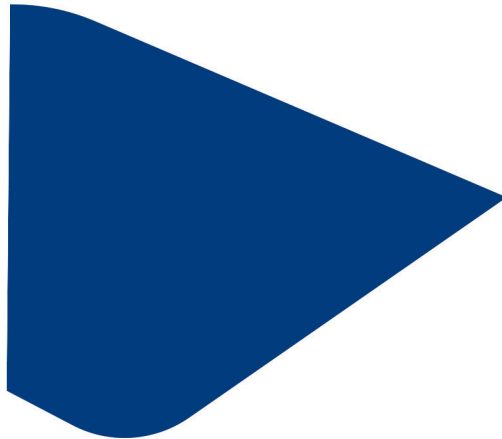
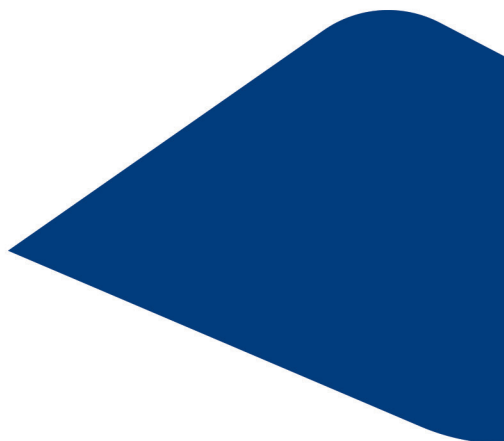




LAI SUN DEVELOPMENT

(Stock Code: 488)



Annual Report
Year ended 31 July 2025

LAI SUN DEVELOPMENT COMPANY LIMITED



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Corporate Information

PLACE OF INCORPORATION

Hong Kong

BOARD OF DIRECTORS

Executive Directors

Lam Kin Ngok, Peter, *GBM, GBS (Chairman)*
Cheung Sum, Sam (*Group Chief Financial Officer*)
Lam Hau Yin, Lester (*also alternate director to U Po Chu*)
Lee Tze Yan, Ernest

Non-executive Director

U Po Chu

Independent Non-executive Directors

Lam Bing Kwan
Leung Shu Yin, William
Ip Shu Kwan, Stephen, *GBS, JP*
Luk Hon Man

AUDIT COMMITTEE

Leung Shu Yin, William (*Chairman*)
Lam Bing Kwan
Ip Shu Kwan, Stephen, *GBS, JP*

NOMINATION COMMITTEE

Lam Kin Ngok, Peter, *GBM, GBS (Chairman)*
Cheung Sum, Sam (*alternate to Lam Kin Ngok, Peter*)
U Po Chu (appointed on 18 July 2025)
Leung Shu Yin, William
Lam Bing Kwan
Luk Hon Man (appointed on 18 July 2025)

REMUNERATION COMMITTEE

Leung Shu Yin, William (*Chairman*)
Cheung Sum, Sam
Lam Bing Kwan

AUTHORISED REPRESENTATIVES

Cheung Sum, Sam
Lam Hau Yin, Lester

COMPANY SECRETARY

Cheung Sum, Sam

REGISTERED OFFICE/PRINCIPAL OFFICE

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

Tel: (852) 2741 0391
Fax: (852) 2785 2775

SHARE REGISTRAR AND TRANSFER OFFICE

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

Agricultural Bank of China Limited
Bank of China Limited
Bank of Communications Co., Ltd.
The Bank of East Asia, Limited
China Construction Bank (Asia) Corporation Limited
China Everbright Bank Co., Ltd., Hong Kong Branch
Chong Hing Bank Limited
Dah Sing Bank, Limited
DBS Bank Ltd.
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China Limited
Shanghai Commercial Bank Ltd.
Shanghai Pudong Development Bank Co., Ltd.
Standard Chartered Bank (Hong Kong) Limited
United Overseas Bank Limited

SHARES INFORMATION

Place of Listing

The Main Board of The Stock Exchange of
Hong Kong Limited

Stock Code/Board Lot

488/300 Shares

WEBSITE

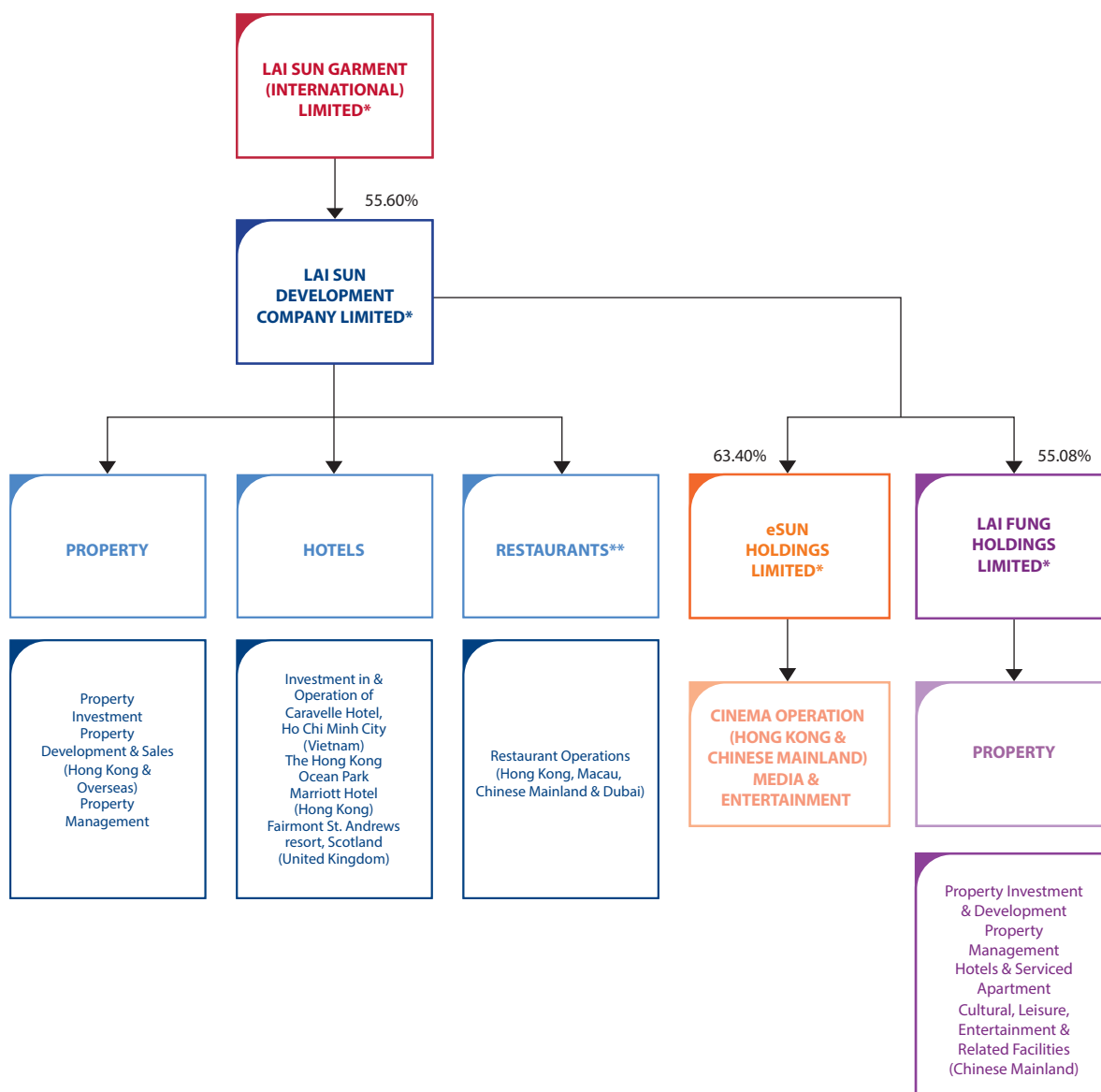
www.laisun.com

INVESTOR RELATIONS

Tel: (852) 2853 6106
Fax: (852) 2853 6651
E-mail: ir@laisun.com

Corporate Profile

Lai Sun Development Company Limited is a member of the Lai Sun Group. The Company is well diversified and its principal activities include property investment, property development, investment in and operation of hotels and restaurants, production and distribution of films and TV programs, music production and publishing, management and production of concerts, artiste management, cinema operation, development and operation of and investment in cultural, leisure, entertainment and related facilities and investment holding. The Company was listed on The Stock Exchange of Hong Kong Limited in March 1988 following a reorganisation of the Group.



* Listed on the Main Board of The Stock Exchange of Hong Kong Limited

** Operated under various subsidiaries and associates

Corporate structure as at 24 October 2025

Financial Highlights

		Year ended 31 July 2025	Year ended 31 July 2024
Turnover	(HK\$M)	4,898.6	5,998.9
Gross profit	(HK\$M)	990.2	1,529.9
Gross profit margin	(%)	20%	26%
Operating loss	(HK\$M)	(834.9)	(1,589.4)
Operating loss margin	(%)	-17%	-26%
Loss attributable to owners of the Company	(HK\$M)	(2,874.3)	(3,674.7)
Net loss margin	(%)	-59%	-61%
Loss per share <i>(Note 1)</i>	(HK\$)	(1.978)	(2.528)
Equity attributable to owners of the Company	(HK\$M)	23,119.8	25,810.1
Net borrowings	(HK\$M)	21,039.4	21,149.8
Net asset value per share <i>(Note 2)</i>	(HK\$)	15.908	17.759
Share price as at 31 July	(HK\$)	0.730	0.660
Price earnings ratio	(times)	N/A	N/A
Market capitalisation as at 31 July	(HK\$M)	1,060.9	959.2
Return on shareholders' equity	(%)	-12%	-14%
Dividend per share	(HK\$)	Nil	Nil
Dividend yield	(%)	N/A	N/A
Gearing — net debt to equity	(%)	91%	82%
Current Ratio	(times)	0.8	2.3
Discount to net asset value	(%)	95%	96%

Notes:

1. Calculated based on the loss attributable to owners of the Company and the weighted average number of ordinary shares in issue during the year.
2. Calculated based on the number of ordinary shares in issue as at the end of respective financial years.

Results Highlights

- Net loss attributable to owners of the Company was HK\$2,874.3 million, decreased from loss of HK\$3,674.7 million in the last financial year, mainly attributed to (i) reduction in impairment of property, plant and equipment and right-of-use assets; (ii) decrease in depreciation of property, plant and equipment and right-of-use assets as a result of the impairment losses provided for these assets in previous financial year; (iii) decrease in fair value losses on the investment properties; and (iv) reduction in finance costs of the Group. Such decreased loss was partially offset by the reduction in property sales in Lai Fung Group and contribution from film and TV program segment, as well as the increase in share of losses of joint ventures.
- Investment properties portfolio remained resilient and generated rental income of HK\$1,201.2 million with high occupancy rate in Hong Kong and Chinese Mainland against extremely challenging operating environment, down by 5.0% compared to last financial year.
- Recognised sales of properties amounted to HK\$885.0 million, down by 42.1% compared to last financial year. The reduction in property sales was due to Lai Fung Group's reduction in property sales since those projects have been completely sold almost, partially offset by the increase in property sales in Hong Kong property, namely The Parkland in Yuen Long.
- Hotel operation generated income of HK\$1,243.8 million, up by 4.4% compared to last financial year, underpinned by Caravelle Hotel primarily.
- Segment losses in non-property businesses narrowed materially primarily due to (i) closures and consolidation of non-performing outlets, and (ii) renegotiated leases with landlords.
- Effective cost control measures resulted in administrative expenses decreased by 5.0% compared to last financial year. Other operating expenses also decreased by 39.4% compared to last financial year.
- Finance costs amounted to HK\$1,124.9 million, down by 17.0% compared to last financial year, mainly due to the decrease in HIBOR and average borrowings balances, as well as Lai Fung Group's successful refinancing of certain borrowings at lower interest rates. Finance costs before capitalisation amounted to HK\$1,448.8 million, down by 20.5%.
- The Group's total capital resources (excluding eSun Group and Lai Fung Group) amounted to approximately HK\$3,213.9 million, comprising cash and bank balances of approximately HK\$2,014.3 million and undrawn bank facilities of approximately HK\$1,199.6 million as at 31 July 2025, versus the Group's bank borrowings (excluding eSun Group and Lai Fung Group) due within one year of approximately HK\$6,117.5 million as at 31 July 2025. Out of this HK\$6,117.5 million, the Group has successfully refinanced HK\$3,060.0 million as part of the HK\$3,457.0 million Cheung Sha Wan Plaza syndicated loan completed on 30 September 2025 for 5 years.
- The Group's total borrowings remained stable at HK\$25,377.8 million as at 31 July 2025, compared to HK\$25,294.3 million as at 31 July 2024.
- The Group announced its intention to achieve a disposal of HK\$8,000 million (including HK\$2,000 million at Lai Fung Group) over the next two years in its interim report for the six months ended 31 January 2025. Apart from projects for sale in the ordinary course of business of approximately HK\$2,200 million achieved since the last interim results up to 14 October 2025, the Group has been in advanced negotiations with potential buyers for asset disposals to improve the Group's liquidity. If all these transactions are successfully closed, the Group expects to receive gross proceeds of around HK\$4,500 million.

Chairman's Statement



DR. LAM KIN NGOK, PETER
CHAIRMAN

I would like to present the audited consolidated results of Lai Sun Development Company Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) for the year ended 31 July 2025.

OVERVIEW OF FINAL RESULTS

For the year ended 31 July 2025, the Group recorded turnover of HK\$4,898.6 million (2024: HK\$5,998.9 million) and a gross profit of HK\$990.2 million (2024: HK\$1,529.9 million). The decrease was primarily due to (i) Lai Fung Group’s reduction in property sales since those projects have been completely sold almost, partially offset by the increase in property sales in Hong Kong property, namely The Parkland in Yuen Long; and (ii) a decrease in contribution from film and TV program segment due to lack of new TV program releases during the year under review, as compared to last financial year.

OVERVIEW OF FINAL RESULTS (CONTINUED)

Set out below is the turnover by segment:

	Year ended 31 July			
	2025 (HK\$ million)	2024 (HK\$ million)	Difference (HK\$ million)	% change
Property investment	1,201.2	1,264.2	-63.0	-5.0
Property development and sales	885.0	1,529.5	-644.5	-42.1
Hotel operation	1,243.8	1,191.4	+52.4	+4.4
Restaurant and F&B				
product sales operations	479.1	544.6	-65.5	-12.0
Cinema operation	445.1	439.5	+5.6	+1.3
Media and entertainment	287.9	387.1	-99.2	-25.6
Film and TV program	46.6	341.0	-294.4	-86.3
Theme park operation	7.4	15.1	-7.7	-51.0
Others	302.5	286.5	+16.0	+5.6
Total	4,898.6	5,998.9	-1,100.3	-18.3

For the year ended 31 July 2025, net loss attributable to owners of the Company was approximately HK\$2,874.3 million (2024: HK\$3,674.7 million). The decreased loss was primarily due to (i) reduction in impairment of property, plant and equipment and right-of-use assets; (ii) decrease in depreciation of property, plant and equipment and right-of-use assets as a result of the impairment losses provided for these assets in previous financial year; (iii) decrease in fair value losses on the investment properties; and (iv) reduction in finance costs of the Group, during the year under review as compared to last financial year. Such decreased loss was partially offset by the reduction in property sales in Lai Fung Group and contribution from film and TV program segment, as well as the increase in share of losses of joint ventures.

Net loss per share was HK\$1.978 (2024: HK\$2.528).

Non-HKFRS Financial Measures

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

Chairman's Statement

OVERVIEW OF FINAL RESULTS (CONTINUED)

Non-HKFRS Financial Measures (continued)

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

(HK\$ million)	For the year ended 31 July	
	2025	2024
Loss from operating activities of the Group (HKFRS measure)	(834.9)	(1,589.4)
Adjustments for:		
Share of losses of joint ventures	(1,130.1)	(796.3)
Share of profits of associates	8.0	12.0
Fair value losses on investment properties held by the Group ^(Note 1)	457.6	817.3
Fair value losses on investment properties held by the joint ventures ^(Note 1)	750.0	598.2
Depreciation of property, plant and equipment ^(Note 2)	298.0	354.5
Depreciation of right-of-use assets ^(Note 2)	282.9	372.6
Amortisation of film rights, film and TV program products ^(Note 3)	8.5	70.8
Impairment of properties held by the Group ^(Note 4)	754.2	688.9
Impairment of properties held by the joint ventures ^(Note 4)	410.0	223.6
Impairment of restaurant and F&B product sales, cinema and film & TV program operations ^(Note 4)	35.2	399.3
Gain on disposal of a subsidiary ^(Note 5)	(168.7)	–
Adjusted EBITDA of the Group (non-HKFRS measure)	870.7	1,151.5

Notes:

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

Excluding the net effect of property revaluations, other non-cash and non-recurring items, adjusted EBITDA of the Group was approximately HK\$870.7 million for the year under review (2024: HK\$1,151.5 million).

OVERVIEW OF FINAL RESULTS (CONTINUED)

Non-HKFRS Financial Measures (continued)

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

(HK\$ million)	For the year ended 31 July	
	2025	2024
Net loss attributable to owners of the Company (HKFRS measure)	(2,874.3)	(3,674.7)
Adjustments for:		
Fair value losses on investment properties held by the Group ^(Note 1)	457.6	817.3
Deferred tax on fair value changes on investment properties held by the Group ^(Note 1)	(9.5)	111.6
Non-controlling interest's share of fair value losses on investment properties held by the Group less deferred tax ^(Note 1)	(13.8)	142.3
Fair value losses on investment properties held by the joint ventures ^(Note 1)	750.0	598.2
Impairment of properties held by the Group ^(Note 2)	754.2	688.9
Impairment of restaurant and F&B product sales, cinema and film & TV program operations ^(Note 2)	35.2	399.3
Impairment of properties held by the joint ventures ^(Note 2)	410.0	223.6
Deferred tax on impairment ^(Note 2)	(106.7)	(126.0)
Deferred tax assets written off ^(Note 2)	10.4	181.1
Non-controlling interest's share of the above non-recurring adjustments ^(Note 2)	(67.4)	(275.4)
Gain on disposal of a subsidiary ^(Note 3)	(168.7)	–
Adjusted net loss attributable to owners of the Company excluding fair value changes on investment properties and other non-cash and non-recurring items (non-HKFRS measure)	(823.0)	(913.8)

Chairman's Statement

OVERVIEW OF FINAL RESULTS (CONTINUED)

Non-HKFRS Financial Measures (continued)

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

Notes:

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

Excluding the net effect of property revaluations and other non-cash and non-recurring items, adjusted net loss attributable to owners of the Company was approximately HK\$823.0 million for the year under review (2024: HK\$913.8 million). Net loss per share excluding the effect of property revaluations and other non-cash and non-recurring items was approximately HK\$0.566 (2024: HK\$0.629).

Equity attributable to owners of the Company as at 31 July 2025 amounted to HK\$23,119.8 million, as compared to HK\$25,810.1 million as at 31 July 2024. Net asset value per share attributable to owners of the Company dropped to HK\$15.908 per share as at 31 July 2025 from HK\$17.759 per share as at 31 July 2024.

FINAL DIVIDEND

The board of the directors of the Company ("**Board**") does not recommend the payment of a final dividend for the year ended 31 July 2025 (2024: Nil).

No interim dividend was declared during the year (2024: Nil).

BUSINESS REVIEW AND OUTLOOK

The global economic outlook remains volatile, challenged by trade policy uncertainties, ongoing geopolitical tensions, and persistent inflationary pressures. The International Monetary Fund projects global growth at 3.0% for 2025, noting a "tenuous resilience" amid these persistent downside risks. These factors contribute to market instability and dampen business and consumer sentiment. In September 2025, the U.S. Federal Reserve implemented its first interest rate cut of the year, reducing the federal funds rate to a target range of 4.0% to 4.25%. This action aims to support economic growth amid a softening labour market, despite inflation remaining above target. This shift aligns with the anticipated interest rate reduction cycle and supports a more attractive mortgage lending environment, as reflected in the lower Hong Kong Interbank Offered Rate ("**HIBOR**"), encouraging both homebuyers and investors to re-enter the market. Although global GDP growth showed modest resilience in the first half of 2025, a slowdown is anticipated in the second half due to elevated trade barriers and persistent uncertainty, which continue to weigh on economic prospects.

In the face of this complexity and constant change, resilience has become the Group's solid foundation and tenacity as the fuel to sail through turbulent times ahead.

Chairman's Statement

BUSINESS REVIEW AND OUTLOOK (CONTINUED)

Hong Kong Property Market

During the year under review, the business landscape in Hong Kong continued to face significant headwinds. The retail sector encountered continuous challenges precipitated by a marked shift in consumer behaviours. These include a growing preference for northbound shopping and constrained domestic consumption. Although tourist arrivals increased in the first half of 2025 compared to the same period in 2024, both residents and visitors restrained from high-value expenditures. A notable preference has emerged for the Greater Bay Area ("GBA") in the Chinese Mainland over Hong Kong for leisure and shopping, driven by its more affordable options.

In response to these challenges, the Hong Kong Government has introduced various initiatives, including the successful hosting of multiple large-scale mega events in the first half of 2025, aimed at attracting tourists and boosting local consumption to increase market confidence. Additionally, recent concerts at the newly opened Kai Tak Sports Park are anticipated to draw hundreds of thousands of visitors, resulting in substantial spending and economic value added to the city.

The residential property market in Hong Kong has yet to witness a robust recovery throughout the financial year, despite signs of stabilisation and a resurgence in new residential unit sales. Challenges such as an oversupply of private housing, evident from a notable surplus of unsold units, along with persistently high interest rates and global economic uncertainties have dampened investor confidence. Despite the government's proactive measures, such as the early 2024 removal of property cooling measures and the October 2024 relaxation of the mortgage loan-to-value ratio, the recovery has remained fragile, reflected in improved sales volumes alongside persistent pressure on pricing levels in both the residential and commercial sectors.

Nonetheless, the introduction of various talent admission programs, notably the Top Talent Pass Scheme and the Quality Migrant Admission Scheme, has attracted a significant influx of skilled professionals and their families to Hong Kong. These newcomers have injected essential demand into the housing market, supporting both the home purchase sector, where high-caliber talents seek quality residences, and the residential rental market, where many newcomers opt for leasing initially. Initiatives such as the New Capital Investment Entrant Scheme and expanded university quotas for non-local students are anticipated to further boost housing demand. These measures, coupled with a gradual decline in the HIBOR, which reduces borrowing costs, and an improving stock market, are fostering positive momentum and are expected to underpin a sustained recovery in the property market in the second half of 2025.

BUSINESS REVIEW AND OUTLOOK (CONTINUED)

Hong Kong Property Market (continued)

The office and retail leasing sector in Hong Kong continues to grapple with challenges arising from a persistent slowdown in demand and an oversupply of office spaces. The citywide office vacancy rate stood at 17.4% in the second quarter of 2025, illustrating the competitive and oversupplied market conditions. Ongoing economic uncertainty, coupled with the hybrid work model, has considerably dampened the demand for office rentals. Consequently, businesses are exhibiting heightened caution and are hesitant to expand their business operations and investments. This cautious approach has led to downward pressure on rents and property values across all real estate segments. Although the office and retail leasing markets are expected to remain competitive in the near term, particularly concerning rental prices, the medium to longer term outlook looks stabilising. The Group has been securing renewals from existing tenants proactively while diversifying the tenants mix to maintain high occupancy rates of the properties. Consequently, the Group has successfully maintained occupancy levels averaging 90% or above in both its office and retail leasing businesses in Hong Kong against an overcast backdrop.

Notably, despite the challenges in the residential property market mentioned above, and the buyers remaining cautious and price sensitive, the Group has managed to capture sales opportunities and achieved some good results for our Bal Residence project and The Parkland project. Moreover, presales of the Group's joint venture project, namely "Deep Water Pavilia" (formerly named as Wong Chuk Hang Station Package Five Property Development) in The Southside, commenced in June 2025 have garnered strong market interest. Over 650 units out of total 825 units have been presold as of the latest update. This robust performance reflects the improving market confidence and reaffirms the continuing demand for well-positioned, high-quality residential developments, amidst a challenging operating landscape. The Group will continue to monitor the market closely and assess the optimal time and pricing for launches of future projects.

Bal Residence has a total saleable area of approximately 62,148 square feet, including 7,506 square feet of commercial facilities and 54,642 square feet of residential spaces, offering 156 residential units. Up to 14 October 2025, the Group has sold 154 residential units in Bal Residence with saleable area of approximately 53,056 square feet at an average selling price of approximately HK\$15,149 per square foot. Total proceeds for this sold residential units are estimated to be HK\$803.8 million. During the year under review, 65 residential units were sold, amounting to HK\$333.9 million, with 53 units totaling HK\$270.5 million recognised in revenue during this financial year. Since 1 August 2025 to 14 October 2025, a further 28 units have been sold.

The Parkland has a total saleable area of approximately 36,720 square feet, offering 112 residential units. All residential units have been completely sold and substantially recognised in revenue during the year under review. Total proceeds are estimated to be HK\$346.8 million, of which HK\$322.7 million is recognised in revenue during this financial year.

Chairman's Statement

BUSINESS REVIEW AND OUTLOOK (CONTINUED)

Hong Kong Property Market (continued)

Construction works of the residential project at Deep Water Pavilia is in progress and is expected to be completed in the first quarter of 2026. It has a total gross floor area ("GFA") of approximately 636,200 square feet and is expected to deliver two residential towers, offering 825 residential units. Superstructure works of the 79 Broadcast Drive project in Kowloon Tong is in progress and the construction is expected to be completed in the first half of 2026. It will be developed into a high-quality luxury residential property with the maximum permissible GFA of approximately 71,600 square feet, offering around 46 medium-large sized units, including 2 houses. The Group also acquired the 1 Kotewall Road project in Mid-Levels, Hong Kong Island and the transaction was completed with vacant possession in March 2022. The Group plans to redevelop the site into a luxury residential project with a total GFA of approximately 55,200 square feet, offering around 27 medium-large sized residential units. Excavation, lateral support and foundation works are in progress and the construction is expected to be completed in the first quarter of 2028. The project design work of the residential project, namely 116 Waterloo Road project, is in progress and is expected to be completed in the third quarter of 2028. The Group intends to redevelop the 116 Waterloo Road project, which was acquired in September 2021 with vacant possession in March 2022, into a residential project offering around 85 residential units with total GFA of approximately 46,600 square feet.

Chinese Mainland Property Market

The Chinese Mainland's economy demonstrated steady growth in the first half of 2025, with GDP expanding by 5.3% year-on-year, surpassing official targets. This performance underscores the economy's recovery momentum within a challenging global environment.

Supportive policy measures rolled out since late 2024 — including reduced mortgage rates, lower down payment ratios, and eased purchasing restrictions — have stimulated the residential market. These measures had led to further signs of stabilisation. The decline in home prices continued to narrow, with the trend particularly evident in first-tier cities. While new home prices in Beijing, Guangzhou, and Shenzhen were still down year-on-year, the pace of decline had slowed significantly. Notably, Shanghai's new home prices recorded a year-on-year increase, indicating a positive market trend. It is anticipated that the Central Government will maintain its commitment to stabilising the property sector and fostering sustainable long-term economic growth.

While Lai Fung Holdings Limited ("**Lai Fung**") and its subsidiaries (together, "**Lai Fung Group**") remains cautious about the long-term business outlook in Chinese Mainland, Lai Fung Group hold confidence in the future prospects of the cities where we operate, especially within the dynamic GBA.

BUSINESS REVIEW AND OUTLOOK (CONTINUED)

Chinese Mainland Property Market (continued)

Lai Fung Group has adopted a regional focus and rental-led strategy. The rental portfolio, comprising approximately 5.9 million square feet in Shanghai, Guangzhou, Zhongshan, and Hengqin, remained broadly stable in terms of rental income amid a challenging environment. The Chinese Mainland's prime office rental market faces headwinds, with first-tier cities experiencing sluggish demand due to widespread corporate cost-cutting and a scaling back of multinational company operations. Consequently, vacancy rates have risen across the board.

In response, landlords increasingly rely on tenant incentives and flexible lease structures to maintain occupancy. Lai Fung Group has proactively secured renewals from existing tenants early while developing a new lead to retain high occupancy rates. Furthermore, the two more recently completed Grade A office towers — Shanghai Skyline Tower and Guangzhou Lai Fung International Center — have been ramping up steadily and delivered additional income compared to the last financial year. The existing rental portfolio has been managed effectively despite the challenging economic conditions.

Lai Fung Group's Hengqin Novotown project has successfully established as a dual-core development focusing on "Cross-border E-commerce Industry and Ecosystem" and "Cultural Tourism, Exhibition, and Commerce Trade Industry". These include industries such as cross-border e-commerce, new technology, wellness and health, theme parks, Harrow LiDe School Hengqin, Hyatt Regency Hengqin, shopping mall, multi-functional venues and have been operating seamlessly with cross-border transportation and other facilities.

Phase I of the Novotown project ("**Novotown Phase I**") in Hengqin, the "Hengqin-Macao Cross-border E-Commerce Industrial Park (Novotown)", is enjoying the critical mass afforded by over 420 enterprises working and living there. Our tenants are operating in some of the most exciting and fastest growing segments:

- "Cross-border E-commerce and Internet" represented by entities such as YTO Express GBA Headquarters, inkeverse, TOPTOY, MINISO, TYMO, Baidu Netdisk, 360, Be Friends Holdings, Find Macau, KEIZER and Anjun Logistics;
- "High-End Technology Production" represented by Lingyange, Bambu Lab, Amicro, Li Auto, Xwan Test, and several renowned chip design and development companies;
- "Wellness and Health" represented by UNITED LIFE SCIENCE; and
- "Cross-border Financial Services and Innovation" represented by Industrial and Commercial Bank of China Limited ("**ICBC**"), Juzishuke and QFIN.

Chairman's Statement

BUSINESS REVIEW AND OUTLOOK (CONTINUED)

Chinese Mainland Property Market (continued)

Hengqin's "Four New Industries" (Technology research and development and High-End Manufacturing, Traditional Chinese Medicine and other Macao-branded Industries, Cultural Tourism, Exhibition, and Commerce Trade, and Modern Finance) converge and collide here, establishing Novotown as a new economic growth engine driving the high-quality, integrated development of Hengqin and Macao.

Notably, one of the key tenants being a leading domestic enterprise which has leased six floors of office space in Novotown Phase I to establish its global cross-border e-commerce headquarters. The enterprise currently employs 1,500 staff. It is expected to expand to over 3,000 employees when fully occupied, thereby creating a nucleus for its ecosystem to locate in Novotown. As at the date of this Annual Report, approximately 96% of the office units have been leased with approximately 2,800 people working there. Lai Fung Group also leased the remaining unsold cultural studio units in Novotown Phase I for employees of the office tenants. This innovative operational model not only effectively boosts foot traffic in the commercial area, but also optimises and upgrades the business structure through attracting targeted enterprises.

As at the date of this Annual Report, leasing of the commercial area of Novotown Phase I is underway with approximately 85% being leased and key tenants include "National Geographic Ultimate Explorer Hengqin", Heytea, Luckin Coffee, McDonald's, Pokiddo Trampoline Park, Kun Peng Go-Kart Sports Centre, Kun Peng Digital Sports Hall, Snow Alarm, Oyster King, Vanguard Life Superstore and UNITED LIFE SCIENCE. ICBC demonstrated its confidence in the project by purchasing of two retail units in Novotown Phase I from Lai Fung Group in August 2024. Furthermore, four additional retail units in Novotown Phase I were sold to independent third parties in December 2024, February 2025, July 2025 and September 2025.

Phase II of the Novotown project ("**Novotown Phase II**") in Hengqin is making major progress, particularly on its rental accommodation towers. Lai Fung Group received approval from the local government to develop towers four to eleven in Novotown Phase II as accommodation for rental purpose, becoming the first project certified as rental accommodation towers in Hengqin. This initiative is designed to meet the growing rental accommodation demand from the commercial ecosystem of Hengqin, and provide supporting facilities for them. Tower two, designated for office use, is expected to accommodate more cross-border e-commerce tenants. Construction work for tower one, designated for serviced apartment use, was completed in late July 2025.

Lai Fung Group stated its intention to dispose assets amounting to approximately HK\$2,000 million over the next two years in the last interim results. The sale of remaining residential units, retail shops and car parking spaces of Zhongshan Palm Spring, as well as the cultural studios and cultural workshop units of Hengqin Novotown Phase I are progressing. Apart from projects for sale in the ordinary course of business of approximately HK\$200 million achieved since the last interim results up to 14 October 2025, Lai Fung Group is in advanced discussion with a potential buyer for certain accommodation towers of Novotown Phase II. These will contribute towards the stated disposal targets and Lai Fung Group will continue to seek out appropriate assets for disposal to improve its financial position.

BUSINESS REVIEW AND OUTLOOK (CONTINUED)

Cinema Operation/Media and Entertainment/Film Production and Distribution

The Hong Kong box office is navigating a complex landscape. The challenges encompass a significant shift in consumer habits, driven by the rise of streaming platforms and other digital entertainment, which has led to declining cinema attendance affecting theatre revenues. Moreover, the industry still contends with high rental and operational costs, and a lack of local and foreign blockbusters titles affects the theatre attendance. Although the record-breaking success of two local productions in 2024, *"The Last Dance"* and *"Twilight of the Warriors: Walled In"* — the highest-grossing domestic films ever — provided a much-needed stimulus, these challenging conditions persist and continue to impact the performance of cinema operations in Hong Kong.

Amidst the prevailing market conditions and economic uncertainties, a notable number of cinemas ceased operations in Hong Kong during the financial year, including eSun Holdings Limited ("**eSun**") and its subsidiaries (together, "**eSun Group**")'s MCL Cinemas Plus+ Plaza Hollywood and Grand Kornhill Cinema. In response, the Hong Kong government has introduced supportive initiatives such as "Cinema Day" and the "1st October Movie Fiesta" to boost box-office receipts, alongside the Film Development Fund, which aims to enhance the quality and quantity of local productions. eSun Group has consolidated its resources and leverage its brand to strengthen its competencies for cinema operation. Despite the challenging environment, eSun Group managed to achieve a slight revenue increase in its cinema operation with relatively good attendance, and remains committed to closely monitoring market conditions and improving overall operating efficiency. eSun Group will actively engage in cost optimisation measures and adopt a prudent approach in evaluating future opportunities for cinema operation.

Media Asia Group Holdings Limited (an indirect wholly-owned subsidiary of eSun), being the media and entertainment arm of eSun Group, will continue to produce high-quality and commercially viable products. Our recent releases, the crime thriller *"Octopus with Broken Arms"* and the mystery-comedy *"Detective Chinatown 1900"*, both produced by Chen Sicheng, one of the Chinese Mainland's most consistently successful writers-directors-producers, have achieved commendable box office performance and critical acclaim. eSun Group will continue to be prudent in investing in original productions of quality films.

eSun Group continues to produce quality TV drama series in response to the ongoing strong demand for quality programs from TV stations and online video platforms in the Chinese Mainland. eSun Group is in discussion with various Chinese partners for new project development in TV drama production. It is expected that a new TV drama to be released around early 2026.

Chairman's Statement

BUSINESS REVIEW AND OUTLOOK (CONTINUED)

Cinema Operation/Media and Entertainment/Film Production and Distribution (continued)

The distribution licence for music products with Tencent Music Entertainment (Shenzhen) Co., Ltd. and Warner Music continues to provide stable income to eSun Group. Recent concerts, including *"You & Mi Sammi Cheng Live in Macau 2025"*, *"STEP by STEPHY Live in Hong Kong 2025"*, and *"the SOUNDTRACK of my LIFE Jay Fung Concert 2024"*, earned good reputation and public praises. eSun Group will continue to work with prominent local and Asian artistes for concert promotion, with upcoming events including concerts of Grasshopper, Ekin Cheng, and Big Four.

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

Other Business Updates

The Group announced its intention to achieve a disposal of HK\$8,000 million (including HK\$2,000 million at Lai Fung Group) over the next two years in its interim report for the six months ended 31 January 2025. Apart from projects for sale in the ordinary course of business of approximately HK\$2,200 million achieved since the last interim results up to 14 October 2025, the Group has been in advanced negotiations with potential buyers for asset disposals to improve the Group's liquidity. If all these transactions are successfully closed, the Group expects to receive gross proceeds of around HK\$4,500 million.

The Group monitors the performance of the non-property related business portfolio closely and has taken actions to improve their operating results proactively. In light of the changing operating environment, the Group has closed or consolidated certain non-performing outlets in the restaurant and cinema businesses, as well as renegotiated leases with landlords. The effort is bearing fruit as demonstrated by the cinema operation, where net gains were recorded as a result of rent reduction and reversal of impairment during the year under review. The Group will continue to monitor the performance of its portfolio of businesses and consider appropriate options for them in the interest of all stakeholders as a whole. The Group will continue its prudent and flexible approach, together with stringent cost controls, in managing its operations and financial position.

As at 31 July 2025, the Group's consolidated cash and bank deposits amounted to HK\$4,338.4 million (HK\$2,014.3 million excluding eSun Group and Lai Fung Group) with undrawn facilities of HK\$3,791.4 million (HK\$1,199.6 million excluding eSun Group and Lai Fung Group). The net debt to equity ratio as at 31 July 2025 was approximately 91% (31 July 2024: 82%). The Group's gearing excluding the net debt of eSun Group and Lai Fung Group was approximately 58%.

BUSINESS REVIEW AND OUTLOOK (CONTINUED)

Other Business Updates (continued)

The Group's total capital resources (excluding eSun Group and Lai Fung Group) amounted to approximately HK\$3,213.9 million, comprising cash and bank balances of approximately HK\$2,014.3 million and undrawn bank facilities of approximately HK\$1,199.6 million as at 31 July 2025, versus the Group's bank borrowings (excluding eSun Group and Lai Fung Group) due within one year of approximately HK\$6,117.5 million as at 31 July 2025. Out of this HK\$6,117.5 million, the Group has successfully refinanced HK\$3,060.0 million as part of the HK\$3,457.0 million Cheung Sha Wan Plaza syndicated loan completed on 30 September 2025 for 5 years. The Group will continue its prudent approach in handling the refinancing of its loans ahead of time.

The outstanding guaranteed note of US\$493 million will be due in July 2026. The Group is actively reviewing its financial positions and will consider all options available in the market to resolve the outstanding obligations.

APPRECIATION

Looking back on this financial year, I would like to thank my Board colleagues, the senior management team, our partners and everyone who worked with us during the year for their loyalty, support and outstanding teamwork.

I would also like to thank Mr. Lau Shu Yan, Julius who left the Board on 1 March 2025 for his valuable contributions to the Company during his tenure.

I firmly believe that through the concerted efforts of our staff and with the support of all our stakeholders, we will continue to grow the Group going forward in a prudent and sustainable manner.

Lam Kin Ngok, Peter

Chairman

Hong Kong

24 October 2025

Management Discussion and Analysis

PROPERTY PORTFOLIO COMPOSITION

The Group maintained a property portfolio with attributable GFA of approximately 8.0 million square feet as at 31 July 2025. All major properties of the Group in Chinese Mainland are held through Lai Fung Group, except Novotown Phase I which is 80% owned by Lai Fung Group and 20% owned by the Group, and all major properties in Hong Kong and overseas are held by the Group excluding eSun Group and Lai Fung Group.

Approximate attributable GFA (in '000 square feet) of the Group's major properties and number of car parking spaces as at 31 July 2025 are set out as follows:

	Commercial/ Retail	Office	Hotel/ Serviced Apartments	Residential	Industrial	Total (excluding car parking spaces & ancillary facilities)	No. of car parking spaces
GFA of major properties and number of car parking spaces of Lai Fung Group (on attributable basis¹)							
Completed Properties Held for Rental ²	1,468	1,216	—	—	—	2,684	1,643
Completed Hotel Properties and Serviced Apartments ²	—	—	545	—	—	545	—
Properties under Development ³	316	151	871	—	—	1,338	588
Completed Properties Held for Sale	91	232	214	24	—	561	1,945
Subtotal	1,875	1,599	1,630	24	—	5,128	4,176
GFA of major properties and number of car parking spaces of the Group excluding Lai Fung Group (on attributable basis)							
Completed Properties Held for Rental ²	690	987	—	—	16	1,693	1,357
Completed Hotel Properties and Serviced Apartments ²	—	—	725	—	—	725	92
Properties under Development ³	—	—	—	269	—	269	137
Completed Properties Held for Sale	30	105	35	28	—	198	49
Subtotal	720	1,092	760	297	16	2,885	1,635
Total GFA attributable to the Group	2,595	2,691	2,390	321	16	8,013	5,811

Notes:

1. As at 31 July 2025, Lai Fung is a 55.08%-owned subsidiary of the Company.
2. Completed and rental generating properties.
3. All properties under construction.

PROPERTY INVESTMENT

Rental Income

During the year under review, the Group's rental operations recorded a turnover of HK\$1,201.2 million (2024: HK\$1,264.2 million) comprising turnover of HK\$441.1 million, HK\$39.2 million and HK\$720.9 million from rental properties in Hong Kong, London and Chinese Mainland, respectively.

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

	Year ended 31 July			Year end occupancy	
	2025 HK\$ million	2024 HK\$ million	% Change	2025 %	2024 %
Hong Kong					
Cheung Sha Wan Plaza	259.6	284.6	-8.8	90.3	96.9
Causeway Bay Plaza 2	125.2	130.7	-4.2	89.5	89.7
Lai Sun Commercial Centre	49.2	51.4	-4.3	93.0	98.9
Others	7.1	5.7	+24.6		
Subtotal:	441.1	472.4	-6.6		
London, United Kingdom					
107 Leadenhall Street	12.3	12.1	+1.7	54.7	47.8
100 Leadenhall Street	26.9	64.7	-58.4	0.0	100.0
106 Leadenhall Street	—	0.9	-100.0	0.0	0.0
Subtotal:	39.2	77.7	-49.5		
Chinese Mainland					
Shanghai					
Shanghai Hong Kong Plaza	250.6	271.3	-7.6	Retail: 94.8 Office: 85.1	Retail: 92.7 Office: 90.3
Shanghai May Flower Plaza	38.1	41.0	-7.1	Retail: 98.2	Retail: 99.6
Shanghai Regents Park	11.1	17.4	-36.2	100.0	100.0
Shanghai Skyline Tower	59.9	49.2	+21.7	Retail: 94.3 Office: 61.8	Retail: 83.9 Office: 45.6
Guangzhou					
Guangzhou May Flower Plaza	92.7	93.1	-0.4	Retail: 98.7 Office: 100.0	Retail: 94.1 Office: 100.0
Guangzhou West Point	21.4	22.2	-3.6	99.0	95.0
Guangzhou Lai Fung Tower	118.5	122.5	-3.3	Retail: 100.0 Office: 88.0 ¹	Retail: 100.0 Office: 90.6 ¹
Guangzhou Lai Fung International Center	65.7	43.0	+52.8	Retail: 99.0 Office: 66.0	Retail: 99.0 Office: 52.9

Management Discussion and Analysis

PROPERTY INVESTMENT (CONTINUED)

Rental Income (continued)

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

	Year ended 31 July		%	Year end occupancy	
	2025 HK\$ million	2024 HK\$ million		2025 %	2024 %
Zhongshan					
Zhongshan Palm Spring	4.5	5.0	-10.0	Retail: 82.3¹	Retail: 83.5 ¹
Rainbow Mall					
Hengqin					
Hengqin Novotown Phase I	19.8	13.7	+44.5	Retail: 85.1²	Retail: 81.3 ²
Others	38.6	35.7	+8.1		
Subtotal:	720.9	714.1	+1.0		
Total:	1,201.2	1,264.2	-5.0		
Rental income from joint venture projects					
Hong Kong					
CCB Tower ³ (50% basis)	114.5	114.4	+0.1	97.7	95.9
Alto Residences ⁴ (50% basis)	3.0	21.6	-86.1	N/A	82.0
Total:	117.5	136.0	-13.6		

Notes:

1. Excluding self-use area.
2. Including the cultural attraction spaces.
3. CCB Tower is a joint venture project with China Construction Bank Corporation ("**CCB**") in which each of the Group and CCB has an effective 50% interest. For the year ended 31 July 2025, the joint venture recorded rental income of approximately HK\$229.0 million (2024: HK\$228.9 million).
4. Alto Residences is a joint venture project with Empire Group Holdings Limited ("**Empire Group**") in which each of the Group and Empire Group has an effective 50% interest. The Alto Disposal was completed on 5 August 2024. Only share of recurring income from a small number of residential units, car parking spaces and property management remain. For the year ended 31 July 2025, the joint venture recorded rental income of approximately HK\$5.9 million (2024: HK\$43.1 million).

