

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



## LAI SUN GARMENT

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

### ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 JULY 2017

#### RESULTS

The board of directors (the “**Board**”) of Lai Sun Garment (International) Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 July 2017 together with the comparative figures of the last year as follows:

#### Consolidated Income Statement

For the year ended 31 July 2017

	Notes	2017 HK\$'000	2016 HK\$'000
TURNOVER	3	1,808,083	1,972,089
Cost of sales		<u>(753,822)</u>	<u>(887,597)</u>
Gross profit		1,054,261	1,084,492
Other revenue		83,398	102,753
Selling and marketing expenses		(31,489)	(26,491)
Administrative expenses		(377,418)	(287,694)
Other operating expenses	4(b)	(301,323)	(223,938)
Fair value gains on investment properties, net		1,467,213	124,167
Reversal of provision for tax indemnity	4(c)	<u>142,451</u>	<u>-</u>
PROFIT FROM OPERATING ACTIVITIES	4(a)	2,037,093	773,289
Finance costs	5	(267,458)	(268,251)
Share of profits and losses of associates		188,949	30,604
Share of profits and losses of joint ventures		837,413	770,469
Loss on deemed disposal of interest in an associate	6	(573,121)	-
Discount on acquisition of additional interest in an associate	6	<u>142,822</u>	<u>-</u>
PROFIT BEFORE TAX		2,365,698	1,306,111
Tax	7	<u>(83,500)</u>	<u>(64,461)</u>
PROFIT FOR THE YEAR		<u>2,282,198</u>	<u>1,241,650</u>
Attributable to:			
Owners of the Company		1,456,666	683,316
Non-controlling interests		<u>825,532</u>	<u>558,334</u>
		<u>2,282,198</u>	<u>1,241,650</u>
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	9		(Adjusted)
Basic		<u>HK\$3.824</u>	<u>HK\$1.805</u>
Diluted		<u>HK\$3.785</u>	<u>HK\$1.800</u>

**Consolidated Statement of Comprehensive Income**  
*For the year ended 31 July 2017*

	<b>2017</b> <i>HK\$'000</i>	2016 <i>HK\$'000</i>
PROFIT FOR THE YEAR	<u><b>2,282,198</b></u>	<u>1,241,650</u>
OTHER COMPREHENSIVE INCOME/(EXPENSE) TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS:		
Changes in fair values of available-for-sale financial assets	<b>202,804</b>	137,370
Exchange realignments	<b>9,692</b>	(174,440)
Share of other comprehensive expense of associates	<b>(54,877)</b>	(244,302)
Share of other comprehensive income of a joint venture	<b>908</b>	-
Release of reserves upon deemed disposal of interest in an associate	<b>49,192</b>	-
Release of reserves upon disposal of associates	<u>-</u>	<u>(31)</u>
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR	<u><b>207,719</b></u>	<u>(281,403)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><b>2,489,917</b></u>	<u>960,247</u>
Attributable to:		
Owners of the Company	<b>1,583,555</b>	545,441
Non-controlling interests	<u><b>906,362</b></u>	<u>414,806</u>
	<u><b>2,489,917</b></u>	<u>960,247</u>

## Consolidated Statement of Financial Position

As at 31 July 2017

	<i>Notes</i>	<b>2017</b> <b>HK\$'000</b>	2016 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>4,322,054</b>	3,281,884
Prepaid land lease payments		<b>19,873</b>	20,901
Investment properties		<b>19,245,714</b>	17,713,376
Properties under development for sale		<b>1,646,938</b>	1,397,706
Goodwill		<b>5,161</b>	5,161
Interests in associates		<b>3,628,138</b>	3,721,584
Interests in joint ventures		<b>7,224,183</b>	6,754,353
Available-for-sale financial assets		<b>1,717,665</b>	1,512,037
Pledged and restricted bank balances and time deposits		<b>86,892</b>	336,828
Deposits paid and other receivables		<b>232,664</b>	181,315
Total non-current assets		<b><u>38,129,282</u></b>	<u>34,925,145</u>
<b>CURRENT ASSETS</b>			
Completed properties for sale		<b>264,914</b>	336,807
Inventories		<b>31,327</b>	25,899
Debtors, deposits paid and other receivables	<i>10</i>	<b>543,893</b>	178,420
Pledged and restricted bank balances and time deposits		<b>314,152</b>	58,438
Cash and cash equivalents		<b>3,176,636</b>	2,911,657
Total current assets		<b><u>4,330,922</u></b>	<u>3,511,221</u>
<b>CURRENT LIABILITIES</b>			
Creditors, deposits received and accruals	<i>11</i>	<b>477,301</b>	478,160
Tax payable		<b>127,541</b>	139,889
Guaranteed notes		<b>3,480,606</b>	-
Bank borrowings		<b>171,582</b>	690,709
Total current liabilities		<b><u>4,257,030</u></b>	<u>1,308,758</u>
<b>NET CURRENT ASSETS</b>		<b><u>73,892</u></b>	<u>2,202,463</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b><u>38,203,174</u></b>	<u>37,127,608</u>
<b>NON-CURRENT LIABILITIES</b>			
Bank borrowings		<b>7,503,652</b>	5,594,973
Guaranteed notes		<b>-</b>	3,461,817
Other borrowing, note payable and interest payable		<b>384,293</b>	372,969
Deferred tax		<b>207,962</b>	195,163
Provision for tax indemnity		<b>344,251</b>	980,638
Long term deposits received and other payables		<b>902,034</b>	109,678
Deferred rental		<b>7,448</b>	9,724
Total non-current liabilities		<b><u>9,349,640</u></b>	<u>10,724,962</u>
		<b><u>28,853,534</u></b>	<u>26,402,646</u>
<b>EQUITY</b>			
Equity attributable to owners of the Company			
Share capital		<b>1,198,360</b>	1,179,703
Investment revaluation reserve		<b>367,057</b>	245,724
Share option reserve		<b>70,925</b>	14,286
Hedging reserve		<b>1,210</b>	5,707
Capital reduction reserve		<b>6,973</b>	6,973
Asset revaluation reserve		<b>55,494</b>	55,494
Other reserve		<b>2,759,760</b>	2,809,724
Statutory reserve		<b>25,622</b>	14,962
Exchange fluctuation reserve		<b>(228,745)</b>	(238,798)
Retained profits		<b><u>13,780,780</u></b>	<u>12,359,569</u>
		<b>18,037,436</b>	16,453,344
Non-controlling interests		<b><u>10,816,098</u></b>	<u>9,949,302</u>
		<b><u>28,853,534</u></b>	<u>26,402,646</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and certain available-for-sale financial assets, which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

The financial information relating to the years ended 31 July 2017 and 31 July 2016 included in this preliminary announcement of annual results for the year ended 31 July 2017 does not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 July 2016 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 July 2017 in due course.

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

### 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	<i>Investment Entities: Applying the Consolidation Exception</i>
Amendments to HKFRS 11 HKFRS 14	<i>Accounting for Acquisitions of Interests in Joint Operations Regulatory Deferral Accounts</i>
Amendments to HKAS 1	<i>Disclosure Initiative</i>
Amendments to HKAS 16 and HKAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to HKAS 16 and HKAS 41	<i>Agriculture: Bearer Plants</i>
Amendments to HKAS 27 (2011)	<i>Equity Method in Separate Financial Statements</i>
<i>Annual Improvements 2012-2014 Cycle</i>	<i>Amendments to a number of HKFRSs</i>

The adoption of the above new and revised standards has had no significant financial effect on these financial statements.

