotown Phase I, as well as office and the serviced apartment units of Hengqin Novotown Phase II are expected to contribute to the income of Lai Fung Group in coming financial years.

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

Cinema Operation/Media and Entertainment/Film Production and Distribution

The COVID-19 pandemic has had a drastic impact on every facet of the global economy, including the entertainment industry. With the epidemic situation gradually stabilising in Hong Kong, social and economic activities have seen some revival but consumer sentiment might be dampened by the worse-than-expected economic outlook in Hong Kong and the deterioration of global economic prospects.

Due to the relaxation of social distancing measures and the release of a number of local and international blockbuster movies, the cinema operation of eSun Holdings Limited ("**eSun**") and its subsidiaries (together, "**eSun Group**") recovered gradually from the worst of the COVID-19 pandemic. During the year under review, eSun Group's cinemas in Hong Kong were allowed to operate at 85% capacity for all screens before the hit of the fifth-wave of COVID-19 in January 2022 resulting in us being requested to close from 7 January 2022 to 20 April 2022 as part of the government's ramped up measures to contain the spread of COVID-19. When we reopened on 21 April 2022 under the first phase of recent relaxation of social distancing measures in Hong Kong, the maximum number of customers allowed in cinemas was limited to 50% of their normal capacity, which has been relaxed to 85% since 19 May 2022. Cinemas in Mainland China have capped their attendance at 75% of capacity in low-risk areas and operations got suspended when their neighborhoods or districts were categorised as medium or high-risk areas. The box office in Mainland China has also shown a recovery since 2021 driven by the success of patriotic blockbusters. The performance of cinema operations in Hong Kong and Mainland China are still suffering from the social distancing measures as well as the challenging operating environment amid the economic uncertainty, eSun Group remains cautiously optimistic about the fundamental demand for entertainment in the long run and continues to evaluate opportunities to maintain and enhance its market positioning as a leading multiplex cinema operator in Hong Kong.

In February 2022, eSun Group extended the tenancy agreement of the Festival Grand Cinema in Festival Walk for 3 years commencing on 1 February 2024. Festival Walk is one of the most popular shopping and leisure destinations in Hong Kong with direct connection to the Kowloon Tong MTR Station and eSun Group has been operating the cinema since June 2016. Given its strategic location, eSun Group considers that the continued use of the premise after the expiry of the existing tenancy will be beneficial to the cinema operation of eSun Group and will further enhance its market position as a leading multiplex cinema operator in Hong Kong. MCL Cinemas Plus+ Plaza Hollywood, the new cinema at Plaza Hollywood in Diamond Hill, Kowloon through a joint venture company with Emperor Cinemas Group opened in July 2022. Another new cinema of eSun Group in Kai Tak, Kowloon, is expected to commence business in the second quarter of 2023. eSun Group also secured the cinema site at The ONE in Tsim Sha Tsui, Kowloon and the operation is expected to commence in the third quarter of 2023. In view of the challenging market condition and economic uncertainty in Mainland China, the Guangzhou Mayflower Cinema City was closed in October 2022. eSun Group is closely monitoring the market conditions and will continue to improve its overall operating efficiency and take a prudent approach in evaluating opportunities for further expansion of its footprint.

The COVID-19 pandemic has changed the consumption behavior of the general public. To rise to this challenge, Media Asia Group Holdings Limited ("**MAGHL**", a non-wholly-owned subsidiary of eSun, together with its subsidiaries, "**MAGHL Group**"), being the media and entertainment arm of eSun Group will continue to produce high quality and commercially viable products, and has also been directing its resources towards development of online content for streaming platforms and e-commerce to capture the related market opportunities.

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

"*Dead Ringer*", a 24-episode modern-day TV drama series featuring Bosco Wong and Chrissie Chau, is in post-production stage. MAGHL Group is in discussion with various Chinese portals and video websites for new project development in TV drama production.

The distribution licence of music products with Tencent Music Entertainment (Shenzhen) Co., Ltd and Warner Music continue to provide stable income to eSun Group. MAGHL Group will keep looking for new talent in Greater China and further cooperation with Asian artistes with an aim to build up a strong artiste roster for eSun Group.

Upcoming events including long-awaited "*Re: Grasshopper In Concert 2022*", "*Here & Now Ekin In Concert 2022*" and "*Super Junior World Tour – Super Show 9: Road in Hong Kong*" will be held in the coming months. MAGHL Group will continue to work with prominent local and Asian artistes for concert promotion and events scheduled for next year include concerts of Joyce Cheng, Jay Fung, Yoga Lin and Tsai Chin.

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

Other Business Updates

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

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

The public float of the Company remains below 25% of the total issued shares of the Company. The Company is considering steps to restore the public float at the minimum prescribed percentage in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**" and "**Listing Rules**", respectively). Further announcement(s) will be made if there is any update on the progress of the restoration of the public float of the Company.

The US$2,000 million Medium Term Note Programme ("**MTN Programme**") established by Lai Sun MTN Limited, a wholly-owned subsidiary of the Company in June 2021, enables the Group to raise money directly from the capital market. The financial liquidity of the Group was bolstered by the US$250 million guaranteed notes issued in July 2021 ("**LSD 2021 Notes**"), the US$250 million tap issue in September 2021 (being consolidated with and forming a single series with the LSD 2021 Notes) as well as the HK$180 million and HK$205 million guaranteed notes issued under the MTN Programme in November 2021 through private placement. As at 31 July 2022, the Group's consolidated cash and bank deposits amounted to HK$7,580.7 million (HK$2,234.5 million excluding eSun Group and Lai Fung Group) with undrawn facilities of HK$5,784.6 million (HK$3,777.3 million excluding eSun Group and Lai Fung Group). The net debt to equity ratio, calculated as a percentage of the total outstanding net debt to consolidated net assets attributable to owners of the company, as at 31 July 2022 was 62% (31 July 2021: 47%). The Group's gearing excluding the net debt of eSun Group and Lai Fung Group was approximately 42%. The Group's gearing excluding the net debt of eSun Group and Lai Fung Group and the net debt of the London portfolio which have a positive carry net of financing costs is 40%. Subsequent to the year end, the Group repaid in September 2022 the US$400 million guaranteed notes issued by the Group in 2017 upon maturity. The Group will continue its prudent and flexible approach in growing the landbank and managing its financial position.

OVERVIEW OF FINAL RESULTS

For the year ended 31 July 2022, the Group recorded turnover of HK$5,093.7 million (2021: HK$5,986.8 million) and a gross profit of HK$1,544.0 million (2021: HK$1,318.0 million). The decrease was primarily due to lower turnover from properties sales during the year under review as compared to last financial year.

Set out below is the turnover by segment:

	For the year ended 31 July			
	2022 (HK$ million)	2021 (HK$ million)	Difference (HK$ million)	% change
Property investment	**1,241.6**	1,287.3	-45.7	-3.6
Property development and sales	**1,685.5**	2,503.3	-817.8	-32.7
Restaurant and F&B product sales operations	**419.9**	443.1	-23.2	-5.2
Hotel operation	**650.0**	621.2	+28.8	+4.6
Media and entertainment	**256.8**	321.1	-64.3	-20.0
Film and TV program	**184.6**	298.9	-114.3	-38.2
Cinema operation	**385.0**	212.0	+173.0	+81.6
Theme park operation	**16.0**	30.8	-14.8	-48.1
Others	**254.3**	269.1	-14.8	-5.5
Total	**5,093.7**	5,986.8	-893.1	-14.9

For the year ended 31 July 2022, net loss attributable to owners of the Company was approximately HK$1,966.9 million (2021: HK$2,088.1 million). The slightly narrowed loss is primarily a mix of (i) improved gross profit of property sales, cinema and media and entertainment businesses during the year under review; (ii) increase in valuations of investment properties owned by the Group and held through joint ventures of the Group; and (iii) increase in other operating expenses for the year ended 31 July 2022. Net loss per share was HK$2.133 (2021: HK$3.034).

