



LAI SUN GARMENT

Lai Sun Garment (International) Limited  
(Stock Code: 191)

## Interim Report

For the six months ended 31 January 2013



# ▶ Corporate Information

## PLACE OF INCORPORATION

Hong Kong

## BOARD OF DIRECTORS

### *Executive Directors*

Lam Kin Ming (*Chairman*)

Lam Kin Ngok, Peter (*Deputy Chairman*)

Chew Fook Aun (*Deputy Chairman*)

Lam Hau Yin, Lester

*(also alternate director to U Po Chu)*

Lam Kin Hong, Matthew

U Po Chu

### *Independent Non-executive Directors*

Chow Bing Chiu

Lam Bing Kwan

Leung Shu Yin, William

## AUDIT COMMITTEE

Leung Shu Yin, William (*Chairman*)

Chow Bing Chiu

Lam Bing Kwan

## REMUNERATION COMMITTEE

Lam Bing Kwan (*Chairman*)

Chew Fook Aun

Chow Bing Chiu

Leung Shu Yin, William

## COMPANY SECRETARY

Tse Pik Ha

## REGISTERED OFFICE / PRINCIPAL OFFICE

11th Floor

Lai Sun Commercial Centre

680 Cheung Sha Wan Road

Kowloon, Hong Kong

Tel: (852) 2741 0391

Fax: (852) 2785 2775

## AUTHORISED REPRESENTATIVES

Lam Kin Ming

Chew Fook Aun

## SHARE REGISTRARS AND TRANSFER OFFICE

Tricor Tengis Limited

26th Floor, Tesbury Centre

28 Queen's Road East

Wanchai, Hong Kong

## INDEPENDENT AUDITORS

Ernst & Young

Certified Public Accountants

## PRINCIPAL BANKERS

The Bank of East Asia, Limited

China Construction Bank Corporation

Chong Hing Bank Limited

Hang Seng Bank Limited

The Hongkong and Shanghai Banking Corporation Limited

Oversea-Chinese Banking Corporation Limited

## SHARE INFORMATION

### *Place of Listing*

The Main Board of The Stock Exchange  
of Hong Kong Limited

### *Stock Code*

191

### *Board Lot*

1,000 shares

## WEBSITE

[www.laisun.com](http://www.laisun.com)

## INVESTOR RELATIONS

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The board of directors (the “Board”) of Lai Sun Garment (International) Limited (the “Company”) is pleased to present the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 31 January 2013 together with the comparative figures of the last corresponding period as follows:

## Condensed Consolidated Income Statement

For the six months ended 31 January 2013

	Notes	Six months ended 31 January	
		2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000 (Restated)
TURNOVER	3	<b>470,283</b>	487,621
Cost of sales		<b>(152,594)</b>	(191,485)
Gross profit		<b>317,689</b>	296,136
Other revenue and gain		<b>22,358</b>	12,181
Selling and marketing expenses		<b>(11,519)</b>	(6,480)
Administrative expenses		<b>(232,343)</b>	(186,139)
Other operating expenses, net		<b>(17,775)</b>	(30,869)
Fair value gains on investment properties		<b>1,519,509</b>	114,256
Reversal of provision for tax indemnity	13(d)	—	1,060
PROFIT FROM OPERATING ACTIVITIES	4	<b>1,597,919</b>	200,145
Finance costs	5	<b>(48,013)</b>	(32,025)
Share of profits and losses of associates	8(a)	<b>(6,630)</b>	(23,214)
Share of profits and losses of joint ventures	8(b)	<b>502,978</b>	134,614
Discount on acquisition of additional interest in an associate	8(a)	<b>134,930</b>	88,695
PROFIT BEFORE TAX		<b>2,181,184</b>	368,215
Tax	6	<b>(25,345)</b>	(20,064)
PROFIT FOR THE PERIOD		<b>2,155,839</b>	348,151
Attributable to:			
Owners of the Company		<b>1,103,758</b>	185,128
Non-controlling interests		<b>1,052,081</b>	163,023
		<b>2,155,839</b>	348,151
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	7		
Basic		<b>HK\$0.682</b>	HK\$0.114
Diluted		<b>HK\$0.675</b>	N/A

# Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 January 2013

	Six months ended 31 January	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000 (Restated)
PROFIT FOR THE PERIOD	<b>2,155,839</b>	348,151
OTHER COMPREHENSIVE INCOME/(EXPENSES)		
Changes in fair value of available-for-sale financial assets	<b>30,587</b>	71,335
Exchange realignments	<b>18,930</b>	27,620
Share of investment revaluation reserve of an associate	<b>8,847</b>	(1,808)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	<b>58,364</b>	97,147
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<b>2,214,203</b>	445,298
Attributable to:		
Owners of the Company	<b>1,131,767</b>	231,724
Non-controlling interests	<b>1,082,436</b>	213,574
	<b>2,214,203</b>	445,298

# Condensed Consolidated Statement of Financial Position

As at 31 January 2013

	Notes	31 January 2013 (Unaudited) HK\$'000	31 July 2012 (Audited) HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		878,900	672,960
Prepaid land lease payments		24,496	25,010
Investment properties		11,808,654	10,254,611
Properties under development for sale		1,559,027	1,435,473
Interests in associates	8(a)	3,383,059	3,115,115
Interests in joint ventures	8(b)	5,593,013	3,914,401
Available-for-sale financial assets		1,195,281	1,185,810
Pledged bank balances and time deposits		75,595	—
Deposit paid		—	61,500
<b>Total non-current assets</b>		<b>24,518,025</b>	<b>20,664,880</b>
<b>CURRENT ASSETS</b>			
Completed properties for sale		106,580	106,580
Equity investments at fair value through profit or loss		17,186	1,648
Inventories		6,982	5,305
Debtors, deposits paid and other receivables	9(a)	157,158	104,692
Pledged bank balances and time deposits		—	106,037
Cash and cash equivalents		3,504,103	1,746,822
<b>Total current assets</b>		<b>3,792,009</b>	<b>2,071,084</b>
<b>CURRENT LIABILITIES</b>			
Creditors, deposits received and accruals	9(b)	286,398	273,070
Tax payable		69,068	65,843
Bank and other borrowings		778,482	1,417,818
<b>Total current liabilities</b>		<b>1,133,948</b>	<b>1,756,731</b>
<b>NET CURRENT ASSETS</b>		<b>2,658,061</b>	<b>314,353</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>27,176,086</b>	<b>20,979,233</b>
<b>NON-CURRENT LIABILITIES</b>			
Bank and other borrowings		(2,969,850)	(1,739,149)
Guaranteed notes	10	(2,692,979)	—
Note payable and interest payable		(301,577)	(295,875)
Amounts due to associates		(20,799)	(20,799)
Deferred tax		(172,996)	(171,224)
Provision for tax indemnity	13(d)	(716,608)	(716,608)
Long term rental deposits received		(87,809)	(65,929)
<b>Total non-current liabilities</b>		<b>(6,962,618)</b>	<b>(3,009,584)</b>
		<b>20,213,468</b>	<b>17,969,649</b>
<b>EQUITY</b>			
Equity attributable to owners of the Company			
Issued capital		16,174	16,174
Share premium account		1,908,840	1,908,840
Investment revaluation reserve		159,408	140,492
Share option reserve		16,662	8,658
Asset revaluation reserve		55,494	55,494
Other reserve		325,808	35,432
Exchange fluctuation reserve		9,515	422
Retained profits		7,964,990	6,861,232
<b>Non-controlling interests</b>		<b>9,756,577</b>	<b>8,942,905</b>
		<b>20,213,468</b>	<b>17,969,649</b>

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 January 2013

	Attributable to owners of the Company								Non-controlling interests HK\$'000	Total HK\$'000	
	Issued capital HK\$'000	Share premium account HK\$'000	Investment revaluation reserve HK\$'000	Share option reserve HK\$'000	Asset revaluation reserve HK\$'000	Other reserve HK\$'000 (Note)	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000			Sub-total HK\$'000
At 31 July 2012 and 1 August 2012 (Audited)	16,174	1,908,840	140,492	8,658	55,494	35,432	422	6,861,232	9,026,744	8,942,905	17,969,649
Profit for the period	—	—	—	—	—	—	—	1,103,758	1,103,758	1,052,081	2,155,839
Other comprehensive income for the period:											
Changes in fair value of available-for-sale financial assets	—	—	14,672	—	—	—	—	—	14,672	15,915	30,587
Exchange realignments	—	—	—	—	—	—	9,093	—	9,093	9,837	18,930
Share of investment revaluation reserve of an associate	—	—	4,244	—	—	—	—	—	4,244	4,603	8,847
Total comprehensive income for the period	—	—	18,916	—	—	—	9,093	1,103,758	1,131,767	1,082,436	2,214,203
Share of reserve movements of an associate	—	—	—	2,244	—	28,976	—	—	31,220	33,862	65,082
Recognition of share-based payments	—	—	—	5,760	—	—	—	—	5,760	54,735	60,495
Capital contribution from non-controlling interests of a subsidiary	—	—	—	—	—	—	—	—	—	11,902	11,902
Acquisition of additional interest in a subsidiary	—	—	—	—	—	261,400	—	—	261,400	(369,263)	(107,863)
<b>At 31 January 2013 (Unaudited)</b>	<b>16,174</b>	<b>1,908,840</b>	<b>159,408</b>	<b>16,662</b>	<b>55,494</b>	<b>325,808</b>	<b>9,515</b>	<b>7,964,990</b>	<b>10,456,891</b>	<b>9,756,577</b>	<b>20,213,468</b>
At 31 July 2011 and 1 August 2011, as originally stated (Audited)	16,174	1,908,840	95,955	174	55,494	1,249	37,163	5,475,334	7,590,383	7,495,211	15,085,594
Profit for the period	—	—	—	—	—	—	—	185,128	185,128	163,023	348,151
Other comprehensive income/(expense) for the period:											
Changes in fair value of available-for-sale financial assets	—	—	34,219	—	—	—	—	—	34,219	37,116	71,335
Exchange realignments	—	—	—	—	—	—	13,244	—	13,244	14,376	27,620
Share of investment revaluation reserve of an associate	—	—	(867)	—	—	—	—	—	(867)	(941)	(1,808)
Total comprehensive income for the period	—	—	33,352	—	—	—	13,244	185,128	231,724	213,574	445,298
Subscription of shares of a subsidiary pursuant to a rights issue	—	—	—	—	—	—	—	—	—	276,344	276,344
Share of reserve movements of associates	—	—	—	57	—	25,129	—	—	25,186	27,318	52,504
Repayment to non-controlling interests of subsidiaries	—	—	—	—	—	—	—	—	—	(2,360)	(2,360)
At 31 January 2012, as restated (Unaudited)	16,174	1,908,840	129,307	231	55,494	26,378	50,407	5,660,462	7,847,293	8,010,087	15,857,380

Note: During the period from October to December 2012, the Group acquired 2% additional interest in a subsidiary, Lai Sun Development Company Limited ("LSD"), from the public shareholders at a cost of approximately HK\$107,863,000 and the Group's interest in LSD increased from 47.97% to 49.97%. A discount on acquisition of HK\$261,400,000 was credited to other reserve.

