



eSun Holdings Limited

豐德麗控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 571)

INTERIM REPORT

For the six months ended 31 January 2025

CORPORATE INFORMATION

Place of Incorporation

Bermuda

Board of Directors

Executive Directors

Yang Yiu Chong, Ronald Jeffrey (*Chief Executive Officer*)
Cheung Sum, Sam (*Group Chief Financial Officer*)
Lam Hau Yin, Lester
(*also alternate director to U Po Chu*)
Yip Chai Tuck

Non-executive Director

U Po Chu

Independent Non-executive Directors

Low Chee Keong (*Chairman*)
Lo Kwok Kwei, David
Ng Lai Man, Carmen
Poon Kwok Hing, Albert
Alfred Donald Yap

Audit Committee

Ng Lai Man, Carmen (*Chairwoman*)
Low Chee Keong
Alfred Donald Yap

Nomination Committee

Low Chee Keong (*Chairman*)
Cheung Sum, Sam
Yang Yiu Chong, Ronald Jeffrey
Lo Kwok Kwei, David
Alfred Donald Yap

Remuneration Committee

Low Chee Keong (*Chairman*)
Cheung Sum, Sam
Yang Yiu Chong, Ronald Jeffrey
Ng Lai Man, Carmen
Alfred Donald Yap

Authorised Representatives

Cheung Sum, Sam
Yang Yiu Chong, Ronald Jeffrey

Company Secretary

Wong Lai Chun

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Office

11th Floor, Lai Sun Commercial Centre
680 Cheung Sha Wan Road
Kowloon, Hong Kong

Tel: (852) 2741 0391
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Share Registrar and Transfer Office in Bermuda

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Investor Services Limited
17/F., Far East Finance Centre
16 Harcourt Road
Hong Kong

Independent Auditor

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

Principal Bankers

Bank of China (Hong Kong) Limited
DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited

Listing Information

Shares

The issued shares of the Company are listed and traded on the Main Board of The Stock Exchange of Hong Kong Limited

Stock Code/Board Lot

571/2,000 shares

Website

www.esun.com

Investor Relations

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RESULTS

The board of directors (“**Board**” and “**Directors**”, respectively) of eSun Holdings Limited (“**Company**”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (“**Group**”) for the six months ended 31 January 2025 together with the comparative figures of the last corresponding period as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 January 2025

	Notes	Six months ended 31 January	
		2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
TURNOVER	4	355,359	493,358
Cost of sales		(156,367)	(294,484)
Gross profit		198,992	198,874
Other revenue		14,853	20,248
Selling and marketing expenses		(3,403)	(10,350)
Administrative expenses		(114,851)	(119,183)
Other operating gains		36,042	41,728
Other operating expenses		(148,451)	(204,366)
LOSS FROM OPERATING ACTIVITIES	5	(16,818)	(73,049)
Finance costs	6	(21,129)	(22,846)
Share of profits and losses of joint ventures		(2,637)	(11,645)
LOSS BEFORE TAX		(40,584)	(107,540)
Tax	7	(799)	(794)
LOSS FOR THE PERIOD		(41,383)	(108,334)
Attributable to:			
Owners of the Company		(42,596)	(105,775)
Non-controlling interests		1,213	(2,559)
		(41,383)	(108,334)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	8		
Basic and diluted		(HK\$0.024)	(HK\$0.060)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 January 2025

	Six months ended 31 January	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
LOSS FOR THE PERIOD	(41,383)	(108,334)
OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX		
<i>Item that may be subsequently reclassified to the income statement:</i>		
Exchange realignment on translation of foreign operations	64	348
Share of other comprehensive loss of joint ventures	(18)	–
Release of exchange reserve upon deregistration of subsidiaries	2,348	–
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	2,394	348
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(38,989)	(107,986)
Attributable to:		
Owners of the Company	(40,513)	(105,603)
Non-controlling interests	1,524	(2,383)
	(38,989)	(107,986)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 January 2025

	Notes	31 January 2025 (Unaudited) HK\$'000	31 July 2024 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		97,973	107,323
Right-of-use assets		229,560	280,157
Film rights		20,761	22,092
Film and TV program products		61,239	61,431
Music catalogs		–	–
Investments in joint ventures		55,960	56,189
Financial assets at fair value through profit or loss		101,234	96,048
Deposits, prepayments, other receivables and other assets		128,337	123,425
Deferred tax assets		246	246
Total non-current assets		695,310	746,911
CURRENT ASSETS			
Films and TV programs under production and film investments		313,369	277,468
Inventories		11,140	7,720
Debtors	10	120,917	191,195
Financial assets at fair value through profit or loss		20,510	40,215
Deposits, prepayments, other receivables and other assets		155,331	218,522
Cash and cash equivalents		359,991	354,272
Total current assets		981,258	1,089,392
CURRENT LIABILITIES			
Creditors and accruals	11	505,662	565,746
Deposits received and contract liabilities		141,199	149,651
Lease liabilities		229,294	197,717
Other borrowings		242,849	–
Tax payable		9,847	9,781
Total current liabilities		1,128,851	922,895
NET CURRENT ASSETS/(LIABILITIES)		(147,593)	166,497
TOTAL ASSETS LESS CURRENT LIABILITIES		547,717	913,408

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

31 January 2025

	Notes	31 January 2025 (Unaudited) HK\$'000	31 July 2024 (Audited) HK\$'000
NON-CURRENT LIABILITIES			
Creditors and accruals	11	8,877	8,877
Lease liabilities		529,734	616,742
Other borrowings		–	239,695
Deferred tax liabilities		17	16
Total non-current liabilities		538,628	865,330
Net assets		9,089	48,078
EQUITY			
Equity attributable to owners of the Company			
Issued capital		877,938	877,938
Reserves		(799,978)	(759,465)
Non-controlling interests		77,960 (68,871)	118,473 (70,395)
Total equity		9,089	48,078

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 January 2025

	Attributable to owners of the Company							Non-controlling interests		Total equity
	Issued capital	Share premium account	Contributed surplus	Share option reserve	Exchange reserve	Other reserve	Accumulated losses	Total	interests	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 August 2024	877,938	4,257,351	891,289	113	(20,503)	(82,031)	(5,805,684)	118,473	(70,395)	48,078
Loss for the period	-	-	-	-	-	-	(42,596)	(42,596)	1,213	(41,383)
Other comprehensive income/(loss) for the period, net of tax:										
Exchange realignment on translation of foreign operations	-	-	-	-	(247)	-	-	(247)	311	64
Share of other comprehensive loss of joint ventures	-	-	-	-	(18)	-	-	(18)	-	(18)
Release of exchange reserve upon deregistration of subsidiaries	-	-	-	-	2,348	-	-	2,348	-	2,348
Total comprehensive income/(loss) for the period	-	-	-	-	2,083	-	(42,596)	(40,513)	1,524	(38,989)
Release of reserve upon lapse of share options	-	-	-	(48)	-	-	48	-	-	-
At 31 January 2025 (Unaudited)	877,938	4,257,351*	891,289*	65*	(18,420)*	(82,031)*	(5,848,232)*	77,960	(68,871)	9,089