Excluding the effect of property revaluations, net loss attributable to owners of the Company was approximately HK$1,671.7 million (2021: HK$947.3 million). Net loss per share excluding the effect of property revaluations during the year under review was HK$1.813 (2021: HK$1.377).

	For the year ended 31 July	
Loss attributable to owners of the Company	**2022 HK$ million**	2021 HK$ million
Reported	**(1,966.9)**	(2,088.1)
Less: Adjustments in respect of revaluation of investment properties held by		
− the Company and subsidiaries	**(72.7)**	471.2
− associates and joint ventures	**303.6**	635.5
Deferred tax on investment properties	**64.3**	34.1
Net loss after tax excluding revaluation of investment properties	**(1,671.7)**	(947.3)

Equity attributable to owners of the Company as at 31 July 2022 amounted to HK$32,794.3 million, as compared to HK$34,149.3 million as at 31 July 2021. Net asset value per share attributable to owners of the Company dropped to HK$33.847 per share as at 31 July 2022 from HK$55.791 per share as at 31 July 2021. The decrease was primarily due to the enlarged shareholder base as a result of the Subscription and the Rights Issue completed in August 2021 and October 2021, respectively.

PROPERTY PORTFOLIO COMPOSITION

The Group maintained a property portfolio with attributable GFA of approximately 9.0 million square feet as at 31 July 2022. All major properties of the Group in Mainland China are held through Lai Fung Group, except Novotown Phase I which is 80% owned by Lai Fung Group and 20% owned by the Group, and all major properties in Hong Kong and overseas are held by the Group excluding eSun Group and Lai Fung Group.

Approximate attributable GFA (in '000 square feet) of the Group's major properties and number of car parking spaces as at 31 July 2022 are set out as follows:

	Commercial/ Retail	Office	Hotel/ Serviced Apartments	Residential	Industrial	Total (excluding car parking spaces & ancillary facilities)	No. of car parking spaces
GFA of major properties and number of car parking spaces of Lai Fung Group (on attributable basis[1])							
Completed Properties Held for Rental[2]	1,357	588	—	—	—	1,945	1,252
Completed Hotel Properties and Serviced Apartments[2]	—	—	545	—	—	545	—
Properties under Development[3]	397	1,489	318	—	—	2,204	1,219
Completed Properties Held for Sale	91	232	155	619	—	1,097	1,922
Subtotal	**1,845**	**2,309**	**1,018**	**619**	**—**	**5,791**	**4,393**
GFA of major properties and number of car parking spaces of the Group excluding Lai Fung Group (on attributable basis)							
Completed Properties Held for Rental[2]	737	1,030	—	—	67	1,834	1,436
Completed Hotel Properties and Serviced Apartments[2]	—	—	725	—	—	725	92
Properties under Development[3]	8	—	—	374	—	382	141
Completed Properties Held for Sale	33	105	70	49	—	257	55
Subtotal	**778**	**1,135**	**795**	**423**	**67**	**3,198**	**1,724**
Total GFA attributable to the Group	**2,623**	**3,444**	**1,813**	**1,042**	**67**	**8,989**	**6,117**

Notes:
1. *As at 31 July 2022, Lai Fung is a 55.08%-owned subsidiary of the Group.*
2. *Completed and rental generating properties.*
3. *All properties under construction.*

PROPERTY INVESTMENT

Rental Income

During the year under review, the Group's rental operations recorded a turnover of HK$1,241.6 million (2021: HK$1,287.3 million) comprising turnover of HK$465.3 million, HK$84.7 million and HK$691.6 million from rental properties in Hong Kong, London and Mainland China, respectively.

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

	For the year ended 31 July			Year end occupancy	
	2022 HK$ million	2021 HK$ million	% Change	**2022 %**	2021 %
Hong Kong					
Cheung Sha Wan Plaza	**263.3**	302.0	-12.8	**87.0**	93.5
Causeway Bay Plaza 2	**151.6**	173.8	-12.8	**94.6**	91.7
Lai Sun Commercial Centre	**45.4**	47.1	-3.6	**86.5**	98.7
Others	**5.0**	4.2	+19.0		
Subtotal:	**465.3**	527.1	-11.7		
London, United Kingdom					
107 Leadenhall Street	**27.8**	44.5	-37.5	**78.9**	62.0
100 Leadenhall Street	**50.8**	31.2	+62.8	**100.0**	100.0
106 Leadenhall Street	**6.1**	6.3	-3.2	**100.0**	100.0
Subtotal:	**84.7**	82.0	+3.3		
Mainland China					
Shanghai					
Shanghai Hong Kong Plaza	**298.8**	292.5	+2.2	**Retail: 87.2 Office: 85.9**	Retail: 90.3 Office: 83.8
Shanghai May Flower Plaza	**45.0**	42.7	+5.4	**Retail: 97.3**	Retail: 99.5
Shanghai Regents Park	**19.8**	24.8	-20.2	**81.0**	100.0
Guangzhou					
Guangzhou May Flower Plaza	**121.8**	121.1	+0.6	**91.9**	97.9
Guangzhou West Point	**27.2**	26.5	+2.6	**90.0**	90.1
Guangzhou Lai Fung Tower	**142.9**	136.0	+5.1	**Retail: 100.0 Office: 93.6[1]**	Retail: 100.0 Office: 96.5[1]
Zhongshan					
Zhongshan Palm Spring Rainbow Mall	**7.1**	6.8	+4.4	**Retail: 65.9[1]**	Retail: 80.0[1]
Hengqin					
Hengqin Novotown Phase I	**2.2**	6.9	-68.1	**Retail: 77.0[2]**	Retail: 71.0[2]
Others	**26.8**	20.9	+28.2		
Subtotal:	**691.6**	678.2	+2.0		
Total:	**1,241.6**	1,287.3	-3.6		
Rental proceeds from joint venture projects					
Hong Kong					
CCB Tower[3] (50% basis)	**119.7**	132.3	-9.5	**95.7**	95.7
Alto Residences[4] (50% basis)	**39.7**	28.0	+41.8	**84.7**	80.7
Total:	**159.4**	160.3	-0.6		

Notes:

1. *Excluding self-use area.*
2. *Including the cultural attraction spaces occupied by Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin.*
3. *CCB Tower is a joint venture project with China Construction Bank Corporation ("**CCB**") in which each of the Group and CCB has an effective 50% interest. For the year ended 31 July 2022, the joint venture recorded rental proceeds of approximately HK$239.4 million (2021: HK$264.5 million).*
4. *Alto Residences is a joint venture project with Empire Group Holdings Limited ("**Empire Group**") in which each of the Group and Empire Group has an effective 50% interest. For the year ended 31 July 2022, the joint venture recorded rental proceeds of approximately HK$79.4 million (2021: HK$56.0 million).*