### 3. SEGMENT INFORMATION

#### Segment revenue and results

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

	Property development and sales		Property investment		Hotel operation		Restaurant operation		Others		Eliminations		Consolidated	
	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000
Segment revenue:														
Sales to external customers	89,245	468,691	792,549	806,488	412,343	391,683	481,529	280,664	32,417	24,563	-	-	1,808,083	1,972,089
Intersegment sales	-	-	22,474	19,123	90	360	97	-	26,697	25,749	(49,358)	(45,232)	-	-
Other revenue	4,813	3,997	2,310	1,085	280	15	426	8,525	11,120	8,409	-	-	18,949	22,031
Total	94,058	472,688	817,333	826,696	412,713	392,058	482,052	289,189	70,234	58,721	(49,358)	(45,232)	1,827,032	1,994,120
Segment results	(15,661)	91,516	646,542	664,217	62,911	68,387	(30,671)	(28,184)	(2,637)	2,756	-	-	660,484	798,692
Interest income from bank deposits - unallocated													30,970	23,122
Unallocated revenue													33,479	57,600
Fair value gains on investment properties, net	-	-	1,467,213	124,167	-	-	-	-	-	-	-	-	1,467,213	124,167
Unallocated expenses													(297,504)	(230,292)
Reversal of provision for tax indemnity													142,451	-
Profit from operating activities													2,037,093	773,289
Finance costs													(267,458)	(268,251)
Share of profits and losses of associates	33	666	11,290	13,972	-	-	(3,330)	(7,670)	-	-	-	-	7,993	6,968
Share of profits and losses of associates - unallocated													180,956	23,636
Share of profits and losses of joint ventures	(28,638)	(4,127)	859,570	774,596	-	-	-	-	6,481	-	-	-	837,413	770,469
Loss on deemed disposal of interest in an associate													(573,121)	-
Discount on acquisition of additional interest in an associate													142,822	-
Profit before tax													2,365,698	1,306,111
Tax													(83,500)	(64,461)
Profit for the year													2,282,198	1,241,650

### 3. SEGMENT INFORMATION (continued)

The following table presents the total assets and liabilities and other segment information for the Group's reportable segments:

	Property development and sales		Property investment		Hotel operation		Restaurant operation		Others		Consolidated	
	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000
<b><u>Segment assets and liabilities</u></b>												
Segment assets	<b>2,321,573</b>	1,781,215	<b>19,456,032</b>	17,876,931	<b>4,261,731</b>	3,263,406	<b>601,724</b>	641,751	<b>242,782</b>	152,583	<b>26,883,842</b>	23,715,886
Interests in associates	<b>5,890</b>	7,343	<b>66,973</b>	55,179	<b>159,478</b>	-	<b>(9,078)</b>	(1,061)	-	-	<b>223,263</b>	61,461
Interests in associates - unallocated											<b>3,404,875</b>	3,660,123
Interests in joint ventures	<b>1,116,246</b>	990,385	<b>5,986,447</b>	5,763,968	-	-	-	-	<b>121,490</b>	-	<b>7,224,183</b>	6,754,353
Unallocated assets											<b>4,724,041</b>	4,244,543
Total assets											<b>42,460,204</b>	38,436,366
Segment liabilities	<b>777,431</b>	62,467	<b>229,379</b>	221,181	<b>279,216</b>	195,510	<b>43,158</b>	47,472	<b>9,932</b>	6,163	<b>1,339,116</b>	532,793
Bank borrowings											<b>7,675,234</b>	6,285,682
Guaranteed notes											<b>3,480,606</b>	3,461,817
Other borrowing, note payable and interest payable											<b>384,293</b>	372,969
Other unallocated liabilities											<b>727,421</b>	1,380,459
Total liabilities											<b>13,606,670</b>	12,033,720
<b><u>Other segment information</u></b>												
Amortisation of prepaid land lease payments	-	-	-	-	<b>1,028</b>	1,027	-	-	-	-	<b>1,028</b>	1,027
Depreciation	-	225	<b>254</b>	227	<b>25,861</b>	24,991	<b>47,469</b>	34,106	<b>217</b>	95	<b>73,801</b>	59,644
Depreciation - unallocated											<b>13,586</b>	12,854
											<b>87,387</b>	72,498
Capital expenditure	-	-	<b>57,842</b>	261,960	<b>1,075,824</b>	565,472	<b>48,257</b>	96,217	<b>3,019</b>	155	<b>1,184,942</b>	923,804
Capital expenditure - unallocated											<b>4,330</b>	4,702
											<b>1,189,272</b>	928,506

### 3. SEGMENT INFORMATION *(continued)*

#### **Geographical information**

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

	Hong Kong		United Kingdom		Vietnam		Others		Consolidated	
	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Segment revenue										
Sales to external customers	<b>1,260,606</b>	1,432,704	<b>136,304</b>	149,713	<b>407,257</b>	385,903	<b>3,916</b>	3,769	<b>1,808,083</b>	1,972,089
Other revenue	<b>18,317</b>	21,626	<b>493</b>	391	<b>81</b>	-	<b>58</b>	14	<b>18,949</b>	22,031
Total	<b>1,278,923</b>	1,454,330	<b>136,797</b>	150,104	<b>407,338</b>	385,903	<b>3,974</b>	3,783	<b>1,827,032</b>	1,994,120
Segment assets										
Non-current assets	<b>22,184,372</b>	19,532,148	<b>2,703,275</b>	2,512,864	<b>449,172</b>	456,495	<b>621</b>	985	<b>25,337,440</b>	22,502,492
Current assets	<b>1,146,885</b>	834,721	<b>72,756</b>	30,247	<b>323,208</b>	345,692	<b>3,553</b>	2,734	<b>1,546,402</b>	1,213,394
Total	<b>23,331,257</b>	20,366,869	<b>2,776,031</b>	2,543,111	<b>772,380</b>	802,187	<b>4,174</b>	3,719	<b>26,883,842</b>	23,715,886

#### **Information about major customers**

For both the years ended 31 July 2017 and 31 July 2016, there was no revenue derived from a single customer which contributed more than 10% of the Group's revenue for the respective years.

#### 4. PROFIT FROM OPERATING ACTIVITIES

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Cost of inventories sold	169,622	111,809
Cost of completed properties sold	71,900	348,147
Depreciation <sup>#</sup>	87,387	72,498
Amortisation of prepaid land lease payments <sup>*</sup>	1,028	1,027
Loss on disposal of items of property, plant and equipment <sup>*</sup>	<u>1,222</u>	<u>100</u>

<sup>#</sup> Depreciation charge of approximately HK\$82,082,000 (2016: HK\$67,771,000) for property, plant and equipment is included in "other operating expenses" on the consolidated income statement.

<sup>\*</sup> These items are included in "other operating expenses" on the consolidated income statement.

(b) Other than those mentioned in note 4(a) above, "other operating expenses" also included service fee for operation of a club in the Group's hotel operation in Vietnam of approximately HK\$64,337,000 (2016: HK\$64,616,000).

(c) Pursuant to the indemnity deed entered into between Lai Sun Development Company Limited ("LSD"), a subsidiary of the Company, and Lai Fung Holdings Limited ("Lai Fung") on 12 November 1997, LSD has undertaken to indemnify Lai Fung in respect of certain potential Mainland China corporate income tax and land appreciation tax payable or shared by Lai Fung in consequence of the disposal of certain properties interest attributable to Lai Fung through its subsidiaries and joint ventures as at 31 October 1997. During the year, LSD settled tax indemnity of approximately HK\$493,936,000 (2016: Nil) in relation to the taxes incurred and paid by Lai Fung. LSD also reversed an overprovision in prior years of approximately HK\$142,451,000 (2016: Nil) which is credited to the consolidated income statement.

#### 5. FINANCE COSTS

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Interest on bank borrowings	133,860	122,585
Interest on guaranteed notes	220,732	222,899
Interest on other borrowing and note payable	11,324	11,350
Bank financing charges	<u>57,838</u>	<u>45,447</u>
	423,754	402,281
Less: Amount capitalised in a hotel development project	(100,317)	(91,097)
Amount capitalised in properties under development for sale	<u>(55,979)</u>	<u>(42,933)</u>
	<u>267,458</u>	<u>268,251</u>

#### 6. INTEREST IN eSUN HOLDINGS LIMITED

On 9 February 2017, eSun Holdings Limited ("eSun"), an associate of LSD, completed a share placement which resulted in a dilution in LSD's interest in eSun from 41.92% to 34.94%. LSD recorded a loss on deemed disposal of interest in eSun of approximately HK\$573,121,000 in the consolidated income statement and released reserves of approximately HK\$49,192,000 in the consolidated statement of comprehensive income from this transaction.