PROPERTY INVESTMENT (CONTINUED)

Rental Income (continued)

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

	Year ended 31 July 2025			Year ended 31 July 2024		
	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)
Hong Kong						
Cheung Sha Wan Plaza	100%			100%		
Commercial		119.0	233,807		131.8	233,807
Office		122.0	409,896		133.4	409,896
Car Parking Spaces		18.6	N/A		19.4	N/A
Subtotal:		259.6	643,703		284.6	643,703
Causeway Bay Plaza 2	100%			100%		
Commercial		81.2	109,770		82.5	109,770
Office		38.3	96,268		42.8	96,268
Car Parking Spaces		5.7	N/A		5.4	N/A
Subtotal:		125.2	206,038		130.7	206,038
Lai Sun Commercial Centre	100%			100%		
Commercial		23.6	95,063		23.7	95,063
Office		5.0	74,181		5.7	74,181
Car Parking Spaces		20.6	N/A		22.0	N/A
Subtotal:		49.2	169,244		51.4	169,244
Others		7.1	15,951		5.7	15,951
Subtotal:		441.1	1,034,936		472.4	1,034,936
London, United Kingdom						
107 Leadenhall Street	100%			100%		
Commercial		3.8	48,182		3.1	48,182
Office		8.5	98,424		9.0	98,424
Subtotal:		12.3	146,606		12.1	146,606
100 Leadenhall Street	100%			100%		
Office		26.9	177,700		64.7	177,700
106 Leadenhall Street	100%			100%		
Commercial		—	3,540		0.1	3,540
Office		—	16,384		0.8	16,384
Subtotal:		—	19,924		0.9	19,924
Subtotal:		39.2	344,230		77.7	344,230

Management Discussion and Analysis

PROPERTY INVESTMENT (CONTINUED)

Rental Income (continued)

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

	Year ended 31 July 2025			Year ended 31 July 2024		
	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)
Chinese Mainland Shanghai						
Shanghai Hong Kong Plaza	55.08%			55.08%		
Retail		156.3	468,434		168.5	468,434
Office		88.4	362,096		97.3	362,096
Car Parking Spaces		5.9	N/A		5.5	N/A
Subtotal:		250.6	830,530		271.3	830,530
Shanghai May Flower Plaza	55.08%			55.08%		
Retail		33.7	320,314		36.4	320,314
Car Parking Spaces		4.4	N/A		4.6	N/A
Subtotal:		38.1	320,314		41.0	320,314
Shanghai Regents Park	52.33%			52.33%		
Retail		9.5	82,062		16.2	82,062
Car Parking Spaces		1.6	N/A		1.2	N/A
Subtotal:		11.1	82,062		17.4	82,062
Shanghai Skyline Tower	55.08%			55.08%		
Retail		8.1	92,226		6.4	92,226
Office		49.4	634,839		41.2	634,839
Car Parking Spaces		2.4	N/A		1.6	N/A
Subtotal:		59.9	727,065		49.2	727,065

PROPERTY INVESTMENT (CONTINUED)

Rental Income (continued)

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

	Year ended 31 July 2025			Year ended 31 July 2024		
	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)
Guangzhou						
Guangzhou May Flower Plaza	55.08%			55.08%		
Retail		79.0	357,424		81.3	357,424
Office		10.5	79,431		8.5	79,431
Car Parking Spaces		3.2	N/A		3.3	N/A
Subtotal:		92.7	436,855		93.1	436,855
Guangzhou West Point	55.08%			55.08%		
Retail		21.4	182,344		22.2	182,344
Guangzhou Lai Fung Tower	55.08%			55.08%		
Retail		17.3	112,292		16.8	112,292
Office		95.1	625,821		99.2	625,821
Car Parking Spaces		6.1	N/A		6.5	N/A
Subtotal:		118.5	738,113		122.5	738,113
Guangzhou Lai Fung International Center	55.08%			55.08%		
Retail		16.2	109,320		9.6	109,320
Office		45.2	505,301		30.6	505,301
Car Parking Spaces		4.3	N/A		2.8	N/A
Subtotal:		65.7	614,621		43.0	614,621
Zhongshan						
Zhongshan Palm Spring	55.08%			55.08%		
Rainbow Mall						
Retail ¹		4.5	148,106		5.0	148,106
Hengqin						
Novotown Phase I [#]	64.06% ²			64.06% ²		
Commercial ³		19.8	997,085 ³		13.7	1,006,091 ³
Others		38.6	N/A		35.7	N/A
Subtotal:		720.9	5,077,095		714.1	5,086,101
Total:		1,201.2	6,456,261		1,264.2	6,465,267

Management Discussion and Analysis

PROPERTY INVESTMENT (CONTINUED)

Rental Income (continued)

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

	Year ended 31 July 2025			Year ended 31 July 2024		
	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)
Rental income from joint venture projects Hong Kong						
CCB Tower ⁴ (50% basis)	50%			50%		
Office		113.9	114,603 ⁵		113.9	114,603 ⁵
Car Parking Spaces		0.6	N/A		0.5	N/A
Subtotal:		114.5	114,603		114.4	114,603
Alto Residences ⁶ (50% basis)	50%			50%		
Commercial		0.2	–		14.1	47,067 ⁷
Residential units ⁸		1.9	2,052 ⁹		3.9	11,447 ⁹
Car Parking Spaces		0.9	N/A		3.6	N/A
Subtotal:		3.0	2,052		21.6	58,514
Total:		117.5	116,655		136.0	173,117

Notes:

- # Excluding office units and cultural workshop units. Office units with total GFA of 525,881 square feet and cultural workshop units with total GFA of 173,274 square feet of Hengqin Novotown Phase I under “Completed properties for sale” have been leased substantially during the year ended 31 July 2025, with occupancy rate of approximately 90% and 92%, respectively, achieving a total of approximately HK\$11.4 million and HK\$4.5 million to “Other revenue and gains”, respectively.
- Excluding self-use area.
 - Including the Company’s 20% direct interest in Novotown Phase I and 44.06% attributable interest through Lai Fung. As at 31 July 2025, Novotown Phase I is 80% owned by Lai Fung and Lai Fung is a 55.08%-owned subsidiary of the Company.
 - Including the cultural attraction spaces (self-use area), the total GFA of which was approximately 384,759 square feet as at 31 July 2025. Revenue from the cultural attraction spaces is recognised under turnover from theme park operation of the Group.
 - 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 2025, the joint venture recorded rental income of approximately HK\$229.0 million (2024: HK\$228.9 million).
 - GFA attributable to the Group. The total GFA is 229,206 square feet.
 - Alto Residences is a joint venture project with Empire Group in which each of the Group and Empire Group has an effective 50% interest. The Alto Disposal was completed on 5 August 2024. Only share of recurring income from a small number of residential units, car parking spaces and property management remain. For the year ended 31 July 2025, the joint venture recorded rental income of approximately HK\$5.9 million (2024: HK\$43.1 million).
 - GFA attributable to the Group. The total GFA is 94,133 square feet.
 - Referring to those sold residential units offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.
 - Saleable area attributable to the Group. The total saleable area is 4,104 (2024: 22,893) square feet.

PROPERTY INVESTMENT (CONTINUED)

Rental Income (continued)

The average Sterling exchange rate for the year under review appreciated by approximately 3.3% compared with last financial year. Excluding the effect of currency translation, the Sterling denominated turnover from London properties decreased by approximately 51.2% during the year under review. Breakdown of rental turnover of London portfolio for the year ended 31 July 2025 is as follows:

	2025 HK\$'000	2024 HK\$'000	% Change	2025 GBP'000	2024 GBP'000	% Change
107 Leadenhall Street	12,256	12,086	+1.4	1,198	1,221	-1.9
100 Leadenhall Street	26,944	64,704	-58.4	2,634	6,536	-59.7
106 Leadenhall Street	–	869	-100.0	–	88	-100.0
Total:	39,200	77,659	-49.5	3,832	7,845	-51.2

Review of major investment properties

Hong Kong Properties (100% owned unless specified otherwise)

Cheung Sha Wan Plaza

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



• Cheung Sha Wan Plaza

Management Discussion and Analysis

PROPERTY INVESTMENT (CONTINUED)

Review of major investment properties (continued)

Hong Kong Properties (100% owned unless specified otherwise) (continued)

Causeway Bay Plaza 2

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

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).

CCB Tower

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



• Causeway Bay Plaza 2



• Lai Sun Commercial Centre

PROPERTY INVESTMENT (CONTINUED)

Review of major investment properties (continued)

Overseas Properties (100% owned unless specified otherwise)

107 Leadenhall Street, London EC3, United Kingdom

In April 2014, the Group acquired a property located at the core of the insurance district in the City of London, surrounded by 30 St Mary Axe (commonly known as the Gherkin), Lloyd's of London and the Willis Building at 51 Lime Street. It is a freehold commercial property housing commercial, offices and retail space. The building comprises 146,606 square feet gross internal area of office accommodation extending over basement, ground, mezzanine and seven upper floors. The occupancy rate at the end of July 2025 was approximately 54.7%.

100 Leadenhall Street, London EC3, United Kingdom

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

106 Leadenhall Street, London EC3, United Kingdom

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

The Group is currently assessing options for Leadenhall Street properties to optimise value for the Group.



• 107 Leadenhall Street, London



• 100 Leadenhall Street, London



• 106 Leadenhall Street, London

Management Discussion and Analysis

PROPERTY INVESTMENT (CONTINUED)

Review of major investment properties (continued)

Chinese Mainland Properties (100% owned by Lai Fung Group unless specified otherwise)

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

Shanghai Hong Kong Plaza

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

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

Shanghai May Flower Plaza

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

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

Shanghai Regents Park

Shanghai Regents Park is a large-scale residential/commercial composite development located in the Zhongshan Park Commercial Area at the Changning District, Shanghai. It is situated within walking distance of the Zhongshan Park Metro Station.

Lai Fung Group retains a 95% interest in the commercial portion which has a total GFA of approximately 82,100 square feet (GFA attributable to Lai Fung Group is approximately 78,000 square feet).

PROPERTY INVESTMENT (CONTINUED)

Review of major investment properties (continued)

Chinese Mainland Properties (100% owned by Lai Fung Group unless specified otherwise) (continued)

Shanghai Skyline Tower

Shanghai Skyline Tower is a mixed-use redevelopment project of Shanghai Northgate Plaza I, Northgate Plaza II and the Hui Gong Building, located at Tian Mu Road West in the Jing'an District of Shanghai near the Shanghai Railway Terminal. This 30-storey office tower, erected upon a 3-level shopping mall and car-parking basement, has a total GFA of approximately 727,100 square feet excluding 443 car parking spaces. The construction was completed in September 2022. This property has been awarded the Leadership in Energy and Environmental Design ("LEED") v4 Gold Certification in October 2023. As at the date of this Annual Report, approximately 94% of commercial and 62% of office areas have been secured, respectively.

Guangzhou May Flower Plaza

Guangzhou May Flower Plaza is a prime property situated at Zhongshanwu Road, Yuexiu District directly above the Gongyuanqian Metro Station in Guangzhou, the interchange station of Guangzhou Subway Lines 1 and 2. This 13-storey complex has a total GFA of approximately 436,900 square feet excluding 136 car parking spaces.

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

Guangzhou West Point

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

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

Guangzhou Lai Fung Tower

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

Guangzhou Lai Fung International Center

Guangzhou Lai Fung International Center, formerly known as Guangzhou Haizhu Plaza, is located at 33 Jiefang South Road in Yuexiu District, Guangzhou along the Pearl River. Guangzhou Lai Fung International Center, comprising an 18-storey office tower, erected upon a 4-level commercial facility, has a total GFA of approximately 614,600 square feet excluding 267 car parking spaces. The construction was completed in November 2022. This property has been awarded the LEED v4 Gold Certification in February 2023. As at the date of this Annual Report, approximately 100% of commercial and 70% of office areas have been secured, respectively.

Management Discussion and Analysis

PROPERTY INVESTMENT (CONTINUED)

Review of major investment properties (continued)

Chinese Mainland Properties (100% owned by Lai Fung Group unless specified otherwise) (continued)

Zhongshan Palm Spring Rainbow Mall

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

Hengqin Novotown

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

Lai Fung Group’s Hengqin Novotown project has successfully established as a dual-core development focusing on “Cross-border E-commerce Industry and Ecosystem” and “Cultural Tourism, Exhibition, and Commerce Trade Industry”. These include industries such as cross-border e-commerce, new technology, wellness and health, theme parks, Harrow LiDe School Hengqin, Hyatt Regency Hengqin, shopping mall, multi-functional venues and have been operating seamlessly with cross-border transportation and other facilities.



• Hengqin-Macao Cross-border E-commerce Industrial Park (Novotown)

PROPERTY INVESTMENT (CONTINUED)

Review of major investment properties (continued)

Chinese Mainland Properties (100% owned by Lai Fung Group unless specified otherwise) (continued)

Hengqin Novotown (continued)

Phase I

Novotown Phase I, the “Hengqin-Macao Cross-border E-Commerce Industrial Park (Novotown)”, is enjoying the critical mass afforded by over 420 enterprises working and living there. Our tenants are operating in some of the most exciting and fastest growing segments:

- “Cross-border E-commerce and Internet” represented by entities such as YTO Express GBA Headquarters, inkeverse, TOPTOY, MINISO, TYMO, Baidu Netdisk, 360, Be Friends Holdings, Find Macau, KEIZER and Anjun Logistics;
- “High-End Technology Production” represented by Lingyange, Bambu Lab, Amicro, Li Auto, Xwan Test, and several renowned chip design and development companies;
- “Wellness and Health” represented by UNITED LIFE SCIENCE; and
- “Cross-border Financial Services and Innovation” represented by ICBC, Juzishuke and QFIN.

Hengqin’s “Four New Industries” (Technology research and development and High-End Manufacturing, Traditional Chinese Medicine and other Macao-branded Industries, Cultural Tourism, Exhibition, and Commerce Trade, and Modern Finance) converge and collide here, establishing Novotown as a new economic growth engine driving the high-quality, integrated development of Hengqin and Macao.

Notably, one of the key tenants being a leading domestic enterprise which has leased six floors of office space in Novotown Phase I to establish its global cross-border e-commerce headquarters. The enterprise currently employs 1,500 staff. It is expected to expand to over 3,000 employees when fully occupied, thereby creating a nucleus for its ecosystem to locate in Novotown. As at the date of this Annual Report, approximately 96% of the office units have been leased with approximately 2,800 people working there. Lai Fung Group also leased the remaining unsold cultural studio units in Novotown Phase I for employees of the office tenants. This innovative operational model not only effectively boosts foot traffic in the commercial area, but also optimises and upgrades the business structure through attracting targeted enterprises.

As at the date of this Annual Report, leasing of the commercial area of Novotown Phase I is underway with approximately 85% being leased and key tenants include “National Geographic Ultimate Explorer Hengqin”, Heytea, Luckin Coffee, McDonald’s, Pokiddo Trampoline Park, Kun Peng Go-Kart Sports Centre, Kun Peng Digital Sports Hall, Snow Alarm, Oyster King, Vanguard Life Superstore and UNITED LIFE SCIENCE. ICBC demonstrated its confidence in the project by purchasing of two retail units in Novotown Phase I from Lai Fung Group in August 2024. Furthermore, four additional retail units in Novotown Phase I were sold to independent third parties in December 2024, February 2025, July 2025 and September 2025.

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

Management Discussion and Analysis

PROPERTY DEVELOPMENT

Recognised Sales

For the year ended 31 July 2025, recognised turnover from sales of properties was HK\$885.0 million (2024: HK\$1,529.5 million). Breakdown of turnover for the year ended 31 July 2025 from sales of properties is as follows:

Hong Kong

Recognised basis	No. of Units	Approximate Saleable Area (Square feet)	Average Selling Price ¹ (HK\$/square foot)	Turnover (HK\$ million)
The Parkland				
Residential Units	107	34,313	9,405	322.7
Bal Residence				
Residential Units	53	18,203	14,861	270.5
Monti				
Car Parking Spaces	2			1.9
Others				0.8
Subtotal				595.9

Chinese Mainland

Recognised basis	No. of Units	Approximate GFA (Square feet)	Average Selling Price ² (HK\$/square foot)	Turnover ³ (HK\$ million)
Hengqin Novotown Phase I				
Cultural Studios	4	10,076	2,996	27.3
Cultural Workshop Units	49	65,869	1,467	88.6
Zhongshan Palm Spring				
Residential High-rise Units	73	94,313	1,564	135.5
Residential House Units	3	6,319	2,393	14.4
Shanghai Regents Park				
Car Parking Spaces	4			2.5
Guangzhou Eastern Place				
Car Parking Spaces	5			2.7
Guangzhou King's Park				
Car Parking Space	1			0.4
Zhongshan Palm Spring				
Car Parking Spaces	146			17.7
Subtotal				289.1
Total				885.0

PROPERTY DEVELOPMENT (CONTINUED)

Recognised Sales (continued)

Recognised sales from joint venture project

Hong Kong

Recognised basis	No. of Units	Approximate Saleable Area (Square feet)	Average Selling Price ¹ (HK\$/square foot)	Turnover (HK\$ million)
Alto Residences (50% basis)				
House ⁴	1	3,492	19,588	68.4 ⁵
Residential Unit ⁶	1	1,185	23,723	28.1 ⁷
Car Parking Space ⁸	1			1.0
Total				97.5

Notes:

1. Excluding the financing component for sale of completed properties in accordance with Hong Kong Financial Reporting Standard 15 "Revenue from Contracts with Customers".
2. Value-added tax inclusive.
3. Value-added tax exclusive.
4. No. of house(s) and saleable area attributable to the Group. The total no. of house(s) recognised and total saleable area are 2 and 6,984 square feet, respectively.
5. Representing property sales proceeds of HK\$128.7 million and rental income of HK\$8.1 million in relation to certain houses offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.
6. No. of residential unit(s) and saleable area attributable to the Group. The total no. of residential unit(s) recognised and total saleable area are 2 and 2,369 square feet, respectively.
7. Representing property sales proceeds of HK\$54.5 million and rental income of HK\$1.7 million in relation to certain residential unit offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.
8. No. of car parking space(s) attributable to the Group. The total no. of car parking space(s) recognised is 1.

Management Discussion and Analysis

PROPERTY DEVELOPMENT (CONTINUED)

Contracted Sales

As at 31 July 2025, the Group's property development operation has contracted but not yet recognised sales of HK\$256.9 million. Including the joint venture project of the Group, the total contracted but not yet recognised sales of the Group as at 31 July 2025 amounted to HK\$274.4 million. Breakdown of contracted but not yet recognised sales as at 31 July 2025 is as follows:

Hong Kong

Contracted basis	No. of Units	Approximate Saleable Area (Square feet)	Average Selling Price (HK\$/square foot)	Turnover (HK\$ million)
Bal Residence Residential Units	12	4,204	15,092	63.4
The Parkland Residential Units	5	2,407	10,019	24.1
Subtotal				87.5

Chinese Mainland

Contracted basis	No. of Units	Approximate GFA (Square feet)	Average Selling Price ¹ (HK\$/square foot)	Turnover ¹ (HK\$ million)
Zhongshan Palm Spring Residential High-rise Units	2	2,759	1,559	4.3
Residential House Unit	1	2,113	2,272	4.8
Hengqin Novotown Phase II Harrow LiDe School Hengqin Buildings ²	N/A	149,078	1,074	160.2 ³
Zhongshan Palm Spring Car Parking Space	1			0.1
Subtotal				169.4
Total				256.9

PROPERTY DEVELOPMENT (CONTINUED)

Contracted Sales (continued)

Contracted sales from joint venture project

Hong Kong

Contracted basis	No. of Units	Approximate Saleable Area (Square feet)	Average Selling Price (HK\$/square foot)	Turnover (HK\$ million)
Alto Residences (50% basis) Residential Unit ⁴	1	713	24,511	17.5 ⁵
Total				17.5

Notes:

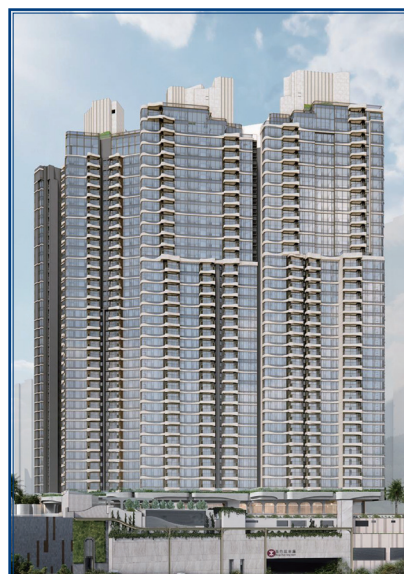
1. Value-added tax inclusive.
2. Will be recognised as income from finance lease under turnover.
3. Estimated amount based on contract with Harrow LiDe School Hengqin in relation to the subsequent portions of the Harrow campus. No material construction has taken place and the exact timing and amount to be agreed with Harrow LiDe School Hengqin mutually.
4. No. of residential unit(s) and saleable area attributable to the Group. The total no. of residential units contracted and total saleable area are 1 and 1,425 square feet, respectively.
5. Representing property sales proceeds of HK\$29.7 million and rental income of HK\$5.2 million in relation to certain residential units offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.



• Bal Residence



• The Parkland



• Architect's impression of Deep Water Pavilia

Management Discussion and Analysis

PROPERTY DEVELOPMENT (CONTINUED)

Review of major projects for sale and under development

Hong Kong Properties (100% owned unless specified otherwise)

Bal Residence

In April 2019, the Group successfully secured the Urban Renewal Authority project at No. 18 Hang On Street, Kwun Tong, Hong Kong. Construction work was completed in October 2023, while fitting-out work was completed in late March 2024.

Bal Residence has a total saleable area of approximately 62,148 square feet, including 7,506 square feet of commercial facilities and 54,642 square feet of residential spaces, offering 156 residential units. Up to 14 October 2025, the Group has sold 154 residential units in Bal Residence with saleable area of approximately 53,056 square feet at an average selling price of approximately HK\$15,149 per square foot. Total proceeds for this sold residential units are estimated to be HK\$803.8 million. During the year under review, 65 residential units were sold, amounting to HK\$333.9 million, with 53 units totaling HK\$270.5 million recognised in revenue during this financial year. Since 1 August 2025 to 14 October 2025, a further 28 units have been sold.

The Parkland

In March 2019, the Group successfully tendered for and secured a site located at No. 266 Tai Kei Leng, Lot No. 5382 in Demarcation District No. 116, Tai Kei Leng, Yuen Long, Hong Kong. This site is designated for private residential purposes. Construction work was completed in late March 2024, while fitting-out work was completed in late December 2024.

The Parkland has a total saleable area of approximately 36,720 square feet, offering 112 residential units. All residential units have been completely sold and substantially recognised in revenue during the year under review. Total proceeds are estimated to be HK\$346.8 million, of which HK\$322.7 million is recognised in revenue during this financial year.

Deep Water Pavilia (formerly named as Wong Chuk Hang Station Package Five Property Development)

In January 2021, the consortium formed by the Group together with New World Development Company Limited, Empire Development Hong Kong (BVI) Limited and CSI Properties Limited successfully won the tender for the Wong Chuk Hang Station Package Five Property Development. This luxury residential development project sitting on top of the Wong Chuk Hang MTR station and "THE SOUTHSIDE", the largest shopping mall in the prominent Southern district of Hong Kong, covers a site area of approximately 95,600 square feet, with a total GFA of approximately 636,200 square feet and is expected to deliver two residential towers, offering around 825 residential units, with a total investment of approximately HK\$18.0 billion. Construction work is in progress and is expected to be completed in the first quarter of 2026.

The Group owns 15% interest in this project.

PROPERTY DEVELOPMENT (CONTINUED)

Review of major projects for sale and under development (continued)

Hong Kong Properties (100% owned unless specified otherwise) (continued)

79 Broadcast Drive project

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

1 Kotewall Road project

In January 2022, the Group acquired two adjacent buildings at No. 1 Kotewall Road in Mid-Levels, Hong Kong Island for redevelopment purpose and the transaction was completed with vacant possession in March 2022. The Group intends to redevelop the site into a luxury residential project with a total GFA of approximately 55,200 square feet, offering around 27 medium-large sized residential units upon completion. The total investment of the project will be approximately HK\$1.9 billion. Excavation, lateral support and foundation works are in progress and the construction is expected to be completed in the first quarter of 2028.

116 Waterloo Road project

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



• Deep Water Pavilia



• 79 Broadcast Drive project



• 1 Kotewall Road project

Management Discussion and Analysis

PROPERTY DEVELOPMENT (CONTINUED)

Review of major projects for sale and under development (continued)

Chinese Mainland Properties

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

Shanghai Wuli Bridge Project

Shanghai Wuli Bridge Project is a high-end luxury residential project located by Huangpu River in Huangpu District in Shanghai. This project providing 28 residential units with an attributable GFA of approximately 77,900 square feet and 43 car parking spaces was launched for sale in September 2020 and has received an enthusiastic response from the market. As at 31 July 2025, all residential units and 30 car parking spaces have been sold. As at 31 July 2025, 13 car parking spaces of this development remained unsold.

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

Shanghai May Flower Plaza

Shanghai May Flower Plaza is a completed mixed-use project located at the junction of Da Tong Road and Zhi Jiang Xi Road in Sujiaxiang in the Jing'an District in Shanghai and situated near the Zhongshan Road North Metro Station. As at 31 July 2025, 458 car parking spaces of this development remained unsold.

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

Shanghai Regents Park

Shanghai Regents Park is a large-scale residential/commercial composite development located in the Zhongshan Park Commercial Area at the Changning District, Shanghai. It is situated within walking distance of the Zhongshan Park Metro Station. During the year under review, the sales of four car parking spaces contributed HK\$2.5 million to Lai Fung Group's turnover. As at 31 July 2025, 183 car parking spaces of this development remained unsold.

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

PROPERTY DEVELOPMENT (CONTINUED)

Review of major projects for sale and under development (continued)

Chinese Mainland Properties (continued)

Guangzhou King's Park

This is a high-end residential development located on Donghua Dong Road in Yuexiu District. The attributable GFA is approximately 98,300 square feet excluding 57 car parking spaces and ancillary facilities. During the year under review, the sales of one car parking space contributed HK\$0.4 million to Lai Fung Group's turnover. As at 31 July 2025, one car parking space of this development remained unsold.

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

Guangzhou West Point

Guangzhou West Point is located on Zhongshan Qi Road and is within walking distance from the Ximenkou Subway Station. This is a mixed-use property where Lai Fung Group has sold all the residential and office units. As at 31 July 2025, 80 car parking spaces of this development remained unsold.

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

Zhongshan Palm Spring

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

During the year under review, 94,313 square feet of residential high-rise units and 6,319 square feet of residential house units were recognised at an average selling price of HK\$1,564 per square foot and HK\$2,393 per square foot, respectively, which contributed a total of approximately HK\$149.9 million to Lai Fung Group's sales turnover. Also, the sales of 146 car parking spaces contributed approximately HK\$17.7 million to Lai Fung Group's sales turnover. As at 31 July 2025, contracted but not yet recognised sales for residential high-rise units and residential house unit amounted to approximately HK\$4.3 million and HK\$4.8 million, respectively, at an average selling price of HK\$1,559 per square foot and HK\$2,272 per square foot, respectively.

As at 31 July 2025, completed units held for sale in this development, including residential units and commercial units, amounted to approximately 160,100 square feet and 2,517 car parking spaces.

Lai Fung Group owns 100% interest in this project.

Management Discussion and Analysis

PROPERTY DEVELOPMENT (CONTINUED)

Review of major projects for sale and under development (continued)

Chinese Mainland Properties (continued)

Hengqin Novotown

Phase I

Sales of the cultural studios and cultural workshop units of Hengqin Novotown Phase I are in progress. During the year under review, sales of 10,076 square feet of cultural studios and 65,869 square feet of cultural workshop units were recognised at an average selling price of HK\$2,996 per square foot and HK\$1,467 per square foot, respectively, which contributed a total of HK\$115.9 million to Lai Fung Group's turnover.

As at 31 July 2025, completed properties held for sale in Novotown Phase I, including cultural studios, cultural workshop units and office units, amounted to approximately 718,000 square feet.

In light of the recent sale of certain retail units which was originally classified as properties held for rental, Lai Fung Group is considering other elements of Hengqin Novotown Phase I which may be available for sale should the opportunities arise.

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

Phase II

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

Novotown Phase II is making major progress, particularly on its rental accommodation towers. Lai Fung Group received approval from the local government to develop towers four to eleven in Novotown Phase II as accommodation for rental purpose, becoming the first project certified as rental accommodation towers in Hengqin. This initiative is designed to meet the growing rental accommodation demand from the commercial ecosystem of Hengqin, and provide supporting facilities for them. Tower two, designated for office use, is expected to accommodate more cross-border e-commerce tenants. Construction work for tower one, designated for serviced apartment use, was completed in late July 2025.

As at 31 July 2025, completed units held for sale in tower one of Novotown Phase II amounted to approximately 249,300 square feet. As at 31 July 2025, 285 car parking spaces of this development remained unsold.

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

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

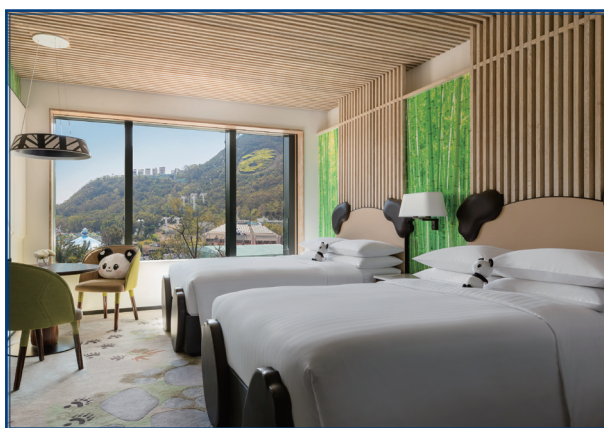
HOTEL AND SERVICED APARTMENT OPERATIONS

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

For the year ended 31 July 2025, the hotel and serviced apartment operations contributed HK\$1,243.8 million to the Group's turnover (2024: HK\$1,191.4 million), representing an increase of approximately 4.4%. The increase in revenue was mainly driven by the growth at Caravelle Hotel in Ho Chi Minh City, attributed to relatively high occupancy recorded in the fourth quarter of 2024 and a high average daily rate recorded in the first quarter of 2025 during the year under review, as compared to last financial year.



• Ocean Park Marriott Hotel



• Ocean Park Marriott Hotel
Bao Bao Paradise Room



• Ocean Park Marriott Hotel – Kids pool

Management Discussion and Analysis

HOTEL AND SERVICED APARTMENT OPERATIONS (CONTINUED)

Breakdown of turnover from hotel and serviced apartment operations for the year ended 31 July 2025 is as follows:

	Location	Attributable interest to the Group	No. of Rooms ¹	Total GFA (square feet)	Turnover (HK\$ million)	Year end occupancy rate (%)
Hotel and serviced apartment						
Ocean Park Marriott Hotel	Hong Kong	100%	471	365,974	419.8	76.4
Ascott Huaihai Road Shanghai	Shanghai	55.08%	307	356,260	99.0	87.1
STARR Hotel Shanghai	Shanghai	55.08%	239	143,846	25.5	79.2
Hyatt Regency Hengqin	Hengqin	64.06%	493	610,540	148.5	81.8
Caravelle Hotel	Ho Chi Minh City	26.01%	335	378,225	550.5	62.6
Subtotal:			1,845	1,854,845	1,243.3	
Hotel management fee					0.5	
Total:					1,243.8	
Joint Venture Project						
Fairmont St. Andrews resort (50% basis)	Scotland	50%	106 ²	138,241 ²	106.6	78.6

Notes:

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

HOTEL AND SERVICED APARTMENT OPERATIONS (CONTINUED)

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

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

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

Ascott Huaihai Road Shanghai in Shanghai Hong Kong Plaza is managed by the Ascott Group and it is one of a premier collection of the Ascott Limited’s serviced residences in over 70 cities in Asia Pacific, Europe and the Gulf region. The residence has a total GFA of approximately 356,260 square feet. It has 307 contemporary apartments of various sizes: studios (640-750 square feet), one-bedroom apartments (915-1,180 square feet), two-bedroom apartments (1,720 square feet), three-bedroom apartments (2,370 square feet) and two luxurious penthouses on the highest two floors (4,520 square feet).

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

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

Management Discussion and Analysis

RESTAURANT AND F&B PRODUCT SALES OPERATIONS

For the year ended 31 July 2025, restaurant and F&B product sales operations contributed HK\$479.1 million to the Group's turnover, representing a significant decrease of approximately 12.0% from that of HK\$544.6 million in last financial year. The decrease was mainly attributed to the weak local consumption trend and the changing habits of local residents towards outbound travel spending. Nevertheless, the Group has closed or consolidated certain non-performing restaurants and renegotiated leases with certain landlords, the segment losses reduced during the year under review. The Group has 4 new restaurants in operation under the year under review, namely Chiu Bistro, OH! MY BREAD (includes OH! MY NOODLE), China Tang Dubai and Akatsuki.



• China Tang Landmark



• Plaisance by Mauro Colagreco



• Canton Bistro



• Academia



• China Tang Dubai



• Akatsuki

RESTAURANT AND F&B PRODUCT SALES OPERATIONS (CONTINUED)

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

Cuisine	Restaurant	Location	Attributable interest to the Group	Award
Owned restaurants				
Western/ International Cuisine	8 ^½ Otto e Mezzo BOMBANA Hong Kong	Hong Kong	38%	Three Michelin stars (2012-2025)
	8 ^½ Otto e Mezzo BOMBANA Shanghai	Shanghai	13%	Two Michelin stars (2017-2025)
	Beefbar	Hong Kong	63%	One Michelin star (2017-2025)
	Prohibition <i>(Note)</i>	Hong Kong	100%	
	Cipriani	Hong Kong	44%	
Asian Cuisine	Plaisance by Mauro Colagrecó	Hong Kong	48%	One Michelin star (2025)
	China Tang Landmark	Hong Kong	51%	The Plate Michelin (2019-2021)
	Howard's Gourmet	Hong Kong	51%	
	Chiu Tang Central	Hong Kong	68%	
	Chiu Bistro	Hong Kong	68%	
	Canton Bistro <i>(Note)</i>	Hong Kong	100%	
	KiKi Noodle Bar IFC	Hong Kong	83%	
	KiKi Noodle Bar K11 MUSEA	Hong Kong	83%	
	KiKi Noodle Bar Hysan Place	Hong Kong	83%	
	Academia	Hong Kong	83%	
	OH! MY BREAD (includes OH! MY NOODLE)	Hong Kong	83%	
	MOSU Hong Kong	Hong Kong	68%	
	SÉP	Hong Kong	68%	
	bibigo bapsang	Hong Kong	68%	
	China Club	Hong Kong	17%	
	China Tang Dubai	Dubai	34%	
Japanese Cuisine	Kanesaka Hong Kong	Hong Kong	68%	
	Yamato	Hong Kong	60%	
	Akatsuki	Hong Kong	48%	
Managed restaurant				
Western Cuisine	8 ^½ Otto e Mezzo BOMBANA, Macau	Macau	N/A	One Michelin star (2016-2025)

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

Management Discussion and Analysis

CINEMA OPERATION

The cinema operation is managed by eSun Group. For the year ended 31 July 2025, this segment recorded a turnover of HK\$445.1 million (2024: HK\$439.5 million) and segment results of a profit of HK\$116.4 million (2024: a loss of HK\$356.1 million). The eSun Group has closed certain non-performing cinemas and renegotiated the leases with the respective landlords during the year under review, together with (i) reversal of impairment of right-of-use assets and property, plant and equipment; (ii) 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; and (iii) increase in gain on modification of leases upon successful negotiation with landlords for rent concessions and rent restructuring, segment profits was recorded during the year under review. As at the date of this Annual Report, eSun Group operates fourteen 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, eSun Group has extended its cinema network through two 50%-owned joint ventures with Emperor Cinemas Group, namely Emperor Cinemas Plus+ (The Wai) (opened in July 2023) and Emperor Cinemas Plus+ (The Southside) (opened in June 2024), which are managed by Emperor Cinemas Group.

Cinema (managed by eSun Group)	No. of screens	No. of seats
Chinese Mainland		
Suzhou Grand Cinema City	10	1,440
Subtotal	10	1,440
Hong Kong		
K11 Art House	12	1,708
Movie Town (including MX4D theatre)	7	1,702
Festival Grand Cinema	8	1,196
MCL AIRSIDE Cinema	7	944
MCL The ONE Cinema	6	831
MCL Cyberport Cinema	4	818
MCL Telford Cinema (including MX4D theatre)	6	789
MCL Metro City Cinema	6	690
MCL Citygate Cinema	4	673
STAR Cinema	6	622
MCL Amoy Cinema	3	603
MCL Cheung Sha Wan Cinema	4	418
MCL Green Code Cinema	3	285
Grand Windsor Cinema	3	246
Subtotal	79	11,525
Total	89	12,965

MEDIA AND ENTERTAINMENT

The media and entertainment businesses are operated by eSun Group. For the year ended 31 July 2025, this segment recorded a turnover of HK\$287.9 million (2024: HK\$387.1 million) and segment results of an increased profit to HK\$42.5 million from that of HK\$35.9 million in last financial year.

Events Management

During the year under review, eSun Group organised and invested in 45 (2024: 77) shows by popular local and Asian renowned artistes, including Sammi Cheng, Raymond Lam, Grasshopper, Ekin Cheng, Jay Fung, Mayday, Stephy Tang, Cloud Wan, Jace Chan, Dear Jane, Tsai Chin, ILUB, YEAHS and Zhao Chuan.

Music Production, Distribution and Publishing

During the year under review, eSun Group released 19 (2024: 14) albums, including titles by Anita Mui, Leslie Cheung, Eason Chan, Ekin Cheng, Sammi Cheng, Miriam Yeung, Jay Fung, On Chan, Stephy Tang, Cloud Wan, Ansonbean and YEAHS. eSun Group expects to continue to increase its music licensing revenue from the exploitation of the music library through new media distribution.

Artiste Management

eSun Group has a strong artiste management team and a sizeable number of talents and will continue to expand its profile and in tandem with our growing TV drama production and film production businesses. eSun Group currently has 13 artistes under its management.

FILM AND TV PROGRAM PRODUCTION AND DISTRIBUTION

The film and TV program production and distribution businesses are operated by eSun Group. For the year ended 31 July 2025, this segment recorded a turnover of HK\$46.6 million (2024: HK\$341.0 million) and segment results of an increased loss to HK\$52.0 million (2024: loss of HK\$21.9 million).

During the year under review, a total of 7 (2024: 3) films and nil (2024: 3) TV program(s) produced/invested by eSun Group were theatrically released, namely *"Octopus with Broken Arms"*, *"Detective Chinatown 1900"*, *"An Abandoned Team"*, *"The Grey Men 2"*, *"Decoded"*, *"The Volunteers: The Battle of Life and Death"* and *"The Way Out"*. eSun Group also distributed 46 (2024: 42) films with high profile titles including *"The Last Dance"*, *"Gladiator II"*, *"Transformers One"* and *"Ne Zha 2"*.

Management Discussion and Analysis

INTERESTS IN JOINT VENTURES

For the year ended 31 July 2025, share of losses from joint ventures of the Group amounted to HK\$1,130.1 million, as compared to HK\$796.3 million in last financial year. The increase in losses was primarily due to the fair value losses and impairment losses on properties recorded during the year under review.

	Year ended 31 July	
	2025 (HK\$ million)	2024 (HK\$ million)
Revaluation losses	(750.0)	(598.2)
Operating losses	(380.1)	(198.1)
Losses from joint ventures	(1,130.1)	(796.3)

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 July 2025, cash and bank balances and undrawn facilities held by the Group amounted to approximately HK\$4,338.4 million and approximately HK\$3,791.4 million, respectively. Cash and bank balances held by the Group of which about 50% was denominated in Hong Kong dollars and United States dollars, and about 34% was denominated in Renminbi. Excluding eSun Group and Lai Fung Group, cash and bank balances and undrawn facilities held by the Group as at 31 July 2025 were approximately HK\$2,014.3 million and approximately HK\$1,199.6 million, respectively.

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

As at 31 July 2025, the Group had bank borrowings of approximately HK\$20,821.4 million, guaranteed notes of approximately HK\$4,259.6 million and other borrowings of approximately HK\$296.7 million. As at 31 July 2025, the maturity profile of the bank borrowings of HK\$20,821.4 million is spread with HK\$10,383.7 million repayable within one year, HK\$2,759.4 million repayable in the second year, HK\$4,760.7 million repayable in the third to fifth years, and HK\$2,917.6 million repayable beyond the fifth year. Subsequent to the reporting period, the Group successfully refinanced one of its banking facilities originally maturing in October 2025 and obtained a syndicated bank loan facility of HK\$3,457 million from the 20 existing lenders for 5 years maturing on 30 September 2030. Such refinancing covered HK\$3,060 million of the Group's bank borrowings under current liabilities as at 31 July 2025. The Group has also extended a GBP57 million (equivalent to HK\$591 million) bilateral bank loan for a term of 6 months to 31 March 2026. The management of the Company believes that the Group will be able to refinance its bank borrowings when they become due and obtain new bank facilities as needed based on the Group's relationship with the banks and its historical record of successfully refinancing loans.

LIQUIDITY AND FINANCIAL RESOURCES (CONTINUED)

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

Approximately 82% and 17% of the Group’s total borrowings carried interest on a floating rate basis and fixed rate basis, respectively, and the remaining 1% of the Group’s borrowings were interest-free.

The gearing ratio, expressed as a percentage of the total outstanding net debt (being the total borrowings less cash and bank balances) to consolidated net assets attributable to owners of the Company, was approximately 91%. Excluding the net debt of eSun Group and Lai Fung Group, the Group’s gearing ratio was approximately 58%.

As at 31 July 2025, certain investment properties with carrying amounts of approximately HK\$32,637.1 million, certain property, plant and equipment and the related right-of-use assets with carrying amounts of approximately HK\$7,581.9 million, certain completed properties for sale with carrying amounts of approximately HK\$1,462.2 million, certain properties under development with carrying amounts of approximately HK\$4,224.8 million, and certain bank balances and time deposits with banks of approximately HK\$842.2 million were pledged to banks to secure banking facilities granted to the Group. In addition, shares in certain subsidiaries were pledged to banks to secure banking facilities granted to the Group. Shares in certain joint ventures were pledged to banks to secure banking facilities granted to the respective joint ventures of the Group. The Group’s secured bank borrowings were also secured by floating charges over certain assets held by the Group.

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

Proceeds achieved from any disposals of assets will improve the Group’s financial position and liquidity further.

Management Discussion and Analysis

CONTINGENT LIABILITIES

Details of contingent liabilities of the Group at the end of the reporting period are set out in note 45 to the financial statements.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 July 2025, the Group employed a total of approximately 3,600 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.

Summary of Financial Information

A summary of the results, assets, liabilities and non-controlling interest of the Group for the last five financial years is set out below.