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

	For the year ended 2022			For the year ended 2021		
	Attributable interest to the Group	**Turnover (HK$ million)**	**Total GFA (square feet)**	Attributable interest to the Group	Turnover (HK$ million)	Total GFA (square feet)
Hong Kong						
Cheung Sha Wan Plaza	**100%**			100%		
Commercial		**120.9**	**233,807**		149.8	233,807
Office		**125.3**	**409,896**		136.2	409,896
Car parking spaces		**17.1**	**N/A**		16.0	N/A
Subtotal:		**263.3**	**643,703**		302.0	643,703
Causeway Bay Plaza 2	**100%**			100%		
Commercial		**102.4**	**109,770**		120.5	109,770
Office		**44.8**	**96,268**		48.8	96,268
Car parking spaces		**4.4**	**N/A**		4.5	N/A
Subtotal:		**151.6**	**206,038**		173.8	206,038
Lai Sun Commercial Centre	**100%**			100%		
Commercial		**19.6**	**95,063**		24.0	95,063
Office		**5.6**	**74,181**		5.4	74,181
Car parking spaces		**20.2**	**N/A**		17.7	N/A
Subtotal:		**45.4**	**169,244**		47.1	169,244
Others		**5.0**	**63,592**[1]		4.2	63,592[1]
Subtotal:		**465.3**	**1,082,577**[1]		527.1	1,082,577[1]
London, United Kingdom						
107 Leadenhall Street	**100%**			100%		
Commercial		**3.4**	**48,182**		4.5	48,182
Office		**24.4**	**98,424**		40.0	98,424
Subtotal:		**27.8**	**146,606**		44.5	146,606
100 Leadenhall Street	**100%**			100%		
Office		**50.8**	**177,700**		31.2	177,700
106 Leadenhall Street	**100%**			100%		
Commercial		**0.5**	**3,540**		1.0	3,540
Office		**5.6**	**16,384**		5.3	16,384
Subtotal:		**6.1**	**19,924**		6.3	19,924
Subtotal:		**84.7**	**344,230**		82.0	344,230

	For the year ended 2022			For the year ended 2021		
	Attributable interest to the Group	**Turnover (HK$ million)**	**Total GFA (square feet)**	Attributable interest to the Group	Turnover (HK$ million)	Total GFA (square feet)
Mainland China						
Shanghai						
Shanghai Hong Kong Plaza	**55.08%**			55.08%		
Retail		**188.0**	**468,434**		186.2	468,434
Office		**104.7**	**362,096**		98.9	362,096
Car parking spaces		**6.1**	**N/A**		7.4	N/A
Subtotal:		**298.8**	**830,530**		292.5	830,530
Shanghai May Flower Plaza	**55.08%**			55.08%		
Retail		**40.5**	**320,314**		38.2	320,314
Car parking spaces		**4.5**	**N/A**		4.5	N/A
Subtotal:		**45.0**	**320,314**		42.7	320,314
Shanghai Regents Park	**52.33%**			52.33%		
Retail		**17.6**	**82,062**		22.1	82,062
Car parking spaces		**2.2**	**N/A**		2.7	N/A
Subtotal:		**19.8**	**82,062**		24.8	82,062
Guangzhou						
Guangzhou May Flower Plaza	**55.08%**			55.08%		
Retail		**104.8**	**357,424**		103.2	357,424
Office		**14.3**	**79,431**		14.9	79,431
Car parking spaces		**2.7**	**N/A**		3.0	N/A
Subtotal:		**121.8**	**436,855**		121.1	436,855
Guangzhou West Point	**55.08%**			55.08%		
Retail		**27.2**	**182,344**		26.5	182,344
Guangzhou Lai Fung Tower	**55.08%**			55.08%		
Retail		**18.3**	**112,292**		16.8	112,292
Office		**117.8**	**625,821**		112.7	625,821
Car parking spaces		**6.8**	**N/A**		6.5	N/A
Subtotal:		**142.9**	**738,113**		136.0	738,113
Zhongshan						
Zhongshan Palm Spring Rainbow Mall	**55.08%**			55.08%		
Retail[2]		**7.1**	**148,106**		6.8	148,106
Hengqin						
Novotown Phase I	**64.06%**[3]			64.06%[3]		
Commercial[4]		**2.2**	**995,717**[4]		6.9	975,365[4]
Others		**26.8**	**N/A**		20.9	N/A
Subtotal:		**691.6**	**3,734,041**		678.2	3,713,689
Total:		**1,241.6**	**5,160,848**[1]		1,287.3	5,140,496[1]
Joint Venture Projects						
Hong Kong						
CCB Tower[5] (50% basis)	**50%**			50%		
Office		**119.2**	**114,603**[6]		131.7	114,603[6]
Car parking spaces		**0.5**	**N/A**		0.6	N/A
Subtotal:		**119.7**	**114,603**[6]		132.3	114,603[6]
Alto Residences[7] (50% basis)	**50%**			50%		
Commercial		**13.7**	**47,067**[8]		8.1	47,067[8]
Residential units[9]		**22.7**	**28,191**[10]		17.1	20,613[10]
Car parking spaces		**3.3**	**N/A**		2.8	N/A
Subtotal:		**39.7**	**75,258**		28.0	67,680
Total:		**159.4**	**189,861**		160.3	182,283

Notes:
1. *Excluding 10% interest in AIA Central.*
2. *Excluding self-use area.*
3. *Including the Company's 20% direct interest in Novotown Phase I and 44.06% attributable interest through Lai Fung. As at 31 July 2022, Novotown Phase I is 80% owned by Lai Fung and Lai Fung is a 55.08%-owned subsidiary of the Company.*
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 2022. Revenue from Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin are recognised under turnover from theme park operation of the Group.*
5. *CCB Tower is a joint venture project with CCB in which each of the Group and CCB has an effective 50% interest. For the year ended 31 July 2022, the joint venture recorded rental proceeds of approximately HK$239.4 million (2021: HK$264.5 million).*
6. *GFA attributable to the Group. The total GFA is 229,206 square feet.*
7. *Alto Residences is a joint venture project with Empire Group in which each of the Group and Empire Group has an effective 50% interest. For the year ended 31 July 2022, the joint venture recorded rental proceeds of approximately HK$79.4 million (2021: HK$56.0 million).*
8. *GFA attributable to the 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 the Group. The total saleable area is 56,382 (2021: 41,226) square feet.*

The average Sterling exchange rate for the year under review depreciated by approximately 2.4% compared with last financial year. Excluding the effect of currency translation, the Sterling denominated turnover from London properties increased by 5.9% during the year under review. Breakdown of rental turnover of London portfolio for the year ended 31 July 2022 is as follows:

	2022 HK$'000	2021 HK$'000	% Change	**2022 GBP'000**	2021 GBP'000	% Change
107 Leadenhall Street	**27,790**	44,472	-37.5	**2,703**	4,223	-36.0
100 Leadenhall Street	**50,840**	31,173	+63.1	**4,946**	2,960	+67.1
106 Leadenhall Street	**6,120**	6,323	-3.2	**595**	600	-0.8
Total:	**84,750**	81,968	+3.4	**8,244**	7,783	+5.9

Review of major investment properties

Hong Kong Properties

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

The Group owns 100% of this property.