# Condensed Consolidated Statement of Cash Flows

For the six months ended 31 January 2013

	Six months ended	
	31 January 2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000 (Restated)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<b>62,785</b>	136,253
NET CASH FLOWS USED IN INVESTING ACTIVITIES	<b>(1,592,439)</b>	(564,035)
NET CASH FLOWS FROM FINANCING ACTIVITIES	<b>3,286,481</b>	345,388
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<b>1,756,827</b>	(82,394)
Cash and cash equivalents at beginning of period	<b>1,746,822</b>	1,455,110
Effect of foreign exchange rate changes, net	<b>454</b>	(2,889)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<b>3,504,103</b>	1,369,827
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	<b>2,975,137</b>	397,171
Non-pledged time deposits	<b>528,966</b>	972,656
	<b>3,504,103</b>	1,369,827

# Notes to Condensed Consolidated Interim Financial Statements

## 1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 31 January 2013 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

The condensed consolidated interim financial statements have not been audited by the Company’s auditors but have been reviewed by the Company’s audit committee.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### Changes in accounting policies

The significant accounting policies and basis of presentation used in the preparation of these interim financial statements are the same as those used in the Group’s audited consolidated financial statements for the year ended 31 July 2012. The Group has adopted the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”, which also include HKASs and Interpretations) which are applicable to the Group and are effective in the current period. The adoption of these new and revised HKFRSs has had no material impact on the reported results or financial position of the Group.

During the year ended 31 July 2012, the Group had early adopted the following new and revised HKFRSs in advance of their respective effective dates for the first time:

HKAS 12 Amendments	Income Taxes — Deferred Tax: Recovery of Underlying Assets
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities

These six HKFRSs have been adopted retrospectively and the impact on the unaudited condensed consolidated income statement for the six months ended 31 January 2012 is set out below:

	HKAS 12 (Amendments) HK\$’000	HKFRS 10 HK\$’000	Total HK\$’000
Increase in turnover	—	451,506	451,506
Increase in cost of sales	—	(186,343)	(186,343)
Increase in other revenue and gain	—	11,400	11,400
Increase in selling and marketing expenses	—	(5,999)	(5,999)
Increase in administrative expenses	—	(171,569)	(171,569)
Increase in other operating expenses, net	—	(26,084)	(26,084)
Increase in fair value gains on investment properties	—	60,624	60,624
Increase in reversal of provision for tax indemnity	—	1,060	1,060
Increase in finance costs	—	(23,035)	(23,035)
Increase/(decrease) in share of profits and losses of associates	83	(141,236)	(141,153)
Increase in share of profits and losses of joint ventures	—	134,614	134,614
Increase in discount on acquisition of additional interest in an associate	—	88,695	88,695
Decrease/(increase) in tax	8,849	(17,139)	(8,290)
<b>Increase in profit for the period</b>	<b>8,932</b>	<b>176,494</b>	<b>185,426</b>
Increase in profit for the period attributable to:			
Owners of the Company	8,932	13,471	22,403
Non-controlling interests	—	163,023	163,023
	<b>8,932</b>	<b>176,494</b>	<b>185,426</b>
<b>Increase in basic earnings per share</b>	<b>HK\$0.006</b>	<b>HK\$0.008</b>	<b>HK\$0.014</b>



# Notes to Condensed Consolidated Interim Financial Statements *(Continued)*

## 2. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

### Impact of issued but not yet effective HKFRSs

The Group has not adopted the following new and revised HKFRSs, that have been issued but are not yet effective, in these interim financial statements:

HKAS 19 (2011)	Employee Benefits <sup>1</sup>
HKAS 32 Amendments	Amendments to HKAS 32 Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities <sup>2</sup>
HK(IFRIC) — Int 20	Stripping Costs in the Production Phase of a Surface Mine <sup>1</sup>
HKFRS 1 Amendments	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards — Government Loans <sup>1</sup>
HKFRS 7 Amendments	Amendments to HKFRS 7 Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities <sup>1</sup>
HKFRS 9	Financial Instruments <sup>3</sup>
HKFRS 9 and HKFRS 7 Amendments	Amendments to HKFRS 9 Financial Instruments and HKFRS 7 Financial Instruments: Disclosures — Mandatory Effective Date of HKFRS 9 and Transition Disclosures <sup>3</sup>
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendment to HKFRS 10, HKFRS 12 and HKAS 27 (2011) Investment Entities <sup>2</sup>
HKFRS 13	Fair Value Measurement <sup>1</sup>
Annual Improvements 2009 — 2011 Cycle	Amendments to a number of HKFRSs issued in June 2012 <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2013

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2014

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2015

The Group is in the process of making an assessment of the impact upon initial adoption of the above new and revised HKFRSs. The Group is not yet in a position to state whether they would have a significant impact on the Group's results of operations and financial position.

# Notes to Condensed Consolidated Interim Financial Statements (Continued)

## 3. SEGMENT INFORMATION

The following table presents revenue and results for the Group's reportable segments:

	Six months ended 31 January (Unaudited)											
	Property development and sales		Property investment		Hotel and restaurant operations		Others		Eliminations		Consolidated	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Restated)		(Restated)		(Restated)		(Restated)		(Restated)		(Restated)
Segment revenue:												
Sales to external customers	1,220	57,893	256,138	231,680	202,814	186,899	10,111	11,149	—	—	470,283	487,621
Intersegment sales	—	—	8,350	5,455	—	—	13,026	11,757	(21,376)	(17,212)	—	—
Other revenue	552	4,965	709	1,246	91	1	78	—	—	—	1,430	6,212
<b>Total</b>	<b>1,772</b>	<b>62,858</b>	<b>265,197</b>	<b>238,381</b>	<b>202,905</b>	<b>186,900</b>	<b>23,215</b>	<b>22,906</b>	<b>(21,376)</b>	<b>(17,212)</b>	<b>471,713</b>	<b>493,833</b>
Segment results	(12,696)	5,465	209,695	184,102	32,165	34,554	(917)	(819)	—	—	228,247	223,302
Interest income and unallocated gain											20,928	5,969
Fair value gains on investment properties	—	—	1,519,509	114,256	—	—	—	—	—	—	1,519,509	114,256
Unallocated expenses											(170,765)	(144,442)
Reversal of provision for tax indemnity											—	1,060
Profit from operating activities											1,597,919	200,145
Finance costs											(48,013)	(32,025)
Share of profits and losses of associates	(172)	(32)	3,646	575	(34)	(1,275)	—	—	—	—	3,440	(732)
Share of profits and losses of associates — unallocated											(10,070)	(22,482)
Share of profits and losses of joint ventures	41,623	8,768	461,355	125,846	—	—	—	—	—	—	502,978	134,614
Discount on acquisition of additional interest in an associate											134,930	88,695
Profit before tax											2,181,184	368,215
Tax											(25,345)	(20,064)
Profit for the period											2,155,839	348,151

The following table presents the total assets for the Group's reportable segments:

	Property development and sales		Property investment		Hotel and restaurant operations		Others		Consolidated	
	31 January	31 July	31 January	31 July	31 January	31 July	31 January	31 July	31 January	31 July
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Segment assets	1,694,155	1,555,210	11,844,146	10,389,688	1,068,179	781,934	60,947	56,819	14,667,427	12,783,651
Interests in associates	14,605	14,734	27,927	23,998	11,183	27,516	—	—	53,715	66,248
Interests in associates — unallocated									3,329,344	3,048,867
Interests in joint ventures	1,476,212	281,506	4,116,801	3,632,895	—	—	—	—	5,593,013	3,914,401
Unallocated assets									4,666,535	2,922,797
<b>Total assets</b>									<b>28,310,034</b>	<b>22,735,964</b>

## Notes to Condensed Consolidated Interim Financial Statements (Continued)

### 4. PROFIT FROM OPERATING ACTIVITIES

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

	<b>Six months ended</b>	
	<b>31 January</b>	
	<b>2013</b>	2012
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
		(Restated)
Depreciation <sup>#</sup>	<b>16,949</b>	16,559
Amortisation of prepaid land lease payments*	<b>514</b>	514
Loss on disposal of listed equity investments at fair value through profit or loss*	<b>385</b>	111
Fair value (gain)/loss on listed equity investments at fair value through profit or loss*	<b>(17)</b>	11,305
Interest income from bank deposits	<b>(3,297)</b>	(2,172)
Other interest income	<b>(611)</b>	(513)
Dividend income from listed equity investments at fair value through profit or loss	<b>(22)</b>	(40)
Dividend income from unlisted available-for-sale financial assets	<b>(14,447)</b>	(100)

# Depreciation charge of HK\$15,642,000 (Six months ended 31 January 2012 (restated): HK\$15,417,000) for property, plant and equipment is included in "other operating expenses, net" on the condensed consolidated income statement.

\* These items are included in "other operating expenses, net" on the condensed consolidated income statement.

### 5. FINANCE COSTS

	<b>Six months ended</b>	
	<b>31 January</b>	
	<b>2013</b>	2012
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
		(Restated)
Interest on bank borrowings wholly repayable within five years	<b>34,995</b>	25,893
Interest on guaranteed notes wholly repayable within five years	<b>4,784</b>	—
Interest on other borrowings and note payable wholly repayable within five years	<b>5,702</b>	5,713
Bank financing charges	<b>8,436</b>	4,737
	<b>53,917</b>	36,343
Less: Amount capitalised in properties under development for sale	<b>(5,904)</b>	(4,318)
	<b>48,013</b>	32,025

## Notes to Condensed Consolidated Interim Financial Statements *(Continued)*

### 6. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (Six months ended 31 January 2012: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

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

	<b>Six months ended</b>	
	<b>31 January</b>	
	<b>2013</b>	2012
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
		(Restated)
Current tax		
Hong Kong	<b>15,801</b>	9,676
Overseas	<b>7,772</b>	7,667
Deferred tax	<b>23,573</b>	17,343
	<b>1,772</b>	2,721
Tax charge for the period	<b>25,345</b>	20,064

### 7. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	<b>Six months ended</b>	
	<b>31 January</b>	
	<b>2013</b>	2012
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
		(Restated)
Earnings		
Earnings for the purpose of basic earnings per share	<b>1,103,758</b>	185,128
Effect of dilutive potential ordinary shares arising from adjustment to the share of profit of a subsidiary based on dilution of its earnings per share	<b>(6,212)</b>	
Earnings for the purpose of diluted earnings per share	<b>1,097,546</b>	
Number of shares	<b>'000</b>	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>1,617,423</b>	1,617,423
Effect of dilutive potential ordinary shares arising from share options	<b>7,545</b>	
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b>1,624,968</b>	

# Notes to Condensed Consolidated Interim Financial Statements (Continued)

## 8. SHARE OF PROFITS AND LOSSES OF ASSOCIATES/INTERESTS IN ASSOCIATES SHARE OF PROFITS AND LOSSES OF JOINT VENTURES/INTERESTS IN JOINT VENTURES

### (a) Share of profits and losses of associates/Interests in associates

#### The eSun Group

Included in the Group's interests in associates as at 31 January 2013 and share of profits and losses of associates for the six months ended 31 January 2013 was the Group's share of net assets and loss of eSun Holdings Limited ("eSun") and its subsidiaries (the "eSun Group") of approximately HK\$3,286,111,000 (31 July 2012: HK\$3,040,298,000) and HK\$10,076,000 (Six months ended 31 January 2012: HK\$22,161,000), respectively.

- (i) In August 2011, LSD acquired 1.93% additional interest in eSun at a cost of HK\$43,301,000 and LSD's interest in eSun was increased from 36.00% to 37.93%. A discount on acquisition of HK\$88,695,000 arose from this acquisition.
- (ii) On 27 February 2012, eSun and Lai Fung Holdings Limited ("Lai Fung") issued a joint announcement in respect of the proposed open offer of Lai Fung (the "Open Offer") and an underwriting arrangement between eSun and Lai Fung, pursuant to which eSun irrevocably undertook to Lai Fung to take up all shares offered in the Open Offer. The Open Offer became unconditional on 6 June 2012. eSun increased its shareholding in Lai Fung from 40.58% to 47.39% immediately upon completion of the Open Offer on 11 June 2012. With early adoption of HKFRS 10 "Consolidated Financial Statements" during the year ended 31 July 2012, the directors of eSun concluded that eSun has had control over Lai Fung and Lai Fung has become a subsidiary of eSun since 11 June 2012. Subsequent to the Open Offer, eSun further acquired shares of Lai Fung from the public shareholders and increased its interest in Lai Fung to 47.87% in June 2012. eSun further acquired shares of Lai Fung from the public shareholders during the period under review and increased its interest to 49.39%.
- (iii) During the period from October to December 2012, LSD acquired 2% additional interest in eSun from the public shareholders at a cost of approximately HK\$29,336,000 and LSD's interest in eSun was increased from 37.93% to 39.93%. A discount on acquisition of HK\$134,930,000 arose from this acquisition.