* These reserve accounts comprise the consolidated deficit of HK\$799,978,000 (31 July 2024: HK\$759,465,000) in the condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(continued)*

For the six months ended 31 January 2025

	Attributable to owners of the Company								Non-controlling interests	Total equity
	Issued capital	Share premium account	Contributed surplus	Share option reserve	Exchange reserve	Other reserve	Accumulated losses	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 August 2023	877,938	4,257,351	891,289	243	(14,746)	(82,031)	(5,294,932)	635,112	(57,145)	577,967
Loss for the period	-	-	-	-	-	-	(105,775)	(105,775)	(2,559)	(108,334)
Other comprehensive income for the period, net of tax:										
Exchange realignment on translation of foreign operations	-	-	-	-	172	-	-	172	176	348
Total comprehensive income/(loss) for the period	-	-	-	-	172	-	(105,775)	(105,603)	(2,383)	(107,986)
Release of reserve upon lapse of share options	-	-	-	(130)	-	-	130	-	-	-
At 31 January 2024 (Unaudited)	877,938	4,257,351	891,289	113	(14,574)	(82,031)	(5,400,577)	529,509	(59,528)	469,981

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 January 2025

	Six months ended 31 January	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	41,134	(96,186)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in financial assets at fair value through profit or loss	22,454	4,031
Purchases of items of property, plant and equipment	(4,189)	(14,646)
Capital contributions to joint ventures	–	(30,000)
Advances to joint ventures	(6,185)	(3,468)
Decrease in pledged time deposits	–	7,707
Other investing cash flows	6,159	4,971
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	18,239	(31,405)
CASH FLOWS FROM A FINANCING ACTIVITY		
Lease payments and cash flows used in a financing activity	(54,698)	(80,987)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,675	(208,578)
Cash and cash equivalents at beginning of period	354,272	651,012
Effect of foreign exchange rate changes, net	1,044	(1,309)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	359,991	441,125
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Non-pledged and non-restricted cash and bank balances	268,720	382,924
Non-pledged and non-restricted time deposits	91,271	58,201
Cash and cash equivalents as stated in the condensed consolidated statement of financial position and the condensed consolidated statement of cash flows	359,991	441,125

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

31 January 2025

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements of the Group ("**Financial Statements**") for the six months ended 31 January 2025 have not been audited by the Company's independent auditor but have been reviewed by the Company's audit committee.

The unaudited Financial Statements have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

For the six months ended 31 January 2025, the Group recorded a net loss of HK\$41,383,000, and as at 31 January 2025, the current liabilities of the Group exceeded its current assets by HK\$147,593,000. As at 31 January 2025, the Group's current liabilities of HK\$1,128,851,000 included other borrowings of HK\$242,849,000 and other current liabilities of HK\$886,002,000; while its cash and cash equivalents amounted to HK\$359,991,000. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

In view of the above circumstances, the Directors have given careful consideration to the Group's future liquidity requirements, operating performance and available sources of financing in assessing the Group's ability to continue operating as a going concern. The following plans and measures are formulated to manage the working capital and improve the financial position of the Group:

- (a) the Group will continue to implement cost-saving measures and streamline/enhance the Group's existing operations to reduce operating costs and administrative costs and maintain containment of capital expenditures;
- (b) the Group will consider to dispose of certain non-core assets of the Group; and
- (c) the Group will obtain financial support from its intermediate holding company, Lai Sun Development Company Limited ("**LSD**"), or its ultimate holding company, Lai Sun Garment (International) Limited ("**LSG**"), based on actual funding needs of the Group to enable the Group to continue operating as a going concern for the next 12 months from the reporting date.

The Directors have reviewed the Group's cash flow forecast, covering a period of at least 12 months from the reporting date, prepared by the management. They are of the opinion that, taking into account of the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within the next 12 months from 31 January 2025. Accordingly, the Directors are satisfied that it is appropriate to prepare the unaudited Financial Statements on a going concern basis.

2. MATERIAL ACCOUNTING POLICIES

The material accounting policies and basis of preparation adopted in the preparation of the unaudited Financial Statements for the period under review are the same as those used in the Group's audited consolidated financial statements for the year ended 31 July 2024.

In addition, the Group has adopted a number of revised Hong Kong Financial Reporting Standards ("**HKFRSs**", which also include HKASs and interpretations) which are applicable to the Group for the first time for the current period's unaudited Financial Statements. The adoption of these revised HKFRSs has had no material impact on the financial performance or financial position of the Group.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

31 January 2025

3. OPERATING SEGMENT INFORMATION

Segment revenue/results:

	Six months ended 31 January									
	Media and entertainment		Film and TV program		Cinema operation		Corporate and others		Consolidated	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Segment revenue:										
Sales to external customers	103,390	179,298	31,765	125,164	220,204	188,896	-	-	355,359	493,358
Intersegment sales	-	-	5,301	8,456	3,684	2,683	884	1,018	9,869	12,157
Other revenue	841	3,880	756	933	8,490	9,948	2,047	2,231	12,134	16,992
Total	104,231	183,178	37,822	134,553	232,378	201,527	2,931	3,249	377,362	522,507
Elimination of intersegment sales									(9,869)	(12,157)
Total revenue									367,493	510,350
Segment results	18,853	25,490	15,320	(1,254)	(14,572)	(54,292)	(46,676)	(45,284)	(27,075)	(75,340)
Unallocated interest income									2,719	3,256
Fair value gains/(losses) on financial assets at fair value through profit or loss									7,538	(965)
Loss from operating activities									(16,818)	(73,049)
Finance costs									(21,129)	(22,846)
Share of profits and losses of joint ventures	1,967	(11)	-	(68)	(4,604)	(11,566)	-	-	(2,637)	(11,645)
Loss before tax									(40,584)	(107,540)
Tax									(799)	(794)
Loss for the period									(41,383)	(108,334)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

31 January 2025

3. OPERATING SEGMENT INFORMATION *(continued)*

Segment assets/liabilities:

	Media and entertainment		Film and TV program		Cinema operation		Corporate and others		Consolidated	
	31 January 2025 (Unaudited) HK\$'000	31 July 2024 (Audited) HK\$'000	31 January 2025 (Unaudited) HK\$'000	31 July 2024 (Audited) HK\$'000	31 January 2025 (Unaudited) HK\$'000	31 July 2024 (Audited) HK\$'000	31 January 2025 (Unaudited) HK\$'000	31 July 2024 (Audited) HK\$'000	31 January 2025 (Unaudited) HK\$'000	31 July 2024 (Audited) HK\$'000
Segment assets	125,321	217,033	729,306	755,494	434,519	579,990	209,472	91,088	1,498,618	1,643,605
Investments in joint ventures	31,296	22,458	-	37	17,104	26,862	7,560	6,832	55,960	56,189
Unallocated assets									121,990	136,509
Total assets									1,676,568	1,836,303
Segment liabilities	82,586	121,024	425,044	442,967	825,555	907,453	81,581	67,289	1,414,766	1,538,733
Unallocated liabilities									252,713	249,492
Total liabilities									1,667,479	1,788,225

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

31 January 2025

4. TURNOVER

An analysis of the Group's turnover is as follows:

	Six months ended 31 January	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Turnover from contracts with customers		
Entertainment event income	42,011	101,830
Distribution commission income, licence income from and sales of film and TV program products and film rights	28,682	121,615
Album sales, licence income and distribution commission income from music publishing and licensing	29,510	27,433
Box-office takings, concessionary income and related income from cinemas	220,204	188,896
Artiste management fee income	4,776	13,130
Advertising income	3,083	3,549
Sale of game products	27,093	36,905
Total	355,359	493,358
Timing of recognition of turnover from contracts with customers		
At a point in time	343,203	480,628
Over time	12,156	12,730
Total	355,359	493,358

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

31 January 2025

5. LOSS FROM OPERATING ACTIVITIES

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

	Six months ended 31 January	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Depreciation of property, plant and equipment [^]	10,574	24,169
Depreciation of right-of-use assets [^]	35,087	61,417
Amortisation of film rights [#]	1,330	1,049
Amortisation of film and TV program products [#]	5,099	9,153
Write-back of impairment of advances and other receivables [@]	(637)	(3,385)
Impairment of amounts due from joint ventures [*]	4,311	1,170
Write-back of impairment of amounts due from joint ventures [@]	(3,103)	(1,878)
Fair value losses/(gains) on financial assets at fair value through profit or loss ^{*/@}	(7,538)	965
Fair value changes from film investments ^{@/*}	(16,014)	3,055
Fair value changes from entertainment events organised by co-investors [@]	(4,903)	(6,781)
Loss on deregistration of subsidiaries [*]	2,348	–
Gain on modification of leases [@]	–	(28,959)
Gain on termination of leases [@]	(2,302)	(40)
Share of net gain from entertainment events organised by the Group to co-investors [*]	54	1,649
Foreign exchange differences, net [*]	807	827
Government grants ^{**}	(2,701)	(2,677)

[^] Depreciation charge of HK\$42,743,000 (six months ended 31 January 2024: HK\$82,751,000) related to cinema operation is included in "Other operating expenses" on the face of the unaudited condensed consolidated income statement.

[#] These items are included in "Cost of sales" on the face of the unaudited condensed consolidated income statement.

[@] These items are included in "Other operating gains" on the face of the unaudited condensed consolidated income statement.

^{*} These items are included in "Other operating expenses" on the face of the unaudited condensed consolidated income statement.

^{**} This item is included in "Other revenue" on the face of the unaudited condensed consolidated income statement.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

31 January 2025

6. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	Six months ended 31 January	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Interest on:		
Lease liabilities	17,240	18,811
Other borrowings	3,154	3,343
Other finance costs	735	692
Total	21,129	22,846

7. TAX

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the periods ended 31 January 2025 and 31 January 2024. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	Six months ended 31 January	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Current		
– Hong Kong		
Charge for the period	98	115
– Chinese Mainland		
Charge for the period	700	700
Subtotal	798	815
Deferred tax	1	(21)
Total	799	794

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

31 January 2025

8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share amount is based on the loss for the period attributable to owners of the Company and the weighted average number of ordinary shares of 1,755,876,866 (six months ended 31 January 2024: 1,755,876,866) outstanding during the period.

No adjustment had been made to the basic loss per share amounts presented for the six months ended 31 January 2025 and 31 January 2024 in respect of a dilution as the impact of the share options of the Company had an anti-dilutive effect on the basic loss per share amounts presented.

9. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 31 January 2025 (six months ended 31 January 2024: Nil).

10. DEBTORS

The trading terms of the Group with its customers are mainly on credit. Invoices are normally payable within 30 to 90 days of issuance, except for certain well-established customers, where the terms are extended to 120 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimise its credit risk. Overdue balances are regularly reviewed by senior management. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's debtors are widely dispersed in different sectors and industries. The Group's debtors are non-interest-bearing. The Group does not hold any collateral or other credit enhancements over these balances.

An ageing analysis of the trade debtors, net of loss allowance, based on payment due date, as at 31 January 2025 and 31 July 2024 is as follows:

	31 January 2025 (Unaudited) HK\$'000	31 July 2024 (Audited) HK\$'000
Trade debtors:		
Unbilled or neither past due nor impaired	77,418	68,510
1 to 90 days past due	32,321	100,938
Over 90 days past due	11,178	21,747
Total	120,917	191,195

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

31 January 2025

11. CREDITORS AND ACCRUALS

An ageing analysis of the trade creditors, prepared based on the date of receipt of the goods and services purchased, as at 31 January 2025 and 31 July 2024, is as follows:

	31 January 2025 (Unaudited) HK\$'000	31 July 2024 (Audited) HK\$'000
Trade creditors:		
Less than 30 days	13,759	47,083
31 to 60 days	4,511	5,554
61 to 90 days	6,518	6,440
Over 90 days	3,027	2,889
Subtotal	27,815	61,966
Other creditors and accruals	486,724	512,657
Total	514,539	574,623
Less: Portion classified as current	(505,662)	(565,746)
Non-current portion	8,877	8,877

12. COMMITMENTS

The Group had the following capital commitments at the end of the reporting periods:

	31 January 2025 (Unaudited) HK\$'000	31 July 2024 (Audited) HK\$'000
Contracted but not provided for:		
Acquisition of items of property, plant and equipment	4,665	–

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

31 January 2025

13. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Financial instruments measured at fair value:

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

As at 31 January 2025	Fair value measurement using			Total (Unaudited) HK\$'000
	Quoted prices in active markets (Level 1) (Unaudited) HK\$'000	Significant observable inputs (Level 2) (Unaudited) HK\$'000	Significant unobservable inputs (Level 3) (Unaudited) HK\$'000	
Financial assets				
Financial assets at fair value through profit or loss	20,510	48,128	53,106	121,744
Film investments	–	–	145,396	145,396
Financial assets included in deposits, prepayments, other receivables and other assets	–	–	319	319
Total	20,510	48,128	198,821	267,459