Causeway Bay Plaza 2
The asset comprises a 28-storey commercial/office building with car parking facilities at basement levels which was completed in 1992. It is located at the heart of Causeway Bay with a total GFA of 206,038 square feet (excluding car parking spaces). Key tenants include a HSBC branch and commercial offices and major restaurants.

The Group owns 100% of this property.

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

The Group owns 100% of this property.

CCB Tower
This is a 50:50 joint venture between the Group and CCB involving the redevelopment of the former Ritz-Carlton Hotel in Central. This 27-storey office tower is a landmark property in Central featuring underground access to the Central MTR station. The property has a total GFA of 229,206 square feet (excluding car parking spaces). 19 floors of the office floors and 2 banking hall floors of CCB Tower are leased to CCB for its Hong Kong operations.

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

Overseas Properties

107 Leadenhall Street, London EC3, United Kingdom
In April 2014, the Group acquired a property located at the core of the insurance district in the City of London, surrounded by 30 St Mary Axe (commonly known as the Gherkin), Lloyd's of London and the Willis Building at 51 Lime Street. It is a freehold commercial property housing commercial, offices and retail space. The building comprises 146,606 square feet gross internal area of office accommodation extending over basement, ground, mezzanine and seven upper floors. The occupancy at the end of July 2022 was approximately 78.9%.

The Group owns 100% of this property.

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

The Group owns 100% of this property.

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

The Group owns 100% of this property.

The City of London's Planning and Transportation Committee has approved a resolution to grant Planning Consent to the Group to redevelop the Leadenhall Properties. The Leadenhall Properties currently have a combined GFA of approximately 344,230 square feet. The Planning Consent would allow the Group to redevelop the Leadenhall Properties into a 56 storey tower with i) approximately 1,068,510 square feet gross internal area of office space as well as new retail space of approximately 8,730 square feet; ii) a free, public viewing gallery of approximately 19,967 square feet at levels 55 and 56 of the building which offers 360 degree views across London; and iii) new pedestrian routes between Leadenhall Street, Bury Street and St Mary Axe, and new public spaces around the base of the building. Including ancillary facilities of approximately 178,435 square feet, the total gross internal area of the proposed tower is expected to be approximately 1,275,642 square feet upon completion. This mixed-use development is targeting a carbon net zero strategy. Knight Frank and CBRE have been appointed as Office Leasing and Development advisers. A revised proposal was submitted to the City of London's Planning and Transportation Committee in August 2022 for improving on the original design and repositioning the new building to provide higher sustainability standards and enhanced amenities within the building.

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

Mainland China Properties

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

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

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

Lai Fung Group owns 100% of this property.

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

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

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

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

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

Lai Fung Group owns 100% of this property.

Guangzhou West Point
Guangzhou West Point is located on Zhongshan Qi Road and is within walking distance from the Ximenkou Subway Station. This is a mixed-use property where Lai Fung Group has sold all the residential and office units and retained 100% interest in the commercial podium with GFA of approximately 182,300 square feet. Tenants of the retail podium include renowned restaurants and local retail brands.

Lai Fung Group owns 100% of this property.

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

Lai Fung Group owns 100% of this property.

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

Lai Fung Group owns 100% of this property.

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

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

Lionsgate Entertainment World®, managed by Village Roadshow Theme Parks Asia, featuring attractions, retail, and dining experiences themed around Lionsgate's most captivating global film franchises, including The Hunger Games, The Twilight Saga, The Divergent Series, Now You See Me, Gods of Egypt and Escape Plan commenced operation on 31 July 2019. The family edutainment center, National Geographic Ultimate Explorer Hengqin, containing 18 individual attractions including rides, F&B facilities, retail premises, virtual reality and/or 4-D interactive experiences, and other types of entertainment and educational attractions officially commenced operations on 9 September 2019. In February 2021, a new interactive attraction "Wonders of Kung Fu" was launched in the outdoor garden space of Novotown Phase I, which includes light shows providing immersive experience and interactive games with Chinese Kungfu and cuisine being the key underlying theme. This attraction in the 5,000 square meters outdoor garden offers more than 10 interactive points, aiming not only to bring new experiences to visitors in terms of advanced visual/media technologies and cultural enlightenment, but also with an objective to boost night economy at Novotown. Leasing of the commercial area of Novotown Phase I is underway with approximately 77% of the leasable area. Except for the two themed indoor experience centres, key tenants include Zhuhai Duty Free Group, BaoLian Retail Commerce, Adidas Outlet, Pokiddo Trampoline Park, an indoor gun shooting range, Starbucks, McDonald's, Paulaner Wirtshaus Hengqin, Oyster King and Vanguard Life Superstore.

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

Recognised Sales

For the year ended 31 July 2022, recognised turnover from sales of properties was HK$1,685.5 million (2021: HK$2,503.3 million). Breakdown of turnover for the year ended 31 July 2022 from sales of properties is as follows:

Hong Kong				
Recognised Basis	**No. of Units**	**Approximate Saleable Area** (Square feet)	**Average Selling Price**[1] (HK$/square foot)	**Turnover** (HK$ million)
Monti				
Residential Units	8	2,688	22,626	60.8
Subtotal				**60.8**
Mainland China				
Recognised Basis	**No. of Units**	**Approximate GFA** (Square feet)	**Average Selling Price**[2] (HK$/square foot)	**Turnover**[3] (HK$ million)
Shanghai Wuli Bridge Project				
Residential Units	3	7,513	12,911	89.0
Hengqin Novotown Phase I				
Cultural Studios	19	66,130	5,246	329.0
Cultural Workshop Units	2	1,924	3,925	6.9
Zhongshan Palm Spring				
Residential High-rise Units	530	626,549	1,861	1,070.5
Residential House Units	16	33,395	3,261	115.2
Shanghai Wuli Bridge Project				
Car Parking Spaces	3	N/A	N/A	2.0
Shanghai Regents Park				
Car Parking Spaces	10	N/A	N/A	6.9
Guangzhou Eastern Place				
Car Parking Spaces	2	N/A	N/A	2.0
Guangzhou King's Park				
Car Parking Spaces	2	N/A	N/A	1.4
Guangzhou West Point				
Car Parking Spaces	2	N/A	N/A	1.2
Zhongshan Palm Spring				
Car Parking Spaces	3	N/A	N/A	0.6
Subtotal				**1,624.7**
Total				**1,685.5**
Recognised sales from joint venture project				
Hong Kong				
Recognised basis	**No. of Units**	**Approximate Saleable Area** (Square feet)	**Average Selling Price**[2] (HK$/square foot)	**Turnover** (HK$ million)
Alto Residences (50% basis)				
Houses	4[4]	9,615[4]	23,595	226.9[5]
Residential Units	7[6]	6,227[6]	27,526	171.4[7]
Car Parking Spaces	5[8]	N/A	N/A	13.8
Total				**412.1**

Notes:

1. *Excluding the financing component for sale of completed properties in accordance with Hong Kong Financial Reporting Standard 15 "Revenue from Contracts with Customers".*
2. *Before PRC business tax and value-added tax inclusive.*
3. *After PRC business tax and value-added tax exclusive.*
4. *No. of houses and saleable area attributable to the Group. The total no. of house recognised and total saleable area is 8 and 19,229 square feet, respectively.*
5. *Representing property sales proceeds of HK$212.3 million and rental proceeds of HK$14.6 million in relation to certain houses offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*
6. *No. of residential units and saleable area attributable to the Group. The total no. of residential units recognised and total saleable area are 14 and 12,453 square feet, respectively.*
7. *Representing property sales proceeds of HK$156.9 million and rental proceeds of HK$14.5 million in relation to certain residential units offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*
8. *No. of car parking spaces attributable to the Group. The total no. of car parking space recognised is 10.*