### (b) Share of profits and losses of joint ventures/Interests in joint ventures

#### Diamond String Limited ("Diamond String")

Diamond String is a LSD's 50%-owned joint venture holding CCB Tower situated at 3 Connaught Road Central, Hong Kong for investment purpose. The Group's share of net assets as at 31 January 2013 and profit for the six months ended 31 January 2013 of Diamond String were approximately HK\$3,152,017,000 (31 July 2012: HK\$2,760,441,000) and HK\$391,576,000 (Six months ended 31 January 2012 (restated): HK\$125,846,000), respectively.

#### Best Value International Limited and its subsidiaries (the "Best Value Group")

The Best Value Group is a 50%-owned joint venture. The principal assets of the Best Value Group are properties, which include parcels of ground on Observatory Road, Kowloon, Hong Kong with the buildings erected thereon (now known as Nos. 2, 4, 6, 8, 10 and 12, Observatory Road, Kowloon, Hong Kong). The Group currently intends that the Best Value Group will re-develop the site into a multi-storey commercial complex.

The Group's share of net assets as at 31 January 2013 and profit for the six months ended 31 January 2013 of the Best Value Group were approximately HK\$964,773,000 (31 July 2012: HK\$872,454,000) and HK\$69,779,000 (Six months ended 31 January 2012 (restated): Nil), respectively.

#### Strongly Limited

Strongly Limited is a 50%-owned joint venture. It won in a tender by the Lands Department, Hong Kong on 28 November 2012 the land lot known as Tseung Kwan O Town Lot No.95 (the "Lot") at a premium of HK\$2,826 million.

The Lot has an area of approximately 229,000 square feet with a permitted total gross floor area of approximately 573,000 square feet split into approximately 458,000 square feet for residential use and approximately 115,000 square feet for non-industrial use. It is the current intention of Strongly Limited to develop the Lot primarily into a residential project for sale, comprising residential towers as well as houses. The project is expected to be completed in 2017, subject to the terms and conditions of the relevant sale by tender and the status of the Lot on delivery.

## Notes to Condensed Consolidated Interim Financial Statements (Continued)

### 9. DEBTORS, DEPOSITS PAID AND OTHER RECEIVABLES/CREDITORS, DEPOSITS RECEIVED AND ACCRUALS

- (a) The Group maintains various credit policies for different business operations in accordance with business practices and market conditions in which the respective subsidiaries operate. Sales proceeds receivable from the sale of properties are settled in accordance with the terms of the respective contracts. Rent and related charges in respect of the leasing of properties are receivable from tenants, and are normally payable in advance with rental deposits received in accordance with the terms of the tenancy agreements. Hotel and restaurant charges are mainly settled by customers on 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.

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

	31 January 2013 (Unaudited) HK\$'000	31 July 2012 (Audited) HK\$'000
Trade debtors:		
Not yet due or less than 30 days past due	10,994	5,362
31 - 60 days past due	2,758	1,287
61 - 90 days past due	459	348
Over 90 days past due	1,935	3,059
	<b>16,146</b>	10,056
Deposits paid, prepayments and other receivables	<b>141,012</b>	94,636
	<b>157,158</b>	104,692

- (b) An ageing analysis of the trade creditors, based on payment due date, as at the end of the reporting period is as follows:

	31 January 2013 (Unaudited) HK\$'000	31 July 2012 (Audited) HK\$'000
Trade creditors:		
Not yet due or less than 30 days past due	9,271	8,278
31 - 60 days past due	457	1,319
61 - 90 days past due	175	153
Over 90 days past due	573	486
	<b>10,476</b>	10,236
Deposits received, other payables and accruals	<b>275,922</b>	262,834
	<b>286,398</b>	273,070

### 10. GUARANTEED NOTES

On 18 January 2013, Lai Sun International Finance (2012) Limited, a wholly-owned subsidiary of LSD, issued guaranteed notes in an aggregate principal amount of US\$350,000,000 (the "Notes"). The Notes are guaranteed by LSD, have a maturity term of five years and bear a fixed interest rate of 5.7% per annum with interest payable semi-annually in arrears.

The net proceeds from the offering are approximately US\$347,000,000 and will be used for general corporate purposes.

# Notes to Condensed Consolidated Interim Financial Statements (Continued)

## 11. SHARE OPTION SCHEME

### Company

The Company adopted a share option scheme on 22 December 2006 for the purpose of providing incentives to, rewarding, remunerating, compensating and/or providing benefits to the eligible employees of the Group.

The table below discloses movement of the Company's share options held by the Group's employees:

	<b>Number of share options</b>
Outstanding as at 1 August 2012	16,174,234
Granted on 18 January 2013	28,878,774
Outstanding as at 31 January 2013	45,053,008

The closing price of the Company's shares immediately before 18 January 2013, the date of grant, was HK\$1.38.

The fair value of the share options granted during the period was HK\$10,082,000 (Six months ended 31 January 2012: Nil) of which the Group recognised the entire amount as expense during the period.

The fair value of equity-settled share options granted during the period was estimated as at the date of grant using the Binomial Option Pricing Model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	—
Expected volatility (%)	48.000
Historical volatility (%)	48.000
Risk-free interest rate (%)	1.012
Expected life of options (years)	10
Closing share price (HK\$ per share)	1.410

The expected life of the options is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

### LSD

LSD adopted a share option scheme on 22 December 2006 for the purpose of providing incentives to, rewarding, remunerating, compensating and/or providing benefits to the eligible employees of LSD.

The table below discloses movement of LSD's share options held by LSD's employees:

	<b>Number of share options</b>
Outstanding as at 1 August 2012	200,628,932
Granted on 18 January 2013	508,194,971
Outstanding as at 31 January 2013	708,823,903

The closing price of LSD's shares immediately before 18 January 2013, the date of grant, was HK\$0.325.

The fair value of the share options granted during the period was HK\$50,413,000 (Six months ended 31 January 2012: Nil) of which the Group recognised the entire amount as expense during the period.

# Notes to Condensed Consolidated Interim Financial Statements (Continued)

## 11. SHARE OPTION SCHEME (CONTINUED)

### LSD (Continued)

The fair value of equity-settled share options granted during the period was estimated as at the date of grant using the Binomial Option Pricing Model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	—
Expected volatility (%)	68.971
Historical volatility (%)	68.971
Risk-free interest rate (%)	1.012
Expected life of options (years)	10
Closing share price (HK\$ per share)	0.335

The expected life of the options is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

## 12. CAPITAL COMMITMENTS

The Group had the following commitments in respect of purchase of property, plant and equipment not provided for in the condensed consolidated financial statements at the end of the reporting period:

	31 January 2013 (Unaudited) HK\$'000	31 July 2012 (Audited) HK\$'000
Contracted, but not provided for	7,006	2,453

## 13. CONTINGENT LIABILITIES

- (a) Contingent liabilities not provided for in the condensed consolidated financial statements at the end of the reporting period are as follows:

	31 January 2013 (Unaudited) HK\$'000	31 July 2012 (Audited) HK\$'000
Guarantees given to banks in connection with facilities granted to and utilised by a joint venture	—	465,287

- (b) During the year ended 31 July 2006, the Company disposed of its entire interests in Assetop Asia Limited ("**Assetop**"), a then wholly-owned subsidiary of the Group, to Goldthorpe Limited ("**Goldthorpe**"), a wholly-owned subsidiary of Lai Fung. The principal asset held by Assetop is a property under development in Shanghai, the People's Republic of China (the "**PRC**"). Certain subsidiaries of Assetop in the PRC were undergoing merger by absorption and completion of the merger was conditional upon approval of the relevant PRC government authorities. During the year ended 31 July 2007, the aforementioned merger of the PRC subsidiaries of Assetop was successfully completed. The Company had agreed to indemnify Lai Fung and Goldthorpe against all losses incurred by Lai Fung and Goldthorpe for the resettlement costs of approximately RMB124 million, which had been incurred and paid in prior years in connection with the relocation of the original inhabitants and the demolition of the then building structure erected on the property under development (the "**Resettlement Costs**"), not being tax deductible, up to a maximum amount of HK\$102,000,000, which was estimated based on the prevailing tax regulations. The Resettlement Costs are properly incurred for the project and are properly recorded in the books of the PRC subsidiaries of Assetop. The liability of the Company under this indemnity will terminate on 29 May 2012 (being six years after the completion of the Assetop disposal). Based on the prevailing rules and regulations, the directors of the Company consider such Resettlement Costs are tax deductible and thus no material liabilities are expected to crystallise under this indemnity.



# Notes to Condensed Consolidated Interim Financial Statements *(Continued)*

## 13. CONTINGENT LIABILITIES *(CONTINUED)*

- (c) In connection with the disposal (the “**Transaction**”) of 100% interests in Majestic Hotel and Majestic Centre, Kowloon, Hong Kong by Taiwa Land Investment Company, Limited (“**Taiwa**”), an indirect 50%-owned associate of LSD, Taiwa, LSD, and the other 50% beneficial shareholder of Taiwa (collectively the “**Covenantors**”) entered into a tax deed (the “**Tax Deed**”) with the purchaser of the Transaction, and Majestic Hotel Enterprises Holding Limited and Majestic Centre Holding Limited and their subsidiaries (collectively the “**Properties Holding Companies**”) on 17 July 2007. Pursuant to the Tax Deed, the Covenantors severally agreed to indemnify the Properties Holding Companies against any taxation on profits levied by relevant tax authority in Hong Kong resulting from events happened prior to the completion of the Transaction for a maximum amount of HK\$30,000,000. As such, the maximum liability of LSD under the Tax Deed is HK\$15,000,000. The Tax Deed is valid for a period of 7 years from the date of its execution.
- (d) Pursuant to an indemnity deed (the “**Lai Fung Tax Indemnity Deed**”) dated 12 November 1997 entered into between LSD and Lai Fung, LSD has undertaken to indemnify Lai Fung in respect of certain potential PRC income tax and land appreciation tax (“**LAT**”) payable or shared by Lai Fung in consequence of the disposal of any of the property interests attributable to Lai Fung through its subsidiaries and its associates as at 31 October 1997 (the “**Property Interests**”). These tax indemnities given by LSD apply in so far as such tax is applicable to the difference between (i) the value of the Property Interests in the valuation thereon by Chesterton Petty Limited (currently known as “**Knight Frank Petty Limited**”), independent chartered surveyors, as at 31 October 1997 (the “**Valuation**”); and (ii) the aggregate costs of such Property Interests incurred up to 31 October 1997, together with the amount of unpaid land costs, unpaid land premium and unpaid costs of resettlement, demolition and public utilities and other deductible costs in respect of the Property Interests. The Lai Fung Tax Indemnity Deed assumes that the Property Interests are disposed of at the values attributed to them in the Valuation, computed by reference to the rates and legislation governing PRC income tax and LAT prevailing at the time of the Valuation.