Subsequently, LSD acquired 2% additional interest in eSun from the public shareholders at a cost of approximately HK\$25,426,000 and LSD's interest in eSun increased from 34.94% to 36.94%. A discount on acquisition of approximately HK\$142,822,000 arose from this acquisition.



## 7. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

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

	<b>2017</b> <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Current tax		
Hong Kong	<b>46,279</b>	45,894
Overseas	<b>21,630</b>	26,724
	<b>67,909</b>	72,618
Deferred tax	<b>13,113</b>	6,323
Prior years' underprovision/(overprovision)		
Hong Kong	<b>612</b>	(40)
Overseas	<b>1,866</b>	(14,440)
	<b>2,478</b>	(14,480)
Tax charge for the year	<b>83,500</b>	64,461

## 8. DIVIDEND

	<b>2017</b> <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Final dividend paid in respect of the year ended 31 July 2016 (2016: final dividend paid in respect of the year ended 31 July 2015)	<b>23,018</b>	20,809
Proposed final dividend – HK6.85 cents per ordinary share (2016: HK1.21 cents per ordinary share before the effect of the Share Consolidation (as defined in note 9) or HK6.05 cents per ordinary share after the effect of the Share Consolidation)	<b>26,165</b>	22,921

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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

	<b>2017</b> <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Earnings		
Earnings for the purpose of basic earnings per share	<b>1,456,666</b>	683,316
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	<u>(3,832)</u>	<u>(579)</u>
Earnings for the purpose of diluted earnings per share	<u><b>1,452,834</b></u>	<u>682,737</u>
	<i>'000</i>	<i>'000</i> (Adjusted)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>380,878</b>	378,608
Effect of dilutive potential ordinary shares arising from share options	<u>2,984</u>	<u>748</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u><b>383,862</b></u>	<u>379,356</u>

The number of shares for the purpose of earnings per share were calculated to reflect the share consolidation (i.e. every five issued shares are consolidated into one share in the share capital of the Company as approved by the shareholders of the Company in the General Meeting with effect from 15 August 2017) (the “**Share Consolidation**”). Comparative figures have also been adjusted on the assumption that the Share Consolidation had been effective in the prior year. Further details of the Share Consolidation are set out in the Company’s announcements dated 27 April 2017 and 18 July 2017, and the Company’s circular dated 26 July 2017.

## 10. DEBTORS, DEPOSITS PAID AND OTHER RECEIVABLES

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 a cash basis except for those corporate clients who maintain credit accounts with the respective subsidiaries, the settlement of which is in accordance with the respective agreements.

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

	<b>2017</b> <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Trade debtors:		
Not yet due or less than 30 days past due	<b>11,749</b>	15,805
31 – 60 days past due	<b>2,270</b>	2,122
61 – 90 days past due	<b>655</b>	857
Over 90 days past due	<u><b>6,792</b></u>	<u>3,881</u>
	<b>21,466</b>	22,665
Other receivables	<b>444,611</b>	82,132
Deposits paid and prepayments	<u><b>77,816</b></u>	<u>73,623</u>
	<u><b>543,893</b></u>	<u>178,420</u>

## 11. CREDITORS, DEPOSITS RECEIVED AND ACCRUALS

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Trade creditors:		
Not yet due or less than 30 days past due	20,592	20,207
31 – 60 days past due	2,119	2,128
61 – 90 days past due	950	1,079
Over 90 days past due	75	1,148
	<u>23,736</u>	<u>24,562</u>
Other payables and accruals	274,095	291,284
Deposits received and other provisions	179,470	162,314
	<u>477,301</u>	<u>478,160</u>

## 12. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in the announcements,

1. On 13 September 2017, LSD Bonds (2017) Limited, a wholly-owned subsidiary of LSD, issued guaranteed notes in an aggregate principal amount of US\$400 million (the “**LSD 2017 Notes**”). The LSD 2017 Notes are guaranteed by LSD, have a maturity term of five years and bear a fixed interest rate of 4.6% per annum with interest payable semi-annually in arrears.

The net proceeds from the offering of the LSD 2017 Notes were approximately US\$396 million and will be used for refinancing the LSD’s existing guaranteed notes of US\$350 million and general corporate purposes.

2. On 21 August 2017, the Company placed 50,934,000 shares of LSD, representing 8.42% of the issued share capital of LSD, at the placing price of HK\$13.05 each to certain independent third parties (the “**Placing**”). The gross proceeds of the Placing were approximately HK\$664.7 million and were settled by cash. The net proceeds were approximately HK\$656 million and will be used for the forthcoming repayment of the debt obligation of the Group in the near term.

Due to the timing of the transaction, the Group is still assessing the impact on the Group’s financial statements. Accordingly, certain disclosures in relation to the above transaction has not been presented.

## **FINAL DIVIDEND**

The Directors have resolved to recommend a final dividend of HK6.85 cents per share (2016: HK1.21 cents per share before the effect of the Share Consolidation or HK6.05 cents per share after the effect of the Share Consolidation), amounting to approximately HK\$26,165,000 for the financial year ended 31 July 2017 to shareholders of the Company (“**Shareholders**”) whose names appear on the Register of Members of the Company on Friday, 22 December 2017 subject to the approval of Shareholders at the forthcoming Annual General Meeting of the Company to be held on Friday, 15 December 2017 (“**AGM**”).

No interim dividend was declared during the year (2016: Nil).

The Directors propose that shareholders be given the option to receive the final dividend in new shares in lieu of cash. The scrip dividend proposal is subject to: (1) the approval of the proposed final dividend at the AGM to be held on 15 December 2017; and (2) The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) granting the listing of and permission to deal in the new shares to be issued pursuant to this proposal.

A circular containing details of the scrip dividend proposal will be despatched to shareholders together with the form of election for scrip dividend on or about Wednesday, 3 January 2018. It is expected that the final dividend warrants and share certificates for the scrip dividend will be despatched to Shareholders on or about Tuesday, 30 January 2018.

## **ANNUAL GENERAL MEETING**

The AGM of the Company will be held on Friday, 15 December 2017. Notice of the AGM together with the proxy form and the Company’s Annual Report for the year ended 31 July 2017 will be published on the respective websites of the Stock Exchange and the Company and despatched to Shareholders in mid-November 2017.

## **CLOSURE OF REGISTER OF MEMBERS**

In order to be eligible to attend and vote at the AGM, Shareholders should ensure that all transfers accompanied by the relevant share certificates are lodged with the Company’s share registrar, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 12 December 2017.

The proposed final dividend is subject to the approval of the Shareholders at the AGM. The record date for the proposed final dividend is at the close of business on Friday, 22 December 2017. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 21 December 2017 to Friday, 22 December 2017, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all relevant transfer document(s) and share certificate(s) must be lodged with the Company’s share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 20 December 2017.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW AND OUTLOOK

Major economies around the world continue to navigate in uncertain waters during the year under review. The capital markets has demonstrated resilience and robustness despite a precarious economic outlook, punctuated by global events such as elections in Europe, uncertainties surrounding the terms of Brexit, domestic terror events in the US and Europe, and geopolitical tensions in the Korean peninsula. Some of these events are likely to linger in the near future and cast a shadow on the outlook.

The property sector in Hong Kong as a whole has shown resilience and robustness after an extended period of softening. During the year under review, the slowdown in the luxury end of the retail market has been recovering due to improving visitor numbers. The office leasing market continues to stabilise due to tight supply and demand to consolidate office space in Central, but a slight softening of rent in areas outside the Central area was observed. The residential market was robust, underpinned by a lack of supply with record prices being achieved in recent land tenders, as well as a sustained period of low interest rates. The effect of the recent rate hike earlier this year has yet to be seen, however, interest rates remain low relative to recent history. Labour supply shortages in the construction industry continues to drive wage inflation and pose a challenge on the cost management side.