Contracted Sales

As at 31 July 2022, the Group's property development operation has contracted but not yet recognised sales of HK$764.4 million. Including the joint venture project of the Group, the total contracted but not yet recognised sales of the Group as at 31 July 2022 amounted to HK$1,188.2 million. Breakdown of contracted but not yet recognised sales as at 31 July 2022 is as follows:

Hong Kong

Contracted basis	No. of Units	Approximate Saleable Area (Square feet)	Average Selling Price (HK$/square foot)	Turnover (HK$ million)
Monti				
Residential Units	3	1,058	21,892	23.2

Mainland China

Contracted basis	No. of Units	Approximate GFA (Square feet)	Average Selling Price[1] (HK$/square foot)	Turnover[1] (HK$ million)
Zhongshan Palm Spring				
Residential High-rise Units	190	225,926	2,040	460.8
Residential House Units	2	4,139	3,664	15.2
Serviced Apartment Unit[2]	1	1,068	1,536	1.6
Hengqin Novotown Phase I				
Cultural Studios	4	16,278	4,903	79.8
Cultural Workshop Unit	1	962	3,990	3.8
Hengqin Novotown Phase II				
Harrow ILA Hengqin Buildings[3]	N/A	149,078	1,197	178.5
Shanghai Regents Park				
Car Parking Space	1	N/A	N/A	0.7
Guangzhou King's Park				
Car Parking Space	1	N/A	N/A	0.8
Subtotal				**741.2**
Total				**764.4**

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	5[4]	13,879[4]	23,060	320.0[5]
Residential Units	3[6]	3,641[6]	25,825	94.0[7]
Car Parking Spaces	4[8]	N/A	N/A	9.8
Total				**423.8**

Notes:
1. *Value-added tax inclusive.*
2. *Will be recorded as disposal of assets classified as held for sale and the sales proceeds net of cost will be included in "other operating expenses" on the face of the consolidated income statement of the Group when the sale is completed.*
3. *Will be recognised as income from finance lease under turnover.*
4. *No. of houses and saleable area attributable to the Group. The total no. of houses contracted and total saleable area are 9 and 27,757 square feet, respectively.*
5. *Representing property sales proceeds of HK$292.6 million and rental proceeds of HK$27.4 million in relation to certain houses offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*
6. *No. of residential units and saleable area attributable to the Group. The total no. of residential units contracted and total saleable area are 6 and 7,281 square feet, respectively.*
7. *Representing property sales proceeds of HK$89.3 million and rental proceeds of HK$4.7 million in relation to certain residential units offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*
8. *No. of car parking spaces attributable to the Group. The total no. of car parking spaces contracted is 7.*

Review of Major Projects for Sale and under Development

Hong Kong Properties

Alto Residences

In November 2012, the Group successfully tendered for and secured a site located at Area 68A2, Tseung Kwan O, New Territories, through a 50:50 joint venture vehicle. The lot has an area of 229,338 square feet with a total GFA of 573,268 square feet split into 458,874 square feet for residential use and 114,394 square feet for commercial use. Construction has been completed with the Occupation Permit issued by the Buildings Department in May 2018. The Certificate of Compliance was issued by the Lands Department in September 2018.

This project providing 605 flats, including 23 houses was launched for pre-sale in October 2016. 604 units, including 23 houses in Alto Residences have been sold, with saleable area of approximately 404,640 square feet at an average selling price of approximately HK$18,000 per square foot. The Group released in total 86 car parking spaces of Alto Residences for sale since March 2019. Up to 14 October 2022, 75 car parking spaces have been sold and the total sales proceeds amounted to approximately HK$204.1 million.

93 Pau Chung Street

In April 2014, the Group was successful in its bid for the development right to the San Shan Road/Pau Chung Street project from the Urban Renewal Authority in Ma Tau Kok, Kowloon, Hong Kong. The lot has an area of 12,599 square feet with a total GFA of 111,354 square feet split into 94,486 square feet for residential use and 16,868 square feet for commercial use. The construction was completed with the Occupation Permit issued by the Buildings Department in July 2018 and the Certificate of Compliance issued by the Lands Department in November 2018.

This project was launched for pre-sale in September 2016. The sale and handover of all 209 residential units and 7 commercial units have been completed, achieving an average selling price of approximately HK$16,400 per square foot and HK$23,500 per square foot, respectively. Up to 14 October 2022, 7 out of 20 car parking spaces and 4 out of 5 motor-parking spaces have been sold and the total sales proceeds amounted to approximately HK$10.2 million.

The Group owns 100% of this project.

Novi

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

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

The Group owns 100% of this project.

Monti

The Group was successful in its bid for the development rights to the Sai Wan Ho Street project in September 2015 from the Urban Renewal Authority in Shau Kei Wan, Hong Kong. The project covers a site area of 7,642 square feet and provides 144 residential units with a total saleable area of approximately 45,822 square feet. Construction work has been completed. The Occupation Permit was issued by the Buildings Department in October 2019 and the Certificate of Compliance was issued by the Lands Department in March 2020.

This project was launched for pre-sale in August 2018. Up to 14 October 2022, the Group has sold 140 units in Monti with saleable area of approximately 44,378 square feet at an average selling price of approximately HK$21,300 per square foot. Handover of the residential units which have been sold has been substantially completed.

The Group owns 100% of this project.

Tai Kei Leng project

In March 2019, the Group successfully tendered for and secured a site located at No. 266 Tai Kei Leng, Lot No. 5382 in Demarcation District No. 116, Tai Kei Leng, Yuen Long, Hong Kong. This site is designated for private residential purposes, providing 112 residential units, will add a total GFA of approximately 42,200 square feet to the development portfolio of the Group. Construction work is in progress and is expected to be completed in the first quarter of 2024. Pre-sale of residential units is expected to be launched in the first quarter of 2023.

The Group owns 100% of this project.

Bal Residence (formerly known as the Hang On Street project)
In April 2019, the Group successfully secured the Urban Renewal Authority project covering a site area of approximately 8,500 square feet at No. 18 Hang On Street, Kwun Tong, Hong Kong which will be developed into a total GFA of approximately 64,000 square feet of residential spaces, offering 156 residential units. The project has been officially named as "Bal Residence". Construction work is in progress and is expected to be completed in the fourth quarter of 2023. Pre-sale of residential units is expected to be launched in the fourth quarter 2022.

The Group owns 100% of this project.

Wong Chuk Hang project
In January 2021, the consortium formed by the Group together with New World Development Company Limited, Empire Development Hong Kong (BVI) Limited and CSI Properties Limited successfully won the tender for the Wong Chuk Hang Station Package Five Property Development. This residential development project sitting on top of the Wong Chuk Hang MTR station in the prominent Southern district of Hong Kong covers a site area of approximately 95,400 square feet, with a total GFA of approximately 636,100 square feet and is expected to deliver two residential towers, offering around 1,050 residential units. The design and planning works are in progress and construction is expected to be completed in 2025.