The indemnities given by LSD do not cover (i) new properties acquired by Lai Fung subsequent to the listing of the shares of Lai Fung on The Stock Exchange of Hong Kong Limited (the “**Listing**”); (ii) any increase in the relevant tax which arises due to an increase in tax rates or changes to the legislation prevailing at the time of the Listing; and (iii) any claim to the extent that provision for deferred tax on the revaluation surplus has been made in the calculation of the adjusted net tangible asset value of Lai Fung as set out in Lai Fung’s prospectus dated 18 November 1997.

LSD became a subsidiary of the Company since 30 September 2010. In accordance with HKFRS 3 “Business Combination”, the Group recognised the provision for tax indemnity at its fair value as at 30 September 2010. After initial recognition, the Group measures the provision for tax indemnity at the higher of the amount that would be recognised in accordance with HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets” and the amount initially recognised on 30 September 2010 until the tax indemnity is settled, cancelled or expired.

The fair value at initial recognition was HK\$721,442,000 as at 30 September 2010. After taking into account the prevailing market situation and the latest development plan and status of the various individual property development projects as included in the Property Interests and the prevailing tax rates and legislation governing PRC income tax and LAT, the Group subsequently recorded the provision for tax indemnity of HK\$716,608,000 as at 31 January 2013 and 31 July 2012. During the six months ended 31 January 2012, a reversal of provision for tax indemnity of HK\$1,060,000 was recognised in the condensed consolidated income statement.

## Interim Dividend

As at 31 January 2013, the Company did not have any reserves available for distribution in accordance with provisions of section 79B of the Companies Ordinance, Chapter 32 of the Laws of Hong Kong. The Board of the Company has resolved not to declare the payment of an interim dividend for the financial year ending 31 July 2013. No interim dividend was declared in respect of the last corresponding period.

## Management Discussion and Analysis

### OVERVIEW OF INTERIM RESULTS

For the six months ended 31 January 2013, the Group recorded a turnover of HK\$470.3 million (2012 (restated): HK\$487.6 million) and a gross profit of HK\$317.7 million (2012 (restated): HK\$296.1 million), representing a decrease of 4% and an increase of 7%, respectively over the same period last year. Net profit attributable to owners of the Company was approximately HK\$1,103.8 million (2012 (restated): HK\$185.1 million), representing an increase of nearly 500%. Accordingly, basic earnings per share increased to HK\$0.682 (2012 (restated): HK\$0.114). The decrease in turnover was due to the absence of development projects for sale despite a sound performance by the rental property portfolio. The increase in profit was due to a significant increase in property revaluations and good rental performance from our rental property portfolio. Excluding the effect of property revaluations, net profit attributable to owners of the Company was approximately HK\$146.1 million (2012 (restated): HK\$79.6 million), representing an increase of approximately 84%. Basic earnings per share excluding the property revaluation effect correspondingly increased to HK\$0.090 (2012 (restated): HK\$0.049).

Equity attributable to owners of the Company as at 31 January 2013 amounted to HK\$10,456.9 million (As at 31 July 2012: HK\$9,026.7 million). Net asset value per share attributable to owners of the Company increased to HK\$6.465 (As at 31 July 2012: HK\$5.581).

The Hong Kong property market weathered the global economic challenges well as a whole. The chronic lack of supply, robust underlying demand and low interest rate environment have contributed to the rise in property prices during the period under review and prompted the government to take action. The recently introduced measures have slowed transaction volume across the board, particularly in the residential markets, which affected sales of Ocean One. The rental portfolio performed well due to positive rental reversions and tenant mix management. Against such a backdrop, the Group achieved a solid set of results.

As at 31 January 2013, the Group maintained a property portfolio comprising, in attributable gross floor area ("GFA") (excluding car-parking spaces), completed rental properties with attributable GFA of approximately 919,000 square feet, properties under development with attributable GFA of approximately 119,000 square feet, and properties held for sale with attributable GFA of approximately 5,000 square feet. The Group will build on this sound asset base with a view to delivering long-term value to its shareholders.

### PROPERTY PORTFOLIO COMPOSITION

Approximate attributable GFA in '000 square feet and car-parking spaces, excluding attributable GFA in Lai Fung through eSun, as at 31 January 2013:

	Commercial/ Retail	Office	Industrial	Residential	Total	No. of car-parking spaces
Rental properties	314	426	179	—	919	520
Properties Under Development	51	—	—	68	119	23
Properties Held for Sale	4	—	—	1	5	5
<b>Total GFA</b>	<b>369</b>	<b>426</b>	<b>179</b>	<b>69</b>	<b>1,043</b>	<b>548</b>

The above table does not include GFA of properties held by Lai Fung.

## Management Discussion and Analysis (Continued)

### PROPERTY INVESTMENT

#### Rental Income

For the six months ended 31 January 2013, the Group's rental operations recorded a turnover of HK\$256.1 million (2012 (restated): HK\$231.7 million), representing a 11% increase over the same period last year. The increase is primarily due to sound management of tenant mix and rental reversion at its major rental properties.

The Group wholly owns five major rental properties in Hong Kong, namely Cheung Sha Wan Plaza, Causeway Bay Plaza 2, Lai Sun Commercial Centre, commercial podium of Crocodile Center and Por Yen Building. During the period under review, these properties had in aggregate a total GFA of approximately 1,308,000 square feet (excluding car-parking spaces). The CCB Tower has been completed and added to the rental portfolio during the period under review and it is expected to start contributing in the second half of the financial year 2013.

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

	Six months ended		% Change	Period end occupancy (%)
	2013 HK\$ million	2012 HK\$ million		
Cheung Sha Wan Plaza (including car-parking spaces)	120.9	103.7	17	99.5
Causeway Bay Plaza 2 (including car-parking spaces)	65.8	57.6	14	95.6
Lai Sun Commercial Centre (including car-parking spaces)	25.1	23.2	8	99.0
Crocodile Center	34.1	29.7	15	100.0
Por Yen Building	6.0	5.1	18	96.6
Others	4.2	12.4	(66)	N/A
<b>Total</b>	<b>256.1</b>	<b>231.7</b>	<b>11</b>	

#### Review of major rental properties

##### *Hong Kong Property Portfolio*

##### *Cheung Sha Wan Plaza*

The asset comprises of two 8-storey and 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 approximately 689,635 square feet (excluding car-parking spaces). The arcade is positioned to serve the local communities nearby with major banks and recognised restaurants chains as the key tenants.

##### *Causeway Bay Plaza 2*

The asset comprises of 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 approximately 208,432 square feet (excluding car-parking spaces). Key tenants include the HSBC's branch and commercial offices and major restaurants.

##### *Lai Sun Commercial Centre*

The asset comprises a 13-storey commercial/car park complex completed in 1987. It is located near the Lai Chi Kok MTR station with a total GFA of approximately 188,537 square feet (excluding car-parking spaces).

## ► Management Discussion and Analysis (Continued)

### PROPERTY INVESTMENT (CONTINUED)

#### Review of major rental properties (Continued)

##### *Hong Kong Property Portfolio (Continued)*

###### *CCB Tower, 3 Connaught Road Central*

The Group has a 50:50 interest with China Construction Bank Corporation (“CCB”) in the joint redevelopment project of the former Ritz-Carlton Hotel in Central. The redeveloped project is an office tower that is expected to become a landmark property in Central featuring underground access to the MTR station in Central. The total construction cost of the project is estimated to be approximately HK\$950 million with a total GFA of approximately 229,110 square feet (excluding car-parking spaces). The Occupation Permit was issued by Buildings Department in December 2012. Part of the redeveloped property will be mostly used by CCB as offices for its Hong Kong operations and leasing of the remaining space is in progress.

###### *Crocodile Center*

Crocodile Center is a 25-storey commercial/office building which was completed in 2009 and located near the Kwun Tong MTR station. The Group owns the retail podium which has a total GFA of approximately 97,800 square feet. Tenants dominated by local restaurant groups.

###### *Por Yen Building*

The Por Yen Building, being a 13-storey industrial building with total GFA of approximately 123,207 square feet excluding car-parking spaces, is located at the hub of Cheung Sha Wan Business Area and is near to the Lai Chi Kok MTR station.

##### *Overseas Property Portfolio*

###### *36 Queen Street, London EC4 1HJ, United Kingdom*

In February 2011, the Group acquired an office building in the city in central London located at 36 Queen Street. Completed in 1986, it comprises 41,680 square feet of office accommodation extending over basement, ground and six upper floors. This rental property is currently undergoing refurbishment and is expected to be completed in the third quarter of 2013.

### PROPERTY DEVELOPMENT

For the six months ended 31 January 2013, recognised turnover from sales of properties was HK\$1.2 million (2012 (restated): HK\$57.9 million), representing a decrease of 98% over the same period last year. The decrease was due to the absence of development projects for sale and the HK\$1.2 million relates to the sale of a small piece of land sold to an independent third party. Ocean One pre-sales started in December 2012 and sales progress is in line with expectations given the launch coincided with the introduction of the new stamp duty requirement and other cooling measures subsequently. At the time of this report, the Group had sold a total of 12 units out of 124 residential units in this development at an average selling price of approximately HK\$10,000 per square foot.

#### Review of major projects for sale

##### *Ocean One, Yau Tong, Kowloon*

The Group wholly owns this development project located at No. 6 Shung Shun Street, Yau Tong, Kowloon. The Group is developing the site into a residential-cum-commercial property with a total saleable GFA of about 122,449 square feet (excluding car-parking spaces) or 124 residential units and 2 commercial units. The estimated total development cost (including land cost and lease modification premium) is about HK\$700 million. Pre-sales commenced in December 2012.

## ► Management Discussion and Analysis (Continued)

### PROPERTY DEVELOPMENT (CONTINUED)

#### Review of major projects under development

##### *335-339 Tai Hang Road, Hong Kong*

The Group wholly owns the site located at 335-339 Tai Hang Road, Hong Kong. The Group is developing the site into a luxury residential property with a total GFA of about 30,479 square feet (excluding car-parking spaces). The Group completed the lease modification of the site. The total development cost (including land cost and lease modification premium) is estimated to be about HK\$650 million. Completion is expected to be in the third quarter of 2013.

##### *2-12 Observatory Road*

The Group completed the acquisition of a 50% interest in a project at Observatory Road, Kowloon with the buildings previously erected there known as Nos. 2-12, Observatory Road, Kowloon in November 2011.

The Group is now in discussions with the joint venture partner, Henderson Land regarding the overall re-development plan including the designs, features and quality of the new building. The site is being planned to be redeveloped into a multi-storey commercial building with a total GFA of approximately 165,169 square feet (excluding car-parking spaces). Subject to the finalisation of the re-development plan with the joint venture partner, the total development cost is estimated to be approximately HK\$2.3 billion including an estimated land value of approximately HK\$1.7 billion. The new building is expected to be completed in the third quarter of 2015.

##### *Area 68A2, Tseung Kwan O*

In November 2012, the Group successfully tendered for and secured a site located at Area 68A2, Tseung Kwan O, New Territories, through a 50% joint venture vehicle. The lot has an area of approximately 229,000 square feet with a permitted total gross floor area of approximately 573,000 square feet split into approximately 458,000 square feet for residential use and approximately 115,000 square feet for non-industrial use. The current intention is to develop the lot primarily into a residential project for sale, comprising residential towers as well as houses. Completion is expected to be in the second quarter of 2017.

### HOTEL AND RESTAURANT OPERATIONS

The hotel and restaurant operations include the Group's interests in the historic Caravelle Hotel in Ho Chi Minh City, Vietnam and a number of acclaimed restaurants in Hong Kong including the only Michelin 3 star Italian restaurant 8<sup>1/2</sup> Otto e Mezzo BOMBANA; Michelin 1 star Japanese restaurant Wagyu Kaiseki Den; as well as other high profile restaurants such as Island Tang, Kowloon Tang and Chiu Tang.