As at 31 July 2024	Fair value measurement using			Total (Audited) HK\$'000
	Quoted prices in active markets (Level 1) (Audited) HK\$'000	Significant observable inputs (Level 2) (Audited) HK\$'000	Significant unobservable inputs (Level 3) (Audited) HK\$'000	
Financial assets				
Financial assets at fair value through profit or loss	40,215	42,942	53,106	136,263
Film investments	–	–	104,560	104,560
Financial assets included in deposits, prepayments, other receivables and other assets	–	–	14,180	14,180
Total	40,215	42,942	171,846	255,003

Other than the above financial assets, the carrying amounts of the Group's financial instruments are carried at amortised cost and they were not materially different from their fair values as at 31 January 2025 and 31 July 2024.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

31 January 2025

13. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Financial instruments measured at fair value: *(continued)*

During the six months ended 31 January 2025, there were no transfers of fair value measurement between Level 1 and Level 2 and no transfers of fair value measurement into or out of Level 3 for financial assets and financial liabilities (six months ended 31 January 2024: Nil).

The movements in fair value measurements for financial assets within Level 3 during the period are as follows:

	Six months ended 31 January	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
At the beginning of the reporting period	171,846	93,013
Increase in investment amount	37,491	97,439
Change in fair value	20,917	3,726
Settlement	(30,541)	(26,341)
Exchange realignment	(892)	510
At the end of the reporting period	198,821	168,347

Valuation techniques

The fair values of financial assets at fair value through profit or loss in Level 2 are estimated based on quoted prices/values from the fund manager.

The Group has estimated the fair value of the unlisted investments in Level 3 by using the net asset value or the discounted cash flow method or the latest available transaction prices.

The fair values of the financial assets are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

31 January 2025

14. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in the Financial Statements, the Group had the following material transactions with related parties during the period under review:

(a) Transactions with related parties

		Six months ended 31 January	
	Notes	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
LSG and LSD:			
Lease payments and building management fee paid or payable	(i)	2,873	1,154
Sharing of corporate salaries on a cost basis allocated from		11,625	11,780
Sharing of administrative expenses on a cost basis allocated from		853	580
Sharing of corporate salaries on a cost basis allocated to		123	2,078
Sharing of administrative expenses on a cost basis allocated to		197	555
Fellow subsidiaries:			
Lease payments and building management fee paid or payable	(ii)	148	751
Sharing of corporate salaries on a cost basis allocated from		726	739
Sharing of corporate salaries on a cost basis allocated to		89	887
Sharing of administrative expenses on a cost basis allocated to		135	606
Joint ventures:			
Production fee	(iii)	550	1,620
Service fee income	(iii)	276	828
Film releasing income	(iii)	1,633	1,336
Sale of products and management fee income	(iii)	1,112	1,296
Share of net gain from entertainment events organised by the Group to co-investors	(iii)	–	1,649

Notes:

- (i) The Group leased properties from the holding companies for office and cinema use. The monthly lease payables were charged with reference to market rates. In addition to the lease payments for short-term leases to the related parties, right-of-use assets of HK\$16,389,000 and lease liabilities of HK\$28,345,000 related to the leases were recognised in the unaudited condensed consolidated statement of financial position as at 31 January 2025. During the six months ended 31 January 2025, depreciation of right-of-use assets of HK\$2,262,000 (31 January 2024: HK\$2,011,000) and finance costs on lease liabilities of HK\$775,000 (31 January 2024: HK\$733,000) were recognised in the unaudited condensed consolidated income statement.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

31 January 2025

14. RELATED PARTY TRANSACTIONS *(continued)*

In addition to the transactions and balances detailed elsewhere in the Financial Statements, the Group had the following material transactions with related parties during the period under review: (continued)

(a) Transactions with related parties *(continued)*

Notes: *(continued)*

(ii) The Group leased properties from fellow subsidiaries for office and cinema use. The monthly lease payables were charged with reference to market rates. In addition to the lease payments for short-term leases to the related parties, right-of-use assets of HK\$394,000 and lease liabilities of HK\$3,012,000 related to the leases were recognised in the unaudited condensed consolidated statement of financial position as at 31 January 2025. During the six months ended 31 January 2025, depreciation of right-of-use assets of HK\$197,000 (31 January 2024: HK\$1,527,000) and finance costs on lease liabilities of HK\$94,000 (31 January 2024: HK\$420,000) were recognised in the unaudited condensed consolidated income statement.

(iii) The terms of the above transactions were based on the contractual terms with respective parties.

(b) Compensation of key management personnel of the Group:

	Six months ended 31 January	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Short-term employee benefits	10,472	9,134
Post-employment benefits	34	31
Total compensation paid to key management personnel	10,506	9,165

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

During the period under review, the business environment in Hong Kong remained sluggish and competitive. The Hong Kong retail market remained soft despite improved tourism numbers which was offset against the changing consumption patterns among residents and visitors, as well as an increase in outbound travel by local residents. Weak local consumption is expected to continue, particularly with a growing trend among residents to travel abroad and travel north for shopping and leisure. To ensure the long-term success of the Group, it is imperative that we adapt to changes in consumer behavior and lifestyle.

The Hong Kong box office has experienced a general decline due to several factors, including lack of blockbusters titles, citizens traveling abroad, northbound visits, weak economic situation and a shift in consumers' behaviour towards streaming platforms. Notwithstanding the acclaimed title *"The Last Dance"* which provided the much-needed stimulus in boosting Hong Kong box office, these challenging conditions have continued to drag the performance of our cinema operation. Additionally, given the market condition and economic uncertainty, the MCL Cinemas Plus+ Plaza Hollywood was closed during the period under review. The blockbuster title *"The Last Dance"* provided a bright spot, and contributed to the growth in cinema operation income during the period under review. The Group is closely monitoring the market conditions and will continue to improve its overall operating efficiency. The Group will actively engage in cost optimisation and take a prudent approach in evaluating opportunities for cinema operation.

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

Our recent release crime thriller *"Octopus with Broken Arms"* and mystery-comedy *"Detective Chinatown 1900"*, both produced by Chen Sicheng, one of Chinese Mainland's most consistently successful writers-directors-producers, have achieved commendable box office performance and critical acclaim. The Group will continue to invest in original productions of quality films with Chinese themes.

The Group continues to produce quality TV drama series in response to the ongoing strong demand for quality programs from TV stations and online video websites in Chinese Mainland. The Group is in discussion with various Chinese partners for new project development in TV drama production.

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

The recent *"the SOUNDTRACK of my LIFE Jay Fung Concert 2024"* earned good reputation and public praises. The Group will continue to work with prominent local and Asian artistes for concert promotion and the upcoming events include concerts of Stephy Tang and Sammi Cheng.