The Group owns 15% interest in this project.

116 Waterloo Road project
In September 2021, the Group acquired the 3-storey building at No. 116 Waterloo Road in Ho Man Tin, Kowloon, Hong Kong for redevelopment purpose and the transaction was completed with vacant possession in March 2022. The Group intends to redevelop the site into a residential project with a total GFA of approximately 46,100 square feet, offering around 79 residential units, with a total investment of approximately HK$1.1 billion. The design, planning and demolition works are in progress and construction is expected to be completed in the first half of 2026.

The Group owns 100% of this project.

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

The Group owns 100% of this project.

1&1A Kotewall Road project
In January 2022, the Group acquired two adjacent buildings at Nos. 1&1A Kotewall Road in Mid-Levels, Hong Kong Island for redevelopment purpose and the transaction was completed with vacant possession in March 2022. The Group intends to redevelop the site into a luxury residential project with a total GFA of approximately 55,200 square feet, offering around 28 medium-large sized residential units upon completion. The total investment of the project will be approximately HK$1.9 billion. The design, planning and demolition works are in progress and construction is expected to be completed in the first half of 2027.

The Group owns 100% of this project.

Mainland China Properties

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

Shanghai Skyline Tower (Shanghai Northgate Plaza Redevelopment Project)
Shanghai Skyline Tower is a mixed-use redevelopment project of Shanghai Northgate Plaza I, Northgate Plaza II and the Hui Gong Building, located at Tian Mu Road West in the Jing'an District of Shanghai near the Shanghai Railway Terminal. Shanghai Northgate Plaza I was comprised of office units, a retail podium and car parking spaces. Shanghai Northgate Plaza II was a vacant site adjacent to Northgate Plaza I. In September 2016, Lai Fung Group completed the acquisition of the 6^{th} to 11^{th} floors of Hui Gong Building which is physically connected to Northgate Plaza I, together with the right to use 20 car parking spaces in the basement. Shanghai Skyline Tower, including a 33-storey office tower, a 3-level shopping mall and a car-parking basement, is expected to add a total GFA of approximately 727,200 square feet excluding car parking spaces to the rental portfolio of Lai Fung Group. The construction of Shanghai Skyline Tower has been completed in late September 2022 and leasing is underway. As at the date of this results announcement, approximately 8% of commercial and office area have been pre-leased with letter of intent signed.

Lai Fung Group owns 100% of this property.

Shanghai Wuli Bridge Project
Shanghai Wuli Bridge Project is a high-end luxury residential project located by Huangpu River in Huangpu District in Shanghai. This project providing 28 residential units with an attributable GFA of approximately 77,900 square feet and 43 car parking spaces was launched for sale in September 2020 and has received an enthusiastic response from the market. During the year under review, sales of three residential units with a total GFA of 7,513 square feet were recognised at an average selling price of HK$12,911 per square foot, which contributed a total of HK$89.0 million to Lai Fung Group's turnover and the sale of three car parking spaces contributed HK$2.0 million to Lai Fung Group's turnover. The total carrying amount of one unsold residential unit and 13 unsold car parking spaces of this development was approximately HK$53.6 million as at 31 July 2022.

Lai Fung Group owns 100% interest in 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 2022, 458 car parking spaces of this development remained unsold with a carrying amount of approximately HK$104.3 million.

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. As at 31 July 2022, a total of 220 car parking spaces of this development remained unsold with a carrying amount of approximately HK$54.1 million.

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

Guangzhou King's Park
This is a high-end residential development located on Donghua Dong Road in Yuexiu District. The attributable GFA is approximately 98,300 square feet excluding 57 car parking spaces and ancillary facilities. During the year under review, the sales of two car parking spaces contributed HK$1.4 million to the turnover. As at 31 July 2022, the contracted but not yet recognised sales of one car parking space amounted to approximately HK$0.8 million and the five unsold car parking spaces have a total carrying amount of approximately HK$3.3 million.

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

Guangzhou Lai Fung International Center (formerly known as Guangzhou Haizhu Plaza)
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. Lai Fung Group owns the entire project. Guangzhou Lai Fung International Center, comprising a 22-storey office tower, including 4-level commercial facilities, has a total project GFA of approximately 589,000 square feet and is intended to be developed for rental purposes. The construction is expected to complete by end of 2022. The pre-leasing work is in progress and as at the date of this results announcement, approximately 20% of commercial and office area have been pre-leased.

Lai Fung Group owns 100% of this property.

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. Construction of remaining phases of Zhongshan Palm Spring has been completed and handover of sold units is in progress.

During the year under review, 626,549 square feet of high-rise residential units and 33,395 square feet of house units were recognised at an average selling price of HK$1,861 per square foot and HK$3,621 per square foot, respectively, which contributed a total of HK$1,185.7 million to the sales turnover. As at 31 July 2022, contracted but not yet recognised sales for high-rise residential units and house units amounted to HK$460.8 million and HK$15.2 million, at an average selling price of HK$2,040 per square foot and HK$3,664 per square foot, respectively.

STARR Resort Residence Zhongshan comprising two 16-storey blocks in the Palm Lifestyle complex was closed in 2019. The serviced apartment units were launched for sale in May 2019 and have been re-classified from "Property, plant and equipment" to "Assets classified as held for sale" in the consolidated statement of financial position of Lai Fung Group. During the year under review, two serviced apartment units have been sold for a total sales proceed of approximately HK$2.8 million. The sale of these serviced apartment units is recorded as disposal of assets classified as held for sale and the sales proceeds net of cost are included in "Other operating expenses, net" on the face of the consolidated income statement of Lai Fung Group. As at 31 July 2022, contracted but not yet recognised sales for one serviced apartment unit amounted to HK$1.6 million, at an average selling price of HK$1,536 per square foot.

As at 31 July 2022, completed units held for sale in this development, including residential units, serviced apartment units and commercial units, amounted to approximately 1,169,400 square feet with a total carrying amount of approximately HK$920.8 million. The carrying amount of the 2,679 unsold car parking spaces of this development as at 31 July 2022 was approximately HK$245.6 million.

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 66,130 square feet of cultural studios and 1,924 square feet of cultural workshop units were recognised at an average selling price of HK$5,246 per square foot and HK$3,925 per square foot, respectively, which contributed a total of HK$335.9 million to Lai Fung Group's turnover. As at 31 July 2022, contracted but not yet recognised sales for cultural studios and cultural workshop units amounted to HK$79.8 million and HK$3.8 million, at an average selling price of HK$4,903 per square foot and HK$3,990 per square foot, respectively. As at 31 July 2022, completed properties held for sale in Novotown Phase I, including cultural studios, cultural workshop units and office units, amounted to approximately 980,700 square feet with a total carrying amount of approximately HK$2,228.1 million.

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

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

Construction work is in progress and the completion is expected to be in phases by 2024. This mixed-used development project is expected to provide commercial and experiential entertainment facilities, office space and serviced apartment space of 355,500 square feet, 1,585,000 square feet and 578,400 square feet, respectively. Parts of the office units and serviced apartment units have been designated as for-sale properties. Properties in Novotown Phase II occupied by Harrow ILA Hengqin have been sold to the school operator, which enabled Lai Fung Group to crystalise the value of its investment in Novotown Phase II and gradually recoup funding to improve the project's working capital position.