RESULTS

	Year ended 31 July				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Turnover	4,898,615	5,998,861	4,901,537	5,093,703	5,986,752
Loss before tax	(3,081,996)	(3,728,347)	(3,493,939)	(2,060,754)	(2,401,379)
Tax	(47,351)	(396,271)	59,227	(262,831)	(255,806)
Loss for the year	(3,129,347)	(4,124,618)	(3,434,712)	(2,323,585)	(2,657,185)
Attributable to:					
Owners of the Company	(2,874,333)	(3,674,693)	(2,965,960)	(1,966,921)	(2,088,090)
Non-controlling interests	(255,014)	(449,925)	(468,752)	(356,664)	(569,095)
	(3,129,347)	(4,124,618)	(3,434,712)	(2,323,585)	(2,657,185)

Summary of Financial Information

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	2025	2024	As at 31 July 2023	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Property, plant and equipment	5,236,910	5,489,953	5,987,057	6,645,739	7,464,101
Right-of-use assets	3,578,075	3,807,084	4,501,872	4,922,940	5,306,475
Investment properties	34,315,212	34,677,018	35,751,721	37,168,222	37,035,152
Film rights	19,144	22,092	24,366	19,162	15,109
Film and TV program products	60,784	61,431	61,059	61,174	54,838
Music catalogs	—	—	—	663	3,124
Goodwill	232,961	219,792	221,977	207,792	274,423
Other intangible assets	114,340	108,146	109,630	132,883	150,853
Investments in associates	396,712	365,467	323,694	236,613	217,163
Investments in joint ventures	4,804,796	6,131,952	6,807,047	6,826,143	7,124,459
Financial assets at fair value through other comprehensive income	114,038	105,248	1,690,582	1,710,095	1,689,200
Financial assets at fair value through profit or loss (classified as non-current assets)	690,108	861,169	895,902	906,513	1,041,480
Derivative financial instruments (classified as non-current assets)	—	6,537	—	—	191
Debtors (classified as non-current assets)	507,744	489,237	477,974	493,643	526,687
Deposits, prepayments, other receivables and other assets (classified as non-current assets)	159,665	216,428	595,936	721,772	275,008
Deferred tax assets	241	1,945	1,858	2,118	2,147
Pledged and restricted bank balances and time deposits (classified as non-current assets)	101,922	88,326	109,247	79,305	55,105
Current assets	13,895,649	14,769,745	16,410,094	20,760,857	21,802,583
TOTAL ASSETS	64,228,301	67,421,570	73,970,016	80,895,634	83,038,098
Current liabilities	(18,401,884)	(6,538,849)	(11,120,774)	(12,498,726)	(8,851,869)
Lease liabilities (classified as non-current liabilities)	(524,346)	(643,278)	(838,618)	(974,959)	(1,103,892)
Bank borrowings (classified as non-current liabilities)	(10,437,690)	(18,228,586)	(15,343,543)	(15,836,626)	(15,661,477)
Other borrowings (classified as non-current liabilities)	—	(290,055)	(284,006)	(281,152)	(277,398)
Guaranteed notes (classified as non-current liabilities)	(382,438)	(4,232,145)	(4,263,654)	(4,281,877)	(7,692,495)
Derivative financial instruments (classified as non-current liabilities)	(17,802)	—	—	—	(8,965)
Deferred tax liabilities	(3,958,713)	(4,059,607)	(4,152,881)	(4,865,562)	(5,256,477)
Other payables and accruals (classified as non-current liabilities)	(907,350)	(899,114)	(909,044)	(967,835)	(1,001,169)
Long term deposits received	(211,641)	(222,356)	(195,670)	(201,397)	(199,653)
TOTAL LIABILITIES	(34,841,864)	(35,113,990)	(37,108,190)	(39,908,134)	(40,053,395)
NON-CONTROLLING INTERESTS	(6,266,622)	(6,497,453)	(7,078,232)	(8,193,203)	(8,835,389)
NET ASSETS ATTRIBUTABLE TO OWNERS OF THE COMPANY	23,119,815	25,810,127	29,783,594	32,794,297	34,149,314

Particulars of Major Properties

COMPLETED PROPERTIES HELD FOR RENTAL

As at 31 July 2025

Property Name	Location	Attributable Interest to the Group	Tenure	Approximate Attributable GFA (square feet)				No. of car parking spaces attributable to the Group
				Commercial/ Retail	Office	Industrial	Total (excluding car parking spaces & ancillary facilities)	
Hong Kong								
Cheung Sha Wan Plaza	833 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong (New Kowloon Inland Lot No. 5955)	100%	The property is held for a term expiring on 30 June 2047	233,807	409,896	–	643,703	355
Causeway Bay Plaza 2	463-483 Lockhart Road, Causeway Bay, Hong Kong (Section J and the Remaining Portions of Sections D,E,G,H,K,L,M and O, Subsection 4 of Section H and the Remaining Portion of Inland Lot No. 2833)	100%	The property is held for a term of 99 years commencing on 15 April 1929 and renewable for a further term of 99 years	109,770	96,268	–	206,038	57
Lai Sun Commercial Centre	680 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong (New Kowloon Inland Lot No. 5984)	100%	The property is held for a term of which expired on 27 June 1997 and has been extended upon expiry until 30 June 2047	95,063	74,181	–	169,244	538
CCB Tower	3 Connaught Road Central, Hong Kong (Inland Lot No. 8736)	50%	The property is held for a term commencing from 28 June 1989 and expiring on 30 June 2047	–	114,603	–	114,603	19
Metropolitan Factory and Warehouse Building (Units A and B on 10/F and car parking spaces nos. 1, 2, 13 and 14 on G/F)	30-32 Chai Wan Kok Street, Tsuen Wan, New Territories, Hong Kong	100%	The property is held for a term of which expired on 27 June 1997 and has been extended upon expiry until 30 June 2047	–	–	11,370	11,370	4
Luen Fat Loong Factory Building (4/F)	19 Cheung Lee Street, Chai Wan, Hong Kong	100%	The property is held for a term of 75 years commencing on 4 November 1963 renewable for a further term of 75 years	–	–	4,290	4,290	–
Subtotal of major completed properties held for rental in Hong Kong:				438,640	694,948	15,660	1,149,248	973

Particulars of Major Properties

COMPLETED PROPERTIES HELD FOR RENTAL (CONTINUED)

As at 31 July 2025

Property Name	Location	Attributable Interest to the Group	Tenure	Approximate Attributable GFA (square feet)				No. of car parking spaces attributable to the Group
				Commercial/ Retail	Office	Industrial	Total (excluding car parking spaces & ancillary facilities)	
United Kingdom								
107 Leadenhall Street London ⁷	107 Leadenhall Street, London EC3, United Kingdom	100%	The property is held freehold	48,182	98,424	–	146,606	–
100 Leadenhall Street London ⁷	100 Leadenhall Street, London EC3, United Kingdom	100%	The property is held freehold	–	177,700	–	177,700	15
106 Leadenhall Street London ⁷	106 Leadenhall Street, London EC3, United Kingdom	100%	The property is held freehold	3,540	16,384	–	19,924	–
Subtotal of major completed properties held for rental in United Kingdom:				51,722	292,508	–	344,230	15
Chinese Mainland								
Shanghai								
Hong Kong Plaza	282 & 283 Huaihaizhong Road, Huangpu District	55.08%	The property is held for a term of 50 years commencing on 16 September 1992	258,013	199,442	–	457,455	193
May Flower Plaza	The junction of Da Tong Road and Zhi Jiang Xi Road, Sujiaxiang, Jing'an District	55.08%	The property is held for a term of 40 years for commercial use commencing on 5 February 2007	176,429	–	–	176,429	–
Skyline Tower	Tian Mu Road West, and Da Tong Road, Jing'an District	55.08%	The property is held for a term of 40 years for commercial use and 50 years for office use commencing on 30 September 2016	50,798	349,669	–	400,467	244
Regents Park	88 Huichuan Road, Changning District	52.33%	The property is held for a term of 70 years commencing on 4 May 1996	42,940	–	–	42,940	–
Subtotal of major completed properties held for rental in Shanghai:				528,180	549,111	–	1,077,291	437

COMPLETED PROPERTIES HELD FOR RENTAL (CONTINUED)

As at 31 July 2025

Property Name	Location	Attributable Interest to the Group	Tenure	Approximate Attributable GFA (square feet)				No. of car parking spaces attributable to the Group
				Commercial/ Retail	Office	Industrial	Total (excluding car parking spaces & ancillary facilities)	
Guangzhou								
May Flower Plaza	68 Zhongshanwu Road, Yuexiu District	55.08%	The property is held for a term of 40 years for commercial use and 50 years for other uses commencing on 14 October 1997	196,869	43,751	–	240,620	75
West Point	The junction of Zhongshan Qi Road and Guangfu Road, Liwan District	55.08%	The property is held for a term of 40 years for commercial use and 50 years for other uses commencing on 11 January 2006	100,435	–	–	100,435	–
Lai Fung Tower	761 Dongfeng East Road, Yuexiu District	55.08%	The property is held for a term of 40 years for commercial use and 50 years for other uses commencing on 21 October 1997	61,850	344,702	–	406,552	172
Lai Fung International Center	33 Jiefang South Road, Yuexiu District	55.08%	The property is held for a term of 40 years for commercial, tourism and entertainment uses and 50 years for other uses commencing on 2 June 2006	60,213	278,320	–	338,533	147
Subtotal of major completed properties held for rental in Guangzhou:				419,367	666,773	–	1,086,140	394

Particulars of Major Properties

COMPLETED PROPERTIES HELD FOR RENTAL (CONTINUED)

As at 31 July 2025

Property Name	Location	Attributable Interest to the Group	Tenure	Approximate Attributable GFA (square feet)				No. of car parking spaces attributable to the Group
				Commercial/ Retail	Office	Industrial	Total (excluding car parking spaces & ancillary facilities)	
Zhongshan								
Palm Spring Rainbow Mall	Caihong Planning Area, Western District	55.08%	The property is held for a term expiring on 30 March 2075 for commercial/residential uses	81,577	-	-	81,577	-
Subtotal of major completed property held for rental in Zhongshan:				81,577	-	-	81,577	-
Hengqin								
Novotown Phase I ²	East side of Yiwener Road, south side of Caihong Road, west side of Tianyu Road and north side of Hengqin Road, Hengqin New Area, Zhuhai City	64.06%	The property is held for a term of 40 years for office, commercial and serviced apartment and hotel uses and 50 years for other uses commencing on 31 December 2013	638,773 ³	-	-	638,773 ³	1,181
Subtotal of major completed property held for rental in Hengqin:				638,773	-	-	638,773	1,181
Subtotal of major completed properties held for rental in Chinese Mainland:				1,667,897	1,215,884	-	2,883,781	2,012
Total of major completed properties held for rental:				2,158,259	2,203,340	15,660	4,377,259	3,000

Notes:

1. Gross internal area.
2. As at 31 July 2025, Novotown Phase I was 80% owned by Lai Fung Group and 20% owned by the Group.
3. Including cultural attraction spaces.

COMPLETED HOTEL PROPERTIES AND SERVICED APARTMENTS

As at 31 July 2025

Property Name	Location	Attributable Interest to the Group	Tenure	No. of rooms	Approximate Attributable GFA (square feet)	No. of car parking spaces attributable to the Group
Hong Kong						
Hong Kong Ocean Park Marriott Hotel	180 Wong Chuk Hang Road, Ocean Park, Hong Kong	100%	The property is held for a term of 75 years commencing from 22 December 1972	471	365,974	16
Vietnam						
Caravelle Hotel	19 Lam Son Square, District 1, Ho Chi Minh City, Vietnam	26.01%	The property is held under a land use right due to expire on 8 October 2040	335	98,376	–
United Kingdom						
Fairmont St. Andrews resort	St Andrews KY16 8PN, United Kingdom	50%	The property is held freehold	211	138,241	76
Chinese Mainland						
Shanghai						
Ascott Huaihai Road Shanghai	282 Huaihaizhong Road, Huangpu District	55.08%	The property is held for a term of 50 years commencing on 16 September 1992	302	197,191	–
STARR Hotel Shanghai	The junction of Da Tong Road and Zhi Jiang Xi Road, Sujiaxiang, Jing'an District	55.08%	The property is held for a term of 50 years for commercial use commencing on 5 February 2007	239	79,230	–
Hengqin						
Hyatt Regency Hengqin	1295 Qisecaihong Road, Hengqin New Area, Zhuhai City	64.06%	The property is held for a term of 40 years commencing on 31 December 2013	493	391,136	–
Subtotal of major completed hotel properties and serviced apartments in Chinese Mainland:				1,034	667,557	–
Total of major completed hotel properties and serviced apartments:				2,051	1,270,148	92

Particulars of Major Properties

PROPERTIES UNDER DEVELOPMENT

As at 31 July 2025

Property Name	Location	Attributable Interest to the Group	Stage of construction	Expected completion date	Approximate Site Area (square feet)	Approximate Attributable GFA (square feet)					No. of car parking spaces attributable to the Group
						Commercial/ Retail	Office	Serviced Apartments	Residential	Total (excluding car parking spaces & ancillary facilities)	
Hong Kong											
Deep Water Pavilia (formerly named as Wong Chuk Hang Project)	Site E of Aberdeen Inland Lot No.467	15%	Construction works in progress	Q1 2026	95,560	-	-	-	95,423	95,423	26
79 Broadcast Drive Project	No. 79 Broadcast Drive, Kowloon Tong, Hong Kong	100%	Superstructure works in progress	H1 2026	23,864	-	-	-	71,591	71,591	60
1 Kotewall Road Project	No. 1 Kotewall Road, Mid-Levels, Hong Kong	100%	Excavation, lateral support and foundation works in progress	Q1 2028	11,044	-	-	-	55,216	55,216	30
116 Waterloo Road Project	No. 116 Waterloo Road, Ho Man Tin, Hong Kong	100%	Project design in progress	Q3 2028	9,322 ¹	-	-	-	46,608 ¹	46,608 ¹	21 ¹
Subtotal of major properties under development in Hong Kong:						-	-	-	268,838	268,838	137

PROPERTIES UNDER DEVELOPMENT (CONTINUED)

As at 31 July 2025

Property Name	Location	Attributable Interest to the Group	Stage of construction	Approximate Site Area (square feet)	Approximate Attributable GFA (square feet)					No. of car parking spaces attributable to the Group
					Commercial/ Retail	Office	Serviced Apartments	Residential	Total (excluding car parking spaces & ancillary facilities)	
Chinese Mainland										
Hengqin										
Novotown Phase II	East side of Yiwener Road, south side of Xiangjiang Road, west side of Yiwenyi Road and north side of Zhishui Road, Hengqin New Area, Zhuhai City	55.08%	Construction works in progress	1,547,523	315,867 ²	150,846	870,628	-	1,337,341	588
Subtotal of major property under development in Chinese Mainland:					315,867	150,846	870,628	-	1,337,341	588
Total of major properties under development:					315,867	150,846	870,628	268,838	1,606,179	725

Notes:

1. Subject to negotiation with Lands Department.
2. Including 166,988 square feet spaces to be occupied by Harrow LiDe School Hengqin upon completion.

Particulars of Major Properties

COMPLETED PROPERTIES HELD FOR SALE

As at 31 July 2025

Property Name	Location	Attributable Interest to the Group	Approximate Attributable GFA (square feet)					No. of car parking spaces attributable to the Group
			Commercial/ Retail	Office	Serviced Apartments	Residential	Total (excluding car parking spaces & ancillary facilities)	
Hong Kong								
Ocean One	6 Shung Shun Street, Yau Tong, Kowloon, Hong Kong	100%	17,749	–	–	–	17,749	7
339 Tai Hang Road	339 Tai Hang Road, Hong Kong	100%	–	–	–	5,046	5,046	3
Alto Residences	29 Tong Yin Street, Tseung Kwan O, New Territories, Hong Kong	50%	–	–	–	1,055	1,055	18
93 Pau Chung Street	20-32 San Shan Road and 93 Pau Chung Street, Ma Tau Kok, Kowloon, Hong Kong	100%	–	–	–	–	–	13
Novi	50 Ki Lung Street, Kowloon, Hong Kong	100%	4,688	–	–	–	4,688	–
Bal Residence	No. 18 Hang On Street, Kwun Tong, Hong Kong	100%	7,506	–	–	15,762	23,268	8
The Parkland	No.266 Tai Kei Leng, Lot No. 5382 in Demarcation District No.116, Tai Kei Leng, Yuen Long, Hong Kong	100%	–	–	–	2,407	2,407	–
Subtotal of major completed properties held for sale in Hong Kong:			29,943	–	–	24,270	54,213	49

COMPLETED PROPERTIES HELD FOR SALE (CONTINUED)

As at 31 July 2025

Property Name	Location	Attributable Interest to the Group	Approximate Attributable GFA (square feet)					No. of car parking spaces attributable to the Group
			Commercial/ Retail	Office	Serviced Apartments	Residential	Total (excluding car parking spaces & ancillary facilities)	
Chinese Mainland								
Shanghai								
Wuli Bridge Project	Wuliqiao Road, 104 Jie Fang, Huangpu District	55.08%	-	-	-	-	-	7
May Flower Plaza	The junction of Da Tong Road and Zhi Jiang Xi Road, Sujiaxiang, Jing'an District	55.08%	-	-	-	-	-	252
Regents Park	88 Huichuan Road, Changning District	52.33%	-	-	-	-	-	96
Subtotal of major completed properties held for sale in Shanghai:			-	-	-	-	-	355
Guangzhou								
Eastern Place Phase V	787 Dongfeng East Road, Yuexiu District	55.08%	-	-	-	-	-	2
King's Park	Donghua Dong Road, Yuexiu District	55.08%	-	-	-	-	-	1
West Point	The junction of Zhongshan Qi Road and Guangfu Road, Liwan District	55.08%	-	-	-	-	-	44
Subtotal of major completed properties held for sale in Guangzhou:			-	-	-	-	-	47
Zhongshan								
Palm Spring	Caihong Planning Area, Western District	55.08%	90,529	-	-	15,839	106,368	1,386
Subtotal of major completed property held for sale in Zhongshan:			90,529	-	-	15,839	106,368	1,386
Hengqin								
Novotown Phase I	East side of Yiwener Road, south side of Caihong Road, west side of Tianyu Road and north side of Hengqin Road, Hengqin New Area, Zhuhai City	64.06%	-	336,900	111,006	12,072	459,978	-
Novotown Phase II	East side of Yiwener Road, south side of Xiangjiang Road, west side of Yiwenyi Road and north side of Zhishui Road, Hengqin New Area, Zhuhai City	55.08%	-	-	137,303	-	137,303	157
Subtotal of major completed property held for sale in Hengqin:			-	336,900	248,309	12,072	597,281	157
Subtotal of major completed properties held for sale in Chinese Mainland:			90,529	336,900	248,309	27,911	703,649	1,945
Total of major completed properties held for sale:			120,472	336,900	248,309	52,181	757,862	1,994

Environmental, Social and Governance Report

ABOUT THIS REPORT

The Company is delighted to publish its annual Environmental, Social and Governance (“**ESG**”) report, summarising the ESG management approach, strategies and performance of the Company and its subsidiaries (together, the “**Group**”) in accordance with the ESG Reporting Code (“**HKEX ESG Reporting Code**”), as outlined in Appendix C2 to the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”). In anticipation of upcoming updates to ESG reporting standards, this report considers the climate-related disclosure guidelines outlined in Part D: Climate-related Disclosures of the HKEX ESG Reporting Code. This report follows the four reporting principles listed in the HKEX ESG Reporting Code, including materiality, quantitative, balance and consistency for report disclosure and historical data comparison. We also mapped our strategies and initiatives with the United Nations’ Sustainable Development Goals (“**SDGs**”). 9 of the 17 SDGs, which are the most relevant to our business profile, were mapped into our contribution in respective chapters of this report.

Unless otherwise specified, this report covers the ESG management and performance of the Group from 1 August 2024 to 31 July 2025. The reporting boundary of this report comprises properties under the Group’s property investment, property development as well as investment in and operation of hotel, restaurant, cinema, media and entertainment businesses in Hong Kong, Chinese Mainland and United Kingdom. For further details of the specific properties covered in the reporting scope, please refer to the Summary of Environmental Performance section. This report has been approved by the management team and the board of directors of the Company (the “**Board**”).

ESG GOVERNANCE

Board Statement

The Group recognises the importance of tackling material ESG issues to pave the way for long-lasting business success. The Board holds the responsibility for endorsing the material ESG report, prioritising and overseeing the material ESG issues including material ESG risks related to the business operations and their incorporation with the Group’s ESG strategies, policies, procedures and initiatives.

The Executive Committee of the Company (the “**Committee**”) is appointed by the Board to assess the management and implementation efficacy of relevant material ESG issues encompassing the achievement of goals and targets. The Committee also arranges regular briefing sessions for the Board to support their monitoring and evaluation of the material ESG issues, associated business risks and progress and implementation of ESG policies, procedures, and initiatives. The Group’s environmental targets that have been assented by the Board will be reviewed by the Committee annually. Given the Group’s diversified business portfolios, each business unit is responsible for reporting its performance and material ESG issues to the Committee on a regular basis. Material ESG issues including climate risks have been incorporated to the Group’s enterprise risk management (“**ERM**”) framework. The Group systematically assesses ESG-related risks, formulates risk mitigation plans, and provides regular updates to the Audit Committee and the Board as part of the broader ERM process to build resilience in ESG management. For more details of the risk management, please refer to the Risk Management and Internal Control section in Corporate Governance Report of this Annual Report.

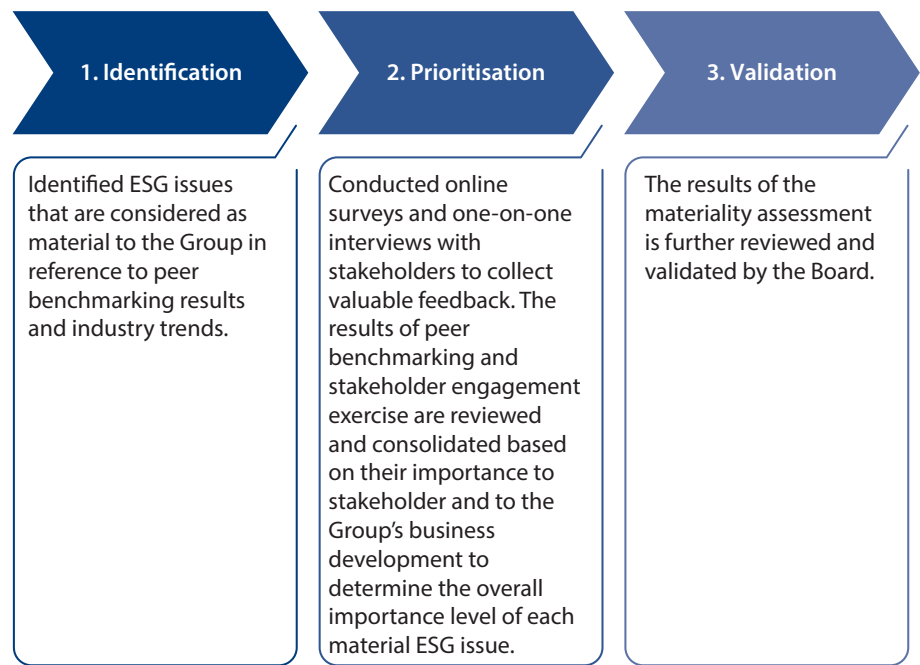
ESG GOVERNANCE (CONTINUED)

Stakeholder Engagement

The Group is committed to fostering a deep-rooted relationship with stakeholders and maximising value creation by refining our sustainability programs based on their views gained through different engagement channels. The Group aims to identify and evaluate the materiality of various ESG issues and ensure the prioritisation of material ESG issues is aligned with stakeholders’ expectations. During the reporting year, the Group conducted a comprehensive materiality assessment and stakeholder engagement, which included interviews with the senior management and an online survey for both internal and external stakeholders to identify material ESG issues. The identified material ESG issues are then consolidated, to be reviewed on an annual basis and approved by the Board to enhance the overall strategic framework.

Materiality Analysis

The Group undertakes the constant review on the pertinence of the material ESG issues to our business development and stakeholders to formulate well-defined ESG management and strategies for informed decision. The materiality assessment steps are shown below.

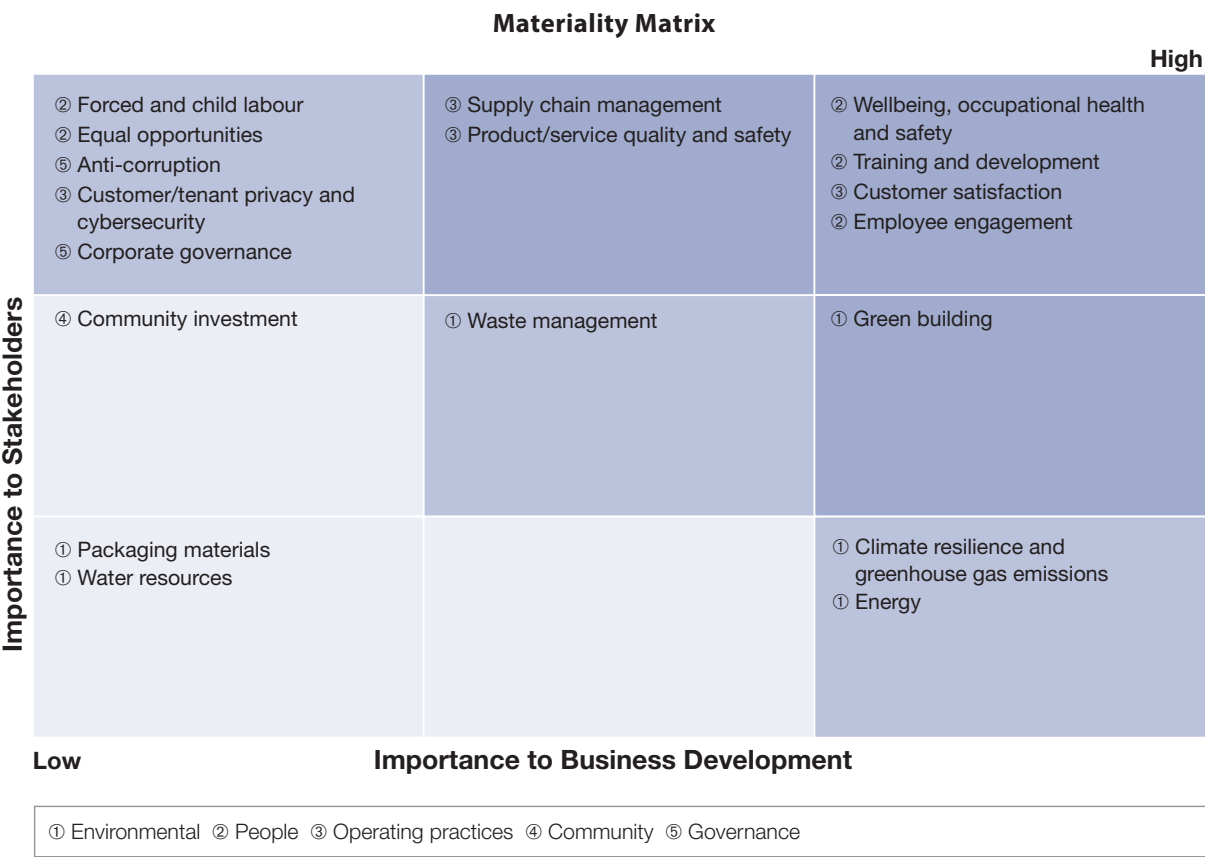


Environmental, Social and Governance Report

ESG GOVERNANCE (CONTINUED)

Materiality Analysis (continued)

During the reporting year, ESG issues that are regarded as material to our stakeholders and the Group are updated as follows. Governance has emerged as a new aspect, including a focus on Corporate Governance with reference to industry trends and stakeholders' input. The material ESG issues located in the upper right quadrant of the matrix are recognised as the most material to both the Group's business development and its stakeholders, based on their perspectives. This indicates that these issues are important and should be prioritised in decision-making processes to align with stakeholders' expectations and enhance overall business performance.



ESG GOVERNANCE (CONTINUED)



Integrity and Discipline

Being committed to upholding absolute integrity, fairness and discipline in the business, the Group expects its employees to strictly follow all rules and procedures in line with applicable laws and regulations. No fraud or corruption should, in any case, be tolerated regardless of the business segment, and we strive to prevent it at all costs.

Our Staff Handbook explicitly defines “advantages” and outlines the procedures for employees to follow, to prevent any bribery, corruption, and conflicts of interest from happening. Our Anti-Fraud and Anti-Corruption Policy ensures that the Group operates in a high standard of integrity, openness and discipline. We also expect employees to declare or disclose presents and gifts they handle to the management as the action could be deemed suspicious and unethical. If misconduct is discovered, the person responsible will be subject to termination of employment and legal consequences. Regular anti-fraud and anti-corruption training are provided to all employees including directors. In our food and beverage operations, we have implemented an anti-corruption requirement for our suppliers. We mandate our suppliers to sign a Declaration of Interest, ensuring their commitment to anti-corruption practices.

The Group has set up and implemented designated training across our businesses, including anti-corruption training within our Chinese Mainland property operations. All new employees receive anti-corruption training which is included within their induction. In addition to internal training, we cooperated with the government to foster anti-corruption practices and integrity through promotional material, including posters and educational films displayed on project bulletin boards and screens. We also arranged lectures on the Anti-Corruption Law of the People’s Republic of China (“PRC”) for our staff.

In 2024, we conducted integrity training workshops for office employees and the Executive Director across our Hong Kong properties, enhancing our standards of business integrity. On top of the aforementioned training program, briefings on anti-fraud and anti-corruption topics are also included in the orientation program, referencing the Staff Handbook.

Additionally, the Group also has a Whistleblowing Policy as a monitoring and controlling system to allow employees and relevant third parties such as customers, suppliers, creditors and debtors to report any concerns. The policy sets out how reports of inappropriate acts can be submitted, reviewed and investigated. The Group will handle all whistleblowing reports responsibly and treat the whistleblower’s concerns fairly and properly. During the reporting year, the Group abided by the relevant laws and regulations regarding bribery and anti-corruption while there were no material breaches of the relevant laws and regulations regarding bribery, extortion, fraud and money laundering in Hong Kong and Chinese Mainland. There were also no legal cases regarding corrupt practices brought against the Group or its employees.

Environmental, Social and Governance Report

ESG GOVERNANCE (CONTINUED)

Intellectual Property Rights

To safeguard all intellectual property rights, the Group has implemented appropriate security measures and confidentiality agreements. All collaboration agreements with third parties in all business segments and within the Group are reviewed by the Group's legal team to avoid infringements and breaches.

Respecting Creations in our Entertainment Business

The Group recognises the importance of intellectual property in the development of the entertainment business development. The Group is committed to complying with all relevant intellectual property laws and regulations, including but not limited to Chapter 559 Trade Marks Ordinance, Chapter 528 Copyright Ordinance and Chapter 544 Prevention of Copyright Piracy Ordinance. Before using or referencing any other creative works, the Group will ensure that the producers and their teams of films, television programs and music productions are acquainted with the rights and have obtained clarifications. In case of any violations of relevant regulations and infringements, actions will be taken immediately to address the rights or related matters. During the reporting year, there were no material breaches with the aforementioned laws and regulations.

ENVIRONMENT



Integrating Environmental Sustainability into Our Operations

The Group is dedicated to operating our businesses with a strong emphasis on environmental sustainability and minimising our environmental footprint. We have implemented robust strategies for managing climate change, carbon emissions, energy consumption, waste generation and water consumption, while also embedding environmental considerations into our decision-making procedures and operational practices. This year, we reviewed and evaluated our environmental performance and established several quantitative targets to demonstrate the Group's commitment to environmental protection. These targets include specific goals for reducing energy consumption and Greenhouse Gas ("GHG") emissions in property investment businesses.

Our environmental initiatives and performances are monitored on a regular basis to ensure full compliance with all relevant laws and regulations^{Note 1}. During the reporting year, the Group was not aware of any non-compliance cases related to environmental legislation.

During the reporting year, the Group was awarded the Sustainable Community Development Contribution Award at the "ESG Awards for Excellence", hosted by organisations including China Top 100 Listed Companies Summit Organizing Committee, Wharton Economics Research Institute, China Urban Development Foundation, Macau Green and Low-Carbon Industry Association etc., that recognises the company's efforts in promoting ESG practices and corporate sustainability.

Note 1: Laws and regulations include, but are not limited to, the following: Air Pollution Control, Water Pollution Control, Waste Disposal, Noise Control, Environmental Impact Assessment Ordinances, Waste Disposal (Chemical Waste) (General) Regulation and Code of Practice on the Packaging, Labelling and Storage of Chemical Wastes in Hong Kong, as well as Environmental Protection Law, Atmospheric Pollution Prevention and Control Law, Water Pollution Prevention and Control Law, Law on Prevention and Control of Pollution from Environmental Noise, Land Administration Law, Regulations on the Administration of Construction Project Environmental Protection and Law on the Prevention and Control of Environment Pollution Caused by Solid Wastes in Chinese Mainland.

Environmental, Social and Governance Report

ENVIRONMENT (CONTINUED)

Climate Resilience and Greenhouse Gas Emissions

To enhance our approach to climate change and comply with the new disclosure requirements, we adhere to the HKEX ESG Reporting Code, which introduces enhanced climate-related disclosure standards in Part D. During the reporting year, the Group has engaged an external consultant to prepare a comprehensive climate risk assessment and scenario analysis to identify potential climate risks and opportunities and understand their impacts to the Group operations.

Governance

The Board is responsible for overseeing the Group's climate-related strategy, monitoring and evaluating progress on climate-related risks and opportunities, and ensuring alignment between corporate strategies and sustainability goals. ESG training topics including climate-related risks and opportunities are provided to the Board annually to update them on the latest climate-related topics and enhance their capabilities in overseeing climate-related topics. The Committee is responsible for identifying and assessing any climate-related risks to which the Group's operations are exposed to, and updating the Board with the latest news and developments on climate regulations and industry practice.

ENVIRONMENT (CONTINUED)

Climate Resilience and Greenhouse Gas Emissions (continued)

Strategy and Risk Management

During the reporting period, the Group conducted an in-depth climate scenario assessment, covering our 9 key assets across Shanghai, Hengqin, Guangzhou and Hong Kong, to assess the climate-related risks and opportunities. Two contrasting scenarios, Turquoise and Brown Scenarios, referenced with the Intergovernmental Panel on Climate Change (“IPCC”) Sixth Assessment Report and Network for Greening the Financial System (“NGFS”), are used to cover the plausible future scenarios.

	Physical Risk	Transition Risk
Turquoise Scenario	SSP1-2.6 <i>Global CO₂ emissions are strongly reduced but less rapidly. The objective of zero emissions is reached after 2050. The global temperature increased stabilises at around 1.8 °C by the end of the century, aligning with the Paris Agreement.</i>	NGFS Net Zero 2050 <i>Limits global warming to 1.5 °C through stringent climate policies and innovation, reaching global net zero CO₂ emissions around 2050.</i>
Brown Scenario	SSP5-8.5 <i>Current levels of CO₂ emissions are almost doubled by 2050. The world economy grows rapidly, but this growth is driven by fossil fuel exploitation and very energy-intensive lifestyles. By 2100, the average temperature of the planet will have risen by a catastrophic 4.4 °C.</i>	NGFS Current Policies <i>Only currently implemented policies are preserved, leading to high physical risks. Emissions grow until 2080 leading to about 3 °C of warming and severe physical risks.</i>

Our assessment involves uncertainty due to the methodologies used to project the impacts of these risks over three time horizons – short-term (2021-2040), medium-term (2041-2070) and long-term (2071-2100). The primary source of this uncertainty is the reliance on climate models, which require various assumptions about the frequency, intensity, and geographical distribution of climate events to estimate future conditions.

Environmental, Social and Governance Report

ENVIRONMENT (CONTINUED)

Climate Resilience and Greenhouse Gas Emissions (continued)

Strategy and Risk Management (continued)

Physical Risks

Our properties face potential physical risks from typhoon, extreme precipitation and flooding, extreme heat and drought. Physical acute risks refer to the immediate damage or harm from sudden climate related events, while physical chronic risks involve the long-term potential for harm arising from gradual climate-related change. These extreme weather events may even cause catastrophic property destruction and economic loss. The below illustrates the detailed results.

	Risks	Potential Impacts
Acute	Extreme Precipitation and Flooding	• Damage to physical infrastructure, including shattered windows and roof leaks • Impairment to production capabilities and loss to supply chain continuity
	Typhoon	
Chronic	Extreme Heat	• Increased in operational demands on cooling systems during extreme heat conditions • Decline in employee efficiency as workplace temperatures exceed safe thresholds • Deterioration in air quality, leading to health risks from elevated dust and particulate levels
	Drought	

ENVIRONMENT (CONTINUED)

Climate Resilience and Greenhouse Gas Emissions (continued)

Strategy and Risk Management (continued)

Physical Risks (continued)

The Group strives to prevent and mitigate the effects of climate change in our business activities. The Group has created typhoon and extreme weather condition work arrangement guidelines to standardise operating procedures during tropical cyclone alerts and adverse weather conditions. Emergency plans are also in place in the event of natural disasters, and inspections are done regularly for critical machinery and equipment to ensure proper working conditions in the event of an emergency. Prior to typhoon events, property management teams conduct thorough inspections and implement appropriate measures. These include securing gondolas, checking roof drainage outlets and other surface channels, and verifying the stability of external bamboo scaffolding. Additionally, property management teams ensure all curtains walls and windows are securely closed to prevent damage or detachment from convection winds.

	Extreme Precipitation and Flooding						Typhoon	Extreme Heat						Drought					
	SSP1-2.6			SSP5-8.5			<i>Note 2</i>	SSP1-2.6			SSP5-8.5			SSP1-2.6			SSP5-8.5		
Time Horizons Regions	S	M	L	S	M	L		S	M	L	S	M	L	S	M	L	S	M	L
Shanghai																			
Hengqin																			
Guangzhou																			
Hong Kong																			

Time horizon

S	M	L
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Short Medium Long

Exposure Level

|--|--|--|

Low Medium High

Note 2: Due to the complexity and unpredictable nature of typhoon events, a historical approach is adopted.

Environmental, Social and Governance Report

ENVIRONMENT (CONTINUED)

Climate Resilience and Greenhouse Gas Emissions (continued)

Strategy and Risk Management (continued)

Transition Risks and Opportunities

Our properties face potential transition risks and opportunities related to policy and legal, technology, market and reputation.

Risks and Opportunities		Potential Impacts
Policy and Legal	Mandates and regulations	Emission trading schemes (“ETS”) bring about financial costs for carbon intensive activities
	Increase in pricing of GHG emissions	Increased in compliance risks from regulatory violations or failure to meet evolving standards
Technology	Increase in capital investment in renewable energy	- Market shifts towards advanced or low-carbon technologies which are disrupting existing business models, assets, or competitiveness - Implementation of energy-efficient systems and smart building management to achieve substantial cost savings
Market and Reputation	Shifts in consumer preferences	- Loss of customers, investors, or brand value due to shifting in consumer preferences, competitive pressures, or public perception as the economy moves towards sustainability - Reduction of service demand due to reputational harm from fines or legal judgments - Unintentional greenwashing risks eroding stakeholder trust and triggering regulatory scrutiny or fines - Strengthening of stakeholder relationships through active and devoted to its climate actions

ENVIRONMENT (CONTINUED)

Climate Resilience and Greenhouse Gas Emissions (continued)

Strategy and Risk Management (continued)

Transition Risks and Opportunities (continued)

The Group has further assessed the increase in carbon price in Hong Kong and Chinese Mainland under the NGFS Net Zero 2050 and Current Policies scenarios in short, medium and long-term.

	Short-term	Medium-term	Long-term
Scenarios	Carbon price increased compared to 2025 (USD per tonne)		
Net Zero 2050			
Current Policies			

Exposure Level



Low Medium High

In order to understand and address climate risks, the Group is proceeding to quantifying the financial impact assessment and formulating a comprehensive climate adaptation and mitigation plan. The Group has ensured the integration of climate risks into enterprise risk management and the incorporation of climate-related considerations into Group's business development strategy.

Metrics and Targets

In the financial year 2024/2025, Lai Sun Group reviewed its environmental performance and set group-wide quantitative targets, aimed at reducing GHG emissions intensity and energy consumption intensity for our property investment operations in Hong Kong and Chinese Mainland and will continue to review the target set. More details will be disclosed in the upcoming ESG Report. The Group aligns with the target reduction in its operations.

Targets	Baseline Year	Target Year
GHG Emissions Intensity	2022	2030
Energy Intensity	2022	2030

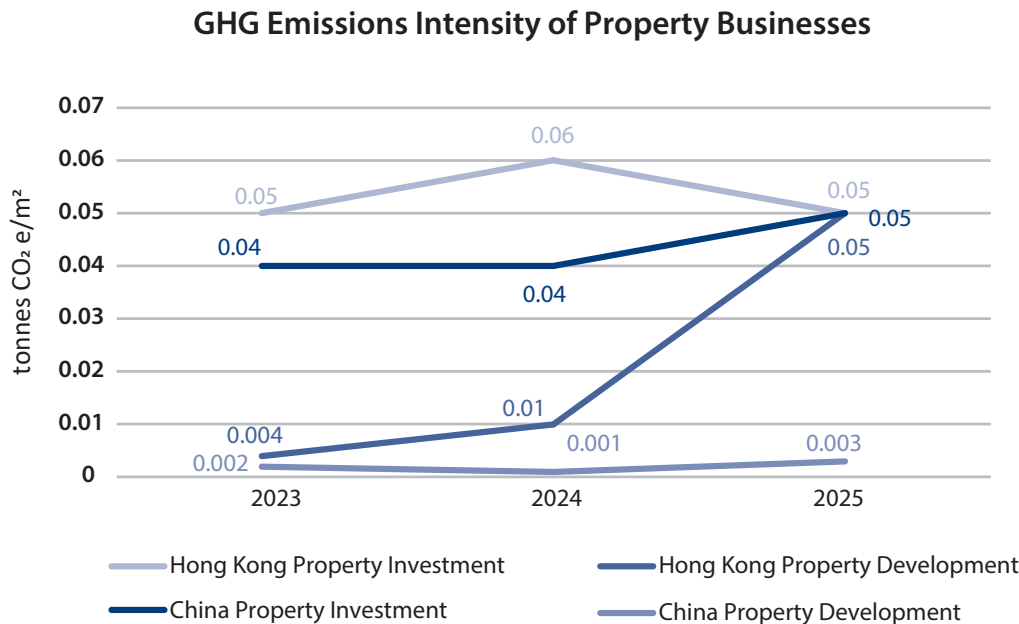
Environmental, Social and Governance Report

ENVIRONMENT (CONTINUED)

Climate Resilience and Greenhouse Gas Emissions (continued)

Metrics and Targets (continued)

The GHG emissions intensity of the Group's property operations are shown as follows:



Note: GHG emissions intensity = The total tonnes of (Scope 1 & 2) GHG emissions of the year/gross floor area (Tonnes of CO₂e/m²)

Minimising Air Emissions from Property Development

The Group has instituted various measures aimed at controlling air pollutants generated during construction projects, recognising the critical link between these emissions and GHG emissions. To effectively reduce dust emissions, contractors are required to adopt dust abatement procedures during activities such as vehicle movement and material handling on construction sites. Additionally, the Group has extensively adopted the use of ultra-low sulphur diesel at its development sites, significantly reducing airborne emissions that contribute to both air pollution and climate change. This shift not only helps reduce harmful particulates but also lowers the overall carbon footprint associated with fuel combustion. Furthermore, during the material procurement process, the Group prioritises building materials that emit lower levels of volatile organic compounds ("VOCs") and strictly comply with the Air Pollution Control (Volatile Organic Compounds) Regulation which demonstrates our effort in reducing both air pollution and GHG emissions.

For more details on green building and energy initiatives on reducing GHG emissions, please refer to Green Building Development and Operations, and Energy sections, respectively.

ENVIRONMENT (CONTINUED)

Green Building Development and Operations

The Group has always put importance in the mission of exploring the possibilities for incorporating sustainability into our development projects. Our adherence to all applicable standards, rules, and regulations regarding air, noise, and wastewater pollution, as well as waste disposal are closely monitored, and we strive to incorporate sustainable features into the construction and design of our buildings. Where necessary, the Group works with green building specialists and consultants to provide technical support on environmentally sustainable building designs and emissions controls, such as adherence to standards set in required emissions permits for sewage discharge and waste.

Green Building Features in Shanghai Hong Kong Plaza
- Upgraded the cooling towers in 2024, which is anticipated to save 91 tonnes of coal equivalent in energy - Replaced the air units with variable frequency drives to reduce energy consumption - Received a Special Fund of RMB230,200 from the local government in 2024 as a reward for their performance in energy conservation and carbon reduction - Conducted energy audits to assist in developing a blueprint for future energy renovations

This year, the Group has partnered with Tongji University to conduct energy reviews for our Chinese Mainland properties for the energy saving measures on an annual basis. Furthermore, the Group used environmentally friendly materials with low VOCs levels in management properties’ maintenance and refurbishment projects whenever possible.

The Group is committed to promoting environmental protection and management at construction sites. For example, an Environmental Management Plan is required to be submitted by contractors that includes the identification and evaluation of environmental risks and the suggestion of efficient mitigation actions to reduce the environmental impacts during construction. To ensure that all planned control measures are implemented to address potential environmental risks, we regularly review on-site performance against the plan. Furthermore, we encouraged our tenants to use environmentally friendly construction materials in their renovation projects, contributing to environmental protection and enhancing our sustainability practices.

In our hotel operations, we are committed to advancing environmental actions. For example, The Hyatt Group has established 2030 environmental goals aimed at reducing GHG emissions, food waste and promoting responsible sourcing. Hyatt Regency Hengqin has established a Green Committee and conducted monthly reporting on energy consumption to achieve and implement the environmental action plan covering energy, water and waste initiatives to align with the targets.

Moreover, green financing is leveraged by the Group to facilitate in achieving our sustainability goals, aiming to create long-term value for stakeholders. The Hong Kong Ocean Park Marriott Hotel utilised green loan to support implemented series of green design features including green rooftop, the incorporation of sustainable materials, and a rainwater collection system.

Environmental, Social and Governance Report

ENVIRONMENT (CONTINUED)

Green Building Development and Operations (continued)

Green finance provides the Group with the resources to invest in sustainable initiatives, thereby enhancing our credibility and facilitating the attainment of internationally recognised green building certifications in our properties. For instance, Shanghai Hong Kong Plaza is preparing its application for LEED certification.

The Group is committed to enhancing the environmental performance of our managed properties. To achieve this, we implement internationally recognised environmental management system standards throughout our portfolio. Various properties in our portfolio have successfully obtained ISO and green building certifications regarding their sustainability efforts:

Green Building Certifications and ISO Certifications	Properties
Excellence in Design for Greater Efficiencies issued by Hong Kong Quality Assurance Agency ("HKQAA")	CCB Tower
BEAM Plus Final Gold Certification	Hong Kong Ocean Park Marriott Hotel
ISO 14001:2015 Environmental management systems	CCB Tower Guangzhou May Flower Plaza Guangzhou West Point Shanghai Hong Kong Plaza Hengqin Novotown Phase I
LEED 2009 Building Design and Construction: Core and Shell Development Rating System – Gold Certification	Guangzhou Lai Fung Tower
LEED v4 Building Design and Construction: Core and Shell Development Rating System – Gold Certification	Shanghai Skyline Tower Guangzhou Lai Fung International Center
Two-Star "Certificate of Green Building Design Label"	Hengqin Novotown Phase I Hyatt Regency Hengqin
Zero-Carbon-Ready Building Certification (Level 1 Improvement) issued by Hong Kong Green Building Council	CCB Tower

Moreover, CCB Tower has been recognised with several awards for its environmental initiatives, including the Excellent Level of Wastewiſe Certificate issued by the Environmental Campaign Committee, the Green Office Award Labelling Scheme Certificate issued by the World Green Organisation and the Indoor Air Quality Certificate (Excellence Class) from the Environmental Protection Department ("EPD"). More energy, water and waste management initiatives can be accessed in their respective environmental subchapters: namely "Energy", "Water", and "Waste".

ENVIRONMENT (CONTINUED)

Energy

In our commitment to sustainability and operational efficiency, the Group emphasises the importance of effective energy management. We actively advocate for the implementation of green policies and environmental initiatives designed to reduce energy consumption across all operations. We have continued to develop and invest in advanced energy-saving technologies while adopting both locally and internationally recognised standards for building design and construction, guiding our efforts towards low-carbon operations.

Reducing Energy Consumption in Property Business

The Group is dedicated to reducing energy consumption through proactive management and regular assessments. Our property management team conducts monthly reviews of energy usage to identify and prevent excessive consumption. We are committed to optimising our resource use and minimising our environmental impact.

We have successfully implemented a range of initiatives aiming at enhancing energy efficiency to meet our energy target. For instance, we have installed LED lighting and upgraded old lighting fixtures in most of our buildings in Hong Kong and Chinese Mainland, helping us minimise energy consumption. With the completion of replacing the neon lighting signage system with LED signage boxes at the building façade, we expect to significantly reduce electricity consumption by 250,000 kWh annually at Causeway Bay Plaza 2.

Supplementing our efforts in improving our lighting system, we have also made changes regarding the chillers used in our properties. Our CCB Tower has maintained its collaboration with "CLP eSolution" to optimise the chiller plant through the installation of "PlantPro" and variable speed drives. This initiative enables more energy-efficient control of HVAC systems within the property, resulting in an annual energy savings of 135,000 kWh. This year, CCB Tower plans to install Variable Speed Drives on the chilled water pumps and condensing water pumps of HVAC system, which is estimated to save 100,000 kWh annually. Following the upgrade of the ageing chiller to a highly efficient model, Lai Sun Commercial Centre has replaced its high efficiency chilled water pump and condensing water pump sets with advanced demand control to reduce electricity consumption, thereby enhancing carbon emission reduction and achieving operation cost saving. Additionally, the chiller plant and building management systems at Causeway Bay Plaza 2 have adopted optimisation to enhance the operating efficiency of air conditioning systems and reduce overall electricity consumption.

To minimise elevator usage, CCB Tower has turned off lifts' operation on Sundays and Public Holidays, thereby lowering electricity consumption and promoting energy savings. Additionally, Cheung Sha Wan Plaza is undertaking a lift modernisation project designed to enhance energy efficiency and reduce electricity consumption, with anticipated completion in 2025.

To further demonstrate our commitment to promoting energy conservation, CCB Tower has developed an Energy Saving Plan and signed up for the Energy Saving Charter issued by the Environmental and Ecology Bureau and the Electrical and Mechanical Services Department, aiming to implement ongoing actions for energy saving and performance monitoring. CCB Tower has been honoured with the Platinum Award of Charter for External Lighting from the Environmental and Ecology Bureau to acknowledge their energy reduction efforts.