For the six months ended 31 January 2013, hotel and restaurant operations contributed HK\$202.8 million to the Group's turnover (2012 (restated): HK\$186.9 million), representing an increase of approximately 9% from the same period last year. Most of the turnover from hotel and restaurant operations was derived from the Group's operation of the Caravelle Hotel.

The hotel and restaurant operations have extensive experience in providing consultancy and management services to hotels in China, Hong Kong and other Asian countries. The division's key strategy going forward will be continued to focus on providing management services, particularly to capture opportunities arising from the developments of Lai Fung in Shanghai, Guangzhou and Zhongshan. The division will provide technical advisory services to the service apartments in Shanghai May Flower Plaza, Guangzhou Paramount Centre and Zhongshan Palm Spring when the relevant developments are completed. All three properties are expected to complete in late 2013/early 2014.

## ► Management Discussion and Analysis (Continued)

### INTERESTS IN ASSOCIATES (eSUN GROUP)

For the six months ended 31 January 2013, loss from the eSun Group decreased to HK\$10.1 million (2012 (restated): HK\$22.2 million). General performance of the non-property businesses improved as well as the absence of any mark-to-market loss as a result of the convertible notes in Media Asia Group Holdings Limited. Despite the challenging operating environment characterised by stringent austerity measures in the property market in China, Lai Fung was able to deliver an encouraging performance against a difficult operating environment with a steady increase in net asset value.

eSun expects momentum in the non-property business to continue given an underlying schedule of new releases in movies, events and music albums in the pipeline. The rental properties portfolio in Lai Fung is expected to provide a strong foundation and, together with the HK\$3.55 billion syndicated loan facility arranged, position Lai Fung to capitalise on future growth opportunities.

The Group's interest in eSun increased from 37.93% to 39.93% since December 2012. This resulted in a gain from the discount on acquisition of the additional interest of HK\$134.9 million which is recorded in the consolidated income statement. The purchase of additional interest is within the permitted limit under the creeper provision in the Takeovers Code. Further purchases by the Group need to have regards to this creeper provision limit and may or may not occur in the future. As such this gain from the discount on acquisition of the additional interest may or may not be repeated.

### INTERESTS IN JOINT VENTURES

For the six months ended 31 January 2013, contribution from joint ventures, which represented our share of profits and losses in the CCB Tower, Observatory Road Project, The Oakhill Project and the Tseung Kwan O Project, increased to HK\$503.0 million (2012 (restated): HK\$134.6 million), representing an increase of over 274%, which was primarily due to the property revaluation gain from the CCB Tower.

### OUTLOOK

The monetary easing as a result of central banks around the world attempting to revive major economies around the world is expected to remain for some time which sustains a generally low interest rate environment for the foreseeable future. In Hong Kong, the low interest rate environment, together with the robust underlying demand and lack of near term supply, are expected to be countered by the fiscal policies implemented to cool the property market. While interest rates have arguably bottomed out and we have seen certain banks raised their reference rates, the rate of increase is likely to happen over a longer period of time given the peg with the United States dollar and the outlook of the United States economy mean a rapid increase in interest rates unlikely. As such, the Group believes the Hong Kong property market as a whole will remain stable.

The Group will continue its prudent yet flexible approach with the objective of preserving margin and optimising long-term value for shareholders. The syndicated loans closed in 2012 and the guaranteed notes issued in January 2013 raised a total of HK\$5.7 billion and dovetails with the Group's strategy of building up its land bank. The Group believes that it is well-positioned to take advantage of the pent-up demand with its growing project pipelines. The Group's stated intention to expand the rental property portfolio through retaining any sizeable commercial and retail elements that it develops to improve recurring income which will form the bedrock for securing funding to develop other projects.

The Group's interest in LSD and eSun increased to 49.97% and 39.93%, respectively since December 2012. As eSun is accounted as an associate of the Group, the corresponding gain from the discount on acquisition of the additional interest in eSun of HK\$134.9 million was recorded in the consolidated income statement. The purchase of additional interests in LSD and eSun are within the permitted limit under the creeper provision in the Takeovers Code. Further purchases by the Group need to have regards to this creeper provision limit and may or may not occur in the future. As such this gain from the discount on acquisition of the additional interest in eSun may or may not be repeated.

## ► Management Discussion and Analysis (Continued)

### GROWTH FROM A STABLE FINANCIAL POSITION

As at 31 January 2013, the Group had HK\$3,579.7 million of cash with a net debt to equity ratio of 30% and undrawn facilities of HK\$1,415.2 million. This was bolstered by the US\$350 million guaranteed notes issued in January 2013 which was heavily oversubscribed by ten times. The strong oversubscription was a testament of confidence from the investors in the Company and provided us with additional resources to secure land bank for future growth.

### LIQUIDITY AND FINANCIAL RESOURCES

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

In November 2012, the Group raised HK\$800 million from a club deal with various banks.

As at 31 January 2013, the Group had bank borrowings of HK\$3,716.5 million, guaranteed notes of HK\$2,693.0 million, a note of HK\$195.0 million and a loan of HK\$31.8 million payable to the late Mr. Lim Por Yen ("Mr. Lim") and accrued interest of HK\$106.6 million in relation to the above-mentioned note and loan payable to the late Mr. Lim. All the Group's borrowings carried interest on a floating rate basis except for the guaranteed notes issued in January 2013 which has a fixed rate. The net debt to equity ratio expressed as a percentage of the total outstanding net debt (being the total outstanding borrowings, guaranteed notes and accrued interest payable to the late Mr. Lim less the pledged and unpledged bank balances and time deposits) to consolidated net assets attributable to owners of the Company was approximately 30%.

As at 31 January 2013, the maturity profile of the bank borrowings of HK\$3,716.5 million is well over a period of less than 5 years with HK\$778.4 million repayable within 1 year, HK\$426.0 million repayable in the second year and HK\$2,512.1 million repayable in the third to fifth years. The note payable of HK\$195.0 million and the loan of HK\$31.8 million payable to the late Mr. Lim have maturity dates on 30 April 2006 and 30 November 2005, respectively. The Group has received confirmation from the executor of the estate of the late Mr. Lim that such note and loan payables together with the accrued interest are not repayable within one year from the end of the reporting period.

As at 31 January 2013, certain rental properties with carrying amounts of approximately HK\$11,369.2 million, certain property, plant and equipment with carrying amounts of approximately HK\$450.2 million, prepaid land lease payments of approximately HK\$24.5 million, certain properties under development for sale of approximately HK\$1,445.0 million, and certain bank balances and time deposits with banks of approximately HK\$75.6 million were pledged to banks to secure banking facilities granted to the Group. In addition, certain shares in subsidiaries held by the Group were also pledged to banks to secure loan facilities granted to the Group. Certain shares in a joint venture held by the Group were pledged to a bank to secure a loan facility granted to a joint venture of the Group. Certain shares of an investee company held by the Group were pledged to banks to secure a loan facility granted to this investee company. 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 and United States dollars. Considering that Hong Kong dollars are pegged against United States dollars, the Group believes that the corresponding exposure to exchange rate risk arising from United States dollars is nominal. In addition, the Group has an investment in United Kingdom with the assets and liabilities denominated in Pounds Sterling. The investment was partly financed by bank borrowings denominated in Pounds Sterling in order to minimise the net foreign exchange exposure. The net investment amounted to approximately HK\$143.0 million which only accounted for an insignificant portion of the consolidated net assets of the Group as at 31 January 2013. Other than the abovementioned, the remaining monetary assets and liabilities of the Group were denominated in Renminbi and Vietnamese Dong which were also insignificant as compared with the Group's total assets and liabilities. No hedging instruments were employed to hedge for the foreign exchange exposure. 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 need arise.

### CONTINGENT LIABILITIES

Details of contingent liabilities of the Group are set out in note 13 to the condensed consolidated interim financial statements.

# Particulars of Properties

## MAJOR RENTAL PROPERTIES

Location	Group interest	Tenure	Approximate Attributable Gross Floor Area (square feet)				Total (excluding car-parking spaces)	No. of car-parking spaces attributable to the Group
			Commercial/retail	Office	Industrial			
1. Cheung Sha Wan Plaza, 833 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong (New Kowloon Inland Lot No. 5955)	49.97%	The property is held for a term expiring on 30 June 2047	108,424	236,187	—	344,611	177	
2. Por Yen Building, 478 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong (New Kowloon Inland Lot No. 2081)	100%	The property is held for a term which expired on 27 June 1997 and had been extended upon expiry until 30 June 2047	—	—	123,207	123,207	7	
3. Causeway Bay Plaza 2, 463-483 Lockhart Road, Causeway Bay, Hong Kong (Section J and the Remaining Portions of Sections D, E, G, H, K, L, M and O, Subsection 4 of Section H and the Remaining Portion of Inland Lot No. 2833)	49.97%	The property is held for a term of 99 years commencing on 15 April 1929 and renewable for a further term of 99 years	55,505	48,648	—	104,153	28	
4. G/F to 9/F Crocodile Center, 79 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong (Kwun Tong Inland Lot No. 692)	100%	The property is held for a term which expired on 27 June 1997 and had been extended upon expiry until 30 June 2047	97,800	—	—	97,800	—	
5. Lai Sun Commercial Centre, 680 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong (New Kowloon Inland Lot No. 5984)	49.97%	The property is held for a term of which expired on 27 June 1997 and has been extended upon expiry until 30 June 2047	52,552	41,660	—	94,212	260	
6. CCB Tower, 3 Connaught Road Central, Hong Kong (Inland Lot No. 8736)	24.99%	The property is held for a term commencing from 28 June 1989 and expiring on 30 June 2047	—	57,243	—	57,243	9	



## ► Particulars of Properties (Continued)

### MAJOR RENTAL PROPERTIES (CONTINUED)

Location	Group interest	Tenure	Approximate Attributable Gross Floor Area (square feet)			Total car-parking spaces (excluding car-parking spaces)	No. of car-parking spaces attributable to the Group
			Commercial/retail	Office	Industrial		
7. AIA Central, (formerly known as AIG Tower) 1 Connaught Road Central, Hong Kong (Marine Lot No. 275, Section A and the Remaining Portion of Marine Lot No. 278)	4.997%	The property is held for a term of 999 years commencing from 9 September 1895 (for Marine Lot No. 275) and 999 years commencing from 12 October 1896 (for Marine Lot No. 278)	—	21,435	—	21,435	3
8. 36 Queen Street, London EC4 1HJ, United Kingdom	49.97%	The property is held freehold	—	20,827	—	20,827	—
<b>Subtotal of major rental properties:</b>			<b>314,281</b>	<b>426,000</b>	<b>123,207</b>	<b>863,488</b>	<b>484</b>

### MAJOR PROPERTIES UNDER DEVELOPMENT

Location	Group interest	Stage of construction	Expected completion date	Site Area* (approximate square feet)	Approximate Attributable Gross Floor Area (square feet)		Total car-parking spaces (excluding car-parking spaces)	No. of car-parking spaces attributable to the Group
					Commercial	Residential		
1. Ocean One, 6 Shung Shun Street, Yau Tong, Kowloon, Hong Kong	49.97%	Superstructure in progress	Certificate of Compliance is expected to be issued in second quarter of 2013	17,760	8,869	52,319 <sup>#</sup>	61,188 <sup>#</sup>	16
2. 335-339 Tai Hang Road, Hong Kong	49.97%	Superstructure in progress	Third quarter of 2013	13,800	—	15,230	15,230	6
3. 2 - 12 Observatory Road, Tsim Sha Tsui, Kowloon, Hong Kong	24.99%	Foundation in progress	Third quarter of 2015	13,765	41,268	—	41,268	—
<b>Subtotal of major properties under development:</b>					<b>50,137</b>	<b>67,549</b>	<b>117,686</b>	<b>22</b>

\* On 100% project basis

# Approximate attributable saleable gross floor area (square feet)

## ► Disclosure Pursuant to Paragraph 13.21 of Chapter 13 of the Listing Rules

### The Company

On 21 December 2012, the Company entered into a facility agreement (the “**LSG Facility Agreement**”) related to a term loan and revolving credit facility of up to HK\$800 million (the “**LSG Facility**”) to be made available to the Company, as borrower, for a period of up to three years commencing 21 December 2012 (the “**LSG Facility Period**”).