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

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

Other Business Updates

As at 31 January 2025, the Group's consolidated cash and bank deposits amounted to HK\$360.0 million (31 July 2024: HK\$354.3 million). After netting off total borrowings of HK\$242.8 million as at 31 January 2025 (31 July 2024: HK\$239.7 million), the Group had net cash of HK\$117.2 million as at 31 January 2025 (31 July 2024: net cash of HK\$114.6 million). The Group is in net cash position, therefore gearing ratio of the Group, being the net borrowings (total borrowing minus cash and bank deposits) to net assets attributable to the owners of the Company, is not applicable. The Group will continue its prudent and flexible approach in managing its financial position.

Overview of Interim Results

The Group's operations include the production and distribution of films and TV programs, music production and publishing, management and production of concerts, artiste management and cinema operation.

For the six months ended 31 January 2025, the Group recorded a turnover of HK\$355.4 million (2024: HK\$493.4 million), representing a decrease in revenue of approximately 28.0%. The decrease was primarily driven by the reduction in revenue from film and TV programs, as well as from the media and entertainment, while being partially offset by the growth in income from cinema operation during the period as compared to same period of last year.

Revenue from film and TV programs experienced a significant decrease of approximately 74.6% as compared to same period of last year. This decline was mainly attributed to the decrease in income from distribution commission, licence fee, sale of film and TV program products and film rights during the period under review. In particular, no TV program produced/invested by the Group was theatrically released during the period under review. Furthermore, revenue from media and entertainment decreased by approximately 42.3% compared to same period of last year. The reduction was primarily driven by the fewer organisation and investment in concerts featuring our local and Asian renowned artistes by the Group during the period under review.

Revenue from cinema operation increased by approximately 16.6% as compared to same period of last year, which was primarily due to the blockbuster title *"The Last Dance"*, which demonstrated its clout and helped the cinemas to charter their course through these rough waters. Nonetheless, unfavourable conditions such as lack of blockbusters titles generally, citizens traveling abroad, northbound visits, weak economic situation and a shift in consumers' behaviour towards streaming platforms remained a pressure to cinema operation. The Group is actively engaging in cost optimisation for the cinema operation.

The gross profit of the Group remained relatively stable at HK\$199.0 million for the six months ended 31 January 2025 (2024: HK\$198.9 million). The net loss attributable to owners of the Company for the six months ended 31 January 2025 was approximately HK\$42.6 million (2024: net loss of HK\$105.8 million). The significant reduction in consolidated loss for the period was primarily attributed to the decrease in depreciation of right-of-use assets and property, plant and equipment as a result of the impairment losses provided for these assets in previous financial year. Net loss per share attributable to owners of the Company was HK\$0.024 (2024: net loss of HK\$0.060 per share).

Equity attributable to owners of the Company as at 31 January 2025 amounted to HK\$78.0 million (31 July 2024: HK\$118.5 million). Net asset value per share attributable to owners of the Company as at 31 January 2025 was HK\$0.044 per share (31 July 2024: HK\$0.067 per share).

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

Overview of Interim Results *(continued)*

Cinema Operation

For the six months ended 31 January 2025, this segment recorded a turnover of HK\$220.2 million (2024: HK\$188.9 million) and segment results of a loss of HK\$14.6 million (2024: a loss of HK\$54.3 million). As at the date of this Interim Report, the Group operates fifteen cinemas in Hong Kong and one cinema in Chinese Mainland. Details on the number of screens and seats of each existing cinema are disclosed in below table. Besides, the Group has extended its cinema network through two 50% joint ventures with Emperor Cinemas Group, namely Emperor Cinemas Plus+ (The Wai) (opened in July 2023) and Emperor Cinemas Plus+ (The Southside) (opened in June 2024), which are managed by Emperor Cinemas Group.

Cinema (managed by the Group)	Attributable interest to the Group (%)	No. of screens <i>(Note)</i>	No. of seats <i>(Note)</i>
Chinese Mainland			
Suzhou Grand Cinema City	100	10	1,440
Subtotal		10	1,440
Hong Kong			
K11 Art House	100	12	1,708
Movie Town (including MX4D theatre)	100	7	1,702
MCL AIRSIDE Cinema	100	7	944
MCL The ONE Cinema	100	6	831
MCL Cyberport Cinema	100	4	818
MCL Citygate Cinema	100	4	673
MCL Amoy Cinema	100	3	603
Festival Grand Cinema	95	8	1,196
MCL Telford Cinema (including MX4D theatre)	95	6	789
MCL Metro City Cinema	95	6	690
STAR Cinema	95	6	622
Grand Kornhill Cinema (including MX4D theatre)	95	5	706
MCL Cheung Sha Wan Cinema	95	4	418
MCL Green Code Cinema	95	3	285
Grand Windsor Cinema	95	3	246
Subtotal		84	12,231
Total		94	13,671

Note: On 100% basis

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

Overview of Interim Results *(continued)*

Media and Entertainment

For the six months ended 31 January 2025, this segment recorded a turnover of HK\$103.4 million (2024: HK\$179.3 million) and segment results of a decreased profit to HK\$18.9 million from that of HK\$25.5 million in the same period of last year.

Events Management

During the period under review, the Group organised and invested in 15 (2024: 27) shows by popular local and Asian renowned artistes, including Jay Fung, Sammi Cheng, Grasshopper, Cloud Wan, Jace Chan, Dear Jane, Ekin Cheng, Tsai Chin, ILUB and Zhao Chuan.

Music Production, Distribution and Publishing

During the period under review, the Group released 6 (2024: 5) albums, including titles by Jay Fung, On Chan, Cloud Wan and Ansonbean. The Group expects to continue to increase its music licensing revenue from the exploitation of the music library through new media distribution.

Artiste Management

The Group has a strong artiste management team and a sizeable number of talents and will continue to expand its profile and in tandem with our growing TV drama production and film production businesses. The Group currently has 17 artistes under its management.

Film and TV Program Production and Distribution

For the six months ended 31 January 2025, this segment recorded a turnover of HK\$31.8 million (2024: HK\$125.2 million) and segment results of an increased profit to HK\$15.3 million (2024: loss of HK\$1.3 million).