The management believes it is paramount to prepare the Group for the challenges and opportunities ahead. The Group completed a series of corporate activities as part of the new strategy to improve funding sources, execution capabilities and overall coordination with the wider Lai Sun Group since refocusing the strategy in 2012. Set out below are the projects the Group secured after the implementation of the new rental focused strategy:

<b>Date</b>	<b>Secured Projects</b>	<b>Total Gross Floor Area (“GFA”) (square feet)</b>	<b>Use</b>	<b>Expected Construction Completion Date</b>
<b>Hong Kong</b>				
<b>Development Properties</b>				
November 2012	Alto Residences	573,154	Commercial/ Residential	Q1 2018
April 2014	93 Pau Chung Street	111,354	Commercial/ Residential	Q1 2018
May 2014	Hong Kong Ocean Park Marriott Hotel (“ <b>Ocean Hotel</b> ”)	366,000	Hotel	Q2 2018
September 2015	Sai Wan Ho Street Project	61,099	Residential	Q4 2019
May 2016	Novi	42,847	Commercial/ Residential	Q3 2019
<b>London, United Kingdom</b>				
<b>Investment Properties</b>				
April 2014	107 Leadenhall Street	146,606	Commercial/ Office	N/A
November 2014	100 Leadenhall Street	177,700	Office	N/A
December 2015	106 Leadenhall Street	19,922	Commercial/ Office	N/A

The Group as a whole performed steadily against this challenging environment. The rental portfolio comprises of approximately 1.4 million square feet attributable to the Group, of which about 1.1 million square feet is located in Hong Kong. Despite the softened economic sentiment and weakened retail activity, the Group's Hong Kong properties performed steadily at nearly full occupancy levels with most of the major lease renewals completed in the year under review.

The London properties weathered the uncertainties of Brexit well during the year under review if the currency translation effect of a depreciated Sterling was excluded. As at the date of this results announcement, over 70% of the floor area of 106 Leadenhall Street in London has been leased out. This multi-tenanted property located adjacent to our other two wholly-owned properties, namely 100 and 107 Leadenhall Street, is expected to enhance and enlarge the Group's strategic property investment portfolio in the City of London. The Group has appointed DP9, one of the leading professional consultancies in planning, development and regeneration in the United Kingdom to advise on the redevelopment of the site comprising 100, 106 and 107 Leadenhall Street. Skidmore, Owings & Merrill LLP has also been engaged as architect for this project. The Group is encouraged that the adjacent building situated at 122 Leadenhall Street, commonly known as the "The Cheesegrater" was sold for £1.135 billion in March 2017.

The Ocean Hotel, to be operated by the Marriott group, will provide a total of 471 rooms and approximately 366,000 square feet of attributable rental space to the existing rental portfolio attributable to the Group of approximately 1.8 million square feet. Its construction is expected to be completed in the second quarter of 2018. In June 2017, LSD invested a total of HK\$159.6 million for an effective interest of 38.635% in a parcel of land in Phuket, Thailand for a resort hotel development and villas project. The hotel project consists of luxury resort villas that will be managed by an international hotel manager. This project is at the start of the development stage and the Group will provide material updates on this project as and when available.

The Urban Renewal Authority project in Ma Tau Kok, Kowloon, "93 Pau Chung Street" ("**93 Pau Chung Street**") and the joint venture project in Tseung Kwan O named "Alto Residences" ("**Alto Residences**") were launched for pre-sale in September 2016 and October 2016, respectively. The 93 Pau Chung Street project offers 209 flats in total, including studios, one and two-bedroom units. Up to 15 October 2017, the Group has pre-sold 197 units in 93 Pau Chung Street with saleable area of approximately 70,100 square feet at an average selling price of approximately HK\$16,100 per square foot. The Alto Residences project provides 605 flats, including 23 detached houses. Up to 15 October 2017, the Group has pre-sold 512 units in Alto Residences with saleable area of approximately 283,000 square feet at an average selling price of approximately HK\$15,200 per square foot. The Ki Lung Street project in Sham Shui Po, Kowloon, named "Novi", offering 138 flats in total was launched for pre-sale in July 2017. Up to 15 October 2017, the Group has pre-sold 134 units in Novi with saleable area of approximately 27,700 square feet at an average selling price of approximately HK\$18,700 per square foot. The Sai Wan Ho Street project from the Urban Renewal Authority in Shau Kei Wan, Hong Kong is planned to provide about 144 residential units upon completion with a total GFA of 61,099 square feet.

The Group is encouraged by the sales of 93 Pau Chung Street, Alto Residences and Novi which will be recognised in coming financial years. The Group will continue to participate in government tenders to grow the pipeline.

In September 2016, LSD acquired an approximately 49.96% interest in Camper & Nicholsons International S.A. (“CNI”), a long established and internationally recognised brand for luxury yachts. LSD believed that the acquisition of CNI in partnership with Fincantieri S.p.A., one of the major shipbuilding companies in the world, will bolster its offering of high-end hospitality services.

The placing (“**eSun Placing**”) of 248,642,433 new shares of eSun Holdings Limited (“**eSun**”, an associate of the Group) under its general mandate was completed on 9 February 2017, resulting in a dilution of LSD’s interest in eSun from 41.92% to 34.94%. In February 2017, LSD acquired a 2% additional interest in eSun from public shareholders and LSD’s interest in eSun increased from 34.94% to 36.94%.

The share consolidation on a 1-for-5 basis (“**Share Consolidation**”) and change in board lot size from 5,000 shares to 1,000 shares announced by the Group on 27 April 2017 is effective from 15 August 2017. It is hoped that this will make investing in the shares of the Group more attractive to a broader range of investors, in particular to institutional investors whose house rules might otherwise prohibit or restrict trading in securities that are priced below a prescribed floor and thus help to further broaden the shareholder base of the Company.

Subsequent to the year end, the Company entered into a secondary block trade agreement with CLSA Limited on 16 August 2017 to sell up to 50,934,000 shares of LSD held by the Company at a placing price of HK\$13.05 per share (“**LSG Placing**”). The net proceeds of approximately HK\$656.0 million (after deduction of placing commission and other expenses of the LSG Placing) are intended to be applied for the repayment of the Company’s debt obligations in the near term. The LSG Placing represents an opportunity to raise capital and enhanced the cash position and working capital of the Company. The LSG Placing has been completed and immediately after the completion of the LSG Placing, the number of the LSD’s shares held by the Company decreased to 322,602,572 shares, representing approximately 53.32% of the issued share capital of the LSD. LSD remains as a subsidiary of the Company.

The Group’s strong cash position of HK\$3,577.7 million of cash on hand and HK\$4,018.5 million of undrawn facilities with a net debt to equity ratio of 44.1% as at 31 July 2017 provides the Group with full confidence and the means to review opportunities more actively. The Group’s gearing excluding the net debt of the London portfolio all of which have a positive carry net of financing costs is 35.5%. However, the Group will continue its prudent and flexible approach in growing the landbank and managing its financial position.

## OVERVIEW OF FINAL RESULTS

For the year ended 31 July 2017, the Group recorded turnover of HK\$1,808.1 million (2016: HK\$1,972.1 million) and a gross profit of HK\$1,054.3 million (2016: HK\$1,084.5 million), representing a decrease of approximately 8.3% and 2.8%, respectively over last year. The decrease is primarily due to lower turnover from sale of properties during the year under review as compared to last year. Set out below is the turnover by segment:

	For the year ended 31 July		Difference (HK\$ million)	% change
	2017 (HK\$ million)	2016 (HK\$ million)		
Property Investment	<b>792.5</b>	806.5	-14.0	-1.7%
Property development and sales	<b>89.2</b>	468.7	-379.5	-81.0%
Restaurant operation	<b>481.5</b>	280.7	200.8	71.5%
Hotel operation and others	<b>444.9</b>	416.2	28.7	6.9%
<b>Total</b>	<b>1,808.1</b>	1,972.1	-164.0	-8.3%

For the year ended 31 July 2017, net profit attributable to owners of the Company was approximately HK\$1,456.7 million (2016: HK\$683.3 million), representing an increase of approximately 113.2% over last year. The increase during the year under review as compared to last year consists a mix of:

- (a) lower operating profit due to lower property sales;
- (b) a substantial increase in revaluation of the investment properties held by the Group, its joint ventures and associates;
- (c) loss on deemed disposal of LSD's interest in eSun due to eSun Placing;
- (d) reversal of the provision for tax indemnity pursuant to the tax indemnity deed in connection with the listing of Lai Fung Holdings Limited (“**Lai Fung**”) on the Stock Exchange in 1997; and
- (e) discount on LSD's acquisition of additional 2% interest in eSun.