Environmental, Social and Governance Report

ENVIRONMENT (CONTINUED)

Energy (continued)

Reducing Energy Consumption in Property Business (continued)

Chinese Mainland property operations have a Resource and Energy Management Plan in place to guide energy conversation measures. For example, Guangzhou May Flower Plaza replaced three central air conditioning units with higher capacity equivalents in May 2025. During that month, we saved approximately 93,810 kWh of electricity within the building. Besides, Shanghai Hong Kong Plaza completed its installation of a variable frequency air conditioning system, which is expected to enhance energy efficiency and significantly lower electricity consumption throughout the building. With the new Energy Saving Renovation Subsidy Policy introduced by Hengqin Government, we are actively developing renovations plans to implement additional energy saving initiatives. Meanwhile, Shanghai Hong Kong Plaza, Guangzhou May Flower Plaza and Guangzhou West Point have successfully replaced all neon lighting with energy-saving LED light tubes in public areas.

Integration of Renewable Energy and EV Charging Infrastructure in Hong Kong Properties	
Renewable Energy Generation: - Lai Sun Commercial Centre installed solar panels and continues to contribute clean energy to the feed-in tariff scheme. - Cheung Sha Wan Plaza’s Tower 1 and Tower 2 implemented solar panels.	EV Charging Infrastructure: Lai Sun Commercial Centre and Cheung Sha Wan Plaza facilitated EV adoption by installing EV charging stations.
Results: Lai Sun Commercial Centre generated 170,000 kWh of renewable energy in FY24/25, while Cheung Sha Wan Plaza generated approximately 356,360 kWh of renewable energy annually.	Results: Around 40 chargers have been installed with 13 new chargers installed during the reporting year.

Reducing Energy Use in Food and Beverage Services

All air-conditioners are cleaned on a regular basis and required to be turned off when not in use to prevent energy waste. Additionally, energy-efficient appliances such as LED lighting fixtures are being progressively installed across the Group’s restaurants to further minimise energy consumption.

ENVIRONMENT (CONTINUED)

Energy (continued)

Minimising Energy Consumption in Hotel Operations

The Group actively contributes to resource conservation in our hotels in Hong Kong and Chinese Mainland. For instance, the Hong Kong Ocean Park Marriott Hotel participated in the Charter on External Lighting and Energy Saving Charter, highlighting its devotion to energy conservation. The hotel also features an aluminium alloy coating on its exterior to provide solar shading and enhance indoor temperature regulation. Moreover, installation of LED lights in the hotel is estimated to save around 43,200 kWh of electricity annually.

In Chinese Mainland, energy performance in Ascott Huaihai Road Shanghai is monitored by the Energy Conservation Committee and the Committee ensures that air-conditioning, lighting, and computers are turned off in unoccupied areas. To encourage guests to reduce their electricity usage, long-term accommodation agreements include energy price cap terms, which are expected to lead to a 5% annual decrease in overall consumption. Additionally, we have adopted LED lighting and installed electronically controlled lighting fixtures in public areas to reduce unnecessary lighting. In 2024, timers were installed in all ventilation units, allowing them to automatically turn off for 12 hours after 12 hours of operation. It ensures a sufficient air supply for ventilation in all guest rooms while saving approximately 144,540 kWh of electricity annually. Furthermore, the guest rooms at Hyatt Regency Hengqin are equipped with an intelligent management system that uses infrared sensors to sense human presence. This system automatically switches off all lights in the guest room 30 minutes after the guest left the room, which is projected to save approximately 220,000 kWh of electricity annually.

Managing Energy Use in Cinema Operations

We have effectively controlled energy consumption through regular monitoring on the electricity consumption of cinemas. Furthermore, some cinemas have adopted additional energy saving initiatives through installing energy efficient lighting and automated induction systems.

Waste

The Group recognises the impact of our operations on the environment and is dedicated to minimising our waste generation. In line with this commitment, we have set specific waste reduction targets to clearly demonstrate our proactive approach to environmental stewardship. We continuously strive to implement sustainable practices that reduce our footprint.

- Improve recycling rate by disclosing the amount of hazardous and non-hazardous waste recycled by Chinese Mainland's property investment business and progressively expand disclosure of recycling performance data across all business operations in Chinese Mainland
- Review and enhance waste collection and recycling procedure for property investment in Hong Kong

Environmental, Social and Governance Report

ENVIRONMENT (CONTINUED)

Waste (continued)

We have established a comprehensive range of Group-wide and business unit-specific abatement procedures and control mechanisms. We have also put in place protocols for handling of non-hazardous waste across the Group to ensure that all generated waste is disposed of properly. During the reporting year, the Group complied with local legislation regarding single-use plastics products and relevant waste management policies. This commitment not only fulfils legal requirements but also reinforces our responsibility towards environmental sustainability.

The Group adheres to the 3R principles (reduce, reuse and recycle) and actively reuses materials whenever possible. The Group reused construction materials and sorted inert debris for use as road sub-base and backfill, while also placing recycling containers at both construction sites and properties. In recognition of our ongoing efforts in waste management and minimisation, Shanghai Hong Kong Plaza earned the title of “Zero Waste Cell” from Huangpu District, Shanghai.

Managing Waste from Property Development and Investment
<i>Construction Waste</i> • Required contractors to submit a mandatory Waste Disposal Plan outlining comprehensive waste management procedure • Employed licensed contractors to handle construction waste disposal and disposed the non-recyclable construction waste in landfills operated by the EPD using a registered billing account or with the necessary waste disposal license • Collaborated with local governments and transporting contractors to handle and transport separated chemical waste and other hazardous waste identified in the “Directory of National Hazardous Wastes” in Chinese Mainland
<i>General Waste</i> • Enhanced advertising and information provision on waste disposal for Guangzhou properties • Ensured grease oil is handled by certified environmental contractor for proper sorting and renovated oil separator to enhance the treatment efficiency of oily waste and reduce hazardous waste generated • Enhanced the collection and disclosure of recycling data of hazardous and non-hazardous waste across all operations in Chinese Mainland
Reducing Waste in Food and Beverages Services
• Stored perishable food properly to reduce wastage • Maximised the usage of all raw materials in food processing • Donated non-perishable food in good condition to charitable organisations • Ceased the provision of plastic utensils for all takeout orders and switched to recyclable materials for our packaging

ENVIRONMENT (CONTINUED)

Waste (continued)

Minimising Waste in Hotel Operations
<i>Common measures</i> • Ceased the provision of single-use plastic products including plastic toothbrushes, toothpaste and shower caps in accordance with legislation • Monitored waste generated from guest rooms to reduce the waste disposal to landfill • Promoted paperless operation with estimated 900kg reduction in paper consumption <i>Hong Kong Ocean Park Marriott Hotel</i> • Collaborated with local non-governmental organisations such as Foodlink and Food Angel to donate excess food like bread, pastries and desserts from buffets and cafeterias to people in need • Provided drinking water dispensers in all guest rooms to avoid the usage of bottled water, estimated to reduce over 200,000 plastic bottles
Minimising Waste in Media and Entertainment Business
• Promoted eco-friendly practices such as cloud-sharing of work documents, using environmentally friendly paper and adopting double-sided printing • Implemented new policies on reusing envelopes for internal mailing

Water

Reducing Water Consumption in Property Business

In our Hong Kong properties, Causeway Bay Plaza 2 and Cheung Sha Wan Plaza are equipped with automatic sensors for urinals and water taps to enhance water conservation, leading to a reduction in water consumption. In an effort to reduce water consumption in our properties across Chinese Mainland, we have upgraded the cooling towers of the air-conditioning systems in our Shanghai property, anticipating a reduction of 4,000m³ in water usage this year. Additionally, the Group has reduced water consumption in Hengqin by implementing regular inspections and repairs of our water distribution network for both domestic and firefighting purposes, resulting in an estimated annual savings of 200 tonnes of water. This year, we retrofitted the water pipes with remote metering devices to facilitate flow monitoring and reduce water loss. Moreover, we reduced our overall water usage by setting timers for water provision and scheduling regular weekend water stoppages at our water fountain in Guangzhou Lai Fung Tower.

Minimising Water Consumption in Hotel Operations

To reduce water consumption in hotel operations, the Group has implemented several initiatives. Hong Kong Ocean Park Marriot Hotel has a rainwater collection system in place used for irrigation and it is estimated to save around 4,450m³ of water annually. Our hotel operations in Chinese Mainland have also taken proactive steps to reduce water consumption. For instance, both Ascott Huaihai Road Shanghai and Hyatt Regency Hengqin have retrofitted their water closets with higher efficiency models, resulting in estimated water savings of 700 tonnes at Ascott Huaihai Road Shanghai and approximately 800 tonnes at Hyatt Regency Hengqin. To further minimise our water consumption, STARR Hotel Shanghai is gradually replacing shower faucets with new water saving and pressure-enhancing models.

Environmental, Social and Governance Report

ENVIRONMENT (CONTINUED)

Water (continued)

Minimising Water Consumption in Food and Beverage Operations

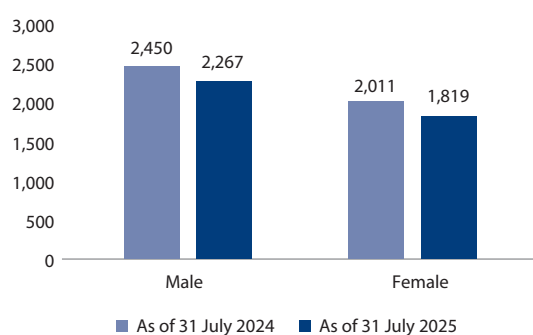
In our efforts to reduce water consumption and promote sustainable practices across food and beverage operations, we have developed various measures, including refraining from defrosting food items under running water and upgrading our restaurant dishwashers to more efficient, water-saving models.

PEOPLE

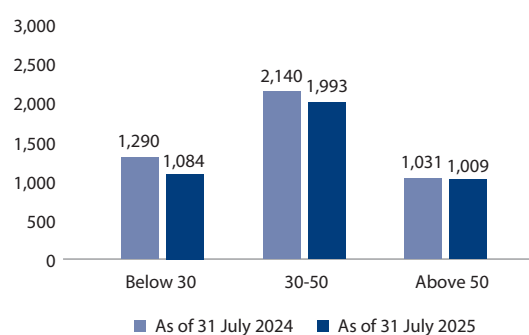


Employment Practices

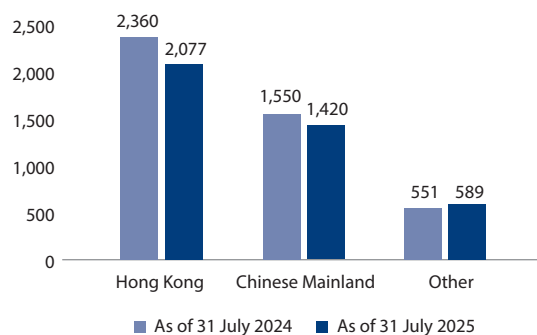
Number of Employees by Gender



Number of Employees by Age Group



Number of Employees by Geographical Region



Gender ratio:
Male: Female = 1 : 0.8

Turnover rate:
38%

Environmental, Social and Governance Report

PEOPLE (CONTINUED)

Employment Practices (continued)

The Group is committed to attracting, developing, and retaining talent as we acknowledge the importance of employees to a sustainable and successful business. We provide a supportive environment where employees can excel freely. We adhere to comprehensive policies regarding employment practices to ensure compliance with all applicable laws and regulations in Hong Kong and Chinese Mainland. Our Staff Handbook outlines all relevant terms and conditions, including employee benefits, compensation, dismissal procedures, working hours, leave entitlements, anti-discrimination measures, and the Group's standards for employees' work behaviour and conduct.

We have implemented effective policies and a grievance mechanism to foster inclusivity and diversity in a professional workplace. Employees are encouraged to report any misconduct or wrongdoing by referring to the Code of Conduct and the Staff Handbook, with the assurance that their personal information will be kept confidential. Furthermore, the Group has established multiple communication channels such as daily emails, meetings, internal newsletters, WhatsApp groups, and social media platforms to maintain close relationships with employees and enhance employee engagement for a better workplace.

During the reporting year, there were no confirmed incidents of non-compliance with employment laws and regulations.

Employee Welfare

By signing The Good Employer Charter of the Labour Department and complying with all relevant laws and regulations, the Group has further affirmed our commitment to building an all-around workplace that provides the resources and support employees need to grow professionally and personally. We aim to create a workplace that offers care, benefits, and work-life balance. In addition to standardised welfare packages, we provide medical or commercial insurance, social security, and housing benefits to employees in each region.

We also offer well-being programs and value-added benefits to our employees. These include a variety of non-wage compensations, such as additional holidays, annual health check-ups and free entry to clubhouse facilities for employees who work in the properties in Chinese Mainland. To foster balanced lifestyles, we offer our full-time cinema staff flexible work options, including overtime allowance, travel allowance, typhoon/rainstorm allowance, and attendance bonus. In Hong Kong, we arrange monthly "Lunch Talk" sessions on work ethics and health topics, DIY workshops, movie enjoyment, outings and departmental annual gatherings to engage employees. We prepare festive gifts such as mooncakes for traditional celebrations and foster their sense of belonging through birthday celebrations, staff-appreciation meetings, and Global Health Week that promotes physical and mental health.

PEOPLE (CONTINUED)

Health and Safety

Committed to safeguarding the health and safety of our employees, the Group strives to minimise any potential occupational safety risks. We achieve this by strictly adhering to guidelines and information stipulated by the Labour Department regarding occupational health and safety. The management teams of different business units are responsible for implementing health and safety measures and providing regular safety training to all staff. For example, we have appointed fire safety ambassadors to promote fire awareness. Additionally, protective equipment will be provided for our employees at all premises to prevent any health and safety hazards.

The Group highly values its employees and views them as crucial assets for long-term business development. Various specialised workshops and events focused on employee health and safety are regularly conducted. Obtaining certification is a mandatory requirement for specific positions to ensure that individuals are equipped with necessary knowledge and skills for their work. The Group was not aware of any non-compliance cases with relevant laws and regulations regarding health and safety during the reporting year.

At Construction Sites and in Building Operations

The Group aims to be meticulous when addressing potential occupational health and safety risks at construction sites. In addition to complying with Chapter 509 Occupational Safety and Health Ordinance and ensuring the compliance of our contractors with Chapter 59 Factories and Industrial Undertakings Ordinance in Hong Kong, we actively devise and implement measures to foster a safe working environment. There is at least one safety officer in every project who will oversee any health and safety issues and prepare the on-site management plan. Meetings with these officers are arranged bi-weekly to identify safety hazards and discuss the appropriate measures. We formulate safety protocols and arrange regular safety training sessions to ensure employees acquire the necessary knowledge to effectively respond to work-related emergencies and proactively prevent incidents from occurring. In Chinese Mainland, we have adopted several construction safety measures, such as engaging certified professionals to conduct regular fire equipment inspections, daily fire patrols, periodic electrical circuit testing and conducting safety helmet compliance verification.

Environmental, Social and Governance Report

PEOPLE (CONTINUED)

Health and Safety (continued)

At Construction Sites and in Building Operations (continued)

We enforce rigorous safety protocols at all residential and commercial properties we oversee. Our property management teams have access to a safety handbook that they can refer to. The table below summarises the health and safety-related certifications our properties hold.

ISO and Other Certifications	Properties
ISO 45001:2018 Occupational health and safety management systems	CCB Tower Hengqin Novotown Phase 1
Guideline of China occupational safety and health management system (GB/T 33000-2016) Level 3 Certification	Shanghai Hong Kong Plaza Shanghai May Flower Plaza
Anti-Epidemic Hygiene Measures Certification from HKQAA	CCB Tower

We also provide training and workshops on safety-related risks for all employees, covering all critical aspects of safety management, including fire hazards, safe production practices, and proper equipment usage.

At Hotels

In our hospitality operations, the Safety Committees at Hong Kong Ocean Park Marriott Hotel and Ascott Huaihai Road Shanghai manage health and safety issues by implementing measures to improve the wellness of the employees. Training on how to respond to emergency events, fire hazards and first-aid performing are provided to employees at the hotels we manage. Clear guidelines on emergency medical response are also implemented by the Safety Committees to ensure occupational injuries are properly managed and documented.

Training and Development

In an ever-evolving business environment, the Group recognises the importance of cultivating a lifelong learning culture to maximise employees' potential and align their skills with the latest market standards. Our Staff Handbook outlines the Group's progressive approaches towards employee development and training programs. A wide spectrum of on-the-job learning programs are made available for office and frontline employees to upskill their hands-on experience. To help our officers and supervisory-grade staff improve their communication and other business abilities, staff members at officer grade and above can visit the e-learning platform to learn about problem-solving skills and personality profile analysis that helps improve teamwork and communication.

PEOPLE (CONTINUED)

Training and Development (continued)

To foster talent retention, we value the contribution of our employees. Structured career progression frameworks, inclusive of promotion pathways and formal recognition initiatives such as the Long Service Award, enable employees to cultivate enduring careers within our organisation. To further professional advancement, we offer mentorship programs and leadership development initiatives designed to nurture growth across all levels. Additionally, our government-collaborated internship program serves to identify and develop emerging talent. Together, these measures are designed to cultivate a supportive and growth-oriented workplace, wherein employees can thrive and achieve long-term success.



Beyond internal programs, we also provide financial support if our employees wish to obtain professional qualifications or attend programs that are held externally, as pursuing career interests is vital to one’s professional development.

The Group acknowledges a strong linkage between performance appraisals and employee motivation. With respect to remuneration, we maintain market-competitive compensation through regular salary reviews. Key Performance Indicators (“KPIs”) have been established by most of the business units. To recognise valued performers, the annual performance assessments are carried out. Employees with outstanding performance are offered with job promotions and salary adjustments.

Capacity Building for the Property Business

We place great emphasis on enhancing the performance of our property management teams through all stages of the business cycle. New hires are welcomed with structured onboarding sessions to ensure they are familiarised with organisation policies, people, and the culture. Diverse modules are also made available to improve employees’ operational productivity and efficiency, ranging from fundamental occupational skills such as property safety management and sales knowledge to personal development including English communication and etiquette.

Environmental, Social and Governance Report

PEOPLE (CONTINUED)

Training and Development (continued)

Training Opportunities for Hotel Operations

The Group makes unwavering commitments to employee development and nurturing growth within its hotel operations. During the reporting year, Hong Kong Ocean Park Marriott Hotel continued their sustainable commitments by providing awareness training on Greenkey certificate implementation and running the Foundation of Leadership training for all employees to enhance their societal responsibilities.

In Chinese Mainland, Ascott Huaihai Road Shanghai, Hyatt Regency Hengqin and STARR Hotel Shanghai delivered various programs such as first aid training, handling explosive and combustible objects, handling criminal offense, and customer service training to maintain high customer satisfaction levels. Hyatt Regency Hengqin implemented a range of training initiatives such as skills development and leadership programs to foster a well-rounded workforce. They also continued its Management Trainee Program to onboard and coach talented fresh graduates to become a valuable part of the team.

Regardless of the locations where the Group operates, general training such as first aid programs, fire safety and emergency management, and etiquette training, are delivered. These programs ensure a secure and safe workplace for all employees.

Labour Standards

Creating an equitable, supportive, and motivating workplace is fundamental to our business. On top of the policies stipulated in the Staff Handbook, the Group upholds international labour standards to respect and protect the proclaimed human rights and dignity of our employees. Our Human Resources Department is entrusted with the overall responsibility in overseeing employment-related issues and monitoring compliance with applicable laws. All potential candidates undergo a thorough screening process to ensure their background and relevant information meet the legal standards. The Group provides clear and well-defined employment and labour terms in the employment contract and does not hire employees aged under 15 to prevent forced or child labour within our operations.

Our operations also adhere strictly to laws and regulations related to forced and child labour and overtime work. In Chinese Mainland, employees are compensated according to relevant legal policies in case of any overtime. We also mandate the Group's contractors to comply with the stipulations. Emerging laws and regulations are closely monitored to ensure we are braced for any changes.

The Group was not aware of any non-compliance cases with relevant laws and regulations regarding forced and child labour during the reporting year.

OPERATING PRACTICES



Responsible and Ethical Practices

Responsible Marketing Practices for Property Sales

The Group implements necessary measures to avoid providing any inaccurate information to our customers. We make sure all sales brochures, price lists, show flats, advertisements and sales arrangements are in strict compliance with Chapter 621 Residential Properties (First-Hand Sales) Ordinance in Hong Kong. In a bid to prevent any potential misrepresentation in our marketing materials, the contents are reviewed by external and internal solicitors as well as professional checkers. Sales Management will conduct regular meetings and reviews to all the advertisements to make sure they are in strict compliance with the Ordinances before granting consent for publication.

All Hong Kong property sales staff must acquire a salesperson's or estate agent's license and comply with the rules and regulations of the Estate Agents Ordinance, including its subsidiary legislations, the Code of Ethics, and any other guidelines issued by the Estate Agents Authority during their practices. The Sales Team is required to adhere to the best practices guidelines outlined in the Practice Notes recommended by the Sales of First-hand Residential Properties Authority periodically. The Group obtains official sales consent from the Legal Advisory and Conveyancing Office ("LACO") of Lands Department before publicly selling first-hand residential properties, relying on strict adherence to local government laws and regulations. In Chinese Mainland, the Group also adheres to the relevant real estate market laws and regulations to protect consumer rights under the "Urban Real Estate Administration Law of the PRC".

When compiling marketing materials, various departments including finance, project management, sales and marketing collaborate to ensure an accurate and fair representation of the project planning and surrounding facilities. As a monitoring strategy, the Group also consults our legal and management teams on marketing materials, ensuring our external promotions are free from exaggeration, false claims, and misleading information.

During the reporting year, the Group abided by relevant laws and regulations in Hong Kong and Chinese Mainland regarding the sales process of the properties and the marketing materials, with no material breaches.

Responsible Marketing Practices for Food and Beverage Services

By upholding responsible and ethical principles in our businesses, the Group takes specific measures to cater to different needs of our customers. To accommodate customers with food allergies, we include a reminder on our menus to encourage them to inform servers of their food allergy. The restaurant in charge will discuss with chefs to meet customers' specific dietary needs. During the reporting year, there were no material breaches with relevant laws and regulations regarding our marketing practices in food and beverage operations.

Environmental, Social and Governance Report

OPERATING PRACTICES (CONTINUED)

Service Excellence

Delivering Excellent Property Management Services

The Group aspires to offer customers with high-quality services in the property management operations. The Group periodically sends questionnaires to customers to collect their opinions and understand their satisfaction level on the Group's services, including customer service, security service, environmental greening and construction management. Various properties have obtained certificates related to quality management and service excellence, ensuring their standards are in alignment with the industry leading practice:

ISO and Other Certifications	Properties
ISO 9001:2015 Quality management systems	Shanghai Hong Kong Plaza Guangzhou May Flower Plaza Guangzhou West Point Hengqin Novotown Phase I Cheung Sha Wan Plaza CCB Tower
2024 Zhuhai Property Management Demonstration Project and Safety Excellent Management Unit	Hengqin Novotown
Advanced Property Management Community and Excellent Unit	Zhongshan Palm Spring

We maintained a high customer satisfaction rate across our properties during the reporting year. Notably, the ten surveyed properties in Shanghai, Guangzhou, Zhongshan and Hong Kong received a customer satisfaction score that exceeded 95%.

In the long run, the Group understands that all feedback received is essential to improving the quality of property management services. To further enhance employee performance, Guangzhou, Shanghai and Hengqin operations have provided employees with customer service training. The Group continues to offer "Seasonal Star Award" to encourage frontline employees to maintain excellent work performance. Award-winning employees will receive bonuses and certificates issued by senior management.

The Group has put in place a set of standard complaint handling guidelines and procedures to guide the frontline staff to professionally handle complaints from customers and tenants. The Hong Kong complaint management policies are aligned to guidelines issued by the Property Management Services Authority. A person-in-charge is appointed to formally process the complaint to a complaint register, and supervise its handling and follow-up actions. We will retain all complaint information and documents for at least 3 years from the complaint's receipt. However, anonymous complaints or those pertaining to matters that occurred over 12 months ago will not be addressed, but records will be kept for future reference.

OPERATING PRACTICES (CONTINUED)

Service Excellence (continued)

Delivering Excellent Property Management Services (continued)

At Hengqin Novotown Phase I, complaints are categorised by severity and promptly assigned to relevant departments for investigation and response. Major complaints are escalated to the General Manager for resolution and improvement. Additionally, the team compiles a monthly summary of customer complaints, which is then submitted to the customer service manager and general manager for analysis and future improvement purpose.

We value customers' feedback on our customer service, so we have set up a customer complaint box and customer service hotline to understand their opinions and expectations on our services. During the reporting year, our properties from Chinese Mainland and Hong Kong received a total of 35 complaints. Our property management teams have followed up on the complaints received and taken appropriate and detailed actions. For instance, in response to concerns regarding electromechanical system malfunctions and cleanliness within our community, we have strengthened facility and equipment inspections, ensure sufficient spare parts inventory for timely replacements and supervised daily cleaning quality with unannounced inspections at least three times weekly, a "10-minute" emergency response mechanism is also established.

The Group promotes direct communication with the complainants to ensure relevant complaints are properly followed up and resolved. All complaints will be duly filed to ensure future improvements of the Group.

Maintaining Excellent Services in Food and Beverage and Hotel Operations

For hotel and restaurant operations, we uphold a customer-first principle to provide personalised services whilst safeguarding the safety of both customers and employees. The Group endeavours to identify potential complaints as early as possible and adopt timely corrective actions upon receiving the complaints. Every member of the management team is well trained to handle complaints in various circumstances. As stated in the Group's management policy, we require pertinent employees to submit daily incident reports to the headquarters to ensure all issues are properly followed up.

To improve customer satisfaction at our restaurants, our restaurant in-charge will engage with dine-in customers and obtain their feedback directly to ensure we address their concerns and follow up timely. Additionally, a separate email address has been provided on the company website for customers to leave comments. Every comment will be forwarded to the department head to follow up accordingly.

To monitor the quality of our services at hotels, we strive to collect customer feedback via various channels. For instance, Ascott Huaihai Road Shanghai's customer satisfaction surveys are distributed to guests through email after the check-out procedure, achieving the latest satisfaction score of 87. All service quality-related complaints are recorded by our front desk team, and the team manager promptly notifies the operations team and initiates discussion on appropriate remedial measures and improvement suggestions. Furthermore, Hong Kong Ocean Park Marriott Hotel has an online system "Guest Voice" for customers to express their opinions after staying with the hotel. Follow-up actions are taken within 24 hours upon receiving comments to ensure customers' feedback can be properly responded to.

Environmental, Social and Governance Report

OPERATING PRACTICES (CONTINUED)

Service Excellence (continued)

Maintaining Excellent Services in Food and Beverage and Hotel Operations (continued)

Hong Kong Ocean Park Marriott Hotel has been awarded several awards including The Most Outstanding Hotel Accommodation Service of the Year from the Hong Kong Commercial Times Business Award 2024, Best Family Hotel by Voyage Hotel & Resort Awards and listed on the “Must-Stay List” by Dianping, and many more. These awards serve as a recognition to our unwavering commitment towards service excellence and customer satisfaction.

With the aim of encouraging employees to provide high quality services, our hotels also regularly evaluate and appraise their performance. Ascott Huaihai Road Shanghai conducts biannual performance evaluations to improve employees’ service awareness. While Hyatt Regency Hengqin has set up the Hyatt Star Awards for outstanding employees to redeem points for complimentary meals and services.

During the reporting period, the Group abided by the relevant laws and regulations regarding the provision of lodging services.

Ensuring Customer Satisfaction for Cinema Operations and Entertainment Business

The Group gathers feedback from customers of cinema and entertainment businesses through various channels, such as hotlines, emails, and social media platforms. All comments and complaints are handled by our customer service representatives. We also ensure that customers’ enquiries are responded within a specified service target time. All communications with customers are overseen by the management team to ensure timely and reasonable responses.

In Hong Kong, the Group adheres to the Standard Operating Procedure to provide quality customer services. We provide customer service training for all employees including monthly complaint cases and guidelines, weekly site visits by operation managers. Aside from a centralised hotline, our operation managers quickly respond to customer feedback on-site and, if necessary, divert it to headquarters for further follow-up. During the reporting year, the Group abided by the relevant laws and regulations regarding film censorship and there were no major complaints in the entertainment business received by the Group during the reporting year.

OPERATING PRACTICES (CONTINUED)

Customer Health and Safety

The Group understands the importance of safeguarding health and safety, and has taken various preventive actions. For instance, special technicians are employed for equipment maintenance and fire drills are held for tenants and employees.

Ensuring Customer Health and Safety in Property Management Services

In our managed properties, we have implemented strict measures to ensure the health and safety of our customers and staff. We maintain air quality with purifiers installed in all bathrooms within Cheung Sha Wan Plaza. At CCB Tower, electricity, drainage and HVAC assessments were conducted to evaluate and ensure the condition of the building's installations.

Further examples from our properties in Chinese Mainland includes air-conditioning water quality testing, regular cleaning of grease ducts, domestic water tank cleaning and water quality testing in Guangzhou, and daily inspections for fire safety, regular inspections of safety hazards and engagement of qualified units to ensure the safety of equipment operation warning in Zhongshan. Regular campaigns are also held to promote tenant's awareness on fire safety regulations and falling objects from height. On-site inspections are also conducted to remove discarded items from common areas and tenants engagements are carried out to address the disputes.

Ensuring Customer Health and Safety in Hotel Operations

Our staff are trained in handling theft, violent incidents, and hazardous materials. For example, at Hyatt Regency Hengqin, we passed the annual system certification audit of ISO 22000:2018 Food safety management systems required by the Hyatt Group and underwent a professional inspection by the authoritative organisation – Intertek. As part of the Marriott International corporate standard, Hong Kong Ocean Park Marriott Hotel requires employees to undergo various training, including fire safety, first aid and emergency plan training, ensuring a safe environment for our guests. Additionally, we obtained a pass in the annual third-party food safety audit conducted by Ecolab.

Safety and Hygiene in Food and Beverage Services and Cinema Operations

Food safety is crucial to our food and beverage and cinema operations. To maintain a high standard of food hygiene, the management staff are appointed as hygiene supervisors in accordance with the Hygiene Manager and Hygiene Supervisor Scheme by the Food and Environmental Hygiene Department. The Group conducts frequent internal audits to monitor the quality of the food being served to customers while providing staff with checklists on proper food handling procedures. The Group primarily purchases food from authorised suppliers to enhance source traceability and control. The Group will keep informed on the latest government regulations and announcements, including the notice of the Centre for Food Safety, and will act swiftly to address relevant issues.

During the reporting year, the Group abided by the relevant laws and regulations regarding food safety and hygiene with no recorded incidents of non-compliance.

Environmental, Social and Governance Report

OPERATING PRACTICES (CONTINUED)

Data Protection and Privacy

The Group endeavours to build a trusting relationship with its customers by protecting their privacy. When handling personal data and confidential data, the Group fully abides by Chapter 486 Personal Data (Privacy) Ordinance in Hong Kong and the Cybersecurity Law of the PRC strictly. Personal and confidential data will be handled with caution, and the Group only collects personal data from its employees, suppliers or customers when necessary. Data providers are well-informed and required to sign a Personal Information Collection Statement before or when their personal information is collected. The practice is also communicated to our business partners and clients to avoid confusion. During the reporting year, there were no confirmed incidents concerning breaches with data privacy.

Property Business

The Group has established policies and procedures to protect customer data, including the existing Group Information Technology (“GIT”) Operation Manual and the Lai Fung Holdings (Guangzhou) Information Management System Policy. Moreover, the Group has implemented a set of written procedures to provide guidance for property sales and management on personal data collection and handling. All information collected is stored in a strictly confidential manner and only for sales purposes. Data obtained during the sales process, including Personal Data Collection Statement, all personal data and sales records, are stored in the internal system of the Group, accessible only by management-level employees. Other staff must gain permission from the management before accessing the system to browse customer information. Terms regarding personal data privacy of employees, and information protection awareness for employees engaging with operations data and technology, are outlined in our Staff Handbook.

Food and Beverage Operations

The Group’s food and beverage operations follow the Information Protection & Cyber Security Policy, the Information Protection Awareness Guide, and comply with the Payment Card Industry Data Security Standard.

Hotel and Cinema Operations

While the Group provides personalised and superior services to customers, information security maintains the top priority. Various data handling procedures and policies are in place to standardise the data collection procedures in our hotel operations. For example, we respect the confidentiality of customers’ personal data and only store confidential data under the discretion of our customers. Other data handling procedures and policies include the Information Protection & Cyber Security Policy, the Information Protection Awareness Guide and compliance with the Payment Card Industry Data Security Standard. Additionally, the Group provides rigorous training of the above-mentioned content to its employees to ensure they are aware of the guidelines.

OPERATING PRACTICES (CONTINUED)

Data Protection and Privacy (continued)

Hotel and Cinema Operations (continued)

In our cinema operations, the customers' personal data, including their names, birth dates, emails and telephone numbers, is solely collected for necessary use to manage customer memberships. Customers' acknowledgement of the Personal Information Collection Statement and Privacy Policy Statement is required prior to their enrolment in the loyalty program. The statements outline appropriate steps and procedures for data collection and disposal for all relevant staff. No marketing materials will be sent to individuals who have not subscribed without their permission. For our online ticketing system, access rights are strictly monitored and reviewed regularly, to ensure that only authorised personnel have access to the database. All data in the online ticketing system is stored in the head office's database to minimise access points. The Group collects only minimal personal information of customers for potential refunds and ticket redemption. After the service is completed, all personally identifiable information will be securely destroyed.

Supply Chain Management

To ensure the quality of our products and services, the Group adheres to the principles of transparency and fairness in our tendering process, as well as supply chain operation and management. We achieve this by working closely with all business partners and selecting suppliers based on various attributes, such as their quality, strength and experience.

ESG Considerations in Selecting Contractors

The Group has established a comprehensive tendering procedure that specifies the required quotation for construction projects in different scales. Contractors are required to comply with the Group's standards and local regulations. For example, we ensure that our construction contractors have obtained necessary legal permits or licenses required for their operations in Hengqin.

We established collaborative supply chain system to enhance the transparency among internal companies and departments. We increase the number of high-quality suppliers while reducing our dependencies on single-sourced suppliers. Our comprehensive supplier assessment framework guides us to evaluate various performance metrics including product quality, delivery timeliness and pricing regularly. We also assess the potential safety hazards and greenwashing practices of our suppliers. The Group has included the related environmental and safety performance selection criteria in the tendering process that evaluates whether the contractor's environmental and safety practices meet our standards. The high-pollution raw materials are prohibited, and priority is given to environmentally compliant materials, such as sustainable and biodegradable materials.

In our Shanghai properties, whenever there is renovation, all selected contractors are required to submit an Environmental Management Plan and a Safety Management Plan to guarantee that the relevant procedures are effectively carried out. New tenants and outsourced contractors must also sign a subcontractor construction safety agreement. New suppliers are required to sign a confirmation to acknowledge our environmental protection requirements to ensure their compliance.

Environmental, Social and Governance Report

OPERATING PRACTICES (CONTINUED)

Supply Chain Management (continued)

ESG Considerations in Selecting Contractors (continued)

To minimise the negative environmental impacts, contractors must follow mitigation measures outlined in the Environmental and Safety Management Plan and Environmental Impact Assessment. Regular site visits are conducted by the management team to discuss the quality of the project and the environment, health and safety conditions with the building services inspectors, project supervisors, resident site engineers, and other members of the site management team as well as authorised third-party consultants. Furthermore, we will also examine our contractors on their professional and technical capabilities to conduct construction to the Group's standards outlined in the signed letter of commitment.

Selecting Sustainable Suppliers for Hotels

The Group has established a standardised procurement procedure for supplier selections for hotels. For example, at Ascott Huaihai Road Shanghai, suppliers must meet the requirements for waste management, material usage, and safety equipment as mentioned in the hotel's Sustainable Building Guideline and Occupational Health and Safety Plan. At Hong Kong Ocean Park Marriot Hotel, briefings, interviews, and other procedures are performed before tendering and bidding. Hyatt Regency Hengqin selects suppliers based on the Hyatt Group's supplier code of conduct to align with Hyatt's environmental, social, governance initiatives. The verification of the suppliers' acknowledgement of our Code of Conduct must be received by our hotel partners before the bidding process to guarantee that suppliers agree to our compliance requirements.

Responsible Food Sourcing and Sustainable Supply Chain in Food and Beverage Services

To enhance procurement efficiency, we have developed an e-procurement system. All suppliers must declare their compliance with Hong Kong laws and regulations during the registration process and adhere to our group-wide Supply Chain Management Policy that sets consistent standards across all business sectors for ethical conduct, environmental stewardship, and social responsibility. These requirements are fully integrated into our procurement processes. We maintain a structured due diligence process featuring supplier onboarding evaluations and ongoing monitoring to systematically identify and address risks, with a particular focus on high-risk suppliers and geographies where we implement corrective actions when needed.

The Group carefully selects responsible sources of food for our restaurants with regular inspections. In some of our restaurant outlets, we sourced sustainable seafood and used cage-free eggs, which reflects our commitment to responsible sourcing and animal welfare, while also supporting environmentally conscious suppliers. Sustainable procurement in our food and beverage operations is monitored through supplier self-assessments, third-party certifications, and internal approval workflows. During onboarding and through periodic audits, we verify compliance with our ethical sourcing standards, including documentation of relevant certification.

Our restaurants in Hong Kong Ocean Park Marriott Hotel have partnered with WWF to offer guests a selection of sustainably sourced seafood, guided by the WWF Seafood Guide, to promote responsible consumption lifestyles and sustainable procurement. The Hyatt Food Safety Management System has been adopted in the hotel in Hengqin with a view to extending our influence for a more sustainable supply chain. This includes procurement control procedures, identification and traceability control procedures and food fraud prevention and elimination procedures in selecting new suppliers.

OPERATING PRACTICES (CONTINUED)

Supply Chain Management (continued)

Responsible Food Sourcing and Sustainable Supply Chain in Food and Beverage Services (continued)

Furthermore, suppliers that can provide Aquaculture Stewardship Council (“**ASC**”), Marine Stewardship Council (“**MSC**”) or organic-certified food with ISO or Hazard Analysis Critical Control Points (“**HACCP**”) certification will be prioritised to ensure responsible food sourcing. Our existing suppliers are also subject to regular on-site visits to monitor their environmental and social compliances and evaluate any relevant initiatives.

COMMUNITY



As a responsible corporate entity, the Group recognises that our success is closely linked to the well-being and engagement of the communities in which we operate. We remain committed to fostering a vibrant and inclusive community. Our dedication to corporate social responsibility drives us to engage meaningfully with various stakeholders. Throughout the reporting year, we have undertaken a variety of initiatives focused on engaging with underprivileged groups, supporting local development through donations and assisting charitable organisations through voluntary services. We reinforce our beliefs that sustainable development goes hand in hand with community development and we are dedicated to continuously uplifting our community.

In Chinese Mainland, the Group has actively participated in various community outreach events aimed at making positive contributions to society. The Group also encourages our employees to dedicate their time to local charities. For example, we organised an elderly visit during Mid-Autumn Festival, where we brought festive gifts and shared the joy with the elderly. The Group also collaborates with various non-governmental organisations, such as ethnic minority associations and special education schools, to help them integrate into the community and gain hands-on work experience through internship and trainee programs. Furthermore, we donated to support rural revitalisation and community improvement in Meihua Village.

In Hong Kong, the Group is committed to encouraging our employees to engage in a variety of impactful community initiatives. This year, we continue to support the Hong Kong Young Women’s Christian Association by participating in their elderly visit during Mid-Autumn Festival. To further our commitment to local causes and promote traditional culinary arts, we collaborated with Chi Lin Nunnery to organise a fortune pastry charity sale for fundraising purposes. Alongside these initiatives, we continued the Serve360 Sustainability Program to provide aid and support to those in need, and participated in food donation projects.

Our involvement in these activities reflects our strong dedication to contributing to the community and bringing positive impact to the society.

Environmental, Social and Governance Report

SUMMARY OF ENVIRONMENTAL PERFORMANCE^{Note 3, 4}

Reporting Scope

Hong Kong Property Investment		Food and Beverage	
• CCB Tower • Cheung Sha Wan Plaza	• Causeway Bay Plaza 2 • Lai Sun Commercial Centre	• Beefbar • China Tang Landmark • Howard’s Gourmet • Chiu Tang Central • ZEST by Konishi • KiKi Noodle Bar IFC • KiKi Noodle Bar K11 MUSEA • Canton Bistro • Chiu Bistro* • Academia* • HANU* • bibigo bapsang*	• Prohibition • MOSU Hong Kong • Yamato • Akatsuki* • SẾP • KiKi Noodle Bar OP Mall • KiKi Noodle Bar Hysan Place • Kanesaka Hong Kong • Plaisance by Mauro Colagrecó
Hong Kong Property Development		Cinema	
• 116 Waterloo Road project	• 79 Broadcast Drive project • 1 Kotewall Road project	• Movie Town • Festival Grand Cinema • MCL Metro City Cinema • MCL Telford Cinema • STAR Cinema • Grand Kornhill Cinema • MCL Green Code Cinema	• Grand Windsor Cinema • MCL Cheung Sha Wan Cinema • MCL Cyberport Cinema • K11 Art House • MCL Citygate Cinema • MCL Amoy Cinema • MCL The ONE Cinema • MCL AIRSIDE Cinema • MCL Cinemas Plus+ Plaza Hollywood
Chinese Mainland Property Investment			
• Shanghai Hong Kong Plaza • Shanghai May Flower Plaza • Shanghai Regents Park • Guangzhou May Flower Plaza • Guangzhou West Point	• Guangzhou Lai Fung Tower • Zhongshan Palm Spring • Hengqin Novotown Phase I • Guangzhou Lai Fung International Center • Shanghai Skyline Tower		
Chinese Mainland Property Development			
• Hengqin Novotown Phase II			
Media & Entertainment			
Included in Cheung Sha Wan Plaza			

* Newly added assets in FY24/25

Note 3: Calculations are based on method and conversion factor mentioned in "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs (version updated on 31 Dec 2024)" by the Stock Exchange and Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 edition), unless otherwise specified.

Note 4: Compared with the year ended in 31 July 2024, Alto Residences, The Parkland (Previously named as Tai Kei Leng project), CIAK – In the Kitchen, CIAK – All Day Italian, Takumi by Daisuke Mori, Old Bazaar Kitchen, China Tang Beijing, ADD+, Rozan, KiKi Lu Wei, Wyler Centre and MCL South Horizons Cinema were removed from the reporting scope.

SUMMARY OF ENVIRONMENTAL PERFORMANCE^{Note 3, 4} (CONTINUED)

	Units	Total ^{Note 5}		Hong Kong Property Investment		Hong Kong Property Development ^{Note 6}		Chinese Mainland Property Investment		Chinese Mainland Property Development ^{Note 7}		Food & Beverage		Cinema		Entertainment	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
A1.1 The types of air emissions and respective emissions data																	
Nitrogen oxides ("NOx" emissions)	kg	1,572	1,760	0	0	196	57	1,322	1,622	0	0	52	80	0	0	2	1
Sulphur oxides ("SOx" emissions)	kg	0.89	1.11	0	0	0.21	0.19	0.34	0.44	0	0	0.26	0.28	0	0	0.08	0.20
Particulate matter ("PM" emissions)	kg	15.14	5.10	0	0	14	4	1	1	0	0	0	0	0	0	0.14	0.10
Total air emissions	kg	1,588.03	1,766.21	0	0	210.21	61.19	1,323.34	1,623.44	0	0	52.26	80.28	0	0	2.22	1.30
A1.2 GHG emissions in total and intensity^{Note 8}																	
Direct GHG emissions (Scope 1)	tonnes CO ₂ e	2,580	2,640	2	2	499	142	1,378	1,707	0	0	686	755 ^{Note 9}	0	0	15	34
Indirect GHG emissions (Scope 2)	tonnes CO ₂ e	83,514	78,988	8,471	9,390	96	24	69,696	63,158	624	313	2,281	3,068 ^{Note 9}	2,324	2,968	22	67
Total GHG emissions	tonnes CO₂e	86,094	81,628	8,473	9,392	595	166	71,074	64,865	624	313	2,967	3,823^{Note 9}	2,324	2,968	37	101
GHG emissions intensity	tonnes CO₂e/m²	-	-	0.05	0.06	0.05	0.01	0.05	0.04	0.003	0.001	7.85^{Note 10}	-	0.05	0.03	0.03	0.03

Note 5: Hotel operations were excluded in scope since the Group does not have its operational control.

Note 6: 116 Waterloo Road project was excluded from data calculation due to cease of project work.

Note 7: No recorded waste as waste disposed and recycled are handled by contractor.

Note 8: Natural gas is calculated with reference to "Emission Factors for Greenhouse Gas Inventories" by US EPA.

Note 9: Data was restated to reflect actual situation.

Note 10: The unit of intensity is calculated in millions of revenue in 2025.

Environmental, Social and Governance Report

SUMMARY OF ENVIRONMENTAL PERFORMANCE Note 3, 4 (CONTINUED)

Units	Total Note 5		Hong Kong Property Investment Note 6		Hong Kong Property Development Note 6		Chinese Mainland Property Investment		Chinese Mainland Property Development Note 7		Food & Beverage		Cinema		Entertainment	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
A1.3 Total hazardous waste produced and intensity																
Total hazardous waste produced Note 11	1,542	1,774	830	743	7	9	590	878	0	0	0	0	108	128	7	16
Percentage of hazardous waste recycled	34	25	59	57	100	100	4	2	0	0	0	0	0	0	52	0
Hazardous waste intensity	-	-	0.005	0.005	0.001 Note 12	0.001 Note 12	0.001 Note 13	0.001 Note 13	0	0	0	-	0.002	0.003	0.005	0.005
A1.4 Total non-hazardous waste produced and intensity																
Construction waste disposed Note 14	9,413 Note 15	6,050	N/A	N/A	4,135	664	5,275	5,383 Note 9	N/A	N/A	N/A	N/A	N/A	N/A	3	3
Food waste disposed Note 16	5,254	5,822	N/A	N/A	N/A	N/A	5,252	5,808	N/A	N/A	2	14	N/A	N/A	N/A	N/A
General waste produced	19,054	20,196	7,150	7,312	N/A	N/A	11,843	12,820 Note 9	N/A	N/A	0	2	60	60	1	2
Total non-hazardous waste produced (including recycling waste)	34,919	32,383	7,170	7,331	5,303	944 Note 9	22,370	24,011 Note 9	N/A	N/A	12	32	60	60	4	5
Percentage of non-hazardous waste recycled	3.43	0.11	0.28	0.26	22	30 Note 9	0	0	N/A	N/A	85	50	0	0	0	0
Non-hazardous waste produced intensity	-	-	46	45	450	60 Note 9	15	16	N/A	N/A	42.10 Note 10, 17	-	1.39	1.32	2.91	1.78

Note 11: Hazardous waste produced includes fluorescent lamps, chemicals, and toner cartridge waste disposed.