During the period under review, a total of 6 (2024: 1) film(s) and nil (2024: 1) TV program produced/invested by the Group were theatrically released, namely *“Octopus with Broken Arms”*, *“Detective Chinatown 1900”*, *“An Abandoned Team”*, *“The Grey Men 2”*, *“Decoded”* and *“The Volunteers: The Battle of Life and Death”*. The Group also distributed 27 (2024: 26) films with high profile titles including *“The Last Dance”*, *“Gladiator II”* and *“Transformers One”*.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

Liquidity, Financial Resources and Gearing

Cash and Bank Balances

As at 31 January 2025, cash and bank balances held by the Group amounted to HK\$360.0 million (31 July 2024: HK\$354.3 million) of which around 83.6% was denominated in Hong Kong dollars and around 11.7% was denominated in Renminbi (“RMB”). The conversion of RMB denominated cash and bank balances into foreign currencies and the remittance of such foreign currencies denominated balances out of Chinese Mainland are subject to the relevant rules and regulations of foreign exchange control promulgated by the government authorities concerned. The Group does not have any derivative financial instruments or hedging instruments outstanding.

Borrowings

As at 31 January 2025, the Group had outstanding consolidated total borrowings in the amount of HK\$242.8 million. The Group had unsecured other borrowings due to the late Mr. Lim Por Yen in the principal amount of HK\$113.0 million which is interest-bearing at the HSBC prime rate per annum. The Group’s recorded interest accruals were HK\$129.8 million for the said unsecured other borrowings as at 31 January 2025. As at 31 January 2025, the total borrowings of the Group were repayable within one year.

Gearing

After netting off total borrowings, the Group had net cash of HK\$117.2 million as at 31 January 2025. The Group is in net cash position, therefore gearing ratio of the Group, being the net borrowings (total borrowing minus cash and bank deposits) to net assets attributable to the owners of the Company, is not applicable.

Taking into account the amount of cash being held as at the end of the reporting period, the available facilities to the Group and the recurring cash flows from the Group’s operating activities, the Group believes that it would have sufficient liquidity for its present requirements to finance its existing operations and projects underway.

Contingent Liabilities

There has been no material change in contingent liabilities of the Group since 31 July 2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate Governance

The Company has complied with all applicable code provisions set out from time to time in the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**” and “**Stock Exchange**”, respectively) throughout the six months ended 31 January 2025 (“**Period**”).

Board

The Board oversees the overall management of the Company’s businesses and affairs. The Board’s primary duty is to ensure the viability of the Company and to ascertain that it is managed in the best interests of the shareholders of the Company (“**Shareholders**”) as a whole while taking into account the interests of other stakeholders.

The Board has established specific committees with written terms of reference to assist it in the efficient implementation of its functions, namely the audit committee (“**Audit Committee**”), the executive committee (“**Executive Committee**”), the nomination committee and the remuneration committee of the Company. Specific responsibilities have been delegated to the above committees.

The Board has delegated the day-to-day management of the Company’s businesses to the management and the Executive Committee comprising all executive Directors (“**EDs**”), and focuses its attention on matters affecting the Company’s long-term objectives and plans for achieving these objectives, the Group’s overall business and commercial strategy as well as overall policies and guidelines.

Decisions relating to the aforesaid matters and any acquisition or disposal of businesses, investments, or transactions or commitments of any kind where the actual or potential liability or value exceeds the threshold for discloseable transactions for the Company (as defined in the Listing Rules from time to time) are reserved for the Board; whereas decisions regarding matters set out in the terms of reference of the Executive Committee and those not specifically reserved for the Board are delegated to the Executive Committee and the management of the Company. The Board has also delegated the environmental, social and governance (“**ESG**”) management to the Executive Committee in order to focusing on matters affecting the overall business strategy, and to review and monitor the Group’s ESG management progress.

The Board currently comprises ten members, of whom four are EDs, one is non-executive Director (“**NED**”) and the remaining five are independent non-executive Directors (“**INEDs**”). The current composition of the Board, two out of its ten members being women, is characterised by diversity, whether considered in terms of gender, nationality, professional background and skills. The current Directors have extensive experience and skills in, including but not limited to, media and entertainment businesses, corporate advisory, business development and investment banking, laws, accounting and auditing services and corporate finance, etc.

The Board meets at least four times a year with meeting dates scheduled prior to the beginning of the year. Additional Board meetings will be held when warranted. Directors also participate in the consideration and approval of matters of the Company by way of written resolutions circulated to Directors together with supporting explanatory materials as and when required.

All Directors have been provided, on a monthly basis, with the Group’s management information updates, giving a balanced and understandable assessment of the Group’s performance, position, recent developments and prospects in sufficient detail to keep them abreast of the Group’s affairs and facilitate them to discharge their duties under the relevant requirements of the Listing Rules.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(continued)*

Corporate Governance *(continued)*

Chairman and Chief Executive

During the Period and up to the date of this Interim Report, Mr. Low Chee Keong (“**Mr. Low**” an INED) is the Chairman of the Board and Mr. Yang Yiu Chong, Ronald Jeffrey (“**Mr. Yang**”, an ED) is the Chief Executive Officer of the Company. This segregation ensures a clear distinction between the Chairman’s responsibilities to manage the Board and the Chief Executive Officer’s responsibilities to manage the Company’s businesses. The division of responsibilities between the Chairman and the Chief Executive Officer is clearly established and set out in writing.

Securities Transactions by Directors and Designated Employees

The Company has adopted a Code of Practice for Securities Transactions by Directors and Designated Employees (“**Securities Code**”) on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Listing Rules. The Company has made specific enquiry of all Directors and they have confirmed in writing their compliance with the required standard set out in the Securities Code during the Period.

Share Option Schemes

On 11 December 2015, the Company adopted a share option scheme (“**2015 Scheme**”) which became effective on 23 December 2015 and should remain in force for 10 years from its adoption date. The maximum number of the Company’s ordinary shares of HK\$0.50 each (“**Shares**”) issuable pursuant to the 2015 Scheme is 124,321,216, being 10% of the total issued Shares on the date of the approval of the 2015 Scheme.

Upon the closing of the Company’s offers on 22 August 2018, all outstanding share options granted under the 2015 Scheme had been cancelled. On 21 January 2022, the Company granted share options under the 2015 Scheme to the eligible participants to subscribe for a total of 1,500,000 underlying Shares (equivalent to approximately 0.10% of the total issued Shares as at that date (that is, 1,491,854,598)) at the exercise price of HK\$0.50 per Share with the exercise period from 21 January 2022 to 20 January 2032. On 15 August 2023, a share option comprising 800,000 underlying Shares granted to an eligible participant under the 2015 Scheme lapsed.

The 2015 Scheme was terminated and a new share option scheme (“**2022 Scheme**”) was adopted by the Shareholders at its annual general meeting held on 16 December 2022. The 2022 Scheme has also been approved by shareholders of both Lai Sun Development Company Limited (“**LSD**”, an intermediate holding company of the Company) and Lai Sun Garment (International) Limited (“**LSG**”, the ultimate holding company of the Company) at their respective annual general meetings held on the same date and became effective on 19 December 2022 (“**Effective Date**”).