Lai Fung Group entered into a licence agreement with Real Madrid Club de Fútbol in June 2017 in relation to the development and operation of the location based entertainment centre, namely Real Madrid World in Novotown. Real Madrid World is currently under construction and upon completion, will be made up of signature experiences including interactive training games, a walkthrough of Real Madrid history, plus dining and retail outlets. Lai Fung Group is in the process of identifying and planning for a motor-themed experience centre, as well as other culturally themed tourism facilities in Novotown Phase II.

Lai Fung Group remains confident that the deepening of cooperation between Hengqin and Macau, and the continuous development of the Guangdong-Macau In-Depth Cooperation Zone in Hengqin will encourage more businesses and population to reside in Hengqin which will further enhance the tourism market, making Novotown a new contributor to Lai Fung Group's results in the long run.

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

RESTAURANT AND F&B PRODUCT SALES OPERATIONS

For the year ended 31 July 2022, restaurant and F&B product sales operations contributed HK$419.9 million to the Group's turnover, representing a decrease of 5.2% from that of HK$443.1 million for last financial year. During the year under review, restaurant operations of the Group continued to be negatively affected by compulsory social distancing and seat restrictions, as well as restrictions on reduced dining time, especially during the fifth wave of COVID-19 epidemic.

Up to the date of this results announcement, restaurant operations include the Group's interests in 24 restaurants in Hong Kong and Mainland China and 1 restaurant in Macau under management. Details of each existing restaurant of the Group are as follows:

Cuisine	Restaurant	Location	Attributable interest to the Group	Award
Owned restaurants				
Western/ International Cuisine	8½ Otto e Mezzo BOMBANA Hong Kong	Hong Kong	38%	Three Michelin stars (2012-2022)
	8½ Otto e Mezzo BOMBANA Shanghai	Shanghai	13%	Two Michelin stars (2017-2022)
	Opera BOMBANA	Beijing	20%	
	CIAK - In The Kitchen	Hong Kong	63%	One Michelin star (2015-2017)
	CIAK - All Day Italian	Hong Kong	68%	Michelin Bib Gourmand (2017-2021)
	Beefbar	Hong Kong	63%	One Michelin star (2017-2022)
	Takumi by Daisuke Mori	Hong Kong	65%	One Michelin star (2018-2022)
	Prohibition *(Note)*	Hong Kong	100%	
	Zest by Konishi	Hong Kong	68%	One Michelin star (2020-2022)
	Cipriani	Hong Kong	44%	
	ADD+	Hong Kong	68%	
Asian Cuisine	China Tang Landmark	Hong Kong	51%	The Plate Michelin (2019-2021)
	China Tang Beijing	Beijing	68%	
	Howard's Gourmet	Hong Kong	51%	
	Chiu Tang Central	Hong Kong	68%	
	Old Bazaar Kitchen	Hong Kong	65%	
	Canton Bistro *(Note)*	Hong Kong	100%	
	KiKi Noodle Bar IFC	Hong Kong	85%	
	KiKi Noodle Bar K11 MUSEA	Hong Kong	85%	
	MOSU Hong Kong PLUS by MOSU	Hong Kong	68%	Three Michelin stars (Seoul) (2023)
	China Club	Hong Kong	10%	
Japanese Cuisine	Masa Hong Kong	Hong Kong	68%	
	Rozan	Hong Kong	65%	
	Yamato	Hong Kong	60%	
Managed restaurant				
Western Cuisine	8½ Otto e Mezzo BOMBANA, Macau	Macau	N/A	One Michelin star (2016-2022)

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

HOTEL AND SERVICED APARTMENT OPERATIONS

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

For the year ended 31 July 2022, the hotel and serviced apartment operations contributed HK$650.0 million to the Group's turnover (2021: HK$621.2 million). During the year under review, a number of promotion campaigns including staycation packages and dining offers were launched by Hong Kong Ocean Park Marriot Hotel to attract the local guests and the hotel was operating as a designated quarantine hotel since June 2022 before the change of quarantine arrangement in Hong Kong to a "0+3" regime in September 2022.

Breakdown of turnover from hotel and serviced apartment operations for the year ended 31 July 2022 is as follows:

	Location	**Attributable interest to the 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	251.1	59.9
Ascott Huaihai Road Shanghai	Shanghai	55.08%	310	358,009	95.9	65.2
STARR Hotel Shanghai	Shanghai	55.08%	239	143,846	21.7	36.6
Hyatt Regency Hengqin	Hengqin	64.06%	493	610,540	59.0	28.1
Caravelle Hotel	Ho Chi Minh City	26.01%	335	378,225	222.4	60.7
Subtotal:			**1,848**	**1,856,594**	**650.1**	
Hotel management fee					(0.1)	
Total:					**650.0**	
Joint Venture Project						
Fairmont St. Andrews resort (50% basis)	Scotland	50%	106[2]	138,241[2]	91.7	69.1

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

Ocean Park Marriott Hotel officially commenced its operations on 19 February 2019, adding a total of 471 rooms and approximately 365,974 square feet of attributable rental space to the rental portfolio of the Group. Despite the impact of the COVID-19 pandemic on the tourism industry in Hong Kong especially with stringent travel restrictions and border closures, the Group remains cautiously optimistic about the prospects of the Ocean Park Marriott Hotel given the popularity of Ocean Park, as well as its newly opened Water World, being Asia's first all-season water park. The Group owns 100% interest in Ocean Park Marriott Hotel.

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

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

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

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

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

CINEMA OPERATION

The cinema operation is managed by eSun Group. For the year ended 31 July 2022, this segment recorded a turnover of HK$385.0 million (2021: HK$212.0 million) and segment results of a loss of HK$130.1 million (2021: a loss of HK$151.7 million). During the year under review, eSun Group has one more cinema in Hong Kong commenced operation, namely MCL Cinemas Plus+ Plaza Hollywood (a joint venture project with Emperor Cinemas Group). The box office of its cinemas in Hong Kong recorded significant growth compared to the last financial year, especially during the holiday season before the surge of fifth-wave COVID-19 cases in January 2022 and after their reopening from 21 April 2022 under the recent relaxation of social distancing measures in Hong Kong. As at the date of this results announcement, eSun Group operates fifteen cinemas in Hong Kong (including one joint venture project) and two cinemas in Mainland China and details on the number of screens and seats of each existing cinema are as follows:

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

Note: On 100% basis

MEDIA AND ENTERTAINMENT

The media and entertainment businesses are operated by eSun Group. For the year ended 31 July 2022, this segment recorded a turnover of HK$256.8 million (2021: HK$321.1 million) and segment results of a loss decreased to HK$8.4 million from that of HK$33.5 million in the same period last year.

Events Management

During the year under review, eSun Group organised and invested in 18 (2021: 14) shows by popular local, Asian and internationally renowned artistes, including Sammi Cheng, Joyce Cheng, Jay Fung, C AllStar, Nowhere Boys and Eman Lam.

Music Production, Distribution and Publishing

During the year under review, eSun Group released 18 (2021: 19) albums, including titles by Sammi Cheng, Joyce Cheng, Jay Fung, C AllStar, Ivana Wong, Leslie Cheung and Anita Mui. eSun Group is expected to continue to increase its music licensing revenue from the exploitation of the music library through new media distribution.