Note 12: 1 Kotewall Road Project was excluded from data calculation due to absence of data.

Note 13: Guangzhou Lai Fung Tower and Zhongshan Palm Spring Rainbow Mall were excluded from data calculation due to absence of data.

Note 14: Construction waste includes renovation waste, general construction waste, soil excavation, concrete, bricks, timber and steel.

Note 15: The fluctuation is due to the commencement of piling and superstructure works in the Hong Kong Property Development, which generates significant inert construction waste.

Note 16: Food waste includes waste oil.

Note 17: MOSU Hong Kong, Yamato, ZEST by Konishi, Chiu Bistro, China Tang Dubai, Kiki Noodle Bar Hysan Place and Academia were excluded from data calculation in 2025 due to absence of data.

SUMMARY OF ENVIRONMENTAL PERFORMANCE ^{Note 3, 4} (CONTINUED)

	Units	Total ^{Note 5}		Hong Kong Property Investment		Hong Kong Property Development ^{Note 6}		Chinese Mainland Property Investment		Chinese Mainland Property Development ^{Note 7}		Food & Beverage		Cinema		Entertainment	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
A2.1 Direct and/or indirect energy consumption by type in total and intensity																	
Electricity consumption	mWh	148,892	139,904	18,041	18,887	259	62	119,959	108,706	1,075	539	3,743	4,764	5,754	6,773	61	173
Gas consumption ^{Note 8}	mWh	10,839	12,846	N/A	N/A	N/A	N/A	7,257	8,906	N/A	N/A	3,582	3,940	N/A	N/A	N/A	N/A
Diesel oil consumption	mWh	2,196 ^{Note 9}	646	8	8 ^{Note 9}	2,181	579	7	59	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gasoline consumption	mWh	278	419	N/A	N/A	N/A	N/A	223	288	N/A	N/A	N/A	N/A	N/A	N/A	55	131
Total energy consumption	mWh	162,205	153,815	18,049	18,895 ^{Note 9}	2,440	641	127,446	117,959	1,075	539	7,325	8,704	5,754	6,773	116	304
Energy consumption intensity	kWh/m ²	-	-	117	115	207	41	86	79	4.31	2.16	19,390 ^{Note 10}	-	132	149	79	100
A2.2 Water consumption in total and intensity																	
Total water consumption ^{Note 20}	m³	1,505,775	1,445,336	101,380	111,869	3,682	872	1,246,972	1,217,050	84,206	23,660	62,308	85,011	7,192	6,874	35	N/A
Water consumption intensity	m ³ /m ²	-	-	0.66	0.68	0.31	0.08 ^{Note 9, 12}	0.84	0.82	0.34	0.09	164.94 ^{Note 10}	-	0.20	0.17	0.02	N/A

Note 18: Gas consumption includes natural gas and towngas.

Note 19: The fluctuation is due to the project from Hong Kong Property Development entering the pile construction phase, which involves a wider range of heavy machinery.

Note 20: Grand Kornhill Cinema and MCL Cyberport Cinema were excluded from the scope of both financial years as their water consumption is managed by the central management of the property and there are no separate water meter for the cinemas. MCL Cinemas Plus+ Plaza Hollywood was also excluded in 2025 with no data availability due to operation closure.

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SUMMARY OF SOCIAL PERFORMANCE

The Group Note 21	Units	2025	2024
B1.1 Total workforce by gender, employment type, age group and geographical region (excluding contractors and subcontractors)			
Number of employees	No. of people	4,086	4,461
By gender			
Male	No. of people	2,267	2,450
Female	No. of people	1,819	2,011
By age group			
Below 30	No. of people	1,084	1,290
30-50	No. of people	1,993	2,140
Above 50	No. of people	1,009	1,031
By employment type			
Full time - Male	No. of people	1,975	2,147
Full time - Female	No. of people	1,653	1,658
Part time - Male	No. of people	226	303
Part time - Female	No. of people	232	353
By geographical region			
Hong Kong	No. of people	2,077	2,360
Chinese Mainland	No. of people	1,420	1,550
Other	No. of people	589	551
B1.2 Employee turnover rate by gender, age group and geographical region Note 22			
Total employee turnover rate	%	38	48
By gender			
Male	%	38	49
Female	%	37	47
By age group			
Below 30	%	64	72
30-50	%	28	37
Above 50	%	28	40
By geographical region			
Hong Kong	%	47	60
Chinese Mainland	%	33	39
Other	%	19	23
Employee retention			
Long tenure employees (over 15 years)	%	11	–

Note 21: The reporting scope Summary of Social Performance includes Lai Sun Development Company Limited and its subsidiaries.

Note 22: Turnover rate (in percentage) = Total number of employees leaving employment in the category/ Total number of employees in the category × 100% , which includes all full-time and part-time employees.

SUMMARY OF SOCIAL PERFORMANCE (CONTINUED)

The Group ^{Note 21}	Units	2025	2024
B2.1 Number and rate of work-related fatalities ^{Note 23}			
Number of work-related fatalities	No. of fatalities	0	0
Rate of work-related fatalities	%	0	0
B2.2 Lost days due to work injury			
Number of lost days	No. of lost days	1,867 ^{Note 24}	872
Number of attendees trained by gender and employee category			
By employee category			
Senior management	No. of attendees	177	150
Middle management	No. of attendees	1,205	1,216
General staff	No. of attendees	11,511	11,884
By gender			
Male	No. of attendees	7,485	7,579
Female	No. of attendees	5,408	5,671
B3.2 The average training hours completed per employee by gender and employee category ^{Note 25}			
By employee category			
Senior management	No. of hours	14	13
Middle management	No. of hours	26	24
General staff	No. of hours	24	24
By gender			
Male	No. of hours	25	24
Female	No. of hours	23	23
B5.1 Number of suppliers by geographical region			
Hong Kong	No. of suppliers	877	921
Chinese Mainland	No. of suppliers	770 ^{Note 26}	1,019
Other	No. of suppliers	52	73
B8.2 Resources contributed to community investment			
Cash donations	HKD	4,346,808	3,957,136
Volunteering hours	Hours	697	532 ^{Note 9}

Note 23: Number and rate of work-related fatalities occurred in each of the past three years including the reporting year was 0.

Note 24: The number of lost days increased due to more injury cases and longer recovery time.

Note 25: Average number of training hours per employee = Total training hours in the category/Total workforce in the category.

Note 26: The number of suppliers reduced due to business closures for some operations.

Environmental, Social and Governance Report

REFERENCES TO HKEX ESG REPORTING CODE

Subject Areas, Aspects, General Disclosures and KPIs		Sections/Remarks
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Integrating Environmental Sustainability into Our Operations; Climate Resilience and Greenhouse Gas Emissions; Waste
A1.1	The types of emissions and respective emissions data.	Summary of Environmental Performance
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). <i>Note: Repealed on 1 January 2025</i>	Summary of Environmental Performance
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Summary of Environmental Performance
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Summary of Environmental Performance
A1.5	Description of emission target(s) set and steps taken to achieve them.	Integrating Environmental Sustainability into Our Operations; Climate Resilience and Greenhouse Gas Emissions; Waste
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Integrating Environmental Sustainability into Our Operations; Waste
Aspect A2: Greenhouse Gas Emissions and Energy (1)		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Integrating Environmental Sustainability into Our Operations; Climate Resilience and Greenhouse Gas Emissions; Energy
A2.1	Direct and/or indirect consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Summary of Environmental Performance
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Summary of Environmental Performance
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Integrating Environmental Sustainability into Our Operations; Climate Resilience and Greenhouse Gas Emissions; Energy
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water; No water efficiency targets are in place during the reporting year.
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The use of packaging materials for finished products is not applicable to majority of the Group's businesses.

REFERENCES TO HKEX ESG REPORTING CODE (CONTINUED)

Subject Areas, Aspects, General Disclosures and KPIs		Sections/Remarks
A. Environmental		
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Integrating Environmental Sustainability into Our Operations
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Integrating Environmental Sustainability into Our Operations; Climate Resilience and Greenhouse Gas Emissions; Energy; Waste; Water
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. <i>Note: Repealed on 1 January 2025</i>	Integrating Environmental Sustainability into Our Operations
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. <i>Note: Repealed on 1 January 2025</i>	Integrating Environmental Sustainability into Our Operations
B. Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment Practices; Employee Welfare
B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Summary of Social Performance
B1.2	Employee turnover rate by gender, age group and geographical region.	Summary of Social Performance
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Summary of Social Performance
B2.2	Lost days due to work injury.	Summary of Social Performance
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	During the reporting year, only the number of attendees was being recorded and disclosed.
B3.2	The average training hours completed per employee by gender and employee category.	Summary of Social Performance

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REFERENCES TO HKEX ESG REPORTING CODE (CONTINUED)

Subject Areas, Aspects, General Disclosures and KPIs		Sections/Remarks
B. Social		
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
B4.2	Description of steps taken to eliminate such practices when discovered.	The Group does not tolerate any use of child or forced labour and has established procedures to ensure that no child or forced labour is engaged.
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
B5.1	Number of suppliers by geographical region.	Summary of Social Performance
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Responsible and Ethical Practices; Service Excellence; Customer Health and Safety; Data Protection and Privacy; Intellectual Property Rights
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to the Group's businesses.
B6.2	Number of products and service related complaints received and how they are dealt with.	Service Excellence
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Rights
B6.4	Description of quality assurance process and recall procedures.	Service Excellence
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Data Protection and Privacy

REFERENCES TO HKEX ESG REPORTING CODE (CONTINUED)

Subject Areas, Aspects, General Disclosures and KPIs		Sections/Remarks
B. Social		
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Integrity and Discipline
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Integrity and Discipline
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Integrity and Discipline
B7.3	Description of anti-corruption training provided to directors and staff.	Integrity and Discipline
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community
B8.2	Resources contributed (e.g. money or time) to the focus area.	Summary of Social Performance

Corporate Governance Report

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 from time to time in the Corporate Governance Code ("**CG Code**") contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**" and "**Stock Exchange**", respectively).

(1) CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions set out in the CG Code for the year ended 31 July 2025 ("**Year**") save for the deviation from code provision F.1.3.

Under code provision F.1.3, the chairman of the board should attend the annual general meeting.

Due to other pre-arranged business commitments which must be attended to by Dr. Lam Kin Ngok, Peter, the Chairman, he was not present at the annual general meeting of the Company ("**AGM**") held on 13 December 2024. Mr. Cheung Sum, Sam, an executive director of the Company ("**ED**") and the Group Chief Financial Officer, who was present at that AGM, was elected chairman of that AGM pursuant to Article 71 of the articles of association of the Company ("**Articles of Association**"), to ensure effective communication with the shareholders of the Company ("**Shareholders**") thereat.

(2) CORPORATE CULTURE AND STRATEGY

The Company acts as an investment holding company and the principal activities of its subsidiaries (together with the Company, "**Group**") include property investment, property development, investment in and operation of hotels and restaurants, production and distribution of films and TV programs, music production and publishing, management and production of concerts, artiste management, cinema operation, development and operation of and investment in cultural, leisure, entertainment and related facilities and investment holding. As a group with diversified businesses, by recognising the importance of stakeholders at the Board level and throughout the Group, we strive to provide high quality and reliable products and services, and to create values to the stakeholders through sustainable growth and continuous development.

The board of directors of the Company ("**Board**" and "**Directors**", respectively) has set out the following values to provide guidance on employees' conduct and behaviours as well as the business activities, and to ensure they are embedded throughout the Company's vision, mission, policies and business strategies:

- (i) Integrity — we strive to do what is right;
- (ii) Excellence — we aim to deliver excellence;
- (iii) Collaboration — we are always better together;
- (iv) Accountability — we are accountable for delivering on our commitments;

(2) CORPORATE CULTURE AND STRATEGY (CONTINUED)

- (v) Empathy — we care about our stakeholders – employees, customers, supply chain and the community; and
- (vi) Sustainability — we are committed to a sustainable future.

The Group will continuously review and adjust, if necessary, its business strategies and keep track of the changing market conditions to ensure prompt and proactive measures will be taken to respond to the changes and meet the market needs to foster the sustainability of the Group.

(3) BOARD OF DIRECTORS

(3.1) Responsibilities and delegation

The Board oversees the overall management of the Company's business 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 its 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 Executive Committee, the Audit Committee, the Nomination Committee and the Remuneration Committee. Specific responsibilities have been delegated to the above committees.

The Board has delegated the day-to-day management of the Company's business to the management and the Executive Committee, and focuses its attention on matters affecting the Company's long-term objectives and plans for achieving these objectives, the overall business and commercial strategy of the Group as well as overall policies and guidelines. The Board has also delegated the environmental, social and governance ("**ESG**") management to the Executive Committee.

The independent non-executive directors of the Company have made invaluable contributions to the development of the Company's strategies and policies by providing the Board with independent, constructive, and well-informed advice. They possess diverse academic and professional qualifications, financial and management expertise, and have given the Board and its committees (including the Audit Committee, Nomination Committee, and Remuneration Committee) on which they serve, the benefit of their skills, expertise, and diversified backgrounds and qualifications through regular attendance and active participation. They also attend AGMs to understand Shareholders' view.

All Directors are required to disclose to the Company any offices they held in public companies or organisations, as well as other significant commitments. Each Director ensures that he/she devotes sufficient time and attention to the affairs of the Company.

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. All Directors are entitled to retain independent professional advisors where necessary.

Corporate Governance Report

(3) BOARD OF DIRECTORS (CONTINUED)

(3.2) Composition of the Board

The Board currently comprises nine members, of whom four are EDs, one is non-executive Director (“**NED**”) and the remaining four are independent non-executive Directors (“**INEDs**”), in compliance with the minimum number of INEDs required under Rule 3.10(1) of the Listing Rules. The Company has also complied with Rule 3.10A with INEDs representing at least one-third of the Board. The Directors who served on the Board during the Year and up to the date of this Annual Report are named as follows:

Executive Directors

Lam Kin Ngok, Peter, GBM, GBS (*Chairman*)

Lau Shu Yan, Julius (*Chief Executive Officer*)

(retired on 1 March 2025)

Cheung Sum, Sam (*Group Chief Financial Officer*)

Lam Hau Yin, Lester

(*also alternate director to U Po Chu*)

Lee Tze Yan, Ernest

Non-executive Director

U Po Chu

Independent Non-executive Directors

Ip Shu Kwan, Stephen, GBS, JP

Lam Bing Kwan

Leung Shu Yin, William

Luk Hon Man

The brief biographical particulars of the current Directors are set out in the section headed “Biographical Details of Directors” of this Annual Report on pages 138 to 144.

Dr. Lam Kin Ngok, Peter, Chairman of the Board and an ED, is the son of Madam U Po Chu, a NED and the father of Mr. Lam Hau Yin, Lester, an ED.

Save as disclosed above and in the “Biographical Details of Directors” section of this Annual Report, none of the Directors has any financial, business, family or other material/relevant relationships with one another.

(3) BOARD OF DIRECTORS (CONTINUED)

(3.3) Board Independence

The Group has established mechanisms to ensure independent views and input are available to the Board and such mechanisms will be reviewed annually by the Board. On 24 October 2025, the Board has reviewed the implementation and effectiveness of the following mechanisms at the Board meeting:

- (a) Four out of the nine Directors are INEDs which meets the requirement of the Listing Rules that at least one-third of the Board are independent non-executive directors.
- (b) The Nomination Committee will assess the independence of a candidate who is nominated to be a new INED before appointment and the continued independence of the current long-serving INEDs on an annual basis. All INEDs are required to submit a written confirmation to the Company annually to confirm the independence of each of them and their immediate family members, and their compliance with the requirements as set out in the Rule 3.13 of the Listing Rules.
- (c) All Directors are entitled to retain independent professional advisors as and when it is required.
- (d) All Directors are encouraged to express their views in an open and candid manner during the Board/Committee meetings.
- (e) The Chairman of the Board will meet with the INEDs at least annually without the presence of the EDs.
- (f) A Director (including INED) who has material interest in any contract, transaction or arrangement shall abstain from voting and not be counted in the quorum on any Board resolution approving the same.
- (g) No equity-based remuneration with performance-related elements will be granted to INEDs.

Corporate Governance Report

(3) BOARD OF DIRECTORS (CONTINUED)

(3.4) Attendance Record at Board meetings

The Board had held four meetings during the Year. The attendance record of individual Directors at these Board meetings is set out below:

Directors	Number of Meetings Attended/ Number of Meetings Held
Executive Directors	
Lam Kin Ngok, Peter, GBM, GBS (<i>Chairman</i>)	4/4
Lau Shu Yan, Julius (<i>Chief Executive Officer</i>) (<i>Note</i>)	1/2
Cheung Sum, Sam (<i>Group Chief Financial Officer</i>)	4/4
Lam Hau Yin, Lester (<i>also alternate director to U Po Chu</i>)	4/4
Lee Tze Yan, Ernest	4/4
Non-executive Director	
U Po Chu	4/4
Independent Non-executive Directors	
Lam Bing Kwan	4/4
Leung Shu Yin, William	4/4
Ip Shu Kwan, Stephen, GBS, JP	4/4
Luk Hon Man	4/4

During the Year, the chairman of the Board met all INEDs without the presence of the EDs.

Note:

Mr. Lau Shu Yan, Julius retired as Chief Executive Officer and an ED on 1 March 2025.

(3.5) NEDs

None of the existing NEDs (including INEDs) is appointed for a specific term. Every Director is subject to retirement by rotation at least once every three years.

(3) BOARD OF DIRECTORS (CONTINUED)

(3.6) Appointment and Re-election of Directors

The Articles of Association provides that any director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting.

In accordance with code provision B.2.2 of the CG Code, and the retirement provisions in the Articles of Association, all Directors (including INEDs) are required to retire from office by rotation once every three years since their last election. Retiring Directors shall be eligible for re-election.

Mr. Lee Tze Yan, Ernest, Madam U Po Chu and Mr. Ip Shu Kwan, Stephen will retire from office as Directors by rotation at the forthcoming AGM to be held on Friday, 19 December 2025 (“**2025 AGM**”) and, being eligible, will offer themselves for re-election. Details of the above retiring Directors proposed for re-election at the 2025 AGM, as required to be disclosed under Rule 13.51(2) of the Listing Rules, are set out in the section headed “Biographical Details of Directors” of this Annual Report and the Company’s circular dated 20 November 2025.

(3.7) INEDs

The Company has complied with the requirements under Rules 3.10(1) and 3.10(2) of the Listing Rules which require that every board of directors of a listed issuer must include at least three INEDs and at least one of the INEDs must have appropriate professional qualifications or accounting or related financial management expertise. The Company has received from each of the INEDs an annual confirmation in writing of his independence for the Year and all INEDs also meet the guidelines for assessment of their independence as set out in Rule 3.13 of the Listing Rules. Both the Nomination Committee and the Board have assessed the independence of all INEDs and are of the view that all of them are independent.

All INEDs except Mr. Luk Hon Man, have been serving more than 9 years on the Board. The length of tenure of Messrs. Lam Bing Kwan, Leung Shu Yin, William and Ip Shu Kwan, Stephen with the Company as at the date of this Annual Report was more than 23 years, 21 years and 15 years, respectively. Mr. Luk Hon Man has served on the Board for more than 2 years. Notwithstanding their long term services, given their extensive experience as professional accountant or seasoned business leader would significantly contribute to the strategy development and continuous improvement on internal controls and other relevant financial and corporate governance matters of the Company, the Nomination Committee is satisfied that they demonstrate complete independence in character and judgement to fulfil their designated roles, and the Board is of the opinion that they continue to bring independent and objective perspectives to the Company’s affairs.

Corporate Governance Report

(3) BOARD OF DIRECTORS (CONTINUED)

(3.7) INEDs (continued)

Mr. Ip Shu Kwan, Stephen, being an INED will retire by rotation as Director at the forthcoming AGM and, being eligible, offer himself for re-election. Mr. Ip has served on the Board for over 9 years. The Board has received from Mr. Ip a written annual confirmation of his independence every year and taking into account the various matters as set out in Rule 3.13 of the Listing Rules and his actual contributions, his impartiality and independent judgement on various issues that he brings to the discussions during Board and Board committees meetings, both the Nomination Committee and the Board are satisfied that Mr. Ip will continue to have the required character and experience to fulfill the role of an INED and consider that the re-election of Mr. Ip as an INED at the forthcoming AGM is in the best interest of the Company and its Shareholders as a whole. The appointment of Mr. Ip will be subject to a separate resolution to be approved by Shareholders.

Further, up to the date of this Annual Report, the Board has not been aware of the occurrence of any events which would cause it to believe that the independence of any INED has been impaired.

(3.8) Directors' and Officers' Liabilities Insurance

The Company has arranged appropriate directors' and officers' liabilities insurance coverage for the Directors and officers of the Company.

(4) DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

On appointment to the Board, each Director receives a comprehensive induction package covering business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements.

The Directors are regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. In addition, the Company has been encouraging the Directors and senior executives to enroll in a wide range of professional development courses and seminars/webinars relating to the Listing Rules, companies ordinance/act and corporate governance practices organised by professional bodies, independent auditor and/or law firms in Hong Kong so that they can continuously update and further improve their relevant knowledge and skills.

From time to time, Directors are provided with written training materials to develop and refresh their professional skills; the Group's legal and company secretarial departments also organise and arrange seminars/webinars on the latest development of applicable laws, rules and regulations for the Directors to assist them in discharging their duties.

(4) DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

(CONTINUED)

According to the records maintained by the Company, the Directors received the following training with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the requirement of the CG Code on continuous professional development during the Year:

	Corporate Governance/ Updates on Laws, Rules & Regulations		Accounting/ Financial/Management or Other Professional Skills	
	Read Materials	Attend Seminars/ Webinars/ Briefings	Read Materials	Attend Seminars/ Webinars/ Briefings
Directors				
Executive Directors				
Lam Kin Ngok, Peter, GBM, GBS	✓	✓	✓	—
Lau Shu Yan, Julius <i>(Note)</i>	✓	✓	✓	✓
Cheung Sum, Sam	✓	✓	✓	✓
Lam Hau Yin, Lester				
<i>(also alternate director to U Po Chu)</i>	✓	✓	✓	✓
Lee Tze Yan, Ernest	✓	✓	✓	✓
Non-executive Director				
U Po Chu	✓	✓	✓	—
Independent Non-executive Directors				
Ip Shu Kwan, Stephen, GBS, JP	✓	✓	✓	✓
Lam Bing Kwan	✓	✓	✓	✓
Leung Shu Yin, William	✓	✓	✓	✓
Luk Hon Man	✓	✓	✓	✓

Note:

Mr. Lau Shu Yan, Julius retired as an ED on 1 March 2025.

Corporate Governance Report

(5) BOARD COMMITTEES

The Executive Committee comprising members appointed by the Board amongst the EDs was established on 18 November 2005 with written terms of reference to assist the Board in monitoring the ongoing management of the Company's business and in implementing the Company's objectives in accordance with the strategy and policies approved by the Board. The Executive Committee is also responsible for overseeing the Company's ESG matters. The Board has also delegated its authority to the following Committees to assist it in the implementation of its functions:

(5.1) Audit Committee

The Board established an Audit Committee on 31 March 2000 which currently comprises three INEDs, namely Mr. Leung Shu Yin, William (Chairman), Mr. Lam Bing Kwan, and Mr. Ip Shu Kwan, Stephen during the Year and up to the date of this Annual Report.

The Company has complied with Rule 3.21 of the Listing Rules, which requires that at least one of the members of the Audit Committee (which must comprise a minimum of three members, the majority of whom must be INEDs, and be chaired by an INED) is an INED who possesses appropriate professional qualifications or accounting or related financial management expertise.

(a) Duties of the Audit Committee (including corporate governance functions)

The Audit Committee is principally responsible for the monitoring of the integrity of periodical financial statements of the Company, the review of significant financial reporting judgments contained in them before submission to the Board for approval, and the review and monitoring of the auditor's independence and objectivity as well as the effectiveness of the audit process. The Audit Committee is also responsible for performing the corporate governance functions and overseeing the Company's risk management and internal control systems and arrangements under the Company's Whistleblowing Policy.

While recognising corporate governance is the collective responsibility of all of its members, the Board has delegated the corporate governance functions to the members of the Audit Committee who are considered to be better positioned to provide an objective and independent guidance on governance-related matters.

On 29 March 2012, the Board formalised the governance-related policies and procedures, established on the foundations of accountability, transparency, fairness and integrity and adopted by the Group for years, into a set of corporate governance policy ("**CG Policy**"). The terms of reference of the Audit Committee were revised in line with the CG Policy and had incorporated the new corporate governance-related functions which include the responsibilities to develop, review, monitor, and make recommendations to the Board (as appropriate) in respect of the Company's policies and practices of corporate governance (including the compliance with the CG Code and the relevant disclosures in the Company's interim and annual reports), the practices in compliance with legal and regulatory requirements, and the training and continuous professional development of the Directors and senior management.

(5) BOARD COMMITTEES (CONTINUED)

(5.1) Audit Committee (continued)

(a) Duties of the Audit Committee (including corporate governance functions) (continued)

During the Year, an independent external risk advisory firm ("**Independent Advisor**") had been retained to conduct internal control reviews of the Group. The relevant reports from the Independent Advisor were presented to and reviewed by the Audit Committee and the Board.

Apart from performing the corporate governance functions, the Audit Committee is principally responsible for the monitoring of the integrity of periodical financial statements of the Company, the review of significant financial reporting judgments contained in them before submission to the Board for approval, and the review and monitoring of the auditor's independence and objectivity as well as the effectiveness of the audit process.

The Audit Committee is also responsible to oversight the Company's internal control and risk management systems as assisted by the Independent Advisor.

The terms of reference setting out the Audit Committee's authority, duties and responsibilities are available on the respective websites of Hong Kong Exchanges and Clearing Limited ("**HKEX**") and the Company.

(b) Work performed by the Audit Committee

The Audit Committee held three meetings during the Year. It has reviewed the audited results of the Company for the year ended 31 July 2024, the unaudited interim results of the Company for the six months ended 31 January 2025 and other matters related to the financial and accounting policies and practices of the Company as well as the nature and scope of the audit for the Year. It has also reviewed the Company's compliance with the CG Code and disclosure in this Corporate Governance Report. Further, it has reviewed the budget for the ensuing year and the proposal for the audit fees for the three financial years ending 31 July 2027. It has also reviewed and accepted to provide pre-concurrence for the provision of non-assurance services provided by the independent auditor of the Company ("**Independent Auditor**"). During the Year, the Audit Committee has also reviewed the Company's internal control review reports and put forward relevant recommendations to the Board for approval. In addition, the Audit Committee held private session with the Independent Auditor separately without the presence of management.

On 23 October 2025, the Audit Committee reviewed the draft audited consolidated financial statements of the Company as well as the accounting principles and policies for the Year with the Company's management in the presence of the representatives of the Independent Auditor. It also reviewed this Corporate Governance Report, internal control review reports and enterprise risk management report of the Company prepared by the Independent Advisor and the usage of annual caps on certain continuing connected transactions of the Company. In addition, the Audit Committee has assessed the effectiveness of the Group's systems of risk management and internal control as well as the implementation and effectiveness of the Company's Shareholders' Communication Policy during the Year.

Corporate Governance Report

(5) BOARD COMMITTEES (CONTINUED)

(5.1) Audit Committee (continued)

(c) Attendance record at the Audit Committee meetings

The attendance record of the committee members at the Audit Committee meetings held during the Year is set out below:

Committee Members	Number of Meetings Attended/ Number of Meetings Held
Independent Non-executive Directors	
Leung Shu Yin, William	3/3
Lam Bing Kwan	3/3
Ip Shu Kwan, Stephen, GBS, JP	3/3

(5.2) Nomination Committee

The Board established a Nomination Committee on 25 January 2022 which comprises five members, including an ED, namely Dr. Lam Kin Ngok, Peter (Chairman), a NED namely Madam U Po Chu (appointed on 18 July 2025) and three INEDs, namely Messrs. Leung Shu Yin, William, Lam Bing Kwan and Luk Hon Man (appointed on 18 July 2025) during the Year and/or up to the date of this Annual Report. Mr. Lau Shu Yan, Julius ceased to act as and Mr. Cheung Sum, Sam was appointed an alternate to Dr. Lam Kin Ngok, Peter on 1 March 2025.

The Company has complied with Rule 3.27A of the Listing Rules, which requires that a Nomination Committee chaired by either the chairman of the board of directors or an independent non-executive director and comprising a majority of independent non-executive directors must be established. The Company has also complied with the code provision B.3.5 of the CG Code, which provides that the Nomination Committee should include at least one member of a different gender.

On 18 July 2025, the Board adopted the updated terms of reference for the Nomination Committee to reflect the amendments to the Listing Rules that came into effect on 1 July 2025.

The latest terms of reference setting out the Nomination Committee's authority, duties and responsibilities are available on the respective websites of HKEX and the Company.

(5) BOARD COMMITTEES (CONTINUED)

(5.2) Nomination Committee (continued)

(a) Duties of the Nomination Committee

The Nomination Committee is responsible for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, assisting the Board in maintaining a board skills matrix, and making recommendations on any proposed changes to the Board to complement the corporate strategy of the Company and promote shareholder value. It is in charged of identifying suitable director candidates and selecting or making recommendations to the Board on the selection of individuals to be nominated for directorships. It also assesses the independence of INEDs having regard to the criteria under the Listing Rules, and makes recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors. Further, it also supports the Company's regular evaluation of the Board's performance, and reviews and assesses regularly each Director's time commitment and contribution to the Board as well as the Director's ability to discharge his/her responsibilities effectively.

The Company has adopted the Nomination Policy, the Board Diversity Policy and the Workforce Diversity Policy, and the Nomination Committee is responsible for reviewing the implementation and effectiveness of these policies annually and making recommendations on any proposed revisions to the Board:

(i) *Nomination Policy for the Directors*

The Company has adopted the Nomination Policy in January 2019 with updates last made on 25 January 2022, which sets out the criteria, process and procedures by which the Nomination Committee and the Company will select candidate for possible inclusion in the Board. The Nomination Policy contains a number of factors in assessing the suitability of a proposed candidate which include the candidate's skills, knowledge and experience, diversity perspectives set out in the Board Diversity Policy, the candidate's time and commitment and integrity, and the independence criteria under Rule 3.13 of the Listing Rules if the candidate is proposed to be appointed as an INED. Nomination of new Directors will normally be proposed by the Chairman/the Nomination Committee subject to the Board's approval. Shareholders may also nominate a person to stand for election as a Director at a general meeting in accordance with the Articles of Association and applicable laws and regulations. The procedures for such proposal are posted on the website of the Company. During the Year, the Nomination Committee and the Board as a whole regularly reviewed the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business as the Company. The independence of the INEDs was assessed according to the relevant rules and requirements under the Listing Rules. The Nomination Committee will review the Nomination Policy, as appropriate, to ensure its continued effectiveness.

The Nomination Policy was last reviewed by the Nomination Committee on 23 October 2025.

Corporate Governance Report

(5) BOARD COMMITTEES (CONTINUED)

(5.2) Nomination Committee (continued)

(a) Duties of the Nomination Committee (continued)

(ii) *Board Diversity Policy*

A Board Diversity Policy was first adopted by the Company in July 2013 and has been revised on 25 March 2022. It sets out its approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

The Company recognises Board diversity will strengthen the Company's strategic objectives in driving business results, enhancing good corporate governance and reputation, and attracting and retaining talent for the Board.

Board diversity ensures the Board has the appropriate balance and level of skills, experience and perspective required to support the execution of the Company's business strategies. The Company seeks to achieve Board diversity through the consideration of a number of factors, including professional qualifications and experience, cultural and educational background, race and ethnicity, gender, age and length of service. The Company will also take into consideration factors based on its own business model and specific needs from time to time in determining the optimum composition of the Board.

On recommendation from the Nomination Committee, the Board will set measurable objectives (in terms of gender, skills and experience) to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Nomination Committee will review the Board Diversity Policy annually to ensure its continued effectiveness and compliance with regulatory requirements and good corporate governance practice.

A copy of the Board Diversity Policy has been published on the Company's website for public information.

Currently, the Board comprises nine members, of whom four are EDs, one is NED and the remaining four are INEDs. The Company has one female Director achieving gender diversity at Board level and serve on the Nomination Committee. The current Board comprises individuals who are professionals with real estate, investment, accounting, financial, general management, tourism and public services backgrounds. The Board believes that it currently has the appropriate diversity whether in terms of gender, nationality, professional background and skills.

(5) BOARD COMMITTEES (CONTINUED)

(5.2) Nomination Committee (continued)

(a) Duties of the Nomination Committee (continued)

(ii) *Board Diversity Policy (continued)*

The Board has not set any target or timeline for enhancing gender diversity on the Board but may adjust the proportion of female directors over time as and when appropriate. The Board places emphasis on diversity (including gender diversity) across all levels of the Group.

The Board Diversity Policy was last reviewed by the Nomination Committee on 23 October 2025.

(iii) *Workforce Diversity Policy*

The Company adopted a Workforce Diversity Policy on 18 July 2025, which outlines its approach to embedding diversity and inclusion across all levels of the Group, from the Board to all employees.

The Company recognise that diversity encompasses both visible and invisible characteristics, including but not limited to gender, age, ethnicity, disability, religion, sexual orientation, family status, educational background, professional experience, and cognitive approaches. Our commitment extends beyond representation to creating an environment where all individuals feel valued, respected and empowered to contribute fully.

The Company adheres to the Workforces Diversity Policy in the workplace and integrate diversity and inclusion throughout the employee lifecycle. Recruitment processes employ structured interviews and diverse hiring panels to ensure equitable opportunities. Career development programs include targeted mentorship initiatives and leadership training designed to support underrepresented groups. The Company offers flexible work arrangements to accommodate diverse needs and maintain Employee Resource Groups that foster inclusive communities.

A copy of the Workforce Diversity Policy has been published on the Company's website for public information.

Corporate Governance Report

(5) BOARD COMMITTEES (CONTINUED)

(5.2) Nomination Committee (continued)

(a) Duties of the Nomination Committee (continued)

(iii) *Workforce Diversity Policy (continued)*

The Board places emphasis on diversity (including gender diversity) across all levels of the Company. As at 31 July 2025, we had 11.11% female ratio on senior management of the Company and a 0.8:1 female-to-male ratio in the overall workforce (excluding senior management). Details on the gender ratio of the Group together with relevant data can be found in the ESG Report on pages 85, 104 and 105 of this Annual Report.

The Workforce Diversity Policy was last reviewed by the Nomination Committee on 23 October 2025.

(b) Work performed by the Nomination Committee

The Nomination Committee held one meeting during the Year. It has reviewed the Nomination Policy and the Board Diversity Policy, and the structure, size and composition of the Board (including the gender, skills, knowledge and experience). In addition, it assessed the independence of all INEDs taking into account their written annual confirmation as well as the factors relevant to assessing independence as set out in Rule 13.3 of the Listing Rules and was of the view that the long service of all INEDs will not affect their exercise of independent judgement and they will remain committed to their role as INEDs. Further, the Nomination Committee recommended to the Board for considering the re-election of the retiring Directors, namely Dr. Lam Kin Ngok, Peter and Mr. Lam Hau Yin, Lester at the AGM held on 13 December 2024, after considering their respective experience, contributions and devoted efforts. The Nomination Committee was of the view that the current composition of the Board was suitable to the operations of the Company and appropriate to the requirements of the Board Diversity Policy and therefore the current structure, size and composition of the Board should be maintained.

On 23 October 2025, the Nomination Committee reviewed the Nomination Policy, the Board Diversity Policy and the Workforce Diversity Policy, and considered that the said policies were appropriate and effective. Apart from the review on the structure, size and composition of the Board (including the gender, skills, knowledge and experience), it also reviewed and assessed the time commitment and contribution to the Board by each Director, as well as each Director's ability to discharge his/her responsibilities. Further, it reviewed biographies of the Directors, assessed the continued independence of each INED and recommended Mr. Lee Tze Yan, Ernest, Madam U Po Chu and Mr. Ip Shu Kwan, Stephen (collectively, "**Retiring Directors**") to the Board for considering their re-election at the forthcoming AGM based on the Nomination Policy and the Board Diversity Policy. The Nomination Committee believed that the Retiring Directors will continue to contribute to the Board with their skills, experience and knowledge.

(5) BOARD COMMITTEES (CONTINUED)

(5.2) Nomination Committee (continued)

(c) Attendance record at the Nomination Committee meeting

The attendance record of the committee members at the Nomination Committee meeting held during the Year is set out below:

Committee Members	Number of Meeting Attended/ Number of Meeting Held
Executive Directors	
Lam Kin Ngok, Peter, GBM, GBS	1/1
Lau Shu Yan, Julius	
(alternate to Lam Kin Ngok, Peter) ⁽¹⁾	0/1
Cheung Sum, Sam ⁽²⁾	N/A
Non-executive Director	
U Po Chu ⁽³⁾	N/A
Independent Non-executive Directors	
Leung Shu Yin, William	1/1
Lam Bing Kwan	1/1
Luk Hon Man ⁽⁴⁾	N/A

Notes:

- (1) Mr. Lau Shu Yan, Julius ceased to be an alternate to Dr. Lam Kin Ngok, Peter, Chairman of the Nomination Committee on 1 March 2025.
- (2) Mr. Cheung Sum, Sam was appointed an alternate to Dr. Lam Kin Ngok, Peter, Chairman of the Nomination Committee on 1 March 2025.
- (3) Madam U Po Chu was appointed a member of the Nomination Committee on 18 July 2025.
- (4) Mr. Luk Hon Man was appointed a member of the Nomination Committee on 18 July 2025.

Corporate Governance Report

(5) BOARD COMMITTEES (CONTINUED)

(5.3) Remuneration Committee

The Board established a Remuneration Committee on 18 November 2005 which currently comprises two INEDs, namely Mr. Leung Shu Yin, William (Chairman) and Mr. Lam Bing Kwan and an ED, Mr. Cheung Sum, Sam during the Year and up to the date of this Annual Report. Mr. Lau Shu Yan, Julius ceased to be and Mr. Cheung Sum, Sam was appointed a member of the Remuneration Committee on 1 March 2025.

The Company has complied with Rule 3.25 of the Listing Rules, which requires that the Remuneration Committee must comprise a majority of independent non-executive directors, and be chaired by an independent non-executive director.

The Remuneration Committee has adopted the operation model where it performs an advisory role to the Board, with the Board retaining the final authority to approve the remuneration packages of the Directors and senior management.

The remuneration packages of EDs are determined with reference to the Company's performance and profitability, the prevailing market condition and performance or contribution of each Director. The emolument policy for NEDs and INEDs is to ensure that they are adequately compensated for their efforts and time dedicated to the Company's affairs. Individual Directors and senior management have not been involved in deciding their own remuneration.

(a) Duties of the Remuneration Committee

The Remuneration Committee has been provided with sufficient resources to perform its duties. It has been charged with the responsibility of making recommendations to the Board, in consultation with the Chairman of the Board and/or the Chief Executive Officer, on an appropriate policy and framework for all aspects of remuneration of all Directors and senior management, including but not limited to Directors' fees, salaries, allowances, bonuses, share options, benefits in kind and pension rights, to ensure that the level of remuneration offered by the Company is competitive and sufficient to attract, retain and motivate personnel of the required quality to manage the Company successfully.

Further, it reviews and makes recommendations to the Board the management's remuneration proposals with reference to the Board's corporate goals and objectives, and the remuneration of NEDs (including INEDs). All aspects of the specific remuneration packages of EDs and senior management, and the duration of their service contract will be formulated and recommended to the Board for endorsement, in consultation with the Chairman of the Board and/or the Chief Executive Officer, by taking factors such as performance of the Directors and senior management as well as salaries and remuneration within the industry into consideration. During the discussion and consultation, the Remuneration Committee will ensure no Director or any of his/her associates will be involved in deciding his/her own remuneration.

The terms of reference setting out the Remuneration Committee's authority, duties and responsibilities are available on the respective websites of HKEX and the Company.

(5) BOARD COMMITTEES (CONTINUED)

(5.3) Remuneration Committee (continued)

(b) Work performed by the Remuneration Committee

The Remuneration Committee held one meeting during the Year to consider the payment of discretionary bonus to EDs, review the remuneration packages of EDs and discuss other remuneration-related matters.

No Director was involved in deciding his own remuneration at the meeting of the Remuneration Committee. Details of the Directors' remuneration are set out in note 9 to the financial statements.

(c) Attendance record at the Remuneration Committee meeting

The attendance record of the committee members at the Remuneration Committee meeting held during the Year is set out below:

Committee Members	Number of Meeting Attended/ Number of Meeting Held
Executive Directors	
Lau Shu Yan, Julius ⁽¹⁾	1/1
Cheung Sum, Sam ⁽²⁾	N/A
Independent Non-executive Directors	
Leung Shu Yin, William	1/1
Lam Bing Kwan	1/1

Notes:

- (1) Mr. Lau Shu Yan, Julius ceased to be a member of the Remuneration Committee on 1 March 2025.
- (2) Mr. Cheung Sum, Sam was appointed a member of the Remuneration Committee on 1 March 2025.

Corporate Governance Report

(6) CHAIRMAN AND CHIEF EXECUTIVE

The CG Code provides that the roles of the chairman and the chief executive should be separated and performed by different individuals.

During the Year and up to the date of this Annual Report, Dr. Lam Kin Ngok, Peter was the Chairman while Mr. Lau Shu Yan, Julius was the Chief Executive Officer of the Company until 28 February 2025. Following the retirement of Mr. Lau Shu Yan, Julius as the Chief Executive Officer of the Company on 1 March 2025, other duties and responsibilities of the Board and the day-to-day management of business are undertaken by other EDs. This segregation ensures a clear distinction between the Chairman's responsibilities to manage the Board and other EDs take up the responsibilities of the Chief Executive Officer to manage the Company's business. The division of responsibilities between the Chairman and the Chief Executive Officer is clearly defined and set out in writing.

(7) DIVIDEND POLICY

The Company has adopted the dividend policy ("**Dividend Policy**") on 25 January 2019 which sets out the principles and guidelines for the Board to determine (i) whether dividends are to be declared and paid, and (ii) the level of dividend to be paid to the Shareholders.

The Company aims to allow the Shareholders to participate in the Company's profits whilst retaining adequate cash reserves for maintaining its working capital requirement and future growth as well as its share value.

The Board has the sole discretion to declare and distribute dividends to the Shareholders, subject to all applicable requirements (including without limitation restrictions on dividend declaration and payment) under the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) ("**Companies Ordinance**") and the Articles of Association.

The Board may propose the payment of dividends, if any, with respect to the Company's shares on a per share basis.

The Company determines/proposes the frequency, amount and form of any dividend in any financial year/period through the consideration of a number of factors. The Company does not have any pre-determined dividend ratio.

The Board will review the Dividend Policy as appropriate from time to time and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

(8) 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 Year.

(9) WHISTLEBLOWING POLICY

In compliance with code provision D.2.3 of the CG Code, the Board adopted a Whistleblowing Policy on 22 July 2022 and updated on 3 October 2023. It provides employees and the relevant third parties who deal with the Group (e.g. customers, suppliers, creditors and debtors) with guidance and reporting channels on reporting any suspected improprieties in any matters related to the Group directly addressed to the designated ED and designated person as well as Head of Group Human Resources and Administration Department. An email account (whistleblowing@laisun.com) has been set up for this purpose. All reported matters will be investigated independently and, in the meantime, all information received from a whistleblower and its identity will be kept confidential.

The Board and the Audit Committee will regularly review the Whistleblowing Policy and mechanism to improve its effectiveness.

A copy of the Whistleblowing Policy has been published on the Company's website for public information.

(10) ANTI-FRAUD AND ANTI-CORRUPTION POLICY

In compliance with code provision D.2.4 of the CG Code, the Board adopted the Anti-Fraud and Anti-Corruption Policy on 22 July 2022. It outlines guidelines and the minimum standards of conduct, all applicable laws and regulations in relation to the anti-corruption and anti-bribery, the responsibilities of employees to resist fraud, to help the Group defend against corrupt practices and to report any reasonably suspected case of fraud and corruption or any attempts thereof, to the management or through an appropriate reporting channel. The Group would not tolerate all forms of fraud and corruption among all employees and those acting in an agency or fiduciary capacity on behalf of the Group, and in its business dealing with third parties.

The Board and the Audit Committee will review the Anti-fraud and Anti-Corruption Policy and mechanism periodically to ensure its effectiveness and enforce the commitment of the Group to the prevention, deterrence, detection and investigation of all forms of fraud and corruption.

A copy of the Anti-Fraud and Anti-Corruption Policy has been published on the Company's website for public information.

Corporate Governance Report

(11) INDEPENDENT AUDITOR'S REMUNERATION

The fees in respect of the audit and non-audit services provided to the Group by the Independent Auditor, Messrs. Ernst & Young, Certified Public Accountants, Hong Kong ("**Ernst & Young**") for the Year amounted to HK\$12,245,000 and HK\$3,926,000, respectively. The non-audit services mainly consist of advisory, review, tax compliance service and other reporting services. An analysis of such fees is set out below:

	Audit service HK\$'000	Non-audit service HK\$'000
The Group (excluding eSun Holdings Limited (" eSun "), Lai Fung Holdings Limited (" Lai Fung ") and their respective subsidiaries)	5,771	1,846
eSun and its subsidiaries	3,100	1,355
Lai Fung and its subsidiaries	3,374	725
Total	12,245	3,926

(12) DIRECTORS' RESPONSIBILITY FOR PREPARING FINANCIAL STATEMENTS

The Directors acknowledge that they are responsible for overseeing the preparation of the financial statements which give a true and fair view of the financial position of the Group and of the financial performance and cash flows for such reporting period. In doing so, the Directors select suitable accounting policies and apply them consistently and make accounting estimates that are appropriate in the circumstances. With the assistance of the accounting and finance staff, the Directors ensure that the financial statements of the Group are prepared in accordance with statutory requirements and appropriate financial reporting standards. As disclosed in note 2.1 to the consolidated financial statements, the Directors are aware of certain events or conditions that indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The Directors, after making careful consideration to the cash flow projections and taking into account the successful implementation of the plans and measures, conclude the Group will have sufficient working capital to finance its operation and to meet its financial obligations as and when they fall due within the next twelve months from 31 July 2025. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements for the year ended 31 July 2025 on a going concern basis.