Pursuant to the LSG Facility Agreement, the Company has undertaken to procure that Dr. Lam Kin Ngok, Peter and his family, will, at all times during the LSG Facility Period, remain as the single largest shareholder of the Company (directly or indirectly) and will maintain control over the management of the Company.

The first drawdown of the LSG Facility is subsequently made in February 2013.

### LSD

On 26 October 2012, LSD entered into a facility agreement (the “**LSD Facility Agreement**”) related to a term loan and revolving credit facility of up to HK\$2,200 million (the “**LSD Facility**”) to be made available to LSD, as borrower, for a period of up to three years commencing 26 October 2012 (the “**LSD Facility Period**”).

Pursuant to the LSD Facility Agreement, LSD has undertaken to procure that Dr. Lam Kin Ngok, Peter and his family, will, at all times during the LSD Facility Period, remain as the single largest shareholder of LSD (directly or indirectly) and will maintain control over the management of LSD.

At 31 January 2013, the outstanding loan balance of the LSD Facility amounted to approximately HK\$1,086,250,000.

## Disclosure Pursuant to Paragraph 13.22 of Chapter 13 of the Listing Rules

### Financial assistance and guarantees to affiliated companies

As at 31 January 2013, the aggregate amount of financial assistance and guarantees given for facilities granted to affiliated companies has exceeded the assets ratio of 8% under the Listing Rules.

In compliance with paragraph 13.22 of Chapter 13 of the Listing Rules, the pro forma combined statement of financial position of the affiliated companies as at 31 January 2013 is disclosed as follows:

	HK\$'000
Property, plant and equipment	2,598,670
Properties under development	1,591,278
Investment property under construction	5,011,594
Investment properties	11,294,233
Film rights	45,921
Film products	114,852
Music catalogs	29,533
Goodwill	10,271
Other intangible assets	67,552
Interests in associates	37,843
Interests in joint ventures	1,119,187
Available-for-sale investments	189,545
Deposits, prepayments and other receivables	76,081
Deferred tax assets	3,846
Amount due from shareholders	41,887
Net current assets	4,080,108
Total assets less current liabilities	26,312,401
NON-CURRENT LIABILITIES	
Long term deposits received	(67,998)
Long term borrowings	(1,735,614)
Convertible notes	(239,151)
Fixed rate senior notes	(1,423,141)
Deferred tax liabilities	(2,363,624)
Deferred income	(49,222)
Amount due to shareholders	(3,680,200)
	(9,558,950)
	16,753,451
CAPITAL AND RESERVES	
Issued capital	644,040
Share premium account	4,230,797
Contributed surplus	891,289
Investment revaluation reserve	23,324
Share option reserve	15,071
Exchange reserve	74,964
Other reserve	368,140
Accumulated profits	2,702,980
	8,950,605
Non-controlling interests	7,802,846
	16,753,451

## ▶ Corporate Governance and Other Information

### CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**” and the “**Listing Rules**”, respectively) throughout the six months ended 31 January 2013 save for the deviations from code provisions A.4.1 and A.5.1.

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

None of the existing non-executive directors (“**NEDs**”; including the independent non-executive directors (“**INEDs**”)) of the Company is appointed for a specific term. However, all directors of the Company (the “**Directors**”) are subject to the retirement provisions of the Articles of Association of the Company, which require that the Directors for the time being shall retire from office by rotation once every three years since their last election by shareholders of the Company (the “**Shareholders**”) and the retiring Directors are eligible for re-election. In addition, any person appointed by the Board as an additional Director (including a NED) will hold office only until the next annual general meeting of the Company and will then be eligible for re-election. Further, in line with the relevant code provision of the CG Code, each of the Directors appointed to fill a casual vacancy would/will be subject to election by the Shareholders at the first general meeting after his/her appointment. In view of these, the Board considers that such requirements are sufficient to meet the underlying objective of the said code provision A.4.1 and, therefore, does not intend to take any remedial steps in this regard.

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

The Company has not established a nomination committee whose functions are assumed by the full Board. Potential new Directors will be recruited based on their knowledge, skills, experience and expertise and the requirements of the Company at the relevant time and candidates for the INEDs must meet the independence criterion. The process of identifying and selecting appropriate candidates for consideration and approval by the Board has been, and will continue to be, carried out by the executive Directors (“**EDs**”). As the above selection and nomination policies and procedures have already been in place and the other duties of the nomination committee as set out in the CG Code have long been performed by the full Board effectively, the Board does not consider it necessary to establish a nomination committee at the current stage.

### SECURITIES TRANSACTIONS BY DIRECTORS AND DESIGNATED EMPLOYEES

The Company has adopted a Code of Practice for Securities Transactions by Directors and Designated Employees (the “**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 contained in Appendix 10 to the Listing Rules. The Company has made specific enquiry on all Directors who have confirmed in writing their compliance with the required standard set out in the Securities Code during the six months ended 31 January 2013.

## Corporate Governance and Other Information (Continued)

### DIRECTORS' INTERESTS

The following Directors and the chief executive of the Company who held office on 31 January 2013 and their respective associates (as defined in the Listing Rules) were interested, or were deemed to be interested in the following interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO") on that date (a) as required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions, if any, which they were taken or deemed to have under such provisions of the SFO); or (b) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO (the "Register of Directors and Chief Executive"); or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Securities Code or (d) as known by the Directors:

#### (a) The Company

##### Long positions in the ordinary shares of HK\$0.01 each of the Company (the "Shares") and the underlying Shares

Name of Director	Capacity	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Approximate % of total interests to total issued Shares
Lam Kin Ming	Beneficial owner	5,008,263	Nil	Nil	Nil	5,008,263	0.31%
Lam Kin Ngok, Peter	Beneficial owner/ Owner of controlled corporation	130,544,319	Nil	484,991,750 (Note 1)	1,617,423 (Note 4)	617,153,492	38.16%
Chew Fook Aun	Beneficial owner	Nil	Nil	Nil	16,174,234 (Note 3)	16,174,234	1.00%
Lam Hau Yin, Lester	Beneficial owner	60,623,968	Nil	Nil	16,174,234 (Note 4)	76,798,202	4.75%
U Po Chu	Beneficial owner/ Owner of controlled corporation	4,127,625	Nil	484,991,750 (Note 1)	Nil	489,119,375	30.24%

##### Notes:

- Both Dr. Lam Kin Ngok, Peter and Madam U Po Chu were deemed to be interested in 484,991,750 Shares (representing approximately 29.99% of the Company's issued share capital) by virtue of their respective 50% interest in the issued share capital of Wisdom Limited which directly owned 484,991,750 Shares in the Company.
- A share option scheme was adopted by the Company on 22 December 2006 and commenced with effect from 29 December 2006.
- A share option comprising a total of 16,174,234 underlying Shares in the Company had been granted to Mr. Chew Fook Aun at an exercise price of HK\$0.582 per share on 5 June 2012 and is exercisable during the period from 5 June 2012 to 4 June 2022.
- Share option comprising a total of 1,617,423 underlying Shares and 16,174,234 underlying Shares in the Company had been granted to Dr. Lam Kin Ngok, Peter and Mr. Lam Hau Yin, Lester, respectively at an exercise price of HK\$1.41 per share on 18 January 2013 and are exercisable during the period from 18 January 2013 to 17 January 2023.

## ▶ Corporate Governance and Other Information (Continued)

### DIRECTORS' INTERESTS (CONTINUED)

#### (b) Associated Corporations

- (i) **Lai Sun Development Company Limited (“LSD”) — a subsidiary of the Company (since 30 September 2010)**

#### Long positions in the ordinary shares of HK\$0.01 each and the underlying shares in LSD

Name of Director	Capacity	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Approximate % of total interests to total issued shares
Lam Kin Ngok, Peter	Beneficial owner/ Owner of controlled corporations	14,307,745	Nil	10,024,465,353 (Note 1)	20,062,893 (Note 4)	10,058,835,991	50.14%
Chew Fook Aun	Beneficial owner	Nil	Nil	Nil	200,628,932 (Note 3)	200,628,932	1.00%
Lam Hau Yin, Lester	Beneficial owner	Nil	Nil	Nil	200,628,932 (Note 4)	200,628,932	1.00%
U Po Chu (Note 5)	Beneficial owner	897,316	Nil	Nil	Nil	897,316	0.004%

#### Notes:

- The Company and two of its wholly-owned subsidiaries, namely Joy Mind Limited and Zimba International Limited, beneficially owned in aggregate 10,024,465,353 shares in LSD, representing approximately 49.97% of the issued share capital of LSD. As such, Dr. Lam Kin Ngok, Peter was deemed to be interested in the same 10,024,465,353 shares in LSD (representing approximately 49.97% of LSD's issued share capital) by virtue of, in aggregate, his approximate 38.16% personal and deemed interests in the issued share capital of the Company.*
- A share option scheme was adopted by LSD on 22 December 2006 and commenced with effect from 29 December 2006.*
- A share option comprising a total of 200,628,932 underlying shares in LSD had been granted by LSD to Mr. Chew Fook Aun at an exercise price of HK\$0.112 per share on 5 June 2012 and is exercisable during the period from 5 June 2012 to 4 June 2022.*
- Share option comprising a total of 20,062,893 underlying shares and 200,628,932 underlying Shares in LSD had been granted by LSD to Dr. Lam Kin Ngok, Peter and Mr. Lam Hau Yin, Lester, respectively at an exercise price of HK\$0.335 per share on 18 January 2013 and are exercisable during the period from 18 January 2013 to 17 January 2023.*
- Madam U Po Chu is the widow of the late Mr. Lim Por Yen whose estate includes an interest of 197,859,550 shares in LSD, representing approximately 0.99% of the issued share capital of LSD.*

## ► Corporate Governance and Other Information (Continued)

### DIRECTORS' INTERESTS (CONTINUED)

#### (b) Associated Corporations (Continued)

##### (ii) eSun Holdings Limited (“eSun”) — an associate of LSD

###### Long positions in the ordinary shares of HK\$0.50 each and the underlying shares in eSun

Name of Director	Capacity	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Approximate % of total interests to total issued shares
Lam Kin Ngok, Peter	Beneficial owner/ Owner of controlled corporations	2,794,443	Nil	496,404,186 (Note 1)	1,243,212 (Note 4)	500,441,841	40.25%
Chew Fook Aun	Beneficial owner	Nil	Nil	Nil	6,216,060 (Note 3)	6,216,060	0.50%
Lam Hau Yin, Lester	Beneficial owner	2,794,443	Nil	Nil	12,432,121 (Note 4)	15,226,564	1.22%

###### Notes:

- The Company was interested in 10,024,465,353 shares in LSD, representing approximately 49.97% of the issued share capital of LSD. Transtrend Holdings Limited, a wholly-owned subsidiary of LSD, was interested in 496,404,186 shares in eSun, representing approximately 39.93% of the issued share capital of eSun. As such, Dr. Lam Kin Ngok, Peter was deemed to be interested in the same 496,404,186 shares in eSun (representing approximately 39.93% of eSun's issued share capital) by virtue of, in aggregate, his approximate 38.16% and 50.14% personal and deemed interests in the issued share capital of the Company and LSD respectively.
- A share option scheme was adopted by eSun on 23 December 2005 and commenced with effect from 5 January 2006.
- A share option comprising a total of 6,216,060 underlying shares in eSun had been granted by eSun to Mr. Chew Fook Aun at an exercise price of HK\$0.92 per share on 5 June 2012 and is exercisable during the period from 5 June 2012 to 4 June 2022.
- Share option comprising a total of 1,243,212 underlying shares and 12,432,121 underlying Shares in eSun had been granted by eSun to Dr. Lam Kin Ngok, Peter and Mr. Lam Hau Yin, Lester, respectively at an exercise price of HK\$1.612 per share on 18 January 2013 and are exercisable during the period from 18 January 2013 to 17 January 2023.