Basic earnings per share was HK\$3.824 (Adjusted 2016: HK\$1.805).

Excluding the effect of property revaluations, net loss attributable to owners of the Company was approximately HK\$100.3 million (2016: net profit of HK\$172.0 million). Net loss per share excluding the effect of property revaluations was HK\$0.263 (Adjusted 2016: net profit of HK\$0.454 per share).

Excluding the effect of property revaluations and non-recurring transactions during the year under review, net profit attributable to owners of the Company was approximately HK\$135.8 million (2016: HK\$172.3 million). Net profit per share excluding the effect of property revaluations and non-recurring transactions during the year under review was HK\$0.357 (Adjusted 2016: HK\$0.455 per share).

Adjustments have been made to the weighted average number of issued shares of the Company for the year ended 31 July 2017 and 31 July 2016, respectively for the calculations of basic earnings per share and adjusted net profit/loss per share as above due to the Share Consolidation of the Company being effective on 15 August 2017 post year end.



<b>Profit attributable to owners of the Company</b>	<b>For the year ended 31 July</b>	
	<b>2017</b>	<b>2016</b>
	<b>HK\$ million</b>	<b>HK\$ million</b>
Reported	<b>1,456.7</b>	683.3
Less: Adjustments in respect of revaluation gains of investment properties held by		
- the Company and subsidiaries	<b>(994.5)</b>	(96.6)
- associates and joint ventures	<b>(562.5)</b>	(414.7)
<b>Net (loss)/profit after tax excluding revaluation gains of investment properties</b>	<b>(100.3)</b>	172.0
Less: Adjustments in respect of non-recurring transactions		
- reversal of provision for tax indemnity	<b>(88.0)</b>	-
- loss on deemed disposal of interest in eSun	<b>353.9</b>	-
- discount on acquisition of additional interest in eSun	<b>(88.2)</b>	-
- employee share option benefits	<b>58.4</b>	0.3
<b>Net profit after tax excluding revaluation gains of investment properties and non-recurring transactions</b>	<b>135.8</b>	172.3

Equity attributable to owners of the Company as at 31 July 2017 amounted to HK\$18,037.4 million, up from HK\$16,453.3 million as at 31 July 2016. Net asset value per share attributable to owners of the Company increased by 8.7% to HK\$47.223 per share as at 31 July 2017 from HK\$43.429 per share (adjusted) as at 31 July 2016. Adjustments have been made to the total number of issued shares of the Company as at 31 July 2017 and 31 July 2016, respectively due to the Share Consolidation of the Company being effective on 15 August 2017 post year end.

#### PROPERTY PORTFOLIO COMPOSITION

As at 31 July 2017, the Group maintained a property portfolio with attributable GFA of approximately 1.9 million square feet. Approximate attributable GFA (in '000 square feet) of the Group's major properties and number of car-parking spaces is as follows:

	<b>Commercial /Retail</b>	<b>Office</b>	<b>Industrial</b>	<b>Residential</b>	<b>Hotel</b>	<b>Total (excluding car-parking spaces &amp; ancillary facilities)</b>	<b>No. of car-parking spaces attributable to the Group</b>
Completed Properties Held for Rental <sup>1</sup>	422	696	199	-	-	<b>1,317</b>	670
Completed Hotel Properties	-	-	-	-	61	<b>61</b>	-
Properties Under Development <sup>2</sup>	49	-	-	261	226	<b>536</b>	122
Completed Properties Held for Sale	17	-	-	4	-	<b>21</b>	6
<b>Total GFA of major properties of the Group</b>	<b>488</b>	<b>696</b>	<b>199</b>	<b>265</b>	<b>287</b>	<b>1,935</b>	<b>798</b>

1. Completed and rental generating properties

2. All properties under construction

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

## PROPERTY INVESTMENT

### Rental Income

During the year under review, the Group's rental operations recorded a turnover of HK\$792.5 million (2016: HK\$806.5 million), representing a 1.7% decrease over last year. The decrease is primarily due to the lower contributions from London properties post Brexit in June 2016. The average Sterling exchange rate for the year under review depreciated by approximately 11.4% compared with last year. Excluding the effect of currency translation against a depreciating Sterling, the change in the turnover from London properties went from a decrease of 9.0% to an increase of 2.8%.

The Group wholly owns five major investment 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. LSD's 50:50 joint venture with Henderson Land Development Company Limited ("**Henderson Land**") at 8 Observatory Road, Kowloon is now fully leased. This is recognised as a component of "Share of profits and losses of joint ventures" in the consolidated income statement.

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

	For the year ended 31 July		% Change	Year end occupancy (%)
	2017 HK\$ million	2016 HK\$ million		
<b>Hong Kong</b>				
Cheung Sha Wan Plaza (including car-parking spaces)	302.1	302.6	-0.2	91.1
Causeway Bay Plaza 2 (including car-parking spaces)	181.4	178.0	1.9	98.8
Lai Sun Commercial Centre (including car-parking spaces)	54.6	59.8	-8.7	85.4
Crocodile Center (commercial podium)	88.6	87.0	1.8	100.0
Por Yen Building	14.7	14.1	4.3	90.6
Others	14.8	15.3	-3.3	N/A
Subtotal:	656.2	656.8	-0.1	N/A
<b>London, United Kingdom</b>				
36 Queen Street	23.1	25.9	-10.8	100.0
107 Leadenhall Street	45.6	50.2	-9.2	100.0
100 Leadenhall Street	61.9	70.1	-11.7	100.0
106 Leadenhall Street	5.7	3.5	62.9	73.6
Subtotal:	136.3	149.7	-9.0	
<b>Total:</b>	<b>792.5</b>	<b>806.5</b>	<b>-1.7</b>	
<b>Rental proceeds from joint venture projects</b>				
<b>Hong Kong</b>				
CCB Tower <sup>#</sup> (50% basis)	122.4	113.7	7.7	100.0
8 Observatory Road <sup>##</sup> (50% basis)	55.0	30.0	83.3	100.0
<b>Total:</b>	<b>177.4</b>	<b>143.7</b>	<b>23.5</b>	

<sup>#</sup> CCB Tower is a joint venture project with China Construction Bank Corporation ("**CCB**") in which each of the Group and CCB has an effective 50% interest. For the year ended 31 July 2017, the rental proceeds recorded by the joint venture is HK\$244.8 million (2016: HK\$227.5 million).

<sup>##</sup> 8 Observatory Road is a joint venture project with Henderson Land in which each of the Group and Henderson Land has an effective 50% interest. For the year ended 31 July 2017, the rental proceeds recorded by the joint venture is HK\$110.0 million (2016: HK\$60.0 million).