Artiste Management

eSun Group has a strong artiste management team and a sizeable number of talents and will continue to expand its profile and in tandem with our growing television drama production and film production business. eSun Group currently has 33 artistes under its management.

FILM AND TV PROGRAM PRODUCTION AND DISTRIBUTION

The film and TV program production and distributed businesses are operated by eSun Group. For the year ended 31 July 2022, this segment recorded a turnover of HK$184.6 million (2021: HK$298.9 million) and segment results of a loss of HK$52.8 million (2021: a loss of HK$95.0 million).

During the year under review, a total of 8 (2021: 6) films produced/invested by eSun Group were theatrically released, namely "*American Girl*", "*Chilli Laugh Story*", "*Fireflies in the Sun*", "*Look Up*", "*Rising Boas In A Girl's School*" and "*Septet: The Story of Hong Kong*". eSun Group also distributed 19 (2021: 27) films and 196 (2021: 165) videos with high profile titles including "*American Girl*", "*Fast & Furious 9*", "*No Time to Die*", "*Top Gun: Maverick" and "The Lost City*".

INTERESTS IN JOINT VENTURES

During the year ended 31 July 2022, losses from joint ventures amounted to HK$42.0 million, as compared to losses of HK$473.0 million for the same period last year. The narrowed loss is primarily due to the decrease in fair value loss of CCB Tower and improved operating profits of Alto Residences during the year under review.

	For the year ended 31 July	
	2022 **(HK$ million)**	2021 (HK$ million)
Revaluation losses	**(303.6)**	(635.5)
Operating profits	**261.6**	162.5
Share of losses from joint ventures	**(42.0)**	(473.0)

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 July 2022, cash and bank balances and undrawn facilities held by the Group amounted to HK$7,580.7 million and HK$5,784.6 million, respectively. Cash and bank balances held by the Group of which about 40% was denominated in Hong Kong dollars and United States dollars, and about 53% was denominated in Renminbi. Excluding eSun Group and Lai Fung Group, cash and bank balances and undrawn facilities held by the Group as at 31 July 2022 were HK$2,234.5 million and HK$3,777.3 million, respectively.

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

As at 31 July 2022, the Group had bank borrowings of approximately HK$17,362.0 million, guaranteed notes of approximately HK$10,151.2 million and other borrowings of approximately HK$322.7 million. As at 31 July 2022, the maturity profile of the bank borrowings of HK$17,362.0 million is spread with HK$1,525.3 million repayable within 1 year, HK$6,487.1 million repayable in the second year, HK$7,769.4 million repayable in the third to fifth years, and HK$1,580.2 million repayable beyond the fifth year.

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

Approximately 63% and 36% of the Group's total borrowings carried interest on a floating rate basis and fixed rate basis, respectively, and the remaining 1% of Group's borrowings were interest-free.

The gearing ratio, expressed as a percentage of the total outstanding net debt (being the total borrowings less cash and bank balances) to consolidated net assets attributable to owners of the Company, was approximately 62%. Excluding the net debt of eSun Group and Lai Fung Group, the Group's gearing ratio was approximately 42%. Excluding the net debt of London portfolio which had a positive carry net of financing costs, and the net debt of eSun Group and Lai Fung Group, the Group's gearing ratio was approximately 40%.

As at 31 July 2022, certain investment properties with carrying amounts of approximately HK$31,314.9 million, certain property, plant and equipment with carrying amounts of approximately HK$2,971.4 million, certain right-of-use assets of approximately HK$2,864.0 million, certain completed properties for sale of approximately HK$1,100.0 million, certain properties under development of approximately HK$3,587.3 million, certain serviced apartments and related leasehold improvements of approximately HK$354.8 million, certain construction in progress of approximately HK$274.3 million, and certain bank balances and time deposits with banks of approximately HK$630.8 million were pledged to banks to secure banking facilities granted to the Group. In addition, certain shares in subsidiaries were pledged to banks to secure banking facilities granted to the Group. Shares in certain joint ventures were pledged to banks to secure banking facilities granted to the respective joint ventures of the Group. The Group's secured bank borrowings were also secured by floating charges over certain assets held by the Group.

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

CORPORATE GOVERNANCE

The Company 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 Appendix 14 to the Listing Rules on the Stock Exchange from time to time.

The Company has complied with all the code provisions set out in the CG Code during the year ended 31 July 2022 save for the deviation from code provision F.2.2.

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

Due to other pre-arranged business commitments which must be attended to by Dr. Lam Kin Ngok, Peter, the Chairman, he was not present at the AGM held on 17 December 2021. However, Mr. Chew Fook Aun, the Deputy Chairman and an Executive Director present at that AGM took the chair of that AGM pursuant to Article 71 of the Articles of Association to ensure an effective communication with the Shareholders thereat.

SECURITIES TRANSACTIONS BY DIRECTORS AND DESIGNATED EMPLOYEES

The Company has adopted a Code of Practice for Securities Transactions by Directors and Designated Employees ("**Securities Code**") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules. The Company has made specific enquiry of all Directors and they have confirmed in writing their compliance with the required standard set out in the Securities Code throughout the year ended 31 July 2022.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 July 2022, the Group employed a total of approximately 4,000 employees. The Group recognises the importance of maintaining a stable staff force in its continued success. Under the Group's existing policies, employee pay rates are maintained at competitive levels whilst promotion and salary increments are assessed on a performance-related basis. Discretionary bonuses are granted to employees based on their merit and in accordance with industry practice. Other benefits including share option scheme, mandatory provident fund scheme, free hospitalisation insurance plan, subsidised medical care and sponsorship for external education and training programmes are offered to eligible employees.

INVESTOR RELATIONS

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

Despite the pandemic, the Group maintains proactive interactions with the investment community and provides them with updates on the Group's operations, financial performance and outlook. During the year under review, the Company has been communicating with a number of research analysts and investors via online meetings and conference calls as follows:

Month	Event (Virtual)	Organiser	Investor Base
October 2021	Post results non-deal roadshow	DBS	Hong Kong
October 2021	Post results non-deal roadshow	DBS	United States
October 2021	Post results non-deal roadshow	HSBC	Hong Kong/Singapore/ Mainland China
November 2021	Post results non-deal roadshow	DBS	United States
March 2022	Post results non-deal roadshow	DBS	Hong Kong/Singapore/ United Kingdom/United Arab Emirates
March 2022	Post results non-deal roadshow	DBS	United States
March 2022	Post results non-deal roadshow	HSBC	Hong Kong
July 2022	DBS Vickers Hong Kong Property and Logistics Conference Calls	DBS	Hong Kong/Singapore/ United States

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

REVIEW OF ANNUAL RESULTS

The audit committee of the Company ("**Audit Committee**") currently comprises three Independent Non-Executive Directors, namely Mr. Leung Shu Yin, William (Chairman of the Audit Committee), Mr. Lam Bing Kwan and Mr. Ip Shu Kwan, Stephen. The Audit Committee has reviewed the annual results (including the consolidated financial statements) of the Company for the year ended 31 July 2022.

REVIEW OF 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 2022 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.

OTHER INFORMATION

The Annual Report of the Company for the year ended 31 July 2022 containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange at www.hkex.com.hk and the Company at www.laisun.com and despatched to shareholders in mid-November 2022.

On behalf of the Board
Lam Kin Ngok, Peter
Chairman

Hong Kong, 21 October 2022

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

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