## Corporate Governance and Other Information (Continued)

### DIRECTORS' INTERESTS (CONTINUED)

#### (b) Associated Corporations (Continued)

##### (iii) Lai Fung Holdings Limited (“Lai Fung”) — a subsidiary of eSun (since 11 June 2012)

##### Long positions in the ordinary shares of HK\$0.10 each and the underlying shares in Lai Fung

Name of Director	Capacity	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Approximate % of total interests to total issued shares
Lam Kin Ngok, Peter	Beneficial owner/ Owner of controlled corporations	Nil	Nil	7,949,276,422 (Note 1)	16,095,912 (Note 4)	7,965,372,334	49.49%
Chew Fook Aun	Beneficial owner	Nil	Nil	Nil	80,479,564 (Note 3)	80,479,564	0.50%
Lam Hau Yin, Lester	Beneficial owner	Nil	Nil	Nil	160,959,129 (Note 4)	160,959,129	1.00%

##### Notes:

- These interests in Lai Fung were the shares beneficially owned by Merit Worth Limited (4,060,237,724 shares) and Silver Glory Securities Limited (3,889,038,698 shares), the latter two companies being wholly-owned subsidiaries of eSun, representing approximately 49.39% of the issued share capital of Lai Fung. eSun is owned as to approximately 39.93% by LSD which in turn is owned as to approximately 49.97% by the Company. As such, Dr. Lam Kin Ngok, Peter was deemed to be interested in the same 7,949,276,422 shares in Lai Fung (representing approximately 49.39% of Lai Fung's issued share capital) by virtue of, in aggregate, his approximate 40.25% personal and deemed interests in eSun.
- A share option scheme was adopted by Lai Fung on 21 August 2003 and commenced with effect from 28 August 2003 (“**Old Scheme**”). A new share option scheme was adopted by Lai Fung on 18 December 2012 and commenced with effect from 20 December 2012 (“**New Scheme**”).
- A share option comprising a total of 80,479,564 underlying Shares in Lai Fung had been granted by Lai Fung to Mr. Chew Fook Aun under the Old Scheme at an exercise price of HK\$0.133 per share on 12 June 2012 and is exercisable during the period from 12 June 2012 to 11 June 2020 though the Old Scheme was terminated on 20 December 2012.
- Share option comprising a total of 16,095,912 underlying Shares and 160,959,129 underlying Shares in Lai Fung had been granted by Lai Fung to Dr. Lam Kin Ngok, Peter and Mr. Lam Hau Yin, Lester, respectively under the New Scheme at an exercise price of HK\$0.228 per share on 18 January 2013 and are exercisable during the period from 18 January 2013 to 17 January 2023.

##### Long positions in the 9.125% Senior Notes due 2014 issued by Lai Fung (the “Senior Notes”)

Name of Director	Capacity	Nature of interests	Principal amount
Lam Kin Ngok, Peter	Owner of controlled corporations	Corporate	US\$1,025,000 (Note)

##### Note:

The Senior Notes in a principal amount of US\$1,025,000 were beneficially owned by Accuremark Limited, a wholly-owned subsidiary of eSun. Lai Fung is owned as to approximately 49.39% by eSun which in turn is owned as to approximately 39.93% by LSD which in turn is owned as to approximately 49.97% by the Company. As such, Dr. Lam Kin Ngok, Peter was deemed to be interested in the Senior Notes in the same principal amount of US\$1,025,000 by virtue of, in aggregate, his approximate 40.25% personal and deemed interests in eSun.

Dr. Lam Kin Ngok, Peter stepped down as the chairman of the board of directors and an ED of Lai Fung with effect from 1 November 2012.



## ► Corporate Governance and Other Information (Continued)

### DIRECTORS' INTERESTS (CONTINUED)

#### (b) Associated Corporations (Continued)

##### (iv) Media Asia Group Holdings Limited (“MAGHL”) — a subsidiary of eSun

#### Long position in the ordinary shares and underlying shares in MAGHL

Name of Director	Capacity	Number of ordinary shares of HK\$0.01 each held	Number of underlying shares held	Deemed interest pursuant to section 317 of the SFO	Total number of issued shares, and underlying shares and deemed interest pursuant to section 317 of the SFO	Approximate % of total interests to total issued shares
Lam Kin Ngok, Peter	Owner of controlled corporations	6,712,925,500 (Note 1)	14,132,500,000 (Note 2)	11,171,573,103 (Note 3)	32,016,998,603	243.66%

Notes:

- These interests in MAGHL represented the shares beneficially owned by Perfect Sky Holdings Limited (“**Perfect Sky**”), a wholly-owned subsidiary of eSun, representing approximately 51.09% of the issued share capital of MAGHL. eSun is owned as to approximately 39.93% by LSD which in turn is owned as to approximately 49.97% by the Company. As the Company is approximately 8.07% owned by Dr. Lam Kin Ngok, Peter and approximately 29.99% owned by Wisdoman Limited which is in turn 50% beneficially owned by Dr. Lam Kin Ngok, Peter, he was deemed to be interested in the said 6,712,925,500 shares in MAGHL.
- By virtue of Dr. Lam Kin Ngok, Peter's interests through the controlled corporations described in Note (1) above, he was also deemed to be interested in the 8,632,500,000 underlying shares comprised in the first completion convertible notes issued to Perfect Sky by MAGHL on 9 June 2011 (“**First Completion Date**”) and the 5,500,000,000 underlying shares comprised in the second completion convertible notes issued to Perfect Sky by MAGHL on 9 June 2012, being the first anniversary of the First Completion Date.
- These shares (issued and underlying) are held by the concert parties of Perfect Sky. Dr. Lam Kin Ngok, Peter was deemed to be interested in these shares by virtue of the fact that Perfect Sky was deemed to have an interest in these shares pursuant to section 317 of the SFO.

Save as disclosed above, as at 31 January 2013, none of the Directors and the chief executive of the Company and their respective associates was interested, or was deemed to be interested in the long and short positions in the shares, underlying shares and/or debentures of the Company or any of its associated corporations, which were required to be notified to the Company and the Stock Exchange under the SFO, as recorded in the Register of Directors and Chief Executive, or notified under the Securities Code or otherwise known by the Directors.

## Corporate Governance and Other Information (Continued)

### SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS

As at 31 January 2013, so far as it is known by or otherwise notified by any Director or the chief executive of the Company, the particulars of the corporations or individuals, two being Directors of the Company, who had 5% or more interests in the following long positions in the Shares and underlying Shares of the Company as recorded in the register required to be kept under section 336 of the SFO (the "Register of Shareholders") or were entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company (the "Voting Entitlements") (i.e. within the meaning of substantial shareholders of the Listing Rules) were as follows:

#### Long positions in the Shares and the underlying Shares of the Company

Name	Capacity	Nature of interests	Number of Shares	Approximate % of Shares in issue
<b>Substantial Shareholders</b>				
Lam Kin Ngok, Peter (Note 1)	Beneficial owner	Personal and corporate	617,153,492 (Note 2)	38.16%
U Po Chu (Note 1)	Beneficial owner	Personal and corporate	489,119,375 (Note 2)	30.24%
Wisdoman Limited	Beneficial owner	Corporate	484,991,750 (Notes 1 & 2)	29.99%
Third Avenue Management LLC	Investment manager	Corporate	231,131,398 (Note 3)	14.29%
Third Avenue Management LLC, on behalf of the Third Avenue Value Fund	Beneficial owner	Corporate	163,893,000 (Note 3)	10.13%
<b>Other Persons</b>				
Yu Cheuk Yi	Beneficial owner	Personal	130,539,000 (Note 4)	8.07%
Yu Siu Yuk	Beneficial owner	Personal	130,539,000 (Note 4)	8.07%

#### Notes:

- (1) Dr. Lam Kin Ngok, Peter and Madam U Po Chu, Directors of the Company, are also directors of Wisdoman Limited.
- (2) Both Dr. Lam Kin Ngok, Peter and Madam U Po Chu were deemed to be interested in 484,991,750 Shares of the Company owned by Wisdoman Limited by virtue of their respective 50% interests in the issued share capital of Wisdoman Limited.
- (3) Third Avenue Management LLC held 231,131,398 Shares of the Company, of which Third Avenue Management LLC, on behalf of the Third Avenue Value Fund, held 163,893,000 Shares of the Company.
- (4) Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk were both taken to be interested in the same 130,539,000 Shares of the Company, which were held jointly by them.

Save as disclosed above, the Directors are not aware of any other corporation or individual (other than a Director or the chief executive of the Company) who, as at 31 January 2013, had the Voting Entitlements or 5% or more interests or short positions in the Shares or underlying Shares of the Company as recorded in the Register of Shareholders.

# ▶ Corporate Governance and Other Information (Continued)

## SHARE OPTION SCHEME

### (1) The Company

The Company operates a share option scheme (the “Share Option Scheme”) for the purpose of providing incentives or reward to eligible participants for their contribution or would be contribution to the Group, and/or to enable the Group to recruit and retain high-calibre employees and attract personnel that are valuable to the Group. Eligible participants of the Share Option Scheme include the directors (including executive and non-executive directors), employees, agents or consultants of the Group, and employees of the shareholder or any member of the Group or holders of any securities issued by any member of the Group. The Share Option Scheme was adopted by the Company on 22 December 2006 and became effective on 29 December 2006 and unless otherwise terminated or amended, it will remain in force for a period of 10 years from the latter date.

Information on movements of share options under the Share Option Scheme during the six months ended 31 January 2013 is set out below:

Category/Name of participant	Date of grant of share options (Note 1)	Number of underlying Shares comprised in share options				As at 31 January 2013	Exercise period of share options	Exercise price of share options per share HK\$ (Note 2)
		As at 1 August 2012	Granted during the period	Lapsed during the period				
<b>Director</b>								
Chew Fook Aun	05/06/2012	16,174,234	—	—	16,174,234	05/06/2012 to 04/06/2022	0.582	
Lam Kin Ngok, Peter	18/01/2013	—	1,617,423	—	1,617,423	18/01/2013 to 17/01/2023	1.41	
Lam Hau Yin, Lester	18/01/2013	—	16,174,234	—	16,174,234	18/01/2013 to 17/01/2023	1.41	
		16,174,234	17,791,657	—	33,965,891			
<b>Other employees</b>								
in aggregate	18/01/2013	—	11,087,117	—	11,087,117	18/01/2013 to 17/01/2023	1.41	
		—	11,087,117	—	11,087,117			
<b>Grand Total</b>		16,174,234	28,878,774	—	45,053,008			

Notes:

1. The share options were vested on the date of grant.
2. The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other specific changes in the Company's share capital.

During the period under review, 28,878,774 share options were granted and no share options were exercised or cancelled or lapsed in accordance with the terms of the Share Option Scheme.