(13) INDEPENDENT AUDITOR'S REPORTING RESPONSIBILITY

The statement by the Independent Auditor about their reporting and auditing responsibilities for the financial statements is set out in the "Independent Auditor's Report" contained in this Annual Report.

(14) RISK MANAGEMENT AND INTERNAL CONTROL

The main features of the risk management and internal control systems are to provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group to manage its risks across business operations.

The Group has established a risk management framework, which consists of the Board, the Audit Committee and the Risk Management Taskforce. The Board determines the nature and extent of risks that shall be taken in achieving the Group's strategic objectives, and has the overall responsibility for monitoring the design, implementation and the overall effectiveness of risk management and internal control systems.

The Group has formulated and adopted Risk Management Policy in providing direction in identifying, evaluating and managing significant risks. At least on an annual basis, the Risk Management Taskforce identifies risks that would adversely affect the achievement of the Group's objectives, and assesses and prioritises the identified risks according to a set of standard criteria. Risk mitigation plans and risk owners are then established for those risks considered to be significant.

With a view to manage the Group's business and operational risks and to ensure smooth operation, the Group has outsourced the internal audit function to the Independent Advisor during the Year to assist the Board and the Audit Committee in ongoing monitoring of the risk management and internal control systems of the Group. The design and implementation of internal controls are to identify weakness for improvement. The Independent Advisor reports to the Audit Committee for identified weakness and proposed recommendation on a timely basis to ensure prompt remediation actions are taken.

Enterprise risk management report and internal control review report prepared by Independent Advisor are submitted to the Audit Committee and the Board at least once a year. The Board had performed annual review on the effectiveness of the Group's risk management and internal control systems, including but not limited to the Group's ability to cope with its business transformation and changing external environment; the scope and quality of management's review on risk management and internal control systems; result of internal audit work; the extent and frequency of communication with the Board in relation to result of risk and internal control review; significant failures or weaknesses identified and their related implications; and status of compliance with the Listing Rules. The Board and the Audit Committee consider the Group's risk management and internal control systems in place for the Year and up to the date of this Annual Report are effective and adequate.

The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Corporate Governance Report

(14) RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

Procedures and Internal Controls for the Handling and Dissemination of Inside Information

The Group complies with requirements of Securities & Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("**SFO**") and the Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the Safe Harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

(15) COMPANY SECRETARY

During the Year, the company secretary of the Company ("**Company Secretary**") has complied with the relevant training requirement under Rule 3.29 of the Listing Rules.

(16) SHAREHOLDERS' RIGHTS

(16.1) Procedures for Shareholders to convene a general meeting

Pursuant to the Articles of Association and the Companies Ordinance, registered Shareholders representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings of the Company ("**GM Requisitionists**") can deposit a written request to convene a general meeting ("**GM**") at the registered office of the Company ("**Registered Office**"), which is situated at the 11th Floor, Lai Sun Commercial Centre, 680 Cheung Sha Wan Road, Kowloon, Hong Kong for the attention of the Company Secretary.

The GM Requisitionists must state in their request(s) the general nature of the business to be dealt with at the GM and such request(s) must be authenticated by all the GM Requisitionists and may consist of several documents in like form.

The Company's share registrar ("**Share Registrar**") will verify the GM Requisitionists' particulars in the GM Requisitionists' request. Promptly after confirmation from the Share Registrar that the GM Requisitionists' request is in order, the Company Secretary will arrange with the Board to convene a GM by serving sufficient notice to all the registered Shareholders in accordance with all the relevant statutory and regulatory requirements. On the contrary, if the GM Requisitionists' request is verified not in order, the GM Requisitionists will be advised of the outcome and accordingly, a GM will not be convened as requested.

(16) SHAREHOLDERS' RIGHTS (CONTINUED)

(16.1) Procedures for Shareholders to convene a general meeting (continued)

The GM Requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a GM if within twenty-one (21) days of the deposit of the GM Requisitionists' request, the Board does not proceed duly to convene a GM for a day not more than twenty-eight (28) days after the date on which the notice convening the GM is given, provided that any GM so convened is held within three (3) months from the date of the original GM Requisitionists' request. Any reasonable expenses incurred by the GM Requisitionists by reason of the Board's failure to duly convene a GM shall be repaid to the GM Requisitionists by the Company.

(16.2) Procedures for putting forward proposals at general meeting

Pursuant to Section 580 and 615 of the Companies Ordinance, either the Shareholders of the Company representing at least 2.5% of the total voting rights of all the Shareholders who have a right to vote on the resolution at the GM, or at least 50 registered Shareholders who have a right to vote on the resolution at the GM, may request the Company in writing to give to the Shareholders entitled to receive notice of the GM of any resolution which may properly be moved and is intended to be moved at that meeting; and to circulate statements regarding resolutions proposed at GM.

The requisition (i) must be sent to the Company in hard copy form at the Registered Office stated in paragraph (16.1) above or in electronic form by email at lscomsec@laisun.com; (ii) must identify the resolution of which notice is to be given; (iii) must be authenticated by the person or persons making it; and (iv) (a) in the case requisition for the circulation of resolutions to be moved at GM, the requisition must be received by the Company not later than 6 weeks before the GM or (b) in the case of requisition for the circulation of statements regarding resolutions proposed at the GM, such requisition must be received by the Company not later than 7 days before the GM, or if later, the time at which notice is given of that meeting.

(16.3) Procedures for proposing a person for election as a director

As regards the procedures for proposing a person for election as a director, please refer to the procedures made available under the Corporate Governance section (Shareholders' Rights sub-section) of the Company's website at www.laisun.com.

Corporate Governance Report

(16) SHAREHOLDERS' RIGHTS (CONTINUED)

(16.4) Procedures for directing Shareholders' enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretary whose contact details are as follows:

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

Fax: (852) 2743 8459
Email: lscomsec@laisun.com

Shareholders may also make enquiries with the Board at the GM.

(17) COMMUNICATION WITH SHAREHOLDERS

(17.1) Shareholders' Communication Policy

A Shareholders' Communication Policy ("**SC Policy**") was first adopted by the Board on 29 March 2012 and has been revised on 22 July 2022, reflecting mostly the current practices of the Company for communication with its Shareholders. Such policy aims at providing the Shareholders and potential investors with ready and timely access to balanced and understandable information of the Company. The Board will review the SC Policy regularly to ensure its effectiveness and compliance with the prevailing regulatory and other requirements.

(17) COMMUNICATION WITH SHAREHOLDERS (CONTINUED)

(17.1) Shareholders' Communication Policy (continued)

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

- (i) Shareholders can choose the means of receiving corporate communications such as annual reports, interim reports and circulars either in printed form or in electronic form by assessing the corporate communications published on the HKEX's website at www.hkex.com.hk and the Company's website at www.laisun.com;
- (ii) financial highlights, press releases and results roadshows presentations are also posted on the Company's website;
- (iii) periodic announcements are made through the Stock Exchange and published on the respective websites of HKEX and the Company;
- (iv) corporate information and the Articles of Association are made available on the Company's website and the latter is also posted on the website of HKEX;
- (v) participate in roadshows and investors' conferences to meet Shareholders/investors, media and financial analysts;
- (vi) AGMs and/or GMs provide a forum for the Shareholders to make comments and exchange views with the Directors and senior management; and
- (vii) the Share Registrar serves the Shareholders in respect of share registration, dividend payment, change of Shareholders' particulars and related matters.

A copy of the SC Policy has been published on the Company's website for public information.

The Board has reviewed the implementation and effectiveness of the SC Policy during the Year. Having considered the multiple channels of communication and engagement in place, the Board is satisfied that the SC Policy has been properly in place during the Year and is effective.

Corporate Governance Report

(17) COMMUNICATION WITH SHAREHOLDERS (CONTINUED)

(17.2) Attendance Record at general meeting

During the Year, the Company held an AGM and the attendance record of individual Directors at this meeting is set out below:

Directors	Number of Meeting Attended/ Number of Meeting Held
Executive Directors	
Lam Kin Ngok, Peter, GBM, GBS (<i>Chairman</i>)	0/1
Lau Shu Yan, Julius (<i>Chief Executive Officer</i>) (<i>Note</i>)	1/1
Cheung Sum, Sam (<i>Group Chief Financial Officer</i>)	1/1
Lam Hau Yin, Lester (<i>also alternate director to U Po Chu</i>)	0/1
Lee Tze Yan, Ernest	1/1
Non-executive Director	
U Po Chu	0/1
Independent Non-executive Directors	
Ip Shu Kwan, Stephen, GBS, JP	1/1
Lam Bing Kwan	1/1
Leung Shu Yin, William	1/1
Luk Hon Man	1/1

Note:

Mr. Lau Shu Yan, Julius retired as Chief Executive Officer and an ED on 1 March 2025.

(17) COMMUNICATION WITH SHAREHOLDERS (CONTINUED)

(17.3) Details of the last general meeting

The last general meeting of the Company, being the AGM for 2024, was held at 11:00 a.m. on 13 December 2024 at Grand Ballrooms 1 and 2, Level B, Hong Kong Ocean Park Marriott Hotel, 180 Wong Chuk Hang Road, Aberdeen, Hong Kong ("**2024 AGM**"). At the 2024 AGM, Shareholders approved by a vast majority of votes (i) the adoption of the audited financial statements of the Company for the year ended 31 July 2024 and the reports of the directors and the independent auditor thereon; (ii) the re-election of Dr. Lam Kin Ngok, Peter and Mr. Lam Hau Yin, Lester as EDs and the authorisation for the Board to fix the remuneration of the Directors; (iii) the re-appointment of Ernst & Young as the Independent Auditor for the Year and the authorisation for the Board to fix their remuneration; (iv) the granting to the Directors a general mandate to buy back the Company's shares not exceeding 10% of the aggregate number of the issued shares of the Company; (v) the granting to the Directors a general mandate to issue, allot and deal with additional shares of the Company of not exceeding 20% of the aggregate number of the issued shares of the Company; (vi) the extension to the general mandate granted to the Directors to issue shares of the Company by adding the number of shares bought back. The notice of the 2024 AGM and the poll results announcement in respect of the 2024 AGM were published on the websites of both HKEX and the Company on 13 November 2024 and 13 December 2024, respectively.

(18) INVESTOR RELATIONS

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

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

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

(19) CONSTITUTIONAL DOCUMENTS

An up-to-date version of the Company's constitutional documents has been posted on the respective websites of HKEX and the Company. No changes have been made to the Company's constitutional documents during the Year and up to the date of this Annual Report.

Biographical Details of Directors

EXECUTIVE DIRECTORS

Each of the current executive directors of the Company ("**Executive Directors**") named below holds directorships in a number or certain of the subsidiaries of the Company and all of them hold directorships in all or certain of the Company's listed affiliates, namely Lai Sun Garment (International) Limited ("**LSG**"), eSun Holdings Limited ("**eSun**") and Lai Fung Holdings Limited ("**Lai Fung**"). The issued shares of LSG, eSun and Lai Fung are listed and traded on the Main Board of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**"). LSG is the ultimate holding company of the Company which in turn is the intermediate holding company of eSun and Lai Fung.

Dr. Lam Kin Ngok, Peter, Chairman, aged 68, has been an Executive Director of the Company since June 1977. He is currently a member of the Executive Committee of the Company and the chairman of the Nomination Committee of the Company. Dr. Lam is also the chairman and an executive director of each of LSG and Lai Fung, and the chairman and a director of Media Asia Group Holdings Limited (a wholly-owned subsidiary of eSun). He was an executive director of eSun from 15 October 1996 to 13 February 2014 and was an executive director of Lai Fung from 28 November 1997 to 31 October 2012. Dr. Lam was an executive director of Crocodile Garments Limited ("**CGL**") (a company listed on the Main Board of the Stock Exchange).

Dr. Lam has extensive experience in the property development and investment business, hospitality as well as media and entertainment business. He was conferred an Honorary Doctorate by The Hong Kong Academy for Performing Arts in June 2011. Dr. Lam received the Gold Bauhinia Star and the Grand Bauhinia Medal awarded from the Government of the Hong Kong Special Administrative Region ("**HKSAR**") on 1 July 2015 and 27 July 2022, respectively.

Currently, Dr. Lam is the chairman of the Hong Kong Tourism Board. He is also a standing committee member of the 14th National Committee of the Chinese People's Political Consultative Conference ("**CPPCC**"). In addition, Dr. Lam is the chairman of Hong Kong Chamber of Films Limited, a life honorable president of Hong Kong Motion Picture Industry Association Limited, a vice president of The Real Estate Developers Association of Hong Kong, a vice chairman of Friends of Hong Kong Association Limited, a director of Hong Kong-Vietnam Chamber of Commerce Limited, an honorary chairman of Federation of HK Jiangsu Community Organisations, the president of Hong Kong Association of Cultural Industries Limited, the chairman of Hong Kong Cultural Development Research Institute Limited, a non-official member of the Trade and Industry Advisory Board, and a member under the group of regional and global collaborations of the Chief Executive's Council of Advisers. Dr. Lam was elected the deputy chairman of the general committee of the Hong Kong General Chamber of Commerce with effect from 24 May 2025. He was a trustee of The Better Hong Kong Foundation, a member of the board of West Kowloon Cultural District Foundation Limited (a wholly-owned subsidiary of West Kowloon Cultural District Authority), and the chairman of the Hong Kong Trade Development Council.

Dr. Lam is the son of Madam U Po Chu (a Non-executive Director of the Company) and the father of Mr. Lam Hau Yin, Lester (an Executive Director of the Company).

EXECUTIVE DIRECTORS (CONTINUED)

Mr. Cheung Sum, Sam, aged 61, was appointed an Executive Director of the Company in August 2023. He is currently a member of each of the Executive Committee and Remuneration Committee of the Company and an alternate to Dr. Lam Kin Ngok, Peter, the chairman of the Nomination Committee of the Company. He is also the Company Secretary of the Company. Mr. Cheung joined the Company as Group Chief Financial Officer in July 2023. He is also an executive director of each of LSG, eSun and Lai Fung.

Mr. Cheung was the chief financial officer of FTLife Insurance Company Limited (now known as Chow Tai Fook Life Insurance Company Limited), a wholly-owned subsidiary of CTF Services Limited, from September 2019 to November 2020, the chief financial officer and vice president of Agile Group Holdings Limited from July 2013 to May 2019, an executive director of eSun from March 2011 to August 2012, and an executive director of each of the Company and Lai Fung from June 2007 to October 2009 and from March 2011 to August 2012.

Prior to joining the Lai Sun Group in 2006, Mr. Cheung worked for a number of other listed companies and international investment banks in Hong Kong. He has extensive experience in capital markets and financial management. Mr. Cheung graduated from the London School of Economics and Political Science, University of London with a Bachelor of Science (Economics) degree in Accounting and Finance. He is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom ("UK") and the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Mr. Lam Hau Yin, Lester, aged 44, was appointed an Executive Director and a member of the Executive Committee of the Company in November 2012. He is also an alternate director to Madam U Po Chu, a Non-Executive Director of the Company. Mr. Lam is an executive director of LSG and eSun as well as an executive director and the chief executive officer of Lai Fung. Further, he is an alternate director to Madam U Po Chu in her capacity as an executive director of LSG and Lai Fung as well as a non-executive director of eSun.

Mr. Lam holds a Bachelor of Science in Business Administration degree from the Northeastern University in Boston of the United States of America ("USA"). He completed the Kellogg-HKUST Executive MBA program in 2016. Mr. Lam has acquired working experience since 1999 in various companies engaged in securities investment, hotel operations, environmental products, entertainment and property development and investment. He is a member of the general committee of The Chamber of Hong Kong Listed Companies.

Mr. Lam is a son of Dr. Lam Kin Ngok, Peter (Chairman and an Executive Director of the Company) and a grandson of Madam U Po Chu (a Non-executive Director of the Company).

Mr. Lee Tze Yan, Ernest, aged 61, was appointed an Executive Director of the Company in January 2022. He is currently a member of the Executive Committee of the Company. He is also an executive director of Lai Fung. Save as disclosed above, Mr. Lee does not hold other directorship in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Lee joined the Lai Sun Group as Group Director — Project Development in June 2012. He has over 30 years of experience in the architectural and property development industries, holding senior positions. Prior to joining the Lai Sun Group, he was a senior project management executive of the Henderson Land Group for 18 years, supervising the execution and completion of numerous large-scale quality developments in both Hong Kong and the People's Republic of China ("PRC").

Biographical Details of Directors

EXECUTIVE DIRECTORS (CONTINUED)

Mr. Lee graduated from the Faculty of Architecture, the University of Hong Kong, with a Bachelor of Architecture degree and a Bachelor of Arts in Architectural Studies degree. He also holds a post-graduate degree in Master of Business Administration from the Southern Illinois University at Carbondale in the USA. Mr. Lee has been a member of both the Hong Kong Institute of Architects (HKIA) and the Royal Institute of British Architects (RIBA), as well as an Authorized Person (List of Architects) and a Registered Architect in Hong Kong for over 30 years. He attained the qualifications of PRC Class 1 Registered Architect Qualification and BEAM Pro.

The Company has entered into a service contract with Mr. Lee with no fixed term, but such contract is determinable by either the Company or Mr. Lee by serving the other party not less than 3 months' written notice or payment in lieu thereof. In accordance with the provisions of the articles of association of the Company ("**Articles of Association**"), he will be subject to retirement from office as director by rotation once every three years if re-elected at the forthcoming annual general meeting of the Company ("**AGM**") and will also be eligible for re-election at future AGMs. Mr. Lee presently receives from the Company an annual remuneration of HK\$4,225,340, a two months contractual bonus yearly and such other remuneration and discretionary bonus as may be determined by the Board from time to time with reference to the results of the Company, his performance, duties and responsibilities with the Company as well as the prevailing market conditions and are endorsed by the Remuneration Committee. He also receives an annual remuneration of HK\$1,205,640 from Lai Fung in acting as the executive director of Lai Fung. The Nomination Committee and the Board had considered and recommended the re-election of Mr. Lee at the forthcoming AGM.

Save as disclosed above, Mr. Lee does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company. As at the date of this Annual Report, Mr. Lee does not have any interest or short position in the shares, underlying shares and/or 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 the laws of Hong Kong ("**SFO**").

Please also refer to the Note at the end of this section of "Biographical Details of Directors".

NON-EXECUTIVE DIRECTOR

Madam U Po Chu, aged 100, has been a non-executive Director of the Company since December 1993. She was appointed a member of the Nomination Committee of the Company on 18 July 2025. She is also a non-executive director of eSun and an executive director of LSG and Lai Fung. The issued shares of LSG, eSun, and Lai Fung are listed and traded on the Main Board of the Stock Exchange. LSG is the ultimate holding company of the Company which in turn is the intermediate holding company of eSun and Lai Fung. Save as disclosed above, Madam U does not hold other directorship in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

Madam U has over 55 years of experience in the garment manufacturing business and had been involved in the printing business in the mid-1960s. She started to expand the business to fabric bleaching and dyeing in the early 1970s and became involved in property development and investment in the late 1980s.

Madam U is the mother of Dr. Lam Kin Ngok, Peter (Chairman and an Executive Director of the Company) and the grandmother of Mr. Lam Hau Yin, Lester (an Executive Director of the Company). Save as disclosed above, Madam U does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company.

Madam U does not have a service contract with the Company. However, in accordance with the provisions of the Articles of Association, she will be subject to retirement from office as director by rotation once every three years if re-elected at the forthcoming AGM and will also be eligible for re-election at future AGMs. Madam U presently receives an annual director's fee of HK\$125,000 and is entitled to receive such other remuneration and discretionary bonus as may be determined by the Board from time to time with reference to the results of the Company, her performance, duties and responsibilities with the Company as well as prevailing market practice and are endorsed by the Remuneration Committee. She also receives an annual remuneration of HK\$1,824,000 from LSG as well as an annual remuneration of HK\$2,114,975 from Lai Fung in acting as the executive director of LSG and Lai Fung, respectively. The Nomination Committee and the Board had considered and recommended the re-election of Madam U at the forthcoming AGM.

As at the date of this Annual Report, Madam U is interested or deemed to be interested within the meaning of Part XV of the SFO in 60,567 Shares in the Company and 1,857,430 shares in LSG. Save as disclosed herein, Madam U does not have any interest or short position in the shares, underlying shares and/or debentures of the Company or any of its associated corporations within the meaning or Part XV of the SFO.

Please also refer to the Note at the end of this section of "Biographical Details of Directors".

Biographical Details of Directors

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lam Bing Kwan, aged 75, was appointed an Independent Non-Executive Director of the Company in July 2002 and is currently a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company.

Mr. Lam graduated from the University of Oregon in the USA with a Bachelor of Business Administration Degree in 1974. Having been actively involved in property development and investment in the PRC since the mid-1980s, he has substantial experience in this industry. Mr. Lam has served on the boards of directors of a number of listed companies in Hong Kong for over 20 years and is currently an independent non-executive director of LSG and Lai Fung. The issued shares of all the aforesaid companies are listed and traded on the Main Board of the Stock Exchange. LSG is the ultimate holding company of the Company which in turn is the intermediate holding company of eSun and Lai Fung.

Mr. Leung Shu Yin, William, aged 76, was appointed an Independent Non-Executive Director of the Company in September 2004 and is currently the chairman of both the Remuneration Committee and the Audit Committee of the Company. He is also a member of the Nomination Committee of the Company. Mr. Leung is an independent non-executive director of LSG. He is also the deputy chairman and an independent non-executive director of CGL. The issued shares of all the aforesaid companies are listed and traded on the Main Board of the Stock Exchange. LSG is the ultimate holding company of the Company which in turn is the intermediate holding company of eSun and Lai Fung.

Mr. Leung is a certified public accountant, a member of the Hong Kong Securities and Investment Institute and a fellow of both the Association of Chartered Certified Accountants in the UK and the HKICPA. He is a practising director of two certified public accountants' firms in Hong Kong.

Mr. Ip Shu Kwan, Stephen, aged 74, was appointed an Independent Non-Executive Director of the Company in December 2009. He is currently a member of the Audit Committee of the Company. Mr. Ip graduated from the University of Hong Kong with a Bachelor degree in Social Sciences in 1973. He joined the Hong Kong Government in November 1973 and was promoted to the rank of Director of Bureau in April 1997. He worked in the Government of the HKSAR as a Principal Official from July 1997 to June 2007. Senior positions held by Mr. Ip in the past included Commissioner of Insurance, Commissioner for Labour, Secretary for Economic Services and Secretary for Financial Services. Mr. Ip took up the position of Secretary for Economic Development and Labour on 1 July 2002. His portfolio in respect of economic development covered air and sea transport, logistics development, tourism, energy, postal services, meteorological services, competition and consumer protection. He was also responsible for labour policies including matters relating to employment services, labour relations and employees' rights. Mr. Ip retired from the Government of the HKSAR in July 2007. Mr. Ip received the Gold Bauhinia Star awarded from the Government of the HKSAR in 2001 and is an unofficial Justice of the Peace.

INDEPENDENT NON-EXECUTIVE DIRECTORS (CONTINUED)

Mr. Ip is currently an independent non-executive director of five other publicly-listed companies, namely Kingboard Laminates Holdings Limited, Luk Fook Holdings (International) Limited, Nameson Holdings Limited, Million Cities Holdings Limited and C-MER Medical Holdings Limited (formerly known as C-MER EYE CARE HOLDINGS LIMITED). Mr. Ip was an independent non-executive director of China Resources Building Materials Technology Holdings Limited (formerly known as China Resources Cement Holdings Limited). The issued shares of all the aforesaid companies are listed and traded on the Main Board of the Stock Exchange. Save as disclosed above, Mr. Ip does not hold other directorship in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Ip does not have a service contract with the Company. However, in accordance with the provisions of the Articles of Association, he will be subject to retirement from office as director by rotation once every three years if re-elected at the forthcoming AGM and will also be eligible for re-election at future AGMs. Mr. Ip presently receives an annual director's fee of HK\$350,000. The Nomination Committee and the Board had considered and recommended the re-election of Mr. Ip at the forthcoming AGM.

Mr. Ip has served on the Board for more than 15 years. The Board has received from Mr. Ip a written annual confirmation of his independence every year and taking into account the various matters as set out in Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**") and his actual contributions, his impartiality and independent judgement on various issues that he brings to the discussions during Board and Board committees meetings, both the Nomination Committee and the Board are satisfied with Mr. Ip's independence and are of the view that Mr. Ip will continue to be independent and has the required character and experience to fulfill the role of an Independent Non-executive Director and considers that the re-election of Mr. Ip as an Independent Non-executive Director at the forthcoming AGM is in the best interest of the Company and its Shareholders as a whole.

Save as disclosed above, Mr. Ip does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company. As at the date of this annual report, Mr. Ip does not have any interests or short positions in the shares, underlying shares and/or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Please also refer to the Note at the end of this section of "Biographical Details of Directors".

Biographical Details of Directors

INDEPENDENT NON-EXECUTIVE DIRECTORS (CONTINUED)

Mr. Luk Hon Man, aged 41, was appointed an Independent Non-Executive Director of the Company in August 2023. He was appointed a member of the Nomination Committee of the Company on 18 July 2025. Mr. Luk is a seasoned strategic advisor with twenty years of experience spanning across the public affairs and business sectors. Mr. Luk is currently serving as a Member of the Legislative Council of the HKSAR. He was also the Chief Strategy Officer of the Chairman's Office of Lai Sun Group.

Mr. Luk holds a Bachelor of Education (Honours) in Languages from The Hong Kong Institute of Education (now known as the Education University of Hong Kong) and a Master of Public Administration degree from the University of Hong Kong.

Mr. Luk participates actively in public service. He is a Standing Committee Member of the 14th Qingdao Provincial Committee of the CPPCC. He is also keen to serve the Hong Kong business and financial services industries by assuming roles including the Vice Chairman of the Economic Policy Committee of the Hong Kong General Chamber of Commerce, a member of the Market Development Committee of the Financial Services Development Council, a member of the Mainland Business Advisory Committee of the Hong Kong Trade Development Council, Vice-Chairman of Youth Committee of Belt & Road General Chamber of Commerce, and a member of the Board of Directors of the Hong Kong Professionals and Senior Executives Association. Mr. Luk is the Deputy Secretary-General of the Business and Professionals Alliance for Hong Kong ("**BPA**") and the Chairman of the BPA Youth Affairs Committee.

Note:

*Mr. Lee Tze Yan, Ernest, Madam U Po Chu and Mr. Ip Shu Kwan, Stephen (collectively, "**Retiring Directors**") will retire as directors by rotation at the forthcoming AGM. Being eligible, they offer themselves for re-election. For the purpose of each of the Retiring Directors' re-election at the forthcoming AGM in accordance with Article 102 of the Articles of Association, save as disclosed above, there are no other matters which need to be brought to the attention of the shareholders of the Company, and there is no information which is discloseable pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.*

Report of the Directors

The directors of the Company ("**Directors**") present their report and the audited consolidated financial statements of the Company and its subsidiaries ("**Group**") for the year ended 31 July 2025 ("**Year**").

PRINCIPAL ACTIVITIES

During the Year, the Group's principal activities consisted of property investment, property development, investment in and operation of hotels and restaurants, production and distribution of films and TV programs, music production and publishing, management and production of concerts, artiste management, cinema operation, development and operation of and investment in cultural, leisure, entertainment and related facilities and investment holding.

RESULTS AND DIVIDENDS

Details of the consolidated loss of the Company for the Year and the state of affairs of the Company and of the Group as at 31 July 2025 are set out in the consolidated financial statements and their accompanying notes on pages 175 to 360.

The board of Directors ("**Board**") does not recommend the payment of a final dividend for the Year (2024: Nil). No interim dividend was paid or declared in respect of the Year (2024: Nil).

BUSINESS REVIEW

A review of the business of the Group during the Year and a discussion on the Group's future business development, possible risks and uncertainties that the Group may be facing are provided in the Chairman's Statement and the Management Discussion and Analysis on pages 6 to 19 and pages 20 to 52 of this Annual Report, respectively.

The financial risk management objectives and policies of the Group are shown in note 48 to the consolidated financial statements.

An analysis of the Group's performance during the Year using financial key performance indicators is provided in the Chairman's Statement on pages 6 to 19 and Financial Highlights on page 4 of this Annual Report.

Discussions on the Group's environmental policies, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group are contained in the Environmental, Social and Governance Report and Corporate Governance Report on pages 64 to 109 and pages 110 to 137 of this Annual Report, respectively.

DISTRIBUTABLE RESERVES

The Company's reserves available for distribution to shareholders of the Company ("**Shareholders**") as at 31 July 2025 were approximately HK\$3,583,522,000.

SHARES ISSUED IN THE YEAR

Details of the ordinary shares issued by the Company in the Year are set out in note 40 to the financial statements.

Report of the Directors

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association of the Company ("**Articles of Association**"), every Director shall be entitled to be indemnified out of the assets of the Company against all loss or liabilities (to the fullest extent permitted by the Companies Ordinance (Chapter 622)) which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group.

DIRECTORS

The Directors who were in office during the Year and those as at the date of this Report ("**Report Date**") are named as follows:

Executive Directors ("**EDs**")

Lam Kin Ngok, Peter, GBM, GBS ("**Dr. Peter Lam**") (*Chairman*)

Lau Shu Yan, Julius ("**Mr. Julius Lau**") (*Chief Executive Officer*) (retired on 1 March 2025)

Cheung Sum, Sam ("**Mr. Sam Cheung**") (*Group Chief Financial Officer*)

Lam Hau Yin, Lester ("**Mr. Lester Lam**") (*also alternate director to U Po Chu*)

Lee Tze Yan, Ernest ("**Mr. Ernest Lee**")

Non-executive Director ("**NED**")

U Po Chu ("**Madam U**")

Independent Non-executive Directors ("**INEDs**")

Ip Shu Kwan, Stephen, GBS, JP ("**Mr. Stephen Ip**")

Lam Bing Kwan

Leung Shu Yin, William

Luk Hon Man

In accordance with Article 102 of the Articles of Association, Mr. Ernest Lee, Madam U and Mr. Stephen Ip (collectively, "**Retiring Directors**") will retire from office by rotation at the forthcoming annual general meeting of the Company ("**AGM**"). Being eligible, they offer themselves for re-election.

Details of the Retiring Directors proposed for re-election at the forthcoming AGM, required to be disclosed under Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**" and "**Stock Exchange**", respectively), are set out in the section headed "Biographical Details of Directors" and the section headed "Directors' Interests" of this Annual Report and in the circular of the Company dated 20 November 2025.

The list of directors who have served on the boards of the Company's subsidiaries during the Year and up to the Report Date is available on the Company's website at www.laisun.com under Corporate Governance section.

BIOGRAPHICAL DETAILS OF DIRECTORS

Brief biographical particulars of the existing Directors are set out on pages 138 to 144 of this Annual Report. Directors' other particulars are contained in this Report and elsewhere in this Annual Report.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming AGM has an unexpired service contract with the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The Directors' fees and other emoluments are supervised by the Remuneration Committee of the Company and determined by the Board with reference to Directors' duties, responsibilities and performance and the results of the Company as well as the prevailing market conditions. Details of the Directors' remuneration are set out in the note 9 of the financial statements.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in note 5 to the financial statements headed "Related Party Transactions" and the section headed "Continuing Connected Transactions" of this Report below, no Director had a material interest, whether directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party during the Year.

CONTROLLING SHAREHOLDER'S INTERESTS IN SIGNIFICANT CONTRACTS

Save as disclosed in note 5 to the financial statements headed "Related Party Transactions" and the section headed "Continuing Connected Transactions" of this Report below, at no time during the Year had the Company or any of its subsidiaries, and the controlling shareholder (as defined in the Listing Rules) or any of its subsidiaries entered into any contract of significance or any contract of significance for the provision of services by the controlling shareholder or any of its subsidiaries to the Company or any of its subsidiaries.

Report of the Directors

CONTINUING CONNECTED TRANSACTIONS

The Company had certain continuing connected transactions (“**CCTs**”) (as defined in the Listing Rules) during the Year, brief particulars of which are as follows:

1. Ascott Management Agreement

As announced by the Company, Lai Sun Garment (International) Limited (“**LSG**”, together with its subsidiaries “**LSG Group**”), eSun Holdings Limited (“**eSun**”, together with its subsidiaries “**eSun Group**”) and Lai Fung Holdings Limited (“**Lai Fung**”, together with its subsidiaries “**Lai Fung Group**”) on 23 January 2020, Shanghai Li Xing Real Estate Development Co., Ltd. (“**Li Xing**”), a wholly-owned subsidiary of Lai Fung and Ascott Property Management (Shanghai) Co., Ltd. (“**Ascott**”), a wholly-owned subsidiary of CapitaLand Group Pte. Ltd. (“**CapitaLand**”) entered into the 2020 Management Agreement to renew the 2009 Management Agreement which would expire on 30 April 2020 pursuant to which Ascott agreed to provide certain management services to Li Xing in relation to a serviced residence property owned by and units leased to Li Xing in Shanghai. The term for 2020 Management Agreement is 10 years commencing on 1 May 2020 and renewable for two successive terms of five years at the option of Ascott and subject to the agreement of Li Xing.

Pursuant to the announcement dated 23 January 2020, Lai Fung had adopted a maximum aggregate annual cap of RMB15 million per annum for the management and other service fees payable to Ascott under the 2020 Management Agreement.

For the year ended 31 July 2025, the management and other service fees paid or payable by the Group to Ascott amounted to RMB5,307,000 (equivalent to approximately HK\$5,741,000).

CapitaLand is an indirect substantial shareholder of Lai Fung. Lai Fung is a 55.08% owned subsidiary of the Company. Accordingly, Ascott is a connected person of the Company under Rule 14A.07 of the Listing Rules, and the transactions contemplated under the 2020 Management Agreement constitute CCTs for the Company under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

2. Financial Assistance Framework Agreements

As announced by the Company and LSG on 9 September 2022, the Company entered into the LSG-LSD Framework Agreement with LSG in respect of financial assistance to be provided by LSG Lender Group Companies to LSD Borrower Group Companies from time to time for an initial term of three years commencing from 1 January 2023 and expiring on 31 December 2025. On 9 September 2022, the Company entered into the LSD-eSun Framework Agreement and the LSD-LF Framework Agreement respectively with eSun and LF in respect of financial assistance to be provided by LSD Lender Group Companies to eSun Borrower Group Companies and LF Borrower Group Companies, respectively, from time to time. Each of the two LSD Financial Assistance Framework Agreements was for an initial term of three years commencing from 1 January 2023 and expiring on 31 December 2025.

The two LSD Financial Assistance Framework Agreements and the Intercompany Loan Transactions contemplated thereunder, had constituted CCTs of the Company under Chapter 14A of the Listing Rules.

Pursuant to the announcement made by the Company and LSG on 9 September 2022, the Company had set the following annual caps:

- (i) the LSD-eSun Annual Cap for the LSD-eSun Loan Transactions contemplated under the LSD-eSun Framework Agreement was HK\$360,000,000 for the financial year ended 31 July 2025 and HK\$485,000,000 for the financial year ending 31 July 2026; and
- (ii) the LSD-LF Annual Cap for the LSD-LF Loan Transactions contemplated under the LSD-LF Framework Agreement was HK\$3,000,000,000 for the financial year ended 31 July 2025 and HK\$3,000,000,000 for the financial year ending 31 July 2026.

For the year ended 31 July 2025, the amounts in respect of the financial assistance for the LSD-eSun Framework Agreement and the LSD-LF Framework Agreement were HK\$30,000,000 and HK\$565,000,000, respectively.

Details of the Financial Assistance Framework Agreements are set out in the announcement dated 9 September 2022 jointly published by the Company and LSG.

Report of the Directors

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

3. 2023 Commercial Letting Framework Agreement

As announced on 31 July 2023, the Company, LSG, eSun and Lai Fung (collectively, “**Lai Sun Group**”) entered into the 2023 commercial letting framework agreement (“**2023 Commercial Letting Framework Agreement**”) for the transaction with regard to the letting and/or licensing of premises for office space, warehouse, commercial properties, car parking spaces, advertising spaces and other premises within members of the Lai Sun Group (“**Transaction**”) and the Transactions constituting their respective CCTs for a period of three years commencing on 1 August 2023 and expiring on 31 July 2026.

Pursuant to the announcement made by the Lai Sun Group on 31 July 2023, the Company has set the following annual caps:

As lessee:

- (i) the annual caps for the total value of the right-of-use assets in respect of the Transactions are HK\$15,000,000 for the financial year ended 31 July 2025 and HK\$14,000,000 for the financial year ending 31 July 2026; and
- (ii) the annual caps for licensing and other fees other than the fixed rental payments in respect of the Transactions are HK\$5,000,000 for each of the financial year ended 31 July 2025 and financial year ending 31 July 2026.

As lessor:

The annual caps for the annual rental, licensing fees and/or other fees receivable by the Group in respect of the Transactions is HK\$23,000,000 for the financial year ended 31 July 2025 and HK\$26,000,000 for the financial year ending 31 July 2026.

Details of the 2023 Commercial Letting Framework Agreement are set out in the announcement dated 31 July 2023 published by the Lai Sun Group.

For the financial year ended 31 July 2025, in respect of the Transactions:

- (i) total value of the right-of-use assets amounted to HK\$182,000;
- (ii) licensing and other fees other than the fixed rental payments paid or payable by the Group amounted to HK\$894,000; and
- (iii) annual rental, licensing fees and/or other fees received or receivable by the Group amounted to HK\$3,105,000.

The Company will comply with the requirements under the connected transactions of the Listing Rules if any cap is exceeded, or when the 2023 Commercial Letting Framework Agreement is renewed or there are material changes to the provisions of the 2023 Commercial Letting Framework Agreement.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

Under Rule 14A.55 of the Listing Rules, the INEDs have reviewed annually the CCTs listed above and confirmed that the transactions have been entered into:

- (a) in the ordinary and usual course of business of the Group;
- (b) on normal commercial terms or better; and
- (c) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Ernst & Young, Certified Public Accountants ("**Ernst & Young**"), the Company's independent auditor, were engaged to report on the CCTs of the Group in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Ernst & Young issued a letter in respect of the CCTs to the Board in accordance with Rule 14A.56 of the Listing Rules and confirming that nothing has come to their attention that causes them to believe that the disclosed CCTs as set out in (1), (2) and (3) above;

- (i) have not been approved by the Board;
- (ii) were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group;
- (iii) were not entered into, all material respects, in accordance with the relevant agreements governing such transactions; and
- (iv) have exceeded the annual cap as set by the Company.

In addition, during the Year, there were sharing of corporate salaries and administrative expenses on a cost basis allocated from and to the Group, the LSG Group, the eSun Group and the Lai Fung Group. These CCTs are exempt from announcement, reporting and shareholders' approval requirements pursuant to Rule 14A.98 of the Listing Rules.

Report of the Directors

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the Year and up to the Report Date, the following Directors are considered to have interests in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules:

Dr. Lam Kin Ngok, Peter ("**Dr. Peter Lam**"), Mr. Lau Shu Yan, Julius (retired on 1 March 2025), Mr. Cheung Sum, Sam, Mr. Lam Hau Yin, Lester, Mr. Lee Tze Yan, Ernest and Madam U Po Chu (together, "**Interested Directors**") held shareholding or other interests and/or directorships in companies/entities engaged in the businesses of property investment and development in Hong Kong and Chinese Mainland, including Lai Fung.

Dr. Peter Lam held shareholding or other interests and/or directorships in companies or entities engaged in the business of investment in and operation of hotels and restaurants, media and entertainment, film production and distribution and cinema operation in Hong Kong.

The Directors do not consider the interests held by the Interested Directors to be competing in practice with the relevant business of the Group in view of:

- (1) different locations and different uses of the properties owned by the above companies and those of the Group; and
- (2) different target customers of the restaurant operations, the concerts and albums of the above companies and those of the Group.

However, the Board is independent from the boards of directors/governing committees of the aforesaid companies/entities and none of the Interested Directors can personally control the Board. Further, each of the Interested Directors is fully aware of, and has been discharging his/her fiduciary duty to the Company and has acted and will continue to act in the best interest of the Company and its Shareholders as a whole. Therefore, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies/entities.

SHARE OPTION SCHEMES

(1) The Company

At the annual general meeting of the Company held on 16 December 2022, the Shareholders approved the adoption of a new share option scheme ("**2022 Share Option Scheme**"). The 2022 Share Option Scheme has also been approved by the shareholders of LSG at its annual general meeting held on 16 December 2022. The share option schemes adopted by the Company on 22 December 2006 ("**2006 Share Option Scheme**") and 11 December 2015 ("**2015 Share Option Scheme**") terminated when the 2015 Share Option Scheme was adopted on 11 December 2015 and the 2022 Share Option Scheme was adopted on 16 December 2022 and became effective on 19 December 2022 ("**Effective Date**"), respectively. Following their termination, no further share options shall be granted under the 2006 Share Option Scheme and the 2015 Share Option Scheme but the outstanding options granted thereunder shall continue to be valid and exercisable in accordance with the respective terms of the 2006 Share Option Scheme and the 2015 Share Option Scheme.

The purpose of the 2022 Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants (as defined in the 2022 Share Option Scheme) for their contribution 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 (as defined in the 2022 Share Option Scheme). Eligible Participants include but not limited to the directors, chief executive, employees of the Group and related entities and the service providers of the Group. Unless otherwise cancelled or amended, the 2022 Share Option Scheme will remain in force for 10 years from the Effective Date.

The principal terms of the 2022 Share Option Scheme are set out in the circular of the Company dated 17 November 2022. The number of shares available for grant under the 2022 Share Option Scheme at the beginning and the end of the financial year ended 31 July 2025 was 96,888,588 shares (representing approximately 6.67% of the Company's issued shares (excluding treasury shares, if any) as at 31 July 2025). The service provider sublimit at the beginning and the end of the financial year ended 31 July 2025 was 9,688,858 shares (representing approximately 0.67% of the Company's issued shares (excluding treasury shares, if any) as at 31 July 2025).

During the Year, a share option comprising 129,467 underlying Shares and a share option comprising 69,652 underlying Shares granted to certain eligible participants under the 2015 Share Option Scheme lapsed in November 2024 and May 2025, respectively, and a share option comprising 193,176 underlying Shares granted to certain eligible participants under the 2006 Share Option Scheme expired on 20 January 2025. Accordingly, there were no share options remained outstanding under the 2006 Share Option Scheme.

During the Year, no share options had been granted under the 2022 Share Option Scheme. Accordingly, there were no shares of the Company that might be issued in respect of share options granted under the 2022 Share Option Scheme of the Company during the Year.

As at 31 July 2025, share options comprising a total of 325,047 underlying Shares granted under the 2015 Share Option Scheme were outstanding, representing approximately 0.02% of the shares of the Company currently in issue.

Report of the Directors

SHARE OPTION SCHEMES (CONTINUED)

(1) The Company (continued)

Particulars of the outstanding options granted under the 2006 Share Option Scheme and the 2015 Share Option Scheme at the beginning and at the end of the financial period are as follows:

Category of participants	Date of grant of options (Note 1)	Number of underlying Shares comprised in share options					Exercise period of share options	Exercise price of share options HK\$ per Share (Note 2)
		As at 01/08/2024	Granted during the Year	Exercised during the Year	Lapsed during the Year	As at 31/07/2025		
Employee participants (Note 6)	21/01/2015	193,176	-	-	(193,176) (Note 4)	-	21/01/2015 - 20/01/2025	7.192
	22/01/2016	69,652	-	-	-	69,652	22/01/2016 - 21/01/2026	4.048
	20/01/2017	69,652	-	-	(69,652) (Note 5)	-	20/01/2017 - 19/01/2027	7.019
	26/01/2021	255,395	-	-	-	255,395	26/01/2021 - 25/01/2031	5.476
	25/01/2022	129,467	-	-	(129,467) (Note 3)	-	25/01/2022 - 24/01/2032	4.397
Total:		717,342	-	-	(392,295)	325,047		

Notes:

1. The share options were vested on the date of grant.
2. The exercise price of the share options is subject to adjustment in the case of rights or bonus issues or other similar changes in the Company's share capital.
3. A share option comprising a total of 129,467 underlying Shares had been lapsed in November 2024 under the 2015 Share Option Scheme.
4. A share option comprising a total of 193,176 underlying Shares was expired on 20 January 2025 under the 2006 Share Option Scheme.
5. A share option comprising a total of 69,652 underlying Shares had been lapsed in May 2025 under the 2015 Share Option Scheme.
6. Employee participants including the employees of the Group.

SHARE OPTION SCHEMES (CONTINUED)

(1) The Company (continued)

Save as disclosed above, no share options were granted, vested, exercised, cancelled, or lapsed in accordance with the terms of the 2006 Share Option Scheme, the 2015 Share Option Scheme and the 2022 Share Option Scheme during the Year.

As at the Report Date, (i) no further options could be granted under the 2015 Share Option Scheme and a maximum number of 325,047 Shares are available for issue in relation to the underlying Shares comprised in the subsisting option granted under the 2015 Share Option Scheme and remained outstanding, representing approximately 0.02% of the Shares in issue (excluding treasury shares, if any) as at the Report Date; and (ii) no share options have been granted under the 2022 Share Option Scheme since Effective Date, therefore, a maximum number of 96,888,588 Shares are available for grant and issue under the 2022 Share Option Scheme, representing approximately 6.67% of the Shares in issue (excluding treasury shares, if any) as at the Report Date.

Further details of the 2006 Share Option Scheme, the 2015 Share Option Scheme and the 2022 Share Option Scheme are set out in note 41 to the financial statements.