The number of Shares available for grant under the 2015 Scheme before its termination was 122,821,216. Upon termination of the 2015 Scheme, no further share options will be granted thereunder but the outstanding share options granted prior to the termination will continue to be valid and exercisable in accordance with the terms of the 2015 Scheme.

Unless otherwise cancelled or amended, the 2022 Scheme will remain in force for 10 years from the Effective Date, which will expire on 19 December 2032. The principal terms of the 2022 Scheme are set out in the circular of the Company dated 17 November 2022. The maximum number of Shares issuable and the service provider sublimit pursuant to the 2022 Scheme were 149,185,459 and 14,918,545 Shares (being 10% and 1% of the total issued Shares) as at the Effective Date and (being 8.50% and 0.85% of the total issued Shares) as at the beginning and the end of the Period respectively.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(continued)*

Share Option Schemes *(continued)*

The purpose of the 2022 Scheme is to recognise the contribution or future contribution of the Eligible Participants (including but not limited to the directors, chief executives, employees and service providers of the Group as well as the related entity participants (as defined in the 2022 Scheme)) to the Group by granting share options to them as incentives or rewards and to attract, retain and motivate high-calibre Eligible Participants in line with the performance goals of the Group and the related entities. The 2022 Scheme shall strengthen the many long-term relationships that the Eligible Participants may have with the Group.

During the Period, no share options had been granted under the 2022 Scheme. Accordingly, there were no Shares that might be issued in respect of share options granted under all share option schemes of the Company during the Period.

As at 31 January 2025 and the date of this Interim Report, share options comprising a total of 400,000 underlying Shares (representing approximately 0.02% of the total issued Shares as at those dates (that is, 1,755,876,866)) granted under the 2015 Scheme were outstanding, and no further share options can be granted under the 2015 Scheme upon its termination on 16 December 2022. Therefore, a total number of 149,585,459 Shares are available for issue under the 2015 Scheme and the 2022 Scheme, representing approximately 8.52% of the total issued Shares as at those dates.

The movement of share options granted under the 2015 Scheme during the Period is set out below:

Category of grantees	Date of grant (dd/mm/yyyy)	Number of underlying Shares comprised in share options				As at 31 January 2025	Exercise period (dd/mm/yyyy)	Exercise price per Share (HK\$) (Note 1)	Vesting period
		As at 1 August 2024	Granted during the Period	Exercised during the Period	Cancelled/ lapsed during the Period				
Employees Participants									
Employee	21/01/2022	400,000	–	–	–	400,000	21/01/2022 – 20/01/2032	0.50	No
Other eligible participant	21/01/2022	300,000	–	–	(300,000)	–	21/01/2022 – 20/01/2032	0.50	No
(Note 2)									
Total		700,000	–	–	(300,000)	400,000			

Notes:

- 1 The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
- 2 A share option comprising 300,000 underlying Shares granted to an eligible participant under the 2015 Scheme on 21 January 2022 at the exercise price of HK\$0.50 per Share lapsed on 30 November 2024.

Saved as disclosed above, no share options were granted, exercised, cancelled, or lapsed in accordance with the terms of the 2015 Scheme and the 2022 Scheme during the Period.

Directors' and Chief Executive's Interests

The following Directors and chief executive of the Company who held office on 31 January 2025 and their respective close associates (as defined in the Listing Rules) were interested, or were deemed to be interested, in the following long or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) ("SFO")) on that date (a) as required to be notified to the Stock Exchange and the Company 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 ("**Register of Directors and Chief Executive**"); or (c) as notified to the Stock Exchange and the Company pursuant to the Securities Code; or (d) as otherwise known by the Directors:

(I) *Interests in the Company*

Name of Director	Capacity	Long positions in the Shares and underlying Shares				
		Number of Shares		Number of underlying Shares	Total	Approximate percentage of total issued Shares
		Personal interests	Corporate interests	Personal interests		
Lam Hau Yin, Lester	Beneficial owner	2,794,443	Nil	Nil	2,794,443	0.16%

Note: The total number of issued Shares as at 31 January 2025 (that is, 1,755,876,866 Shares) has been used for the calculation of the approximate percentage.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(continued)*

Directors' and Chief Executive's Interests *(continued)*

(II) Interests in the Associated Corporations

(a) LSG

Long positions in ordinary shares of LSG (“LSG Shares”) and underlying LSG Shares						
Name of Directors	Capacity	Number of LSG Shares		Number of underlying LSG Shares	Total	Approximate percentage of total issued LSG Shares
		Personal interests	Corporate interests	Personal interests		
(Note 1)						
Lam Hau Yin, Lester	Beneficial owner	28,033,218	Nil	6,519,095	34,552,313	3.91%
				(Note 2)		
U Po Chu	Beneficial owner	1,857,430	Nil	Nil	1,857,430	0.21%

Notes:

- The total number of issued LSG Shares as at 31 January 2025 (that is, 883,373,901 LSG Shares) has been used for the calculation of the approximate percentage.
- These interests in underlying LSG Shares represent the interests in share options granted to a Director under a share option scheme of LSG, particulars of which are as follows:

Name of Director	Date of grant (dd/mm/yyyy)	Number of underlying LSG Shares comprised in share options	Exercise period (dd/mm/yyyy)	Exercise price per LSG Share (HK\$)
Lam Hau Yin, Lester	19/06/2017	5,135,275	19/06/2017 – 18/06/2027	11.155
	25/01/2022	1,383,820	25/01/2022 – 24/01/2032	3.673

CORPORATE GOVERNANCE AND OTHER INFORMATION *(continued)*

Directors' and Chief Executive's Interests *(continued)*

(II) Interests in the Associated Corporations (continued)

(b) LSD

Name of Director	Capacity	Long positions in ordinary shares of LSD ("LSD Shares") and underlying LSD Shares				
		Number of LSD Shares		Number of underlying LSD Shares	Total	Approximate percentage of total issued LSD Shares <i>(Note)</i>
		Personal interests	Corporate interests	Personal interests		
U Po Chu	Beneficial owner	60,567	Nil	Nil	60,567	0.004%

Note: The total number of issued LSD Shares as at 31 January 2025 (that is, 1,453,328,830 LSD Shares) has been used for the calculation of the approximate percentage.

Save as disclosed above, as at 31 January 2025, none of the Directors and the chief executive of the Company and their respective close associates had, or was deemed to have, any interest in the long or short positions in the shares, underlying shares and/or debentures of the Company or any of its associated corporations, which was required to be notified to the Stock Exchange and the Company pursuant to the SFO, or recorded in the Register of Directors and Chief Executive, or notified to the Stock Exchange and the Company under the Securities Code or otherwise known by the Directors.