At 31 January 2013 and the date of this report, the Company had 45,053,008 underlying shares comprised in options outstanding under the Share Option Scheme, which represented approximately 2.79% of the Company's shares in issue as at those dates.

## Corporate Governance and Other Information (Continued)

### SHARE OPTION SCHEME (CONTINUED)

#### (2) LSD

LSD adopted a share option scheme (the “**LSD Share Option Scheme**”) on 22 December 2006 and the LSD Share Option Scheme became effective on 29 December 2006 (the “**Commencement Date**”). The purpose of the LSD Share Option Scheme is to provide incentives or rewards to any eligible employee and director of LSD or any of its subsidiaries, any agent or consultant of any member of LSD and its subsidiaries (“**LSD Group**”) or any employee of the shareholder of any member of LSD Group or any holder of any securities issued by any member of LSD Group for their contribution or would be contribution to LSD Group and/or to enable LSD Group to recruit and retain high-calibre employees and attract human resources that are valuable to LSD Group. Unless otherwise altered or terminated, the LSD Share Option Scheme will be valid and effective for a period of 10 years commencing on the Commencement Date.

Information on movements of share options under the LSD Share Option Scheme (the “**LSD Share Options**”) during the six months ended 31 January 2013 is set out below:

Category/Name of participant	Date of grant of share options (Note 1)	Number of underlying shares comprised in share options				As at 31 January 2013	Exercise period of share options	Exercise price of share options per share HK\$ (Note 2)
		As at 1 August 2012	Granted during the period	Lapsed during the period				
<b>Director</b>								
Chew Fook Aun	05/06/2012	200,628,932	—	—	200,628,932	05/06/2012 to 04/06/2022	0.112	
Lam Kin Ngok, Peter	18/01/2013	—	20,062,893	—	20,062,893	18/01/2013 to 17/01/2023	0.335	
Lau Shu Yan, Julius	18/01/2013	—	100,314,466	—	100,314,466	18/01/2013 to 17/01/2023	0.335	
Lam Hau Yin, Lester	18/01/2013	—	200,628,932	—	200,628,932	18/01/2013 to 17/01/2023	0.335	
		200,628,932	321,006,291	—	521,635,223			
<b>Other employees</b>								
in aggregate	18/01/2013	—	187,188,680	—	187,188,680	18/01/2013 to 17/01/2023	0.335	
		—	187,188,680	—	187,188,680			
<b>Grand Total</b>		200,628,932	508,194,971	—	708,823,903			

Notes:

1. The share options were rested on the date of grant.
2. The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other specific changes in LSD's share capital.

During the period under review, 508,194,971 LSD Share Options were granted and no LSD Share Options were exercised or cancelled or lapsed in accordance with the terms of the LSD Share Option Scheme.

At 31 January 2013 and the date of this report, LSD had 708,823,903 underlying shares comprised in LSD Share Options outstanding under the LSD Share Option Scheme, which represented approximately 3.53% of LSD's shares in issue as at those dates.

## Corporate Governance and Other Information *(Continued)*

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 31 January 2013, 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.

### UPDATE OF DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the Directors' information since the disclosure made in the Company's annual report 2011-2012 are set out as follows:

- (1) The Group usually makes annual adjustment to basic salaries and pays discretionary bonuses in January. The basic salaries of Dr. Lam Kin Ngok, Peter, Mr. Chew Fook Aun and Mr. Lam Hau Yin, Lester were adjusted upward by 4.5% with effect from 1 January 2013.

The annual fees payable to Mr. Wan Yee Hwa, Edward (under his appointment as a NED of the Company) and each of Mr. Chow Bing Chiu, Mr. Lam Bing Kwan and Mr. Leung Shu Yin, William (under their appointments as INEDs of the Company) were increased to HK\$250,000 with effect from 1 November 2012.

The annual fees payable to each of Dr. Lam Kin Ming, Madam U Po Chu and Mr. Wan Yee Hwa, Edward (under their appointments as NEDs of LSD, a subsidiary of the Company) and each of Mr. Lam Bing Kwan and Mr. Leung Shu Yin, William (under their appointments as INEDs of LSD) were increased to HK\$250,000 with effect from 1 November 2012.

On 18 January 2013, the Company and LSD granted share options to certain Directors under the share option schemes of the Company and LSD to subscribe for ordinary shares of HK\$0.01 each in the share capital of the Company and HK\$0.01 each in the share capital of LSD, respectively. Directors' remuneration for the six months ended 31 January 2013 and 2012 are as follows:

	Fees HK\$'000	Salaries, allowances, and benefits in kind HK\$'000	Equity-settled share option expense HK\$'000	Pension scheme contributions HK\$'000	Total remuneration HK\$'000
<b>For the six months ended 31 January 2013</b>					
EDs:					
Lam Kin Ming ( <i>Chairman</i> )	87	334	—	—	421
Lam Kin Ngok, Peter ( <i>Deputy Chairman</i> )	24	5,192	2,555	15	7,786
Chew Fook Aun ( <i>Deputy Chairman</i> , appointed on 5 June 2012)	—	4,985	—	15	5,000
Lam Hau Yin, Lester (also alternate to U Po Chu)	—	1,164	25,549	8	26,721
Lam Kin Hong, Matthew U Po Chu (re-designated as ED on 27 November 2012)	24	192	—	8	224
Shiu Kai Wah (retired on 18 December 2012)	87	1,800	—	—	1,887
Lui Siu Tsuen, Richard (resigned on 1 November 2012)	19	227	—	—	246
	—	—	—	—	—
	<b>241</b>	<b>13,894</b>	<b>28,104</b>	<b>46</b>	<b>42,285</b>
NED:					
Wan Yee Hwa, Edward (retired on 18 December 2012)	127	—	—	—	127
	<b>127</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>127</b>
INEDs:					
Chow Bing Chiu	87	—	—	—	87
Lam Bing Kwan	187	—	—	—	187
Leung Shu Yin, William	187	—	—	—	187
	<b>461</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>461</b>
<b>Total</b>	<b>829</b>	<b>13,894</b>	<b>28,104</b>	<b>46</b>	<b>42,873</b>

# ► Corporate Governance and Other Information *(Continued)*

## UPDATE OF DIRECTORS' INFORMATION *(CONTINUED)*

(1) *(Continued)*

	Fees HK\$'000	Salaries, allowances, and benefits in kind HK\$'000	Equity-settled share option expense HK\$'000	Pension scheme contributions HK\$'000	Total remuneration HK\$'000
<b>For the six months ended 31 January 2012</b>					
<b>EDs:</b>					
Lam Kin Ming ( <i>Chairman</i> )	24	355	—	—	379
Lam Kin Ngok, Peter ( <i>Deputy Chairman</i> )	24	5,722	—	12	5,758
Lam Hau Yin, Lester (also alternate to U Po Chu)	—	1,158	—	6	1,164
Lam Kin Hong, Matthew	24	192	—	6	222
Shiu Kai Wah (retired on 18 December 2012)	24	298	—	—	322
Lui Siu Tsuen, Richard (resigned on 1 November 2012)	—	—	—	—	—
Tam Kin Man, Kraven (retired on 1 May 2012)	—	1,741	—	72	1,813
	96	9,466	—	96	9,658
<b>NEDs:</b>					
U Po Chu (re-designated as ED on 27 November 2012)	24	1,800	—	—	1,824
Wan Yee Hwa, Edward (retired on 18 December 2012)	123	—	—	—	123
Chiu Wai (passed away on 2 October 2011)	8	—	—	—	8
Leung Churk Yin, Jeanny (resigned on 1 September 2011)	—	—	—	—	—
	155	1,800	—	—	1,955
<b>INEDs:</b>					
Chow Bing Chiu	48	—	—	—	48
Lam Bing Kwan	123	—	—	—	123
Leung Shu Yin, William	123	—	—	—	123
	294	—	—	—	294
<b>Total</b>	<b>545</b>	<b>11,266</b>	<b>—</b>	<b>96</b>	<b>11,907</b>

## ► Corporate Governance and Other Information *(Continued)*

### UPDATE OF DIRECTORS' INFORMATION *(CONTINUED)*

- (2) Dr. Lam Kin Ngok, Peter:
  - (a) stepped down as the chairman of the board of directors and an ED of Lai Fung with effect from 1 November 2012;
  - (b) was appointed a member of the 12th National Committee of the Chinese People's Political Consultative Conference on 1 February 2013 following completion of his previous term of membership; and
  - (c) has accepted the appointment as the chairman of The Hong Kong Tourism Board for 3 years from 1 April 2013 to 31 March 2016 and by virtue of such appointment will become an ex officio member of Hong Kong Trade Development Council for the same period.
- (3) Mr. Chew Fook Aun was elected chairman of the board of directors of Lai Fung with effect from 1 November 2012.
- (4) Mr. Lam Hau Yin, Lester was appointed an ED of each of LSD and eSun with effect from 1 November 2012.
- (5) Mr. Lam Kin Hong, Matthew was appointed a Council Member of the Business Advisory Council of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) on 15 February 2013.

### DIRECTORS, EMPLOYEES AND REMUNERATION POLICIES

As at 31 January 2013, the Group employed a total of approximately 1,200 employees. The Group recognises the importance of maintaining a stable staff force in its continued success. Under the Group's existing policies, employee pay rates are maintained at competitive levels whilst promotion and salary increments are assessed on a performance-related basis. Discretionary bonuses are granted to employees based on their merit and in accordance with industry practice. Other benefits including share option scheme, mandatory provident fund scheme, free hospitalisation insurance plan, subsidised medical care and sponsorship for external education and training programmes are offered to eligible employees.

The Group would like to thank Mr. Lui Siu Tsuen, Richard, Mr. Shiu Kai Wah and Mr. Wan Yee Hwa, Edward, who left the Board during the period under review for their valuable contributions to the Company during their tenure.

## ▶ Corporate Governance and Other Information (Continued)

### INVESTOR RELATIONS

To ensure our investors have a better understanding of the Company, our management has begun engaging in a pro-active investor relations programme. Our EDs led by the Deputy Chairman of the Company and the 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 business strategy.

For the six months ended 31 January 2013, the Company has met with a number of research analysts and investors, as well as attended conferences and non-deal roadshows as follows:

<b>Month</b>	<b>Event</b>	<b>Organizer</b>	<b>Location</b>
September 2012	UBS Hong Kong/China Property Conference 2012	UBS	Hong Kong
September 2012	JP Morgan Hong Kong Property Corporate Access Days	JP Morgan	Hong Kong
October 2012	Post full year results non-deal roadshow	UBS	Hong Kong
November 2012	Post full year results non-deal roadshow	DBS	Singapore
November 2012	Post full year results non-deal roadshow/ HSBC Asia Corporate Day	HSBC	London
November 2012	Post full year results non-deal roadshow	JP Morgan	New York/ Philadelphia/ San Francisco
December 2012	Investors luncheon	Daiwa Securities	Hong Kong
January 2013	Investors luncheon	Bank of China International	Hong Kong
January 2013	Non-deal roadshow	UOB Kay Hian	Taipei

The Company is keen on promoting good 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 during normal business hours, by fax at (852) 2853 6651 or by e-mail at [ir@laisun.com](mailto:ir@laisun.com).



## ► Corporate Governance and Other Information *(Continued)*

### REVIEW OF INTERIM REPORT

The Audit Committee of the Company currently comprises three INEDs, namely Messrs. Leung Shu Yin, William, Lam Bing Kwan and Chow Bing Chiu. The Audit Committee has reviewed the interim report (including the unaudited condensed consolidated interim financial statements) of the Company for the six months ended 31 January 2013.

By Order of the Board  
**Lam Kin Ming**  
*Chairman*

Hong Kong, 28 March 2013