(2) eSun

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

Upon the closing of eSun's offers on 22 August 2018, all outstanding share options granted under the 2015 eSun Share Option Scheme had been cancelled. On 21 January 2022, eSun granted share options under the 2015 eSun Share Option Scheme to the eligible participants to subscribe for a total of 1,500,000 underlying eSun Shares (equivalent to approximately 0.10% of the total issued eSun Shares as at that date (that is, 1,491,854,598)) at the exercise price of HK\$0.50 per eSun Share with the exercise period from 21 January 2022 to 20 January 2032. On 15 August 2023 and 30 November 2024, share options comprising 800,000 and 300,000 underlying eSun Shares granted to two eligible participants under the 2015 eSun Share Option Scheme lapsed respectively.

The 2015 eSun Share Option Scheme was terminated and a new share option scheme ("**2022 eSun Share Option Scheme**") was adopted by eSun's shareholders ("**eSun Shareholders**") at its annual general meeting held on 16 December 2022. The 2022 eSun Share Option Scheme has also been approved by shareholders of both the Company and LSG at their respective annual general meetings held on the same date and became effective on 19 December 2022 ("**eSun Effective Date**").

Report of the Directors

SHARE OPTION SCHEMES (CONTINUED)

(2) eSun (continued)

The number of eSun Shares available for grant under the 2015 eSun Share Option Scheme before its termination was 122,821,216. Upon termination of the 2015 eSun Share Option 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 eSun Share Option Scheme.

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

The purpose of the 2022 eSun Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants (as defined in the 2022 eSun Share Option Scheme, including but not limited to the directors, chief executives, employees and service providers of the eSun Group as well as the related entity participants) to the eSun 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 eSun Group and the related entities. The 2022 eSun Share Option Scheme shall strengthen the many long-term relationships that the Eligible Participants may have with the eSun Group.

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

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

SHARE OPTION SCHEMES (CONTINUED)

(2) eSun (continued)

The movement of eSun share options granted under the 2015 eSun Share Option Scheme during the Year is as follows:

Category of grantees	Date of grant (Note 1)	Number of underlying eSun Shares comprised in eSun share options					Exercise price per eSun Share (HK\$) (Note 2)
		As at 01/08/2024	Granted during the Year	Exercised during the Year	Cancelled/ Lapsed during the Year	As at 31/07/2025	
Eligible participants							
Employee	21/01/2022	400,000	-	-	-	400,000	21/01/2022 - 20/01/2032 0.50
Other eligible participant	21/01/2022	300,000	-	-	(300,000) (Note 3)	-	21/01/2022 - 20/01/2032 0.50
Total:		700,000	-	-	(300,000)	400,000	

Notes:

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

Save as disclosed above, no eSun share options were granted, vested, exercised, cancelled, or lapsed in accordance with the terms of the 2015 eSun Share Option Scheme and the 2022 eSun Share Option Scheme during the Year.

Further details of the 2015 eSun Share Option Scheme and the 2022 eSun Share Option Scheme are set out in note 41 to financial statements.

Report of the Directors

SHARE OPTION SCHEMES (CONTINUED)

(3) Lai Fung

The share option scheme adopted by Lai Fung on 18 December 2012 ("**2012 Lai Fung Share Option Scheme**") expired on 17 December 2022 ("**Expiration Date**"). Following the Expiration Date, no further share options shall be granted under the 2012 Lai Fung Share Option Scheme but the outstanding share options granted thereunder shall continue to be valid and exercisable in accordance with its terms. As at 31 July 2025, share options comprising a total of 530,000 underlying shares of Lai Fung ("**Lai Fung Shares**") granted under the 2012 Lai Fung Share Option Scheme were outstanding.

At the annual general meeting of Lai Fung held on 16 December 2022, a new share option scheme ("**2022 Lai Fung Share Option Scheme**") was adopted for the purpose of recognising the contribution or future contribution of the Eligible Participants (as defined in the 2022 Lai Fung Share Option Scheme) to the Lai Fung Group by granting options to them as incentives or rewards and to attract, retain and motivate high-caliber Eligible Participants in line with performance goals of the Lai Fung Group and the related entities. Eligible Participants include, but are not limited to, the directors, chief executive and employees of the Lai Fung Group and related entities, and service providers of the Lai Fung Group. The 2022 Lai Fung Share Option Scheme was also approved by the shareholders of LSG and the Company at their respective annual general meetings and became effective on 19 December 2022 ("**Lai Fung Effective Date**"). Unless otherwise cancelled or amended, the 2022 Lai Fung Share Option Scheme will remain in force for 10 years from the Lai Fung Effective Date. The principal terms of the 2022 Lai Fung Share Option Scheme are set out in the circular of Lai Fung dated 17 November 2022. The number of shares available for grant under the 2022 Lai Fung Share Option Scheme at the beginning and the end of the financial year ended 31 July 2025 was 33,103,344 Lai Fung Shares (representing 10% of Lai Fung's issued shares (excluding treasury shares, if any) as at 31 July 2025). The service provider sublimit at the beginning and the end of the financial year ended 31 July 2025 was 3,310,334 Lai Fung Shares (representing 1% of Lai Fung's issued shares (excluding treasury shares, if any) as at 31 July 2025).

During the Year, no share options had been granted under the 2022 Lai Fung Share Option Scheme. Accordingly, there were no shares of Lai Fung that might be issued in respect of share options granted under the 2022 Lai Fung Share Option Scheme during the Year.

SHARE OPTION SCHEMES (CONTINUED)

(3) Lai Fung (continued)

The movement of Lai Fung share options granted under the 2012 Lai Fung Share Option Scheme during the Year is as follows:

Category of grantees	Date of grant (Note 1)	Number of underlying Lai Fung Shares comprised in Lai Fung share options					Exercise period	Exercise price per Lai Fung Share (HK\$) (Note 2)
		As at 01/08/2024	Granted during the Year	Exercised during the Year	Lapsed during the Year	As at 31/07/2025		
Employee participants	16/01/2015	60,000	-	-	(60,000)	-	16/01/2015 - 15/01/2025	8.00
	19/01/2018	150,000	-	-	-	150,000	19/01/2018 - 18/01/2028	13.52
	22/01/2019	260,000	-	-	-	260,000	22/01/2019 - 21/01/2029	10.18
	22/01/2021	60,000	-	-	-	60,000	22/01/2021 - 21/01/2031	7.364
	21/01/2022	60,000	-	-	-	60,000	21/01/2022 - 20/01/2032	5.75
Subtotal		590,000	-	-	(60,000)	530,000		
Related entity participants	19/01/2018	40,000	-	-	(40,000)	-	19/01/2018 - 18/01/2028	13.52
	21/01/2022	100,000	-	-	(100,000)	-	21/01/2022 - 20/01/2032	5.75
Subtotal		140,000	-	-	(140,000)	-		
Total:		730,000	-	-	(200,000)	530,000		

Notes:

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

Save as disclosed above, no Lai Fung share options were granted, vested, exercised, cancelled, or lapsed in accordance with the terms of the 2012 Lai Fung Share Option Scheme and the 2022 Lai Fung Share Option Scheme during the Year. Subsequent to the Year, Lai Fung share options comprising a total of 410,000 underlying Lai Fung Shares granted under the 2012 Lai Fung Share Option Scheme lapsed.

As at the Report Date, (i) no further options could be granted under the 2012 Lai Fung Share Option Scheme and a maximum number of 120,000 Lai Fung Shares are available for issue in relation to the underlying Lai Fung Shares comprised in the subsisting option granted under the 2012 Lai Fung Share Option Scheme and remained outstanding, representing approximately 0.04% of the Lai Fung Shares in issue (excluding treasury shares, if any) as at the Report Date; and (ii) options to subscribe for a maximum of 33,103,344 Lai Fung Shares could be granted under the 2022 Lai Fung Share Option Scheme, representing approximately 10% of the Lai Fung Shares in issue (excluding treasury shares, if any) as at the Report Date.

Further details of the 2012 Lai Fung Share Option Scheme and the 2022 Lai Fung Share Option Scheme are set out in note 41 to the financial statements.

Report of the Directors

DIRECTORS' INTERESTS

The following Directors and the chief executive of the Company who held office on 31 July 2025 and their respective close associates (as defined in the Listing Rules) were interested or were deemed to be interested in the following interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO")) on that date (a) as required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions, if any, which they were taken or deemed to have under such provisions of the SFO); or (b) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO ("**Register of Directors and Chief Executive**"); or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Code of Practice for Securities Transactions by Directors and Designated Employees adopted by the Company ("**Securities Code**"); or (d) as known by the Directors:

(1) The Company

Long positions in the ordinary shares of the Company ("Shares") and the underlying Shares

Name of Director	Capacity	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Approximate % of total interests to total issued Shares (Note 1)
Lam Kin Ngok, Peter	Beneficial owner/Owner of controlled corporations	975,907	Nil	808,084,296 (Note 2)	Nil	809,060,203	55.67%
U Po Chu (Note 3)	Beneficial owner	60,567	Nil	Nil	Nil	60,567	0.01%
Luk Hon Man	Beneficial owner	3,300	Nil	Nil	Nil	3,300	0.01%

Notes:

- (1) The percentage has been compiled based on the total number of issued Shares as at 31 July 2025 (i.e. 1,453,328,830 Shares).
- (2) As at 31 July 2025, Lai Sun Garment (International) Limited ("**LSG**") and two of its wholly-owned subsidiaries, namely Zimba International Limited ("**Zimba International**") and Joy Mind Limited ("**Joy Mind**"), beneficially owned in aggregate 808,084,296 Shares, representing approximately 55.60% of the issued share capital of the Company. As such, Dr. Lam Kin Ngok, Peter was deemed to be interested in the same 808,084,296 Shares by virtue of, in aggregate, his personal (excluding underlying shares) and deemed interests of approximately 43.85% in the issued share capital of LSG. LSG is approximately 14.62% owned by Dr. Lam Kin Ngok, Peter and is approximately 29.23% owned by Wisdoman Limited which in turn is 100% beneficially owned by Dr. Lam Kin Ngok, Peter.

LSG pledged approximately 208,513,987 Shares held by LSG, Zimba International and Joy Mind as security pursuant to its 7.70% secured guaranteed notes due 2018 under a Share Charge dated 24 July 2014. The amount has been repaid in full.
- (3) Madam U Po Chu is the widow of the late Mr. Lim Por Yen whose estate includes an interest of 8,718,829 Shares, representing approximately 0.60% of the issued share capital of the Company.

DIRECTORS' INTERESTS (CONTINUED)

(2) Associated Corporations

- (i) Lai Sun Garment (International) Limited ("LSG") — the ultimate holding company of the Company

Long positions in the ordinary shares of LSG ("LSG Shares") and the underlying LSG Shares

Name of Director	Capacity	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Approximate % of total interests to total issued LSG Shares (Note 1)
Lam Kin Ngok, Peter	Beneficial owner/Owner of controlled corporations	129,149,733 (Note 2)	Nil	258,168,186	1,832,017 (Note 3)	389,149,936	44.05%
Lam Hau Yin, Lester	Beneficial owner	28,033,218	Nil	Nil	6,519,095 (Note 3)	34,552,313	3.91%
U Po Chu	Beneficial owner	1,857,430	Nil	Nil	Nil	1,857,430	0.21%

Notes:

- (1) The percentage has been compiled based on the total number of issued LSG Shares as at 31 July 2025 (i.e. 883,373,901 LSG Shares).
- (2) Dr. Lam Kin Ngok, Peter purchased 16,938,695 LSG Shares on 14 February 2025, increasing his personal interests from 112,211,038 LSG Shares to 129,149,733 LSG Shares.
- (3) Share options were granted by LSG to Dr. Lam Kin Ngok, Peter and Mr. Lam Hau Yin, Lester, the particulars of which are set out below:

Name of Director	Date of grant	Number of underlying LSG Shares comprised in share options	Exercise period	Exercise price HK\$ per LSG Share
Lam Kin Ngok, Peter	19/06/2017	448,197	19/06/2017 - 18/06/2027	11.155
	25/01/2022	1,383,820	25/01/2022 - 24/01/2032	3.673
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

Report of the Directors

DIRECTORS' INTERESTS (CONTINUED)

(2) Associated Corporations (continued)

- (ii) eSun Holdings Limited ("eSun") — a subsidiary of the Company

Long positions in the ordinary shares of eSun ("eSun Shares") and the underlying eSun Shares

Name of Director	Capacity	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Approximate % of total interests to total issued eSun Shares (Note 1)
Lam Kin Ngok, Peter	Beneficial owner/Owner of controlled corporations	2,794,443	Nil	1,113,260,072 (Note 2)	Nil	1,116,054,515	63.56%
Lam Hau Yin, Lester	Beneficial owner	2,794,443	Nil	Nil	Nil	2,794,443	0.16%

Notes:

- (1) The percentage has been compiled based on the total number of issued eSun Shares as at 31 July 2025 (i.e. 1,755,876,866 eSun Shares).
- (2) As at 31 July 2025, LSG was interested in 808,084,296 Shares in the Company, representing approximately 55.60% of the issued share capital of the Company. Transtrend Holdings Limited ("Transtrend"), a wholly-owned subsidiary of the Company, was interested in 1,113,260,072 eSun Shares, representing approximately 63.40% of the issued share capital of eSun. As such, Dr. Lam Kin Ngok, Peter was deemed to be interested in the same 1,113,260,072 eSun Shares by virtue of, in aggregate, his personal (excluding underlying shares) and deemed interests of approximately 43.85% and 55.67% in the issued share capital of LSG and the Company, respectively.

DIRECTORS' INTERESTS (CONTINUED)

(2) Associated Corporations (continued)

- (iii) Lai Fung Holdings Limited (“Lai Fung”) — a subsidiary of the Company

Long positions in the ordinary shares of Lai Fung (“Lai Fung Shares”) and the underlying Lai Fung Shares

Name of Director	Capacity	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Approximate % of total interests to total issued Lai Fung Shares (Note 1)
Lam Kin Ngok, Peter	Owner of controlled corporations	Nil	Nil	182,318,266 (Note 2)	Nil	182,318,266	55.08%

Notes:

- (1) The percentage has been compiled based on the total number of issued Lai Fung Shares as at 31 July 2025 (i.e. 331,033,443 Lai Fung Shares).
- (2) As at 31 July 2025, the Company was interested or deemed to be interested in 182,318,266 Lai Fung Shares, of which 180,600,756 Lai Fung Shares were beneficially owned by Holy Unicorn Limited, a wholly-owned subsidiary of the Company and 1,717,510 Lai Fung Shares were beneficially owned by Transtrend. As such, Dr. Lam Kin Ngok, Peter was deemed to be interested in the same 182,318,266 Lai Fung Shares (representing approximately 55.08% of the issued share capital of Lai Fung) by virtue of, in aggregate, his personal (excluding underlying shares) and deemed interests approximate 43.85% and 55.67% in the issued share capital of LSG and the Company, respectively.

- (iv) Lai Sun MTN Limited — a subsidiary of the Company

Long positions in the 5% guaranteed medium term notes due 2026

Name of Director	Capacity	Nature of Interests	Principal amount
Lam Kin Ngok, Peter	Beneficial owner	Personal	USD13,500,000

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

Report of the Directors

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the sections headed "Share Option Schemes" and "Directors' Interests" in this Report and in note 41 headed "Share Option Schemes" to the financial statements, at no time during the Year was the Company or any of its holding company and its subsidiaries a party to any arrangement to enable a Director to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

As at 31 July 2025, so far as was 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 of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept under 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 the underlying Shares of the Company

Name	Capacity	Nature of interests	Number of Shares and underlying Shares	Approximate % of issued Shares (Note 1)
Substantial Shareholders				
Lai Sun Garment (International) Limited	Beneficial owner/ Owner of controlled corporations	Corporate	808,084,296 (Note 2)	55.60%
Lam Kin Ngok, Peter	Beneficial owner/ Owner of controlled corporations	Personal and corporate	809,060,203 (Note 2)	55.67%
Yu Cheuk Yi	Beneficial owner	Personal	276,926,400 (Note 3)	19.05%
Yu Siu Yuk	Beneficial owner	Personal	276,926,400 (Note 3)	19.05%
Other persons				
Chan Kin	Interest of controlled Corporation	Corporate	145,187,400 (Note 4)	9.99%
Argyle Street Management Holdings Limited (" ASMH ")	Interest of controlled Corporation	Corporate	145,187,400 (Note 4)	9.99%

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS (CONTINUED)

Notes:

- (1) *The percentage has been compiled based on the total number of issued Shares as at 31 July 2025 (i.e. 1,453,328,830 Shares).*
- (2) *LSG and two of its wholly-owned subsidiaries, namely Zimba International and Joy Mind beneficially owned 808,084,296 Shares, representing approximately 55.60% of the issued share capital of the Company. Dr. Lam Kin Ngok, Peter was deemed to be interested in the same 808,084,296 Shares by virtue of, in aggregate, his personal and deemed interests of approximately 43.85% (excluding underlying shares) in the issued share capital of LSG.*
- (3) *Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk jointly held 276,926,400 Shares (19.05%), based on the total number of issued Shares (i.e. 1,453,328,830 Shares) according to shareholding shown in last Individual Substantial Shareholder Notice (Form 1) filed for an event on 23 March 2023.*
- (4) *ASM Connaught House (Master) Fund III LP, ASM Co-Investment Term Trust I, Marzan Street Limited and Jinlong Road Limited holds 573,075 Shares, 10,800 Shares, 68,475,000 Shares and 76,128,525 Shares, respectively, which are held indirectly by ASMH through a number of controlled corporations. Mr. Chan Kin has over 50% controlling interests in ASMH. Therefore, Mr. Chan Kin and ASMH are respectively deemed to have an interest in the said shares in which ASM Connaught House (Master) Fund III LP, ASM Co-Investment Term Trust I, Marzan Street Limited and Jinlong Road Limited are interested.*

Save as disclosed above, the Directors are not aware of any other corporation or individual (other than a Director or the chief executive of the Company) who, as at 31 July 2025, had the Voting Entitlements or 5% or more interests or short positions in the Shares or underlying Shares of the Company recorded in the Register of Shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any).

PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND PROPERTIES UNDER DEVELOPMENT

Details of the movements in the property, plant and equipment, investment properties and properties under development of the Company and the Group during the Year are set out in notes 14, 15 and 17 to the financial statements, respectively. Further details of the Group's investment properties and properties under development are set out in the "Particulars of Major Properties" of this Annual Report.

Report of the Directors

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the public float of the Company complies with the minimum percentage requirement of 25% as prescribed by Rule 8.08(1) of the Listing Rules during the Year and up to the Report Date.

PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 July 2025 are set out in note 50 to the financial statements.

CHARITABLE CONTRIBUTIONS

During the Year, the Group made charitable contributions totalling approximately HK\$4,211,000.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, sales to the Group's five largest customers accounted for less than 30% of the Group's total sales for the Year.

During the Year, purchases from the Group's five largest suppliers accounted for less than 30% of the Group's total purchases for the Year.

None of the Directors or any of their close associates or any Shareholders, which to the best knowledge of the Directors, own more than 5% of the Company's issued share capital, had any beneficial interest in the Group's five largest suppliers.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years is set out in the "Summary of Financial Information" of this Annual Report on pages 53 and 54.

CORPORATE GOVERNANCE

Particulars of the Company's corporate governance practices are set out in the Corporate Governance Report of this Annual Report on pages 110 to 137.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the INEDs in writing an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules, and both the Nomination Committee and the Board consider all the INEDs to be independent.

EQUITY-LINKED AGREEMENTS

For the Year, the Company has not entered into any equity-linked agreements, save for options to be granted under the above section of "Share Option Schemes" of this Report.

REVIEW BY AUDIT COMMITTEE

The Audit Committee of the Company ("**Audit Committee**") currently comprises three INEDs, namely Messrs. Leung Shu Yin, William, Lam Bing Kwan and Ip Shu Kwan, Stephen. The Audit Committee has reviewed with the management the audited consolidated financial statements of the Company for the Year.

INDEPENDENT AUDITOR

The consolidated financial statements of the Company for the Year have been audited by Ernst & Young who will retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM. Having approved by the Board upon the Audit Committee's recommendation, a resolution for the re-appointment of Ernst & Young as independent auditor of the Company for the ensuing year will be put to the forthcoming AGM for Shareholders' approval.

On behalf of the Board

Lam Kin Ngok, Peter

Chairman

Hong Kong

24 October 2025

Shareholders' Information

KEY DATES

Shareholders and investors are advised to note the following key dates of the Company and take appropriate action:

For Financial Year 2024/2025	
Annual results announcement	24 October 2025
Latest time and date for lodging transfer documents with the share registrar to ascertain entitlement to attend, speak and vote at the 2025 annual general meeting (" AGM ")	4:30 p.m. on 15 December 2025
Record date for entitlement to attend, speak and vote at the 2025 AGM	15 December 2025
2025 AGM	19 December 2025

For Financial Year 2025/2026	
Interim results announcement	on or before 31 March 2026
Annual results announcement	on or before 31 October 2026

ANNUAL REPORT

To ensure that all shareholders have equal and timely access to important corporate information, the Company makes extensive use of its website to deliver up-to-date information. This 2024-2025 Annual Report is printed in both English and Chinese and is available on the Company's website at www.laisun.com.

AGM

The AGM will be held on 19 December 2025. Details of the AGM are set out in the notice of the AGM which constitutes part of the circular of the Company dated 20 November 2025. Notice of the AGM and the proxy form are also available on the Company's website.

Independent Auditor's Report



To the members of Lai Sun Development Company Limited
(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Lai Sun Development Company Limited (the **"Company"**) and its subsidiaries (the **"Group"**) set out on pages 175 to 360, which comprise the consolidated statement of financial position as at 31 July 2025, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 July 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (**"HKICPA"**) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (**"HKSAs"**) as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the **"Code"**), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.1 to the consolidated financial statements, which indicates that as at 31 July 2025, the Group's current liabilities exceeded its current assets by HK\$4,506 million, and the Group had cash and bank balances (including pledged and restricted bank balances and time deposits) of HK\$4,236 million under current assets, while total bank and other borrowings and guaranteed notes amounted to HK\$25,378 million, of which HK\$14,558 million was classified as current liabilities. In addition, the Group incurred a net loss of HK\$3,129 million during the year ended 31 July 2025. These conditions, along with other matters as set forth in note 2.1 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Independent Auditor's Report

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
<i>Impairment of a hotel property located in Hong Kong</i>	
Included in property, plant and equipment is a hotel property (the “ HK Hotel ”) located in Hong Kong, which is stated at cost less accumulated depreciation and impairment losses, if any. The carrying amounts of the HK Hotel and the related right-of-use assets as at 31 July 2025 were approximately HK\$2,596 million and HK\$1,267 million, respectively. Significant judgements and assumptions, including those related to cash flow projections, such as the estimated average daily room rates, estimated occupancy rates and discount rate, are required to assess whether a provision for impairment is required. To support management's impairment assessment, the Group engaged an external valuer to perform a valuation using the cash flow projections to determine the recoverable amount of the HK Hotel.	Our audit procedures included, among others, involving our internal valuation specialists to assist us to evaluate (i) the methodologies used in the valuation, and (ii) the key assumptions used in the valuation, including the estimated average daily room rates, estimated occupancy rates and discount rate, by comparing with the Group's historical data and future plans, market data of comparable companies and other industry specific statistics. We performed sensitivity analyses on certain key assumptions to assess whether impairment would have been required. We also evaluated the objectivity, independence and competency of the valuer.
Related disclosures are disclosed in notes 3, 14 and 16 to the consolidated financial statements.	

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
<i>Estimation of fair values of investment properties</i>	
Investment properties are stated at fair value. The carrying amount of investment properties as at 31 July 2025 was approximately HK\$34,315 million. Significant judgements and assumptions are required to determine the fair values of the investment properties. To support management's determination of the fair values, the Group engaged external valuers to perform valuations on the investment properties at the end of the reporting period. Related disclosures are disclosed in notes 3 and 15 to the consolidated financial statements.	Our audit procedures included, among others, involving our internal valuation specialists to assist us to evaluate the assumptions and methodologies used in the valuations, on a sample basis. We also evaluated the objectivity, independence and competency of the valuers. We then assessed the Group's disclosures of investment properties.
<i>Net realisable value assessment of properties under development and completed properties for sale</i>	
The Group's properties under development and completed properties for sale are stated at the lower of cost and net realisable value. As at 31 July 2025, the carrying amounts of these properties under development and completed properties for sale were approximately HK\$4,539 million and HK\$3,374 million, respectively. During the year, write-down of approximately HK\$528 million and HK\$226 million were recognised in income statement against properties under development and completed properties for sale, respectively. Management's assessment of the net realisable value of these properties is based on the estimated selling prices and costs necessary to complete the development, if any, and to sell these properties. The assessment of certain properties has also made reference to the valuations carried out by the external valuers engaged by the Group. Significant judgements and assumptions are required to determine the net realisable value of the properties under development and completed properties for sale. Related disclosures are disclosed in notes 3, 17 and 30 to the consolidated financial statements.	Our audit procedures included, among others, (i) obtaining and reviewing management's assessments and/or the valuation reports prepared by the external valuers on which the management's assessment of the net realisable value of properties under development and completed properties for sale was based, on a sample basis; (ii) evaluating the external valuers' objectivity, independence and competency; (iii) involving our internal valuation specialists to assist us in the assessment of the valuation methodologies applied and the key assumptions adopted in the valuations, including the estimated selling prices by comparing with market available data, on a sample basis; and (iv) assessing the reasonableness of the estimated costs necessary to complete the development by comparing with management's latest development budget, on a sample basis.

Independent Auditor's Report

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lai Wan Fung, Jacky (practising certificate number: P05099).

Ernst & Young

Certified Public Accountants

27/F, One Taikoo Place

979 King's Road

Quarry Bay

Hong Kong

24 October 2025

Consolidated Income Statement

Year ended 31 July 2025

	Notes	2025 HK\$'000	2024 HK\$'000
TURNOVER	6	4,898,615	5,998,861
Cost of sales		(3,908,438)	(4,468,932)
Gross profit		990,177	1,529,929
Other revenue and gains	6	619,198	480,266
Selling and marketing expenses		(191,447)	(279,931)
Administrative expenses		(770,039)	(810,411)
Other operating expenses		(1,025,251)	(1,691,965)
Fair value losses on investment properties, net	15	(457,569)	(817,288)
LOSS FROM OPERATING ACTIVITIES	7	(834,931)	(1,589,400)
Finance costs	8	(1,124,901)	(1,354,653)
Share of profits and losses of associates		7,956	12,011
Share of profits and losses of joint ventures		(1,130,120)	(796,305)
LOSS BEFORE TAX		(3,081,996)	(3,728,347)
Tax	11	(47,351)	(396,271)
LOSS FOR THE YEAR		(3,129,347)	(4,124,618)
Attributable to:			
Owners of the Company		(2,874,333)	(3,674,693)
Non-controlling interests		(255,014)	(449,925)
		(3,129,347)	(4,124,618)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	13		
Basic and diluted		(HK\$1.978)	(HK\$2.528)

Consolidated Statement of Comprehensive Income

Year ended 31 July 2025

	2025 HK\$'000	2024 HK\$'000
LOSS FOR THE YEAR	(3,129,347)	(4,124,618)
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
<i>Other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange realignments	243,212	(229,062)
Share of other comprehensive income/(expense) of associates	6,215	(1,459)
Share of other comprehensive income of joint ventures	1,630	83
Release of exchange reserve upon disposal of interest in an associate	—	535
Release of exchange reserve upon deregistration of subsidiaries	2,719	(5,090)
	253,776	(234,993)
<i>Other comprehensive income/(expense) that will not be reclassified to profit or loss in subsequent periods:</i>		
Changes in fair values of financial assets at fair value through other comprehensive income	(2,383)	(163,492)
Surplus on revaluation of properties upon reclassification to investment properties	20,952	7,218
	18,569	(156,274)
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR	272,345	(391,267)
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	(2,857,002)	(4,515,885)
Attributable to:		
Owners of the Company	(2,666,286)	(3,973,683)
Non-controlling interests	(190,716)	(542,202)
	(2,857,002)	(4,515,885)

Consolidated Statement of Financial Position

31 July 2025

	Notes	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	5,236,910	5,489,953
Right-of-use assets	16(a)	3,578,075	3,807,084
Investment properties	15	34,315,212	34,677,018
Film rights	18	19,144	22,092
Film and TV program products	19	60,784	61,431
Music catalogs	20	—	—
Goodwill	21	232,961	219,792
Other intangible assets	22	114,340	108,146
Investments in associates	23	396,712	365,467
Investments in joint ventures	24	4,804,796	6,131,952
Financial assets at fair value through other comprehensive income	25	114,038	105,248
Financial assets at fair value through profit or loss	26	690,108	861,169
Derivative financial instruments	27	—	6,537
Debtors	33	507,744	489,237
Deposits, prepayments, other receivables and other assets	28	159,665	216,428
Deferred tax assets	39	241	1,945
Pledged and restricted bank balances and time deposits	29	101,922	88,326
Total non-current assets		50,332,652	52,651,825
CURRENT ASSETS			
Properties under development	17	4,538,897	4,793,714
Completed properties for sale	30	3,374,197	3,705,601
Films and TV programs under production and film investments	31	344,024	277,468
Inventories		40,904	47,131
Financial assets at fair value through profit or loss	26	174,822	70,948
Debtors	33	371,253	415,983
Deposits, prepayments, other receivables and other assets	28	747,143	1,291,331
Prepaid tax		67,972	66,726
Pledged and restricted bank balances and time deposits	29	1,224,452	1,246,541
Cash and cash equivalents	29	3,011,985	2,809,574
Assets classified as held for sale	32	—	14,725,017
Total current assets		13,895,649	14,769,745

Consolidated Statement of Financial Position

31 July 2025

	Notes	2025 HK\$'000	2024 HK\$'000
CURRENT LIABILITIES			
Creditors, other payables and accruals	34	2,356,564	2,473,203
Deposits received, deferred income and contract liabilities	35	533,232	554,132
Lease liabilities	16(b)	215,394	265,479
Tax payable		731,362	702,418
Bank borrowings	37	10,383,749	2,509,016
Other borrowings	38	296,688	34,485
Guaranteed notes	36	3,877,188	—
Derivative financial instruments	27	7,707	—
		18,401,884	6,538,733
Liabilities directly associated with the assets classified as held for sale	32	—	116
Total current liabilities		18,401,884	6,538,849
NET CURRENT (LIABILITIES)/ASSETS		(4,506,235)	8,230,896
TOTAL ASSETS LESS CURRENT LIABILITIES		45,826,417	60,882,721
NON-CURRENT LIABILITIES			
Lease liabilities	16(b)	524,346	643,278
Bank borrowings	37	10,437,690	18,228,586
Other borrowings	38	—	290,055
Guaranteed notes	36	382,438	4,232,145
Derivative financial instruments	27	17,802	—
Deferred tax liabilities	39	3,958,713	4,059,607
Other payables and accruals	34	907,350	899,114
Long-term deposits received	35	211,641	222,356
Total non-current liabilities		16,439,980	28,575,141
		29,386,437	32,307,580
EQUITY			
Equity attributable to owners of the Company			
Share capital	40	6,240,082	6,240,082
Reserves	42	16,879,733	19,570,045
		23,119,815	25,810,127
Non-controlling interests		6,266,622	6,497,453
		29,386,437	32,307,580

Lam Kin Ngok, Peter
Director

Cheung Sum, Sam
Director

Consolidated Statement of Changes in Equity

Year ended 31 July 2025

	Attributable to owners of the Company												
	Share capital HK\$'000	Fair value reserve — financial assets HK\$'000	Share option reserve HK\$'000	Capital reduction reserve HK\$'000	Property revaluation reserve HK\$'000	General reserve HK\$'000	Other reserve HK\$'000	Statutory reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 August 2023	6,240,082	1,449,332	1,810	4,692	—	646,700	2,274,688	71,240	(813,018)	19,908,068	29,783,594	7,078,232	36,861,826
Loss for the year	—	—	—	—	—	—	—	—	—	(3,674,693)	(3,674,693)	(449,925)	(4,124,618)
Other comprehensive (expense)/income that may be reclassified to profit or loss in subsequent periods:													
Exchange realignments	—	—	—	—	—	—	—	—	(135,670)	—	(135,670)	(93,392)	(229,062)
Share of other comprehensive expense of associates	—	—	—	—	—	—	—	—	(1,184)	—	(1,184)	(275)	(1,459)
Share of other comprehensive income/(expense) of joint ventures	—	—	—	—	—	—	—	—	95	—	95	(12)	83
Release of exchange reserve upon deregistration of subsidiaries	—	—	—	—	—	—	—	—	(3,250)	—	(3,250)	(1,840)	(5,090)
Release of exchange reserve upon disposal of interest in an associate	—	—	—	—	—	—	—	—	535	—	535	—	535
Other comprehensive (expense)/income that will not be reclassified to profit or loss in subsequent periods:													
Changes in fair values of financial assets at fair value through other comprehensive income	—	(163,492)	—	—	—	—	—	—	—	—	(163,492)	—	(163,492)
Surplus on revaluation of properties upon reclassification to investment properties (note 14)	—	—	—	—	3,976	—	—	—	—	—	3,976	3,242	7,218
Total comprehensive (expense)/income for the year	—	(163,492)	—	—	3,976	—	—	—	(139,474)	(3,674,693)	(3,973,683)	(542,202)	(4,515,885)
Dividends paid to non-controlling interests of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	(61,176)	(61,176)
Advance from a non-controlling interest of a subsidiary	—	—	—	—	—	—	—	—	—	—	—	21,560	21,560
Release of reserve upon lapse of share options	—	—	(319)	—	—	—	—	—	—	319	—	—	—
Release of reserve upon lapse of share options of a subsidiary	—	—	—	—	—	—	—	—	—	216	216	(216)	—
Release of fair value reserve upon disposal of a financial asset at fair value through other comprehensive income	—	(1,421,920)	—	—	—	—	—	—	—	1,421,920	—	—	—
Transfer to statutory reserve	—	—	—	—	—	—	—	22,726	—	(22,726)	—	—	—
Dissolution of a subsidiary	—	—	—	—	—	—	—	—	—	—	—	1,255	1,255
At 31 July 2024	6,240,082	(136,080)*	1,491*	4,692*	3,976*	646,700*	2,274,688*	93,966*	(952,492)*	17,633,104*	25,810,127	6,497,453	32,307,580

Consolidated Statement of Changes in Equity

Year ended 31 July 2025

	Attributable to owners of the Company												
	Share capital	Fair value reserve — financial assets	Share option reserve	Capital reduction reserve	Property revaluation reserve	General reserve	Other reserve	Statutory reserve	Exchange fluctuation reserve	Retained profits	Sub-total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 August 2024	6,240,082	(136,080)	1,491	4,692	3,976	646,700	2,274,688	93,966	(952,492)	17,633,104	25,810,127	6,497,453	32,307,580
Loss for the year	—	—	—	—	—	—	—	—	—	(2,874,333)	(2,874,333)	(255,014)	(3,129,347)
Other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods:													
Exchange realignments	—	—	—	—	—	—	—	—	179,762	—	179,762	63,450	243,212
Share of other comprehensive income/(expense) of associates	—	—	—	—	—	—	—	—	6,372	—	6,372	(157)	6,215
Share of other comprehensive income of joint ventures	—	—	—	—	—	—	—	—	1,620	—	1,620	10	1,630
Release of exchange reserve upon deregistration of subsidiaries	—	—	—	—	—	—	—	—	1,724	—	1,724	995	2,719
Other comprehensive (expense)/income that will not be reclassified to profit or loss in subsequent periods:													
Changes in fair values of financial assets at fair value through other comprehensive income	—	(2,383)	—	—	—	—	—	—	—	—	(2,383)	—	(2,383)
Surplus on revaluation of properties upon reclassification to investment properties (note 14)	—	—	—	—	20,952	—	—	—	—	—	20,952	—	20,952
Total comprehensive (expense)/income for the year	—	(2,383)	—	—	20,952	—	—	—	189,478	(2,874,333)	(2,666,286)	(190,716)	(2,857,002)
Dividends paid to non-controlling interests of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	(64,141)	(64,141)
Release of reserve upon lapse of share options	—	—	(803)	—	—	—	—	—	—	803	—	—	—
Release of reserve upon lapse of share options of a subsidiary	—	—	—	—	—	—	—	—	—	352	352	(352)	—
Release of fair value reserve upon disposal of a financial asset at fair value through other comprehensive income	—	(2,562)	—	—	—	—	—	—	—	2,562	—	—	—
Acquisition of additional interests in subsidiaries	—	—	—	—	—	—	(24,378)	—	—	—	(24,378)	24,378	—
Transfer to statutory reserve	—	—	—	—	—	—	—	18,888	—	(18,888)	—	—	—
At 31 July 2025	6,240,082	(141,025)	688	4,692	24,928	646,700	2,250,310	112,854	(763,014)	14,743,600*	23,119,815	6,266,622	29,386,437

* These reserve accounts comprise the consolidated reserves of HK\$16,879,733,000 (2024: HK\$19,570,045,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 31 July 2025

	Notes	2025 HK\$'000	2024 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(3,081,996)	(3,728,347)
Adjustments for:			
Finance costs	8	1,124,901	1,354,653
Share of profits and losses of associates		(7,956)	(12,011)
Share of profits and losses of joint ventures		1,130,120	796,305
Fair value losses on investment properties, net	15	457,569	817,288
Depreciation of property, plant and equipment	7	298,070	354,487
Depreciation of right-of-use assets	7	282,877	372,603
Impairment of property, plant and equipment	7	19,880	226,257
Impairment of right-of-use assets	7	32,120	239,266
Reversal of impairment of property, plant and equipment, net	7	(19,155)	—
Reversal of impairment of right-of-use assets, net	7	(25,364)	—
(Gain)/loss on disposal/write-off of items of property, plant and equipment	7	(2,464)	14,247
Loss on disposal of right-of-use assets		—	2,234
Gain on disposal of investment properties	6(d)	(3,434)	—
Write-down of properties under development to net realisable value	7	528,000	430,600
Write-down of completed properties for sale to net realisable value	7	226,205	182,137
Amortisation of film rights	7	2,948	2,274
Amortisation of film and TV program products	7	5,553	68,522
Amortisation of other intangible assets	7	380	376
Impairment of films and TV programs under production	7	27,785	9,956
Impairment of debtors, net	7	2,875	1,172
Bad debts written off		48	—
Impairment of advances and other receivables	7	12,804	17,746
Impairment of amounts due from joint ventures	7	2,393	793
Impairment of amounts due from associates	23	24	597
(Reversal of impairment)/impairment of inventories	7	(142)	13,671
Write-back of impairment of advances and other receivables	28	(915)	(5,874)
Write-back of impairment of amounts due from associates	23	(2)	—
Write-back of impairment of amounts due from joint ventures	6(d)	(4,156)	(15,259)
Fair value losses on financial assets at fair value through profit or loss, net	7	6,254	71,938
Fair value losses/(gains) on financial liabilities at fair value through profit or loss		34	(372)
(Gains)/losses on disposal of financial liabilities at fair value through profit or loss		(208)	39
Gain on disposal of a subsidiary	6(d)	(168,696)	—
Losses/(gains) on dissolution/deregistration of subsidiaries	7	1,819	(3,835)
Loss/(gain) on disposal of a joint venture		370	(264)
Loss/(gain) on disposal of an associate		3,818	(56,202)
Gain on termination of leases	16(c)	(6,123)	(1,349)
Fair value losses/(gains) on cross currency swaps	7	14,244	(6,537)
Fair value losses on interest rate swaps	7	17,802	—
Fair value gains on foreign currency forward contract	7	—	(618)
Derecognition loss on rental receivables	7	148	507

Consolidated Statement of Cash Flows

Year ended 31 July 2025

	Notes	2025 HK\$'000	2024 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES (continued)			
Gain on repurchase of guaranteed notes	6(d)	—	(18,510)
Gain on lease modification	6(d)	(75,978)	(27,652)
Write-back of other payables	6(d)	(24,905)	—
Interest income	6(d)	(150,101)	(195,164)
Interest income from finance lease contract	6(d)	(19,848)	(19,708)
Dividend income from financial assets at fair value through other comprehensive income	6(d)	(200)	(31,100)
Dividend income from financial assets at fair value through profit or loss	6(d)	(7,299)	(1,656)
Fair value changes from film investments	7	1,258	2,568
Fair value changes from entertainment events organised by co-investors	7	(6,227)	(8,314)
Foreign exchange differences, net		24,858	46,318
		619,988	893,782
Increase in properties under development		(473,178)	(269,116)
Decrease in completed properties for sale		932,691	1,263,329
Decrease in assets classified as held for sale		—	1,542
Decrease in inventories		6,362	5,821
Additions of films and TV programs under production	31	(29,089)	(141,770)
Increase in film investments		(71,501)	(68,965)
Decrease in film and TV program products	19	872	156,619
Decrease/(increase) in debtors		59,325	(58,109)
Decrease in a financial asset at fair value through profit or loss		11,017	6,536
Decrease/(increase) in deposits, prepayments, other receivables and other assets		557,532	(204,090)
Increase/(decrease) in creditors, other payables and accruals		20,066	(680,225)
Increase/(decrease) in deposits received, deferred income and contract liabilities		14,706	(24,441)
Cash from operations		1,648,791	880,913
Interest received		150,101	195,164
Interest paid on bank borrowings		(1,172,575)	(1,485,997)
Interest paid on guaranteed notes		(194,663)	(213,648)
Hong Kong profits tax paid, net		(14,354)	(10,874)
Chinese Mainland taxes paid, net		(122,841)	(109,138)
Overseas taxes paid, net		(24,743)	(20,264)
Net cash flows from/(used in) operating activities		269,716	(763,844)

	2025 HK\$'000	2024 HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of items of property, plant and equipment	(96,419)	(143,951)
Additions to investment properties	(130,552)	(399,919)
Acquisition of financial assets at fair value through other comprehensive income	(15,679)	(78)
Acquisition of financial assets at fair value through profit or loss	(114,385)	(161,085)
Increase in financial liabilities at fair value through profit or loss	174	333
Proceeds from disposal of equity investment at fair value through other comprehensive income	4,506	1,421,920
Proceeds from disposal of financial assets at fair value through profit or loss	171,096	140,621
Proceeds from disposal of items of property, plant and equipment	9,657	25,448
Proceeds from disposal of right-of-use assets	—	64,742
Proceeds from disposal of investment properties	44,081	—
Proceeds from disposal of an associate	2,757	51,443
Proceeds from disposal of a joint venture	35	860
Proceeds from disposal of a subsidiary	213,259	—
Advances to associates	(16,710)	(30,816)
Acquisition of an associate	—	(391)
Repayment from associates	912	1
Dividend received from an associate	3,933	3,125
Advances to joint ventures	(545,574)	(217,516)
Investment in joint ventures	(19,461)	(52,990)
Repayment from joint ventures	6,749	119,574
Return of capital from a joint venture	14,950	—
Dividends received from joint ventures	743,260	41,723
Dividends received from financial assets at fair value through other comprehensive income	200	31,100
Dividends received from financial assets at fair value through profit or loss	7,299	1,656
Decrease in derivative financial instruments	—	1,366
Decrease in pledged and restricted bank balances and time deposits	13,235	1,985
Net cash flows from investing activities	297,323	899,151

Consolidated Statement of Cash Flows

Year ended 31 July 2025

	Notes	2025 HK\$'000	2024 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank borrowings raised		3,593,626	10,134,379
Repayment of bank borrowings		(3,677,214)	(10,734,687)
Bank financing charges		(8,843)	(37,901)
Lease payments	16(b)	(188,208)	(229,726)
Redemption and repurchase of guaranteed notes		—	(36,334)
Decrease in other payables		—	(33,315)
Decrease in other borrowings		(34,304)	—
Dividends paid to non-controlling interests of subsidiaries		(64,141)	(61,176)
Advance from a non-controlling interest of a subsidiary		—	21,560
Net cash flows used in financing activities		(379,084)	(977,200)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		187,955	(841,893)
Cash and cash equivalents at beginning of year		2,809,623	3,678,957
Effect of foreign exchange rate changes, net		14,407	(27,441)
CASH AND CASH EQUIVALENTS AT END OF YEAR		3,011,985	2,809,623
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Non-pledged and non-restricted cash and bank balances		2,364,941	2,485,457
Non-pledged and non-restricted time deposits		647,044	324,117
Cash and cash equivalents as stated in the consolidated statement of financial position		3,011,985	2,809,574
Cash and bank balance included in assets classified as held for sale	32	—	49
		3,011,985	2,809,623

Notes to Financial Statements

31 July 2025

1. CORPORATE AND GROUP INFORMATION

Lai Sun Development Company Limited (the “**Company**”) is a limited liability company incorporated in Hong Kong with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office of the Company is located at 11th Floor, Lai Sun Commercial Centre, 680 Cheung Sha Wan Road, Kowloon, Hong Kong. In the opinion of the directors, the Company’s ultimate holding company is Lai Sun Garment (International) Limited (“**LSG**”), a limited liability company incorporated in Hong Kong with its shares listed on the Main Board of the Stock Exchange.

During the year, the Company and its subsidiaries (collectively referred to as the “**Group**”) were involved in the following principal activities:

- property development for sale;
- property investment;
- investment in and operation of hotels;
- investment in and operation of restaurants;
- production and distribution of films and TV programs;
- music production and publishing;
- management and production of concerts;
- artiste management;
- cinema operation;
- development and operation of and investment in cultural, leisure, entertainment and related facilities; and
- investment holding.

Details of the principal subsidiaries are set out in note 50 to the financial statements.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants and the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (“**Companies Ordinance**”). They have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, derivative financial instruments and certain financial assets, which have been measured at fair value. Non-current assets classified as held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 2.4. These financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

Notes to Financial Statements

31 July 2025

2.1 BASIS OF PREPARATION (CONTINUED)

Going Concern Basis

As at 31 July 2025, the Group's current liabilities exceeded its current assets by HK\$4,506 million, and the Group had cash and bank balances (including pledged and restricted bank balances and time deposits) of HK\$4,236 million under current assets, while total bank and other borrowings and guaranteed notes amounted to HK\$25,378 million, of which HK\$14,558 million was classified as current liabilities. In addition, the Group incurred a net loss of HK\$3,129 million during the year ended 31 July 2025.