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

	For the year ended 31 July 2017			For the year ended 31 July 2016		
	Group interest	Turnover (HK\$ million)	Total GFA (square feet)	Group interest	Turnover (HK\$ million)	Total GFA (square feet)
<b>Hong Kong</b>						
Cheung Sha Wan Plaza	61.74%			61.93%		
Commercial		159.7	233,807		163.2	233,807
Office		124.7	409,896		122.6	409,896
Car-parking spaces		17.7	N/A		16.8	N/A
<b>Subtotal:</b>		302.1	643,703		302.6	643,703
Causeway Bay Plaza 2	61.74%			61.93%		
Commercial		124.1	109,770		122.3	109,770
Office		52.3	96,268		50.9	96,268
Car-parking spaces		5.0	N/A		4.8	N/A
<b>Subtotal:</b>		181.4	206,038		178.0	206,038
Lai Sun Commercial Centre	61.74%			61.93%		
Commercial		27.5	95,063		34.8	95,063
Office		9.2	74,181		8.2	74,181
Car-parking spaces		17.9	N/A		16.8	N/A
<b>Subtotal:</b>		54.6	169,244		59.8	169,244
Crocodile Center	100%			100%		
Commercial		88.6	91,201		87.0	91,201
Por Yen Building	100%			100%		
Industrial		14.4	109,010		13.8	109,010
Car-parking spaces		0.3	N/A		0.3	N/A
<b>Subtotal:</b>		14.7	109,010		14.1	109,010
Others		14.8	108,810*		15.3	108,810*
<b>Subtotal:</b>		656.2	1,328,006*		656.8	1,328,006*
<b>London, United Kingdom</b>						
36 Queen Street	61.74%			61.93%		
Office		23.1	60,816		25.9	60,816
107 Leadenhall Street	61.74%			61.93%		
Commercial		4.6	48,149		6.0	48,149
Office		41.0	98,457		44.2	98,457
<b>Subtotal:</b>		45.6	146,606		50.2	146,606
100 Leadenhall Street	61.74%			61.93%		
Office		61.9	177,700		70.1	177,700
106 Leadenhall Street	61.74%			61.93%		
Commercial		1.2	4,404		0.6	4,404
Office		4.5	15,518		2.9	15,518
<b>Subtotal:</b>		5.7	19,922		3.5	19,922
<b>Subtotal:</b>		136.3	405,044		149.7	405,044
<b>Total:</b>		792.5	1,733,050*		806.5	1,733,050*
<b>Joint Venture Projects</b>						
<b>Hong Kong</b>						
CCB Tower** (50% basis)	30.87%			30.97%		
Office		121.9	114,555**		113.3	114,555**
Car-parking spaces		0.5	N/A		0.4	N/A
<b>Subtotal:</b>		122.4	114,555**		113.7	114,555**
8 Observatory Road*** (50% basis)	30.87%			30.97%		
Commercial		44.4	45,312***		21.0	45,312***
Office		8.3	37,273***		7.1	37,273***
Car-parking spaces		2.3	N/A		1.9	N/A
<b>Subtotal:</b>		55.0	82,585***		30.0	82,585***
<b>Total:</b>		177.4	197,140***		143.7	197,140***

\* Excluding 10% interest in AIA Central.

\*\* Referring to GFA attributable to the Group. The total GFA of CCB Tower is 229,110 square feet.

\*\*\* Referring to GFA attributable to the Group. The total GFA of 8 Observatory Road is 165,170 square feet.

# CCB Tower is a joint venture project with CCB in which each of the Group and CCB has an effective 50% interest. For the year ended 31 July 2017, the rental proceeds recorded by the joint venture is HK\$244.8 million (2016: HK\$227.5 million).

## 8 Observatory Road is a joint venture project with Henderson Land in which each of the Group and Henderson Land has an effective 50% interest. For the year ended 31 July 2017, the rental proceeds recorded by the joint venture is HK\$110.0 million (2016: HK\$60.0 million).

Breakdown of rental turnover of London portfolio for the year ended 31 July 2017 is as follows:

	2017 HK\$'000	2016 HK\$'000	% Change	2017 GBP'000	2016 GBP'000	% Change
36 Queen Street	23,119	25,862	-10.6	2,333	2,311	1.0
107 Leadenhall Street	45,581	50,192	-9.2	4,599	4,485	2.5
100 Leadenhall Street	61,938	70,129	-11.7	6,250	6,267	-0.3
106 Leadenhall Street	5,666	3,529	60.6	572	315	81.6
<b>Total:</b>	<b>136,304</b>	<b>149,712</b>	<b>-9.0</b>	<b>13,754</b>	<b>13,378</b>	<b>2.8</b>

## Review of major investment properties

### *Hong Kong Properties*

#### *Cheung Sha Wan Plaza*

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

#### *Causeway Bay Plaza 2*

The asset comprises 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 206,038 square feet (excluding car-parking spaces). Key tenants include a HSBC branch and commercial offices and major restaurants.

#### *Lai Sun Commercial Centre*

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

#### *Crocodile Center*

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

### *Por Yen Building*

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

### *CCB Tower*

LSD has a 50:50 interest with CCB in the joint redevelopment project of the former Ritz-Carlton Hotel in Central. This 27-storey office tower is a landmark property in Central featuring underground access to the Central MTR station. The property has a total GFA of 229,110 square feet (excluding car-parking spaces). CCB Tower was completed in 2012 and added 114,555 square feet of attributable GFA to the rental portfolio of the Group. CCB Tower is now fully leased out with 18 floors of the office floors and 2 banking hall floors leased to CCB for its Hong Kong operations.

### *8 Observatory Road*

LSD has a 50:50 interest with Henderson Land in this joint development project at Observatory Road, Kowloon. The property is a 19-storey commercial building with a total GFA of 165,170 square feet (excluding car-parking spaces). The property was completed in June 2015 and is now fully leased out.

### *AIA Central*

LSD has 10% interest in AIA Central which is situated in the central business district of Hong Kong and commands spectacular views over Victoria Harbour, to Kowloon Peninsula to the north, and across Charter Garden and The Peak to the south. This 39-storey office tower provides prime office space with a total GFA of approximately 428,962 square feet (excluding car-parking spaces).

### ***Overseas Properties***

#### *36 Queen Street, London EC4, 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 60,816 square feet gross internal area of office accommodation extending over basement, ground and six upper floors. The building is currently fully leased out.

#### *107 Leadenhall Street, London EC3, United Kingdom*

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

*100 Leadenhall Street, London EC3, United Kingdom*

Following the acquisition of 107 Leadenhall Street in April 2014, the Group announced the acquisition of 100 Leadenhall Street in November 2014 which was completed in January 2015. This property comprises a basement, a lower ground floor, ground floor and nine upper floors and provides 177,700 square feet gross internal area of commercial, offices and ancillary accommodation. The property is currently fully let to Chubb Market Company Limited (formerly known as “ACE Global Markets Limited”).

*106 Leadenhall Street, London EC3, United Kingdom*

In December 2015, the Group acquired the property located adjacent to 100 and 107 Leadenhall Street, namely 106 Leadenhall Street, which is a multi-tenanted asset with approximately 19,922 square feet gross internal area of commercial and offices including ancillary space. Up to the date of this results announcement, over 70% floor area of the property has been leased out.

## PROPERTY DEVELOPMENT

For the year ended 31 July 2017, recognised turnover from sales of properties was HK\$89.2 million (2016: HK\$468.7 million), contributed by the sale of one residential unit in 339 Tai Hang Road. The significant decrease was mainly due to fewer properties being available for sale during the year under review.

### **Review of major projects for sale**

*339 Tai Hang Road, Hong Kong*

The Group wholly owns the development project located at 339 Tai Hang Road, Hong Kong. The development project is a luxury residential property with a total GFA of approximately 30,400 square feet (excluding car-parking spaces). The total development cost (including land cost and lease modification premium) is approximately HK\$670 million. Up to the date of this results announcement, 8 out of 9 units of this project have been sold.

*Ocean One, 6 Shung Shun Street, Yau Tong*

The Group wholly owns this development project, namely “Ocean One” located at No. 6 Shung Shun Street, Yau Tong, Kowloon. This property is a residential-cum-commercial property with a total GFA of about 122,000 square feet (excluding car-parking spaces) or 124 residential units and 2 commercial units. All units have been sold other than 2 shops and 7 car-parking spaces.

### **Review of major projects under development**

*Alto Residences*

In November 2012, LSD successfully tendered for and secured a site located at Area 68A2, Tseung Kwan O, New Territories, through a 50% joint venture vehicle. The lot has an area of 229,338 square feet with a total GFA of 573,154 square feet split into 458,630 square feet for residential use and 114,524 square feet for commercial use. Construction is expected to be completed in the first quarter of 2018.

This project providing 605 flats, including 23 detached houses was named “Alto Residences” and was launched for pre-sale in October 2016. Up to 15 October 2017, LSD has pre-sold 512 units in Alto Residences with saleable area of approximately 283,000 square feet at an average selling price of approximately HK\$15,200 per square foot.