Substantial Shareholders' and Other Persons' Interests

As at 31 January 2025, 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, who had 5% or more interests in the following long positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO ("**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 ("**Voting Entitlements**") (i.e. within the meaning of substantial shareholders of the Listing Rules) were as follows:

		Long positions in the Shares and underlying Shares	
Name	Capacity	Number of Shares and underlying Shares held	Approximate percentage of total issued Shares <small>(Note 1)</small>
Substantial Shareholders			
Lai Sun Development Company Limited <small>(Note 2)</small>	Owner of controlled corporation	1,113,260,072	63.40% <small>(Note 4)</small>
Lai Sun Garment (International) Limited <small>(Note 3)</small>	Owner of controlled corporations	1,113,260,072	63.40% <small>(Note 4)</small>
Dr. Lam Kin Ngok, Peter	Beneficial owner and owner of controlled corporations	1,116,054,515	63.56% <small>(Note 4)</small>
Other Persons			
Mr. Yu Cheuk Yi	Beneficial owner	149,864,000	8.53% <small>(Note 5)</small>
Ms. Yu Siu Yuk	Beneficial owner	149,864,000	8.53% <small>(Note 5)</small>

CORPORATE GOVERNANCE AND OTHER INFORMATION *(continued)*

Substantial Shareholders' and Other Persons' Interests *(continued)*

Notes:

1. The total number of issued Shares as at 31 January 2025 (that is, 1,755,876,866 Shares) has been used for the calculation of the approximate percentage.
2. As at 31 January 2025, Mr. Cheung Sum, Sam ("**Mr. Cheung**", an ED) and Mr. Lam Hau Yin, Lester ("**Mr. Lester Lam**", an ED) were also the executive directors of LSD; and Madam U Po Chu ("**Madam U**", a NED) was also a non-executive director of LSD.
3. As at 31 January 2025, Mr. Yang, Mr. Cheung, Mr. Lester Lam and Madam U were also executive directors of LSG.
4. These interests in the Company represented all the Shares beneficially owned by Transtrend Holdings Limited, an indirect wholly-owned subsidiary of LSD. As at 31 January 2025, LSG and Dr. Lam Kin Ngok, Peter ("**Dr. Peter Lam**", a substantial shareholder of the Company within the meaning of Part XV of the SFO) were deemed to be interested in the same 1,113,260,072 Shares (approximately 63.40% of the total issued Shares) indirectly owned by LSD by virtue of his personal and deemed interests of approximately 41.93% (excluding share options) of the total issued LSG Shares; LSD was approximately 55.60% directly and indirectly owned by LSG; and LSG was approximately 12.70% (excluding share options) owned by Dr. Peter Lam and approximately 29.23% owned by Wisdom Limited, which in turn 100% beneficially owned by Dr. Peter Lam. As at the date of this Interim Report, LSD was approximately 14.62% (excluding share options) owned by Dr. Peter Lam.

As at 31 January 2025, Dr. Peter Lam also held 2,794,443 Shares as beneficial owner.
5. Based on the disclosure of interests notices received by the Company, as at 31 January 2025, Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk were both taken to be interested in the same 149,864,000 Shares (approximately 8.53% of the total issued Shares), 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) which/who, as at 31 January 2025, had the Voting Entitlements or 5% or more interests or short positions in the Shares or underlying Shares as recorded in the Register of Shareholders.

Purchase, Sale or Redemption of the Company's Listed Securities

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed the Company's listed securities.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(continued)*

Update on Directors' Information

There is no change in the Directors' information since the disclosure made in the Company's annual report for the year ended 31 July 2024 and up to the date of this Interim Report pursuant to Rule 13.51B(1) of the Listing Rules.

For the six months ended 31 January 2025 and 2024, the Directors' remuneration are as follows:

	Fees HK\$'000	Salaries, allowances, and benefits in kind HK\$'000	Pension scheme contributions HK\$'000	Total remuneration HK\$'000
Six months ended 31 January 2025				
<i>Executive Directors:</i>				
Yang Yiu Chong, Ronald Jeffrey	–	156	8	164
Cheung Sum, Sam	–	270	8	278
Lam Hau Yin, Lester	–	–	–	–
Yip Chai Tuck	–	3,360	18	3,378
	–	3,786	34	3,820
<i>Non-executive Director:</i>				
U Po Chu	–	–	–	–
<i>Independent Non-executive Directors:</i>				
Low Chee Keong	387	36	–	423
Lo Kwok Kwei, David	145	25	–	170
Ng Lai Man, Carmen	195	25	–	220
Poon Kwok Hing, Albert	145	20	–	165
Alfred Donald Yap	145	30	–	175
	1,017	136	–	1,153
Total	1,017	3,922	34	4,973

CORPORATE GOVERNANCE AND OTHER INFORMATION *(continued)*

Update on Directors' Information *(continued)*

For the six months ended 31 January 2025 and 2024, the Directors' remuneration are as follows: *(continued)*

	Fees HK\$'000	Salaries, allowances, and benefits in kind HK\$'000	Pension scheme contributions HK\$'000	Total remuneration HK\$'000
Six months ended 31 January 2024				
<i>Executive Directors:</i>				
Yang Yiu Chong, Ronald Jeffrey <i>(appointed on 3 October 2023)</i>	–	98	5	103
Cheung Sum, Sam <i>(appointed on 1 August 2023)</i>	–	150	8	158
Lam Hau Yin, Lester	–	–	–	–
Yip Chai Tuck	90	1,200	18	1,308
Lui Siu Tsuen, Richard <i>(resigned on 3 October 2023)</i>	31	528	–	559
	121	1,976	31	2,128
<i>Non-executive Director:</i>				
U Po Chu	–	–	–	–
<i>Independent Non-executive Directors:</i>				
Low Chee Keong	388	55	–	443
Lo Kwok Kwei, David	145	40	–	185
Ng Lai Man, Carmen	195	40	–	235
Poon Kwok Hing, Albert <i>(appointed on 1 August 2023)</i>	145	20	–	165
Alfred Donald Yap	145	55	–	200
	1,018	210	–	1,228
Total	1,139	2,186	31	3,356

Employees and Remuneration Policies

As at 31 January 2025, the Group employed a total of around 440 (31 January 2024: 510) 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 programs are offered to eligible employees.

Investor Relations

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

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

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

Review of Interim Report

The Audit Committee currently comprises three INEDs, namely Dr. Ng Lai Man, Carmen (Chairwoman), Mr. Low and Mr. Alfred Donald Yap. The Audit Committee has reviewed this Interim Report (including the unaudited condensed consolidated interim financial statements) of the Company for the Period, the accounting principles and practices adopted by the Company as well as internal control and financial reporting matters.

By order of the Board
Low Chee Keong
Chairman

Hong Kong, 18 March 2025