#### *Ocean Hotel project*

LSD was named the most preferred proponent by Ocean Park for the Ocean Hotel project in October 2013 and was officially awarded the project in May 2014. The Ocean Hotel, to be operated by the Marriott group, will provide a total of 471 rooms and add 366,000 square feet of attributable rental space to the existing rental portfolio of the Group of approximately 1.8 million square feet. The total development cost is estimated to be approximately HK\$4.4 billion. Construction is expected to be completed in the second quarter of 2018.

#### *93 Pau Chung Street*

In April 2014, LSD was successful in its bid for the development right to the San Shan Road/Pau Chung Street project from the Urban Renewal Authority in Ma Tau Kok, Kowloon, Hong Kong. The lot has an area of 12,599 square feet with a total GFA of 111,354 square feet split into 94,486 square feet for residential use and 16,868 square feet for commercial use. The total development cost is estimated to be approximately HK\$1 billion and construction is expected to be completed in the first quarter of 2018.

This project was named “93 Pau Chung Street” and launched for pre-sale in September 2016, offering 209 flats in total, including studios, one and two-bedroom units. Up to 15 October 2017, LSD has pre-sold 197 units in this project with saleable area of approximately 70,100 square feet at an average selling price of HK\$16,100 per square foot.

#### *Novi*

On 16 May 2016, LSD has completed the purchase of the remaining unit for the proposed development on Ki Lung Street in Sham Shui Po, Kowloon. The site comprises numbers 48-56 on Ki Lung Street and has a combined site area of 5,054 square feet. It is planned to be developed primarily into a commercial/residential development for sale with a total GFA of 42,847 square feet. The total development cost is expected to be approximately HK\$0.4 billion and construction is expected to be completed in the third quarter of 2019.

This project was named “Novi” and launched for pre-sale in July 2017, offering 138 flats in total, including studios, one and two-bedroom units. Up to 15 October 2017, LSD has pre-sold 134 units in this project with saleable area of approximately 27,700 square feet at an average selling price of HK\$18,700 per square foot.

#### *Sai Wan Ho Street project*

LSD was successful in September 2015 in its bid for the development rights to the Sai Wan Ho Street project from the Urban Renewal Authority in Shau Kei Wan, Hong Kong. The project site covers an area of 7,642 square feet. Upon completion, it is planned to provide about 144 residential units with a total residential GFA of 61,099 square feet. The total development cost is estimated to be approximately HK\$0.9 billion and construction is expected to be completed in the fourth quarter of 2019.

## RESTAURANT OPERATION

For the year ended 31 July 2017, the restaurant operation contributed HK\$481.5 million to the Group's turnover (2016: HK\$280.7 million), representing an increase of approximately 71.5% from last year. The turnover from the restaurants segment was primarily boosted by contributions from the newly opened restaurants, including China Tang Harbour City in Hong Kong, Howard's Gourmet in CCB Tower, Hong Kong, CIAK – All Day Italian in Cityplaza, Hong Kong, Operetta in Pacific Place, Hong Kong, Beefbar in Central, Hong Kong and Old Bazaar Kitchen in Wanchai, Hong Kong.

Up to the date of this results announcement, the restaurant operation includes the Group's interests in 16 restaurants in Hong Kong and mainland China.

Cuisine	Restaurant	Location	Award
Western Cuisine	8 <sup>1/2</sup> Otto e Mezzo BOMBANA Hong Kong	Hong Kong	Three Michelin stars (2012-2017)
	Otto e Mezzo BOMBANA Shanghai	Shanghai	Two Michelin stars (2017)
	Opera BOMBANA	Beijing	
	CIAK - In The Kitchen	Hong Kong	One Michelin star (2015-2017)
	CIAK - All Day Italian	Hong Kong	Michelin Bib Gourmand (2017)
	Beefbar	Hong Kong	One Michelin star (2017)
	Operetta	Hong Kong	
Chinese Cuisine	China Tang Landmark	Hong Kong	
	China Tang Harbour City	Hong Kong	
	Howard's Gourmet	Hong Kong	
	Chiu Tang Central	Hong Kong	
	Tang <sup>2</sup>	Hong Kong	
	Old Bazaar Kitchen	Hong Kong	
Japanese Cuisine	Kaiseki Den by Saotome (formally known as "Wagyu Kaiseki Den")	Hong Kong	One Michelin star (2010-2017)
	Takumi by Daisuke Mori (formally known as "Wagyu Takumi")	Hong Kong	One Michelin star (2017)
	Sushi Masataka (formally known as "Roazan")	Hong Kong	

## HOTEL OPERATION

Turnover from hotel operation was mainly derived from the Group's operation of the Caravelle Hotel in Ho Chi Minh City, Vietnam. For the year ended 31 July 2017, the hotel operation contributed HK\$412.3 million to the Group's turnover (2016: HK\$391.7 million).

Caravelle Hotel is a leading international 5-star hotel in the centre of the business, shopping and entertainment district in Vietnam. It is an elegant 24-storey tower with a mixture of French colonial and traditional Vietnamese style and has 335 superbly appointed rooms, suites, exclusive Signature Floors, Signature Lounge and a specially equipped room for the disabled. Total GFA attributable to the Group is 60,738 square feet.



LSD was awarded the hotel tender at Ocean Park in May 2014 and the Ocean Hotel, to be operated by the Marriott group, will provide a total of 471 rooms upon its completion in 2018. The Group is optimistic about the prospects of the Ocean Hotel project given the strong popularity of Ocean Park, which is underpinned by robust growth in visitor numbers to Hong Kong coinciding with its expansion. In June 2017, LSD invested a total of HK\$159.6 million for an effective interest of 38.635% in a parcel of land in Phuket, Thailand for a resort hotel development and villas project. The hotel project consists of luxury resort villas that will be managed by an international hotel manager. This project is at the start of the development stage and the Group will provide material updates on this project as and when available.

The hotel operation has extensive experience in providing consultancy and management services to hotels in Mainland China, Hong Kong and other Asian countries. The division's key strategy going forward will continue to focus on providing management services, particularly to capture opportunities arising from the developments of Lai Fung in Shanghai, Guangzhou, Zhongshan and Hengqin. The hotel division manages Lai Fung's serviced apartments in Shanghai and Zhongshan under the "STARR" brand. STARR Resort Residence Zhongshan soft opened in August 2013 and comprises two 16-storey blocks with 90 fully furnished serviced apartment units located in the Palm Lifestyle complex in Zhongshan Western district at Cui Sha Road, opposite to the new Zhongshan traditional Chinese medical centre. STARR Hotel Shanghai soft opened in November 2013 and is a 17-storey hotel with 239 fully furnished and equipped hotel units with kitchenette located in the Mayflower Lifestyle complex right in the heart of the Zhabei inner ring road district, within walking distance to Lines 1, 3 and 4 of the Shanghai Metro Station with easy access to major motorways.

#### INTEREST IN ASSOCIATES (eSun)

The placing of 248,642,433 new shares of eSun under its general mandate was completed on 9 February 2017, resulting in a dilution of the LSD's interest in eSun from 41.92% to 34.94%. In February 2017, LSD acquired 2% additional interest in eSun from the public shareholders and LSD's interest in eSun increased from 34.94% to 36.94%. As of the date of this results announcement, the LSD's interest in eSun is 36.94%.

During the year under review, share of profits of eSun amounting to HK\$191.0 million (2016: HK\$33.6 million). The increase is a mix of (a) lower operating profit due to lower recognised property sales from subsidiaries of Lai Fung; (b) increased profit contribution from the property sales of Lai Fung's joint venture project; (c) tax indemnity amount received by Lai Fung from LSD pursuant to the Tax Indemnity Deed; and (d) gain on LSD's disposal of eSun's entire interest in 1,480,994 Series C Preferred shares in Pony Media Holdings Inc. in March 2017.

## INTERESTS IN JOINT VENTURES

During the year ended 31 July 2017, contribution from joint ventures amounted to HK\$837.4 million (2016: HK\$770.5 million), representing an increase of 8.7%. This is primarily due to strong revaluation gains of CCB Tower and 8 Observatory Road being recognised during the year under review as compared to last year.

	For the year ended 31 July	
	2017 (HK\$ million)	2016 (HK\$ million)
Revaluation gains	752.9	682.4
Operating profits	84.5	88.1
Contribution from joint ventures	837.4	770.5

## LIQUIDITY AND FINANCIAL RESOURCES

As at 31 July 2017, cash and bank balances and undrawn facilities held by the Group amounted to HK\$3,577.7 million and HK\$4,018.5 million, respectively. Cash and bank balances and undrawn facility held by the Group excluding LSD as at 31 July 2017 were HK\$630.3 million and HK\$200.0 million, respectively.

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

As at 31 July 2017, the Group had bank borrowings of approximately HK\$7,675.2 million, guaranteed notes of approximately HK\$3,480.6 million, a note of HK\$195.0 million and a loan of HK\$31.7 million payable to the late Mr. Lim Por Yen ("Mr. Lim"), accrued interest of HK\$157.6 million in relation to the abovementioned note and loan payable to the late Mr. Lim. The gearing ratio, expressed as a percentage of the total outstanding net debt (being the total outstanding bank borrowings, guaranteed notes and note and loan and related accrued interest payable to the late Mr. Lim less the pledged and restricted and unpledged bank balances and time deposits) to consolidated net assets attributable to owners of the Company, was approximately 44.1%. Excluding the net debt of LSD, the gearing ratio was approximately 7.1%. The Group's gearing excluding the net debt of the London portfolio all of which had a positive carry net of financing costs was approximately 35.5%. As at 31 July 2017, the maturity profile of the bank borrowings of HK\$7,675.2 million was spread over a period of less than 5 years with HK\$171.6 million repayable within 1 year, HK\$1,247.4 million repayable in the second year and HK\$6,256.2 million repayable in the third to fifth years. All the Group's borrowings carried interest on a floating rate basis except for the United States dollar and Renminbi guaranteed notes issued in January 2013 and July 2014 and which has a fixed rate of 5.7% and 7.7% per annum, respectively.

As at 31 July 2017, certain investment properties with carrying amounts of approximately HK\$18,838.9 million, certain property, plant and equipment with carrying amounts of approximately HK\$3,445.8 million, certain properties under development for sale of approximately HK\$810.0 million and certain bank balances and time deposits with banks of approximately HK\$401.0 million were pledged to banks to secure banking facilities granted to and guaranteed notes issued by the Group and its joint venture. In addition, certain shares in subsidiaries held by the Group were also pledged to secure banking facilities granted to and guaranteed notes issued by the Group. Certain shares in joint ventures held by the Group were pledged to banks to secure banking facilities granted to joint ventures of the Group. The Group's secured bank borrowings were also secured by floating charges over certain assets held by the Group.

The Group's major assets and liabilities and transactions were denominated in Hong Kong dollars 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 investments in United Kingdom with the assets and liabilities denominated in Pounds Sterling. Majority of the investments were partly financed by bank borrowings denominated in Pounds Sterling in order to minimise the net foreign exchange exposure. 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. During the year, 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.

On 13 September 2017, LSD issued guaranteed notes in an aggregate principal amount of US\$400 million (the "LSD 2017 Notes"). The LSD 2017 Notes are guaranteed by LSD, have a maturity term of five years and bear a fixed interest rate of 4.6% per annum with interest payable semi-annually in arrears. The net proceeds from the offering of the LSD 2017 Notes were approximately US\$396 million and will be used for refinancing the LSD's existing guaranteed notes of US\$350 million and general corporate purposes.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 July 2017, the Company bought back a total of 770,000 ordinary shares of the Company on the Stock Exchange of Hong Kong Limited ("Stock Exchange") at an aggregate purchase price of approximately HK\$1,799,000 (excluding relevant trading costs directly attributable to share buy back), which was paid wholly out of retained profits. Such bought back shares were cancelled during the year. Details of the ordinary shares bought back on the Stock Exchange during the year are as follows:

Month of buy back	Number of ordinary shares bought back	Highest purchase price per share HK\$	Lowest purchase price per share HK\$	Aggregate purchase price (excluding trading costs) HK\$'000
May 2017	770,000	2.38	2.28	1,799
	<u>770,000</u>			<u>1,799</u>

As a result of the above share buy backs, the issued share capital of the Company was accordingly reduced by the aforesaid bought back ordinary shares which were cancelled during the year. As at the date of this announcement, the number of issued ordinary shares of the Company is 381,966,848 shares (1,909,834,241 shares before Share Consolidation effective on 15 August 2017).

The Company was authorised at its Annual General Meeting to buy back its own ordinary shares not exceeding 10% of the total number of its issued shares as at the dates of resolutions being passed. The directors believe that the above share buy backs were exercised in the best interests of the Company and its shareholders and that such share buy backs would lead to an enhancement of the net assets value and/or earnings per share of the Company.

Save as disclosed above, during the year ended 31 July 2017, the Company did not redeem any of its shares listed and traded on the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any of such shares.

## **CORPORATE GOVERNANCE**

The Company is committed to achieving and maintaining high standards of corporate governance and has established policies and procedures for compliance with the principles and code provisions set out in the Corporate Governance Code (“**CG Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities (“**Listing Rules**”) on the Stock Exchange from time to time.

The Company has complied with all the code provisions set out in the CG Code throughout the year ended 31 July 2017 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 (“**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 and the retiring Directors are eligible for re-election. In addition, any person appointed by the board of directors (“**Board**”) as an additional Director (including a NED) will hold office only until the next 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 the 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.

## EMPLOYEES AND REMUNERATION POLICIES

As at 31 July 2017, the Group employed a total of approximately 1,600 employees. The Group recognises the importance of maintaining a stable staff force in its continued success. Under the Group's existing policies, employee pay rates are maintained at competitive levels whilst promotion and salary increments are assessed on a performance-related basis. Discretionary bonuses are granted to employees based on their merit and in accordance with industry practice. Other benefits including share option scheme, mandatory provident fund scheme, free hospitalisation insurance plan, subsidised medical care and sponsorship for external education and training programmes are offered to eligible employees.

## INVESTOR RELATIONS

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

During the year ended 31 July 2017, the Company has met with a number of research analysts and investors and attended roadshows as follows:

Month	Event	Organiser	Location
October 2016	Post results non-deal roadshow	DBS	Hong Kong
November 2016	Post results non-deal roadshow	DBS	Singapore
November 2016	Post results non-deal roadshow	Daiwa	New York/Philadelphia/ Los Angeles/San Francisco
November 2016	Post results non-deal roadshow	Daiwa	London/Amsterdam/Zurich
March 2017	Post results non-deal roadshow	Daiwa	Hong Kong
March 2017	Post results non-deal roadshow	Daiwa	New York/San Francisco
April 2017	Post results non-deal roadshow	DBS	Singapore
April 2017	Post results non-deal roadshow	BNP	London
June 2017	Post results non-deal roadshow	HSBC	Taipei

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

## **REVIEW OF ANNUAL RESULTS**

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 consolidated results (including the consolidated financial statements) of the Company for the year ended 31 July 2017.

## **REVIEW OF PRELIMINARY ANNOUNCEMENT OF RESULTS BY INDEPENDENT AUDITORS**

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 July 2017 as set out in the preliminary announcement have been agreed by the Company's auditor, Ernst & Young, Certified Public Accountants to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditor on the preliminary announcement.

## **OTHER INFORMATION**

The Annual Report of the Company for the year ended 31 July 2017 containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk) and the company at [www.laisun.com](http://www.laisun.com) while printed copy will be despatched to Shareholders in mid-November 2017.

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

Hong Kong, 19 October 2017

*As at the date of this announcement, the Board comprises six executive directors, namely Dr. Lam Kin Ming (Chairman), Dr. Lam Kin Ngok, Peter (Deputy Chairman), Mr. Chew Fook Aun (Deputy Chairman), Madam U Po Chu, Mr. Lam Kin Hong, Matthew and Mr. Lam Hau Yin, Lester (also alternate to Madam U Po Chu); and three independent non-executive directors, namely Messrs. Chow Bing Chiu, Lam Bing Kwan and Leung Shu Yin, William.*