In view of the abovementioned circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing resources to continue as a going concern for at least twelve months from 31 July 2025, taking into account the following plans and measures to mitigate the liquidity pressure and to improve its cash flows:

- (i) The Group will continue to actively negotiate with its existing lending banks and potential new lending banks on the refinancing of existing bank borrowings at costs acceptable to the Group and in a timely manner such that the banking facilities and bank borrowings will continue to be made available to the Group. In view of the Group's established banking relationships, its history of compliance with financial covenants, and past renewals of banking facilities, the directors of the Company are of the view that the Group should be able to refinance its bank borrowings as and when they fall due. Subsequent to the end of the reporting period, in September 2025, the Group successfully refinanced one of its banking facilities originally maturing in October 2025. The refinanced facilities amounted to HK\$3,457 million, with a new repayment schedule extending from 2025 to 2030. Of this amount, only HK\$45 million is due within the financial year ending 31 July 2026. The refinanced banking facilities cover approximately HK\$3,060 million of the Group's existing secured bank borrowings under current liabilities as at 31 July 2025. The Group has also extended a GBP57 million (equivalent to HK\$591 million) bank loan for a term of 6 months to 31 March 2026.
- (ii) The Group will continue to closely monitor its compliance with financial covenants associated with its banking facilities and bank borrowings with a view to ensuring ongoing compliance and the continued availability of these facilities.
- (iii) As at 31 July 2025, the Group has unutilised banking facilities of HK\$3,338 million for the payment of construction costs of its properties development projects. The directors of the Company believe that the Group will be able to fulfill all its payment obligations to the Group's contractors/vendors and meet all of the necessary conditions to launch the pre-sale and complete the remaining construction work for property delivery of the relevant projects.
- (iv) The Group has been in active discussions with potential buyers for the realisation of certain assets to enhance liquidity. The Group is currently in advanced discussions with potential buyers regarding the disposals of certain assets. In addition, the Group remains committed to executing its asset disposal plan including identifying potential buyers or seeking other opportunities for the realisation of its property projects with the objective of reducing its debt and lowering finance costs.

2.1 BASIS OF PREPARATION (CONTINUED)

Going Concern Basis (continued)

- (v) The Group will continue to seek for other alternative financing and borrowings at costs acceptance to the Group to finance the settlement of its existing financial obligations and future operating and capital expenditures.
- (vi) The Group will accelerate the pre-sales and sales of its properties under development and completed properties.
- (vii) The Group will, despite the challenging economic environment, continue to effectively manage its rental and hotel portfolios which could generate a steady and reliable income stream to the Group.
- (viii) The Group will continue to implement/contemplate various cost control strategies and resources improvement plans and measures to reduce operating costs and administrative costs and maintain containment of capital expenditure.

In addition, regarding the Group's outstanding other borrowings (principal amounts of HK\$164 million and all accrued interests due or to be due) as of 31 July 2025, the Group has obtained legal opinion from an external solicitor that there is unlikely any demand for repayment of other borrowings for the period up to 31 October 2026.

The directors of the Company have reviewed the Group's cash flow projections which cover a period of not less than twelve months from 31 July 2025 and are of the opinion that, in the absence of unforeseeable circumstances, taking into account the successful implementation of the abovementioned plans and measures, the Group will have sufficient working capital to finance its operation and to meet its financial obligations as and when they fall due within the next twelve months from 31 July 2025. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements for the year ended 31 July 2025 on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following: (a) whether it is able to successfully implement its various plans and measures as described above; and (b) timely availability of funds from the bank borrowings and assets disposal as described above.

Should the Group be unable to achieve the abovementioned plans and measures, adjustments may have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

Notes to Financial Statements

31 July 2025

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 July 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in the income statement. The Group's share of components previously recognised in other comprehensive income is reclassified to the income statement or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

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

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ³
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ³
Amendments to HKAS 21	<i>Lack of Exchangeability</i> ¹
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ²
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ²
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
<i>Annual Improvements to HKFRS Accounting Standards — Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ²

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual/reporting periods beginning on or after 1 January 2027

⁴ No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised HKFRS Accounting Standards upon initial application but is not yet in the position to state whether these new and revised HKFRS Accounting Standards would have a significant impact on the Group's financial performance and financial position.

Notes to Financial Statements

31 July 2025

2.4 MATERIAL ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated income statement and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the income statement.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in the income statement or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in the income statement. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in the income statement as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 July. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Notes to Financial Statements

31 July 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its investment properties, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, derivative financial instruments and certain financial assets at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Fair value measurement (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than properties under development, completed properties for sale, inventories, deferred tax assets, financial assets, investment properties and assets classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Notes to Financial Statements

31 July 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;
- or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for “Non-current assets held for sale”. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the property revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the income statement. Any subsequent revaluation surplus is credited to the income statement to the extent of the deficit previously charged. An annual transfer from the property revaluation reserve to retained profits is made for the difference between the depreciation based on the revalued carrying amount of an asset and the depreciation based on the asset’s original cost. On disposal of a revalued asset, the relevant portion of the property revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	Over the remaining lease terms
Hotel properties	Over the remaining lease terms
Leasehold improvements	20% or over the terms of the related leases, whichever is shorter
Theme parks, excluding land and buildings	10% – 20%
Furniture, fixtures and equipment	10% – 25%
Motor vehicles	10% – 30%
Computers	18% – 33%
Motor vessels	15% – 25%

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2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation (continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings (including the right-of-use assets) held to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and properties which are constructed for future use as investment properties.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions as at the end of the reporting period. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" for owned property and/or accounts for such property in accordance with the policy stated under "Right-of-use assets" for property held as a right-of-use asset up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under "Property, plant and equipment and depreciation" above.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investment properties (continued)

Properties under construction for future use as investment properties are accounted for in the same way as completed investment properties. Specifically, construction costs incurred for investment properties under construction are capitalised as part of the carrying amounts of the investment properties under construction. Investment properties under construction are measured at fair value as at the end of the reporting period. Any difference between the fair values of the investment properties under construction and their carrying amounts is recognised in the income statement in the period in which it arises.

If the fair value of an investment property under construction is at present not reliably determinable but is expected to be reliably determinable when construction is completed, such investment property under construction is stated at cost until either its fair value becomes reliably determinable or construction is completed, whichever is earlier.

A transfer from investment property under construction to property under development/construction in progress shall be made when, and only when, there is a change in use, evidenced by commencement of development with a view to sale/owner-occupation.

Properties under development

Properties under development are stated at the lower of cost and net realisable value. Cost comprises the prepaid land lease payments or cost of land together with any other direct costs attributable to the development of the properties and other related expenses capitalised during the development period. Net realisable value is determined by the directors based on prevailing market prices on an individual property basis less estimated costs of completion and costs to be incurred in selling the property.

Once the construction or development of these properties is completed, these properties are reclassified to the appropriate categories of assets.

If a property under development is intended to be redeveloped into an owner-occupied property, it is transferred to construction in progress at the carrying amount.

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2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets and its sale must be highly probable.

Non-current assets (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

(i) Trademarks

Trademarks are stated at cost less impairment losses.

(ii) Customer relationships

Customer relationships are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful life of 8 to 10 years.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Completed properties for sale

Completed properties for sale are stated at the lower of cost and net realisable value. Cost includes all development expenditure, applicable borrowing costs and other direct costs attributable to such properties. Cost is determined by an apportionment of the total costs of land and buildings attributable to unsold properties. Net realisable value is determined by the directors based on the prevailing market prices on an individual property basis less cost to be incurred in selling the property.

If an item of completed property for sale becomes owner-occupied, it is transferred to property, plant and equipment at carrying amount.

For a transfer from an item of completed property for sale to investment property that will be carried at fair value as its use has changed as evidenced by commencement of an operating lease, any difference between the fair value of the property at that date and its previous carrying amount shall be recognised in the income statement.

Music catalogs

Music catalogs represent song catalogs, music video recording rights and publishing rights of songs acquired from outsiders. They are stated at cost less accumulated amortisation and impairment losses.

The costs of music catalogs less accumulated impairment loss are amortised based on the proportion of actual revenue earned during the year to total estimated projected revenues subject to a maximum of 15 years. Additional adjustment to accumulated amortisation is made if the projected revenues are different from the previous estimation or to reflect the actual consumption of economic benefits, as appropriate. Estimated projected revenues and related future cash flows, and the amortisation method are reviewed, and adjusted if appropriate, at least at the end of each reporting period.

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2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Film and TV program products and films and TV programs under production

Film and TV program products are stated at cost less accumulated amortisation and any impairment losses. The portion of film and TV program products to be recovered through use, less estimated residual value and accumulated impairment losses, is amortised based on the proportion of actual revenues earned during the year to their total estimated projected revenues as an approximation of the consumption of their economic benefits. Additional adjustment to accumulated amortisation is made if the projected revenues are different from the previous estimation or to reflect the actual consumption of economic benefits, as appropriate. Cost of film and TV program products, accounted for on a project-by-project basis, includes production costs, costs of services, direct labour costs, facilities and raw materials consumed in the creation of a film or TV program.

Films and TV programs under production include production costs, costs of services, direct labour costs, facilities and raw materials consumed in the creation of films or TV programs. Upon completion and available for commercial exploitation, these films and TV programs under production are reclassified as film and TV program products. Films and TV programs under production are accounted for on a project-by-project basis and are stated at cost less any impairment losses.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

Group as a lessee (continued)

(a) *Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	Over the unexpired lease terms
Cinema related properties	2 to 15 years
Other properties	2 to 10 years
Equipment	5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When the right-of-use assets relate to interests in leasehold land held as inventories, they are subsequently measured at the lower of cost and net realisable value in accordance with the Group's policy for "Properties under development" and "Completed properties for sale". When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for "Investment properties".

(b) *Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

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2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

Group as a lessee (continued)

(b) *Lease liabilities (continued)*

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the income statement due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

At the commencement date, as the Group acts as a manufacturer or dealer lessor, the following for each of its finance leases should be recognised:

- (a) revenue being the fair value of the underlying asset, or, if lower, the present value of the lease payments accruing to the lessor, discounted using a market rate of interest;
- (b) the cost of sale being the cost, or carrying amount if different, of the underlying asset less the present value of the unguaranteed residual value; and
- (c) selling profit or loss (being the difference between revenue and the cost of sale) in accordance with its policy for outright sales to which HKFRS 15 applies at the commencement date.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of debtors that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Debtors that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

The Group has certain investments in film projects and entertainment events which entitle the Group to receive a fixed and/or variable income based on the Group's investment amount and/or expected rate of return as specified in respective agreements. All film investments and investments in entertainment events which give rise to cash flows that are not SPPI on the principal amount outstanding are stated at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

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2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the income statement. Dividends are recognised as other revenue in the income statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other revenue in the income statement when the right of payment has been established.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss (continued)

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the income statement. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

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2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“**ECLs**”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for debtors which apply the simplified approach as detailed below:

- Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

Simplified approach

For debtors that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debtors that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the income statement.

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2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (continued)

Subsequent measurement (continued)

Put option liabilities

Put options are financial instruments granted by the Group whereby counterparties may have the rights to request the Group to purchase their equity interests in certain of the Group's subsidiaries for cash when certain conditions are met. If the Group does not have the unconditional right to avoid delivering cash under the put option, the Group has to recognise a financial liability at the present value of the estimated future cash outflows under the put option. The financial liability is initially recognised at fair value.

Subsequently, if the Group revises its estimates of the payments, the Group adjusts the carrying amount of the financial liability to reflect actual and revised estimated cash outflows. At the end of each reporting period, the Group recalculates the carrying amount by computing the present value of the revised estimated future cash outflows at the financial instrument's original effective interest rate and adjustment to its carrying amount is to be recognised as income or expenses in the income statement.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Derivative financial instruments

Initial recognition and subsequent measurement

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the income statement.

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

Inventories

Inventories comprise food, beverages, cutlery, linen, supplies used in hotel and restaurant operation and gaming products, are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

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2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Dividend income derived from the Company's subsidiaries in Chinese Mainland is subject to a withholding tax under the prevailing tax rules and regulations of the People's Republic of China (the "PRC").

Chinese Mainland land appreciation tax ("LAT")

LAT is levied at prevailing progressive rates on the appreciation of land value, being the proceeds from the sale of properties less deductible costs.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the income statement by way of a reduced depreciation charge.

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2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

(a) *Sale of properties*

Revenue from the sale of completed properties is recognised at the point in time when the control of the property is transferred to the purchaser.

(b) *Building management services*

Revenue from the provision of building management services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

(c) *Services from hotel operation*

Revenue from the provision of services from hotel operation is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

(d) *Revenue from restaurant and food & beverage ("F&B") product sales operations*

Revenue from restaurant and F&B product sales operations is recognised at the point in time when the control of the assets is transferred to the customer, generally upon consumption of the food and beverage items by the customer.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(e) *Revenue from theme park operation*

Revenue from admission tickets sold is recognised over time when the theme park service is provided to the customer or at the point in time when the tickets are expired; and sale of goods are recognised when the goods are delivered to the customer.

(f) *Entertainment events*

Revenue from entertainment events organised by the Group is recognised when the events are completed.

(g) *Film distribution*

Income from films licensed to movie theatres is recognised when the films are exhibited.

(h) *Film licence fee*

Licence income from films and TV programs licensed for a fixed fee or non-refundable guarantee under a non-cancellable contract is recognised where an assignment is granted to the licensee which permits the licensee to exploit those rights freely, and where the Group has no remaining obligations to perform and when the film materials have been delivered to licensees.

Licence income from films and TV programs licensed, other than for a fixed fee or non-refundable guarantee under a non-cancellable contract, to licensees, during the licence period is recognised when the films and TV programs are available for showing or telecast.

(i) *Sale of products and albums*

Sale of products and albums are recognised when control of the asset is transferred to the customers, generally on delivery of the products or in accordance with the terms of the relevant agreements.

(j) *Distribution commission*

Distribution commission income is recognised when the albums, film materials or TV program materials have been delivered to the wholesalers, distributors and licensees.

(k) *Album licensing and music publishing*

Album licence income and music publishing income are recognised when the licence is used by the customer or the customer simultaneously receives and consumes the benefits provided by the Group in accordance with the terms of the relevant agreements.

Notes to Financial Statements

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2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(l) *Box-office takings*

Revenue from gross box-office takings for film exhibition is recognised at the point in time, upon the sale of tickets and when the film is exhibited.

(m) *Advertising and artiste management*

Advertising income and artiste management fee income from entertainment events and TV programs and commission income and handling fees from entertainment events are recognised in the period in which the relevant services are rendered to the customer or the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Income from properties under finance lease is recognised at the commencement date of finance lease when the risks and rewards incidental to the ownership of the underlying properties are substantially transferred to the lessee.

Other revenue

- (a) Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.
- (b) Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Contract costs

Costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the income statement on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the income statement.

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31 July 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or the income statement is also recognised in other comprehensive income or the income statement, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas/Chinese Mainland subsidiaries, joint ventures and associates are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their income statements are translated into Hong Kong dollars at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the income statement.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas/Chinese Mainland subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas/Chinese Mainland subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Employee benefits

Share-based payments

The Group operates share option schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using the Binomial Option Pricing Model ("**Binomial Model**").

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the income statement for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Notes to Financial Statements

31 July 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Employee benefits (continued)

Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the year end is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the end of the reporting period for the material expected future cost of such paid leave earned during the current financial year by the employees and carried forward.

Retirement benefits

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “**MPF Scheme**”) under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group’s subsidiaries which operate in Vietnam and Chinese Mainland are required to participate in central pension schemes operated by the respective governments in Vietnam and the PRC. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension schemes. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension schemes.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group’s accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (continued)

Impairment of a hotel property located in Hong Kong (the “HK Hotel”) and the related right-of-use assets

The HK Hotel is stated at cost less accumulated depreciation and impairment losses, if any. In determining whether there is any impairment, the Group has to exercise judgement, particularly in assessing the appropriate key assumptions to be applied in preparing cash flow projections. To support the impairment assessment, the Group engaged an external valuer to perform a valuation on the HK Hotel and the related right-of-use assets. Changing the assumptions selected by the valuer to determine whether there is any impairment, including those related to the cash flow projections, such as the estimated average daily room rates, estimated occupancy rates and discount rate, could materially affect the net present value used in the impairment test. The carrying amounts of the HK Hotel and the related right-of-use assets as at 31 July 2025 were approximately HK\$2,596 million (2024: HK\$2,715 million) and HK\$1,267 million (2024: HK\$1,323 million), respectively.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Notes to Financial Statements

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (continued)

Income tax

Deferred tax is provided using the liability method, on all temporary differences as at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

As explained in note 39 to the financial statements, withholding tax is levied on dividends to be distributed by subsidiaries established in Chinese Mainland in respect of earnings generated from 1 January 2008. Deferred tax is provided, at the applicable withholding tax rate, on the undistributed earnings of the Group's PRC subsidiaries that would be distributed to their respective holding companies outside Chinese Mainland in the foreseeable future.

Put option liabilities

As explained in note 34 to the financial statements, put option liabilities arising from the buy-back upon the occurrence of certain triggering events are recognised as financial liabilities. When determining the classification and measurement of the put option liabilities, judgements are exercised, including determining whether the Group has the present ownership interest in the shares subject to the put options, the timing that the triggering events would occur and the possibility that the buy-back would be exercised.

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease.

The Group includes the renewal period as part of the lease term for leases of leased properties.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment assessment of film rights, film and TV program products, and films and TV programs under production

Film rights and film and TV program products are stated at cost less accumulated amortisation and any impairment losses. Films and TV programs under production are accounted for on a project-by-project basis and are stated at cost less any impairment losses. Management estimates the costs to be incurred to complete production and the total projected revenues and the related future cash flows, as appropriate, of films and TV programs under production, film rights and film and TV program products based on the historical cost, performance and cash flows of similar films and TV programs, incorporating factors such as the production plans, target markets and distribution plans of the respective films and TV programs, the past box office or similar records and/or other relevant information of the main artistes and directors of the films and TV programs, the genre of the films and TV programs, their anticipated performance in relevant theatrical, home entertainment, television and other ancillary markets, with reference to agreements for future sales, licensing and other exploitations, as appropriate.

These estimated costs to be incurred to complete production, projected revenues and related future cash flows can change significantly due to a variety of factors. Based on both internal and external information available on the films and TV programs under production, film rights and film and TV program products, management reviews the estimated costs to be incurred to complete production, the projected revenues and the related future cash flows of the relevant assets, as appropriate, to assess whether there is any impairment or reversal of impairment. Any change in estimates may have a significant impact on the Group's financial performance. The carrying amounts of film rights, film and TV program products and films and TV programs under production are disclosed in notes 18, 19 and 31 to the financial statements, respectively.

Estimation of fair values of investment properties

The best evidence of fair value is current prices in an active market for similar properties in the same location and condition and subject to similar leases and other contracts. In the absence of such information, management determines the amount within a range of reasonable fair value estimates. In making its judgement, management considers information from (i) independent valuations; (ii) current prices in an active market for properties of a different nature, condition or location by reference to available market information; (iii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the dates of transactions that occurred at those prices; and (iv) discounted cash flow projections, based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts, and (where possible) from external evidence such as current market rates for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of cash flows. The carrying amount of investment properties measured at fair value as at 31 July 2025 was approximately HK\$34,315 million (2024: HK\$34,677 million).

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Estimation of net realisable value of properties under development and completed properties for sale

In determining the net realisable value of properties under development and completed properties for sale, management takes into consideration of (i) independent valuations by professional valuers; (ii) current market conditions; (iii) estimated selling prices of properties of a similar nature, conditions and locations; and (iv) estimated costs of completion and the estimated costs necessary to make the sale, if any. Write-down on properties under development and/or completed properties for sale to net realisable value is made if the estimated or actual net realisable value of properties under development and completed properties for sale is less than expected as a result of change in market condition.

Estimation of total budgeted costs and costs to completion for properties under development/investment properties under construction

The total budgeted costs for properties under development/investment properties under construction comprise (i) leasehold land, (ii) building costs, and (iii) any other direct costs attributable to the development of the properties. In estimating the total budgeted costs for properties under development/investment properties under construction, management makes reference to information such as (i) current offers from contractors and suppliers, (ii) recent offers agreed with contractors and suppliers, and (iii) professional estimation on construction and material costs.

Provision for ECLs on debtors and other receivables

The Group uses a provision matrix to calculate ECLs for debtors. The provision rates are based on days past due for groupings of various customer segments with shared risk characteristics. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECLs on the Group's debtors is disclosed in note 33 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Provision for ECLs on debtors and other receivables (continued)

The loss allowances for other receivables are based on assumption about risk of default and expected loss rates. The Group makes adjustment in making these assumptions and selecting the inputs to the ECL calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. A number of significant judgements are also required in applying the accounting requirements for measuring ECLs, such as:

- Determining criteria for a significant increase in credit risk;
- Identifying economic indicators for forward-looking measurement; and
- Estimating future cash flows for the other receivables.

The information about the provision for ECLs on the Group's other receivables is disclosed in note 28 to the financial statements.

Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in production, expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from previous estimation. Useful lives and residual values are reviewed at each financial year end date based on changes in circumstances.

Impairment of goodwill and trademarks with indefinite useful lives

The Group determines whether goodwill and trademarks with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units or the fair value of a trademark to which the goodwill and trademarks with indefinite useful lives are allocated. Estimating the value in use and fair value requires the Group to make an estimate of the expected future cash flows from the cash-generating units or trademarks and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Details of goodwill and trademarks with indefinite useful lives are disclosed in notes 21 and 22 to the financial statements.

Notes to Financial Statements

31 July 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Impairment of non-financial assets (other than goodwill)

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the Group has to exercise judgement in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

Provision for LAT and corporate income tax (“CIT”)

The Group is subject to LAT in the PRC. The provision for LAT is based on management’s best estimates according to its understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its LAT calculations and payments with the tax authorities for certain property development projects. The final tax outcome could be different from the amounts that were initially recorded, and any differences will impact the LAT expenses and the related LAT provision in the period in which such taxes are finalised with the tax authorities.

The Group is mainly subject to CIT in the PRC. Subsequent to the financial year ends of the PRC subsidiaries, management shall make adjustments (and the relevant local tax authorities may raise further adjustments) to the accounting profit to arrive at the taxable income under the process known as annual tax assessment. Management’s best estimates with reference to the currently enacted tax laws, regulations and other related policies are required in determining the provision for CIT. Where the final tax outcomes of tax adjustments are different from the amounts originally recorded, the differences will impact on the CIT and related CIT provision in the period in which such taxes are finalised with the tax authorities.

4. SEGMENT INFORMATION

For management purposes, the Group has the following reportable segments:

- (a) the property development and sales segment engages in property development and sale of properties;
- (b) the property investment segment invests in commercial and office buildings for their rental income potential and provides building management services;
- (c) the hotel operation segment engages in the operation of and provision of consultancy services to hotels and serviced apartments;
- (d) the restaurant and F&B product sales operations segment engages in the operation of restaurants and sales of food and beverage products;
- (e) the media and entertainment segment engages in the management and production of concerts and the provision of related advertising services, the provision of artiste management services, album sales and the distribution and licensing of music and the trading of gaming products;
- (f) the film and TV program segment engages in the investment in, production of, sale, distribution and licensing of films and TV programs, the provision of related advertising services;
- (g) the cinema operation segment engages in the operation of cinemas in Hong Kong and Chinese Mainland;
- (h) the theme park operation segment engages in development and operation of theme parks in Chinese Mainland; and
- (i) the “others” segment mainly comprises luxury yachting business, the provision of property management services, leasing agency services and building services.

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4. SEGMENT INFORMATION (CONTINUED)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group's loss before tax except that fair value losses on investment properties, net, finance costs, share of profits and losses of associates, share of profits and losses of joint ventures, interest income from bank deposits, gains on disposal of a subsidiary and an associate, dividend income from financial assets at fair value through other comprehensive income, and other unallocated revenue, gains and expenses are excluded from such measurement.

Segment assets mainly exclude investments in associates, investments in joint ventures, financial assets at fair value through other comprehensive income, certain financial assets at fair value through profit or loss, derivative financial instruments, deferred tax assets, prepaid tax, certain pledged and restricted bank balances and time deposits, certain cash and cash equivalents, assets classified as held for sale and other unallocated corporate assets as these assets are managed on a group basis.

Segment liabilities mainly exclude bank borrowings, other borrowings, guaranteed notes, derivative financial instruments, tax payable, deferred tax liabilities, put option liabilities included in creditors, other payables and accruals, liabilities directly associated with the assets classified as held for sale and other unallocated corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales are transacted with reference to the prevailing market prices.

4. SEGMENT INFORMATION (CONTINUED)

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				F&B product sales operations				Media and entertainment				Film and TV program				Cinema operation				Theme park operation				Others				Consolidated			
	2025		2024		2025		2024		2025		2024		2025		2024		2025		2024		2025		2024		2025		2024		2025		2024		2025		2024					
	HK\$'000		HK\$'000		HK\$'000		HK\$'000		HK\$'000		HK\$'000		HK\$'000		HK\$'000		HK\$'000		HK\$'000		HK\$'000		HK\$'000		HK\$'000		HK\$'000		HK\$'000		HK\$'000		HK\$'000		HK\$'000					
Segment revenue (note 6(a)):																																								
Sales to external customers	885,015	1,529,479	1,201,228	1,264,152	1,243,773	1,191,418	479,146	544,564	287,897	387,082	46,566	340,950	445,145	439,506	7,422	15,065	302,423	286,645	4,898,615	5,998,861																				
Intersegment sales	—	—	44,089	41,866	809	1,157	3,895	2,850	—	—	21,241	14,697	5,135	4,209	—	—	23,972	25,964	99,141	90,743																				
Other revenue and gains	73,246	30,098	29,826	28,360	1,049	62	6,861	6,414	14,018	10,841	4,311	1,476	141,603	46,877	408	2,053	89,194	118,912	360,516	245,093																				
Total	958,261	1,559,577	1,275,143	1,334,378	1,245,631	1,192,637	489,902	553,828	301,915	397,923	72,118	357,123	591,883	490,592	7,830	17,118	415,589	431,521	5,358,272	6,334,697																				
Elimination of intersegment sales																					(99,141)														(90,743)					
Total																					5,259,131	6,243,954																		
Segment results	(811,808)	(489,096)	671,526	675,525	(116,875)	(109,600)	(90,654)	(238,169)	42,532	35,873	(51,998)	(21,918)	116,362	(356,069)	(58,950)	(126,165)	73,371	111,975	(226,494)	(518,244)																				
Unallocated other revenue and gains																																								
Fair value losses on investment properties, net	—	—	(457,569)	(817,288)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(457,569)	(817,288)																			
Unallocated expenses																					(409,550)	(489,041)																		
Loss from operating activities																					(834,931)	(1,589,400)																		
Finance costs																																								
Share of profits and losses of associates	256	76	(9)	(13)	(812)	(647)	5,562	10,304	—	—	—	—	—	—	—	—	4,366	3,452	(1,124,901)	(1,354,653)																				
Share of profits and losses of associates — unallocated																					9,363	13,172																		
Share of profits and losses of joint ventures	(398,145)	(469,036)	(700,229)	(267,538)	(12,721)	(16,678)	(8,113)	—	1,854	229	—	(69)	(8,262)	(44,686)	—	—	(4,504)	1,473	(1,130,120)	(796,305)																				
Loss before tax																					(3,081,996)	(3,728,347)																		
Tax																					(47,351)	(396,271)																		
Loss for the year																					(3,129,347)	(4,124,618)																		

Notes to Financial Statements

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4. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

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

	Property development and sales			Property investment			Hotel operation			F&B product sales operations			Media and entertainment			Film and TV program			Cinema operation			Theme park operation			Others			Consolidated		
	2025		2024	2025		2024	2025		2024	2025		2024	2025		2024	2025		2024	2025		2024	2025		2024	2025		2024	2025		2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Segment assets	8,607,815	9,590,696	34,817,478	35,311,750			7,673,397	7,963,244		398,023	511,269		190,465	213,613		708,360	755,494		389,067	606,155		726,258	739,312		1,044,142	990,089	54,555,005	56,681,622		
Investments in associates	1,597	2,534	77	85			181,236	162,617		16,116	14,012		—	—		—	—		—	—		—	—		13,227	8,791	212,253	188,039		
Investments in associates — unallocated																											184,459	177,428		
Investments in joint ventures	901,337	1,523,511	3,544,121	4,276,672			53,544	56,910		19,289	16,652		37,094	22,458		—	37		22,060	26,862		—	—		227,351	208,850	4,804,796	6,131,952		
Unallocated assets																											4,471,788	4,197,801		
Assets classified as held for sale																											—	44,728		
Total assets																											64,228,301	67,421,570		
Segment liabilities																											3,344,881	3,669,648		
Bank borrowings																											20,821,439	20,737,602		
Guaranteed notes																											4,259,626	4,232,145		
Other borrowings																											296,688	324,540		
Unallocated liabilities																											6,119,230	6,149,939		
Liabilities directly associated with the assets classified as held for sale																											—	116		
Total liabilities																											34,841,864	35,113,990		

4. SEGMENT INFORMATION (CONTINUED)

Other segment information

The following table presents the other segment information for the Group's reportable segments:

	Property development and sales			Property investment			Hotel operation			Restaurant and F&B product sales			Media and entertainment			Film and TV program			Cinema operation			Theme park operation			Others			Consolidated		
	2025	2024		2025	2024		2025	2024		2025	2024		2025	2024		2025	2024		2025	2024		2025	2024		2025	2024		2025	2024	
	HK\$'000	HK\$'000		HK\$'000	HK\$'000		HK\$'000	HK\$'000		HK\$'000	HK\$'000		HK\$'000	HK\$'000		HK\$'000	HK\$'000		HK\$'000	HK\$'000		HK\$'000	HK\$'000		HK\$'000	HK\$'000		HK\$'000	HK\$'000	
Depreciation of property, plant and equipment	472	548		4,369	13,661		216,158	220,336		14,100	31,024		194	323		3	6		17,272	45,752		16,896	23,961		9,375	5,751		278,839	341,362	
Depreciation of property, plant and equipment — unallocated	—	—		—	—		—	—		—	—		—	—		—	—		—	—		—	—		—	—		19,231	13,125	
Depreciation of right-of-use assets	—	—		1,352	3,190		150,562	150,514		33,768	58,525		406	128		873	978		54,596	112,749		1,859	5,149		13,056	13,023		256,472	344,256	
Depreciation of right-of-use assets — unallocated	—	—		—	—		—	—		—	—		—	—		—	—		—	—		—	—		—	—		26,405	28,347	
Impairment of property, plant and equipment	—	—		—	—		—	—		14,462	62,146		1,031	318		12	48		—	87,179		—	76,180		4,375	386		19,880	226,257	
Reversal of impairment of property, plant and equipment, net	—	—		—	—		—	—		—	—		—	—		—	—		(19,155)	—		—	—		—	—		(19,155)	—	
Impairment of right-of-use assets	—	—		—	—		—	—		28,142	44,102		1,260	—		2,199	2,700		—	190,551		—	—		519	1,913		32,120	239,266	
Reversal of impairment of right-of-use assets, net	—	—		—	—		—	—		—	—		—	—		—	—		(25,364)	—		—	—		—	—		(25,364)	—	
Loss/(gain) on disposal/write-off of items of property, plant and equipment	18	182		59	—		(19)	—		(6)	10,913		(5)	—		—	—		20	2,402		22	154		—	527		89	14,198	
(Gain)/loss on disposal/write-off of items of property, plant and equipment — unallocated	—	—		—	—		—	—		—	—		—	—		—	—		—	—		—	—		—	—		(2,553)	49	
Amortisation of film rights	—	—		—	—		—	—		—	—		—	—		2,948	2,274		—	—		—	—		—	—		2,948	2,274	
Amortisation of film and TV program products	—	—		—	—		—	—		—	—		—	—		5,553	68,522		—	—		—	—		—	—		5,553	68,522	
Amortisation of other intangible assets	—	—		—	—		—	—		—	—		—	—		27,785	9,956		—	—		380	376		380	376		380	376	
Impairment of films and TV programs under production	—	—		—	—		—	—		—	—		—	—		—	—		—	—		—	—		—	—		27,785	9,956	
Write-down of properties under development to net realisable value	528,000	430,600		—	—		—	—		—	—		—	—		—	—		—	—		—	—		—	—		528,000	430,600	
Write-down of completed properties for sale to net realisable value	226,205	182,137		—	—		—	—		—	—		—	—		(220)	142		—	—		—	—		—	—		226,205	182,137	
Impairment/(reversal of impairment) of debtors, net	—	—		(281)	161		—	—		3,142	1,032		234	(163)		(220)	142		—	—		—	—		—	—		2,875	1,172	
Impairment of advances and other receivables	—	—		—	—		—	—		—	1,841		4,896	10,284		1,980	5,621		4,379	—		—	—		—	—		11,255	17,746	
Impairment of advances and other receivables — unallocated	—	—		—	—		—	—		—	—		—	—		—	—		—	—		—	—		—	—		1,549	—	
Impairment of amounts due from joint ventures	—	—		—	—		—	—		—	—		—	—		—	—		—	—		—	—		—	—		12,804	17,746	
Derecognition loss on rental receivables	—	—		148	507		—	—		—	—		1,277	793		—	—		1,116	—		—	—		—	—		2,393	793	
(Reversal of impairment)/impairment of inventories	—	—		—	—		—	—		199	188		—	13,769		—	—		—	—		—	—		(341)	(286)		148	507	
Capital expenditure, net	634	168		48,446	(86,337)		15,373	18,020		100,544	106,871		3,303	449		1,716	58		237	74,840		5,085	2,540		40,212	7,510		215,650	124,119	
Capital expenditure — unallocated	—	—		—	—		—	—		—	—		—	—		—	—		—	—		—	—		—	—		41,449	4,019	
																												257,099	128,138	

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4. SEGMENT INFORMATION (CONTINUED)

Geographical information

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

	Chinese Mainland								Consolidated			
	Hong Kong		and Macau		United Kingdom		Vietnam		Others			
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue												
Sales to external customers	2,512,106	2,552,267	1,498,086	2,589,497	39,218	78,655	551,232	484,189	297,973	294,253	4,898,615	5,998,861
Other revenue	267,597	200,223	89,137	41,487	1,112	1,163	12	12	2,658	2,208	360,516	245,093
Total	2,779,703	2,752,490	1,587,223	2,630,984	40,330	79,818	551,244	484,201	300,631	296,461	5,259,131	6,243,954
Segment assets												
Non-current assets	16,831,185	17,505,420	23,920,947	24,238,252	2,508,695	2,672,705	277,322	295,024	389,801	353,337	43,927,950	45,064,738
Current assets	5,190,032	6,253,047	4,638,788	4,626,382	58,619	48,562	221,342	205,190	518,274	483,703	10,627,055	11,616,884
Total	22,021,217	23,758,467	28,559,735	28,864,634	2,567,314	2,721,267	498,664	500,214	908,075	837,040	54,555,005	56,681,622

Information about major customers

For both the years ended 31 July 2025 and 31 July 2024, there was no revenue derived from a single customer which contributed more than 10% of the Group's revenue for the respective years.

5. RELATED PARTY TRANSACTIONS

In addition to the related party transactions and balances detailed elsewhere in the financial statements, the Group entered into the following material transactions with related parties during the year:

(a) Transactions with related parties

	Notes	2025 HK\$'000	2024 HK\$'000
Lease payments and building management fees paid or payable to:			
— LSG	(i), (ii)	566	431
— an associate of LSG	(i), (ii)	352	455
Rental income and management fee income received or receivable from LSG	(i)	582	586
Interest income received or receivable from advance to joint ventures	(i)	76,426	104,959
Production fee paid or payable to joint ventures	(i)	3,195	3,500
Advertising and promotion expenses paid or payable to a joint venture	(i)	166	360
Sale of products and management fee income received or receivable from a joint venture	(i)	1,165	2,628
Film releasing income received or receivable from joint ventures	(i)	3,682	2,649
Sharing of corporate salaries on a cost basis allocated to LSG		8,378	8,605
Sharing of administrative expenses on a cost basis allocated to LSG		364	1,283
Sharing of corporate salaries on a cost basis allocated from LSG		—	1,905

Certain of the above related party transactions also constitute continuing connected transactions as defined in chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and their details are disclosed in the Report of the Directors.

Notes to Financial Statements

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5. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties (continued)

Notes:

- (i) These transactions were entered into based on terms stated in the respective agreements or contracts and were charged on bases mutually agreed by the respective parties.
- (ii) In addition to the variable lease payments and lease payments for short-term leases to the related parties, right-of-use assets of approximately HK\$872,000 (2024: HK\$3,958,000) and lease liabilities of approximately HK\$1,479,000 (2024: HK\$4,640,000) related to the leases with related parties were recognised in the consolidated statement of financial position as at 31 July 2025. During the year ended 31 July 2025, depreciation of these right-of-use assets of approximately HK\$2,467,000 (2024: HK\$3,102,000) and finance costs on these lease liabilities of approximately HK\$191,000 (2024: HK\$232,000) were recognised in the consolidated income statement.

(b) Compensation of key management personnel of the Group

	2025 HK\$'000	2024 HK\$'000
Short term employee benefits	50,076	52,416
Pension scheme contributions	123	127
Total compensation paid to key management personnel	50,199	52,543

Further details of directors' emoluments are included in note 9 to the financial statements.

6. TURNOVER AND OTHER REVENUE AND GAINS

An analysis of turnover is as follows:

	2025 HK\$'000	2024 HK\$'000
Turnover from contracts with customers:		
Sale of properties	885,015	1,529,479
Building management fee income	244,755	232,660
Income from hotel operation	1,243,773	1,191,418
Income from restaurant and F&B product sales operations	479,146	544,564
Distribution commission income, licence income from and sale of film and TV program products and film rights	41,411	334,023
Box-office takings, concessionary income and related income from cinemas	445,145	439,506
Entertainment event income	182,259	255,119
Sale of game products	36,273	55,593
Album sales, licence income and distribution commission income from music publishing and licensing	60,355	59,346
Artiste management fee income	9,010	17,024
Advertising income	5,155	6,927
Income from theme park operation	7,422	15,065
Others	302,423	286,645
	3,942,142	4,967,369
Turnover from other source:		
Rental income	956,473	1,031,492
Total turnover	4,898,615	5,998,861
Timing of recognition of turnover from contracts with customers:		
At a point in time	3,105,053	4,117,701
Over time	837,089	849,668
	3,942,142	4,967,369

Notes to Financial Statements

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6. TURNOVER AND OTHER REVENUE AND GAINS (CONTINUED)

(a) Disaggregated revenue information

	For the year ended 31 July 2025									
	Property	Property	Hotel	Restaurant	Media and	Film and	Cinema	Theme park	Others	Consolidated
	development	investment	operation	and F&B	entertainment	TV program	operation	operation	HK\$'000	HK\$'000
	and sales			product						
	HK\$'000	HK\$'000	HK\$'000	sales	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
				operations						
Type of goods or services										
Sale of properties	885,015	—	—	—	—	—	—	—	—	885,015
Building management fee income	—	244,755	—	—	—	—	—	—	—	244,755
Income from hotel operation	—	—	1,243,773	—	—	—	—	—	—	1,243,773
Income from restaurant and F&B product sales operations	—	—	—	479,146	—	—	—	—	—	479,146
Distribution commission income, licence income from and sale of film and TV program products and film rights	—	—	—	—	—	41,411	—	—	—	41,411
Box-office takings, concessionary income and related income from cinemas	—	—	—	—	—	—	445,145	—	—	445,145
Entertainment event income	—	—	—	—	182,259	—	—	—	—	182,259
Sale of game products	—	—	—	—	36,273	—	—	—	—	36,273
Album sales, licence income and distribution commission income from music publishing and licensing	—	—	—	—	60,355	—	—	—	—	60,355
Artiste management fee income	—	—	—	—	9,010	—	—	—	—	9,010
Advertising income	—	—	—	—	—	5,155	—	—	—	5,155
Income from theme park operation	—	—	—	—	—	—	—	7,422	—	7,422
Others	—	—	—	—	—	—	—	—	302,423	302,423
Total turnover from contracts with customers	885,015	244,755	1,243,773	479,146	287,897	46,566	445,145	7,422	302,423	3,942,142
Turnover from other source — rental income	—	956,473	—	—	—	—	—	—	—	956,473
Total turnover	885,015	1,201,228	1,243,773	479,146	287,897	46,566	445,145	7,422	302,423	4,898,615

6. TURNOVER AND OTHER REVENUE AND GAINS (CONTINUED)

(a) Disaggregated revenue information (continued)

	For the year ended 31 July 2025									
	Property development and sales HK\$'000	Property investment HK\$'000	Hotel operation HK\$'000	Restaurant and F&B product sales operations HK\$'000	Media and entertainment HK\$'000	Film and TV program HK\$'000	Cinema operation HK\$'000	Theme park operation HK\$'000	Others HK\$'000	Consolidated HK\$'000
Geographical markets										
Hong Kong	595,889	76,135	420,289	429,238	129,974	28,983	434,943	—	31,760	2,147,211
Chinese Mainland and Macau	289,126	163,947	273,011	49,908	142,050	5,369	10,202	7,422	—	941,035
United Kingdom	—	4,673	—	—	—	18	—	—	—	4,691
Vietnam	—	—	550,473	—	—	759	—	—	—	551,232
Others	—	—	—	—	15,873	11,437	—	—	270,663	297,973
Total turnover from contracts with customers	885,015	244,755	1,243,773	479,146	287,897	46,566	445,145	7,422	302,423	3,942,142
Turnover from other source — rental income	—	956,473	—	—	—	—	—	—	—	956,473
Total turnover	885,015	1,201,228	1,243,773	479,146	287,897	46,566	445,145	7,422	302,423	4,898,615
Timing of recognition of turnover from contracts with customers										
At a point in time	885,015	—	705,032	479,146	263,817	46,566	445,145	—	280,332	3,105,053
Over time	—	244,755	538,741	—	24,080	—	—	7,422	22,091	837,089
Total turnover from contracts with customers	885,015	244,755	1,243,773	479,146	287,897	46,566	445,145	7,422	302,423	3,942,142
Turnover from other source — rental income	—	956,473	—	—	—	—	—	—	—	956,473
Total turnover	885,015	1,201,228	1,243,773	479,146	287,897	46,566	445,145	7,422	302,423	4,898,615

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31 July 2025

6. TURNOVER AND OTHER REVENUE AND GAINS (CONTINUED)

(a) Disaggregated revenue information (continued)

	For the year ended 31 July 2024									
	Property development and sales HK\$'000	Property investment HK\$'000	Hotel operation HK\$'000	Restaurant and F&B product sales operations HK\$'000	Media and entertainment HK\$'000	Film and TV program HK\$'000	Cinema operation HK\$'000	Theme park operation HK\$'000	Others HK\$'000	Consolidated HK\$'000
Type of goods or services										
Sale of properties	1,529,479	—	—	—	—	—	—	—	—	1,529,479
Building management fee income	—	232,660	—	—	—	—	—	—	—	232,660
Income from hotel operation	—	—	1,191,418	—	—	—	—	—	—	1,191,418
Income from restaurant and F&B product sales operations	—	—	—	544,564	—	—	—	—	—	544,564
Distribution commission income, licence income from and sale of film and TV program products and film rights	—	—	—	—	—	334,023	—	—	—	334,023
Box-office takings, concessionary income and related income from cinemas	—	—	—	—	—	—	439,506	—	—	439,506
Entertainment event income	—	—	—	—	255,119	—	—	—	—	255,119
Sale of game products	—	—	—	—	55,593	—	—	—	—	55,593
Album sales, licence income and distribution commission income from music publishing and licensing	—	—	—	—	59,346	—	—	—	—	59,346
Artiste management fee income	—	—	—	—	17,024	—	—	—	—	17,024
Advertising income	—	—	—	—	—	6,927	—	—	—	6,927
Income from theme park operation	—	—	—	—	—	—	—	15,065	—	15,065
Others	—	—	—	—	—	—	—	—	286,645	286,645
Total turnover from contracts with customers	1,529,479	232,660	1,191,418	544,564	387,082	340,950	439,506	15,065	286,645	4,967,369
Turnover from other source — rental income	—	1,031,492	—	—	—	—	—	—	—	1,031,492
Total turnover	1,529,479	1,264,152	1,191,418	544,564	387,082	340,950	439,506	15,065	286,645	5,998,861

6. TURNOVER AND OTHER REVENUE AND GAINS (CONTINUED)

(a) Disaggregated revenue information (continued)

	For the year ended 31 July 2024									
	Property development and sales HK\$'000	Property investment HK\$'000	Hotel operation HK\$'000	Restaurant and F&B product sales operations HK\$'000	Media and entertainment HK\$'000	Film and TV program HK\$'000	Cinema operation HK\$'000	Theme park operation HK\$'000	Others HK\$'000	Consolidated HK\$'000
Geographical markets										
Hong Kong	347,129	77,534	427,593	490,047	296,228	47,701	425,419	—	45,785	2,157,436
Chinese Mainland and Macau	1,182,350	150,093	279,694	54,517	65,262	264,394	14,087	15,065	—	2,025,462
United Kingdom	—	5,033	—	—	500	496	—	—	—	6,029
Vietnam	—	—	484,131	—	—	58	—	—	—	484,189
Others	—	—	—	—	25,092	28,301	—	—	240,860	294,253
Total turnover from contracts with customers	1,529,479	232,660	1,191,418	544,564	387,082	340,950	439,506	15,065	286,645	4,967,369
Turnover from other source — rental income	—	1,031,492	—	—	—	—	—	—	—	1,031,492
Total turnover	1,529,479	1,264,152	1,191,418	544,564	387,082	340,950	439,506	15,065	286,645	5,998,861
Timing of recognition of turnover from contracts with customers										
At a point in time	1,529,479	—	636,799	544,564	362,216	340,950	439,506	—	264,187	4,117,701
Over time	—	232,660	554,619	—	24,866	—	—	15,065	22,458	849,668
Total turnover from contracts with customers	1,529,479	232,660	1,191,418	544,564	387,082	340,950	439,506	15,065	286,645	4,967,369
Turnover from other source — rental income	—	1,031,492	—	—	—	—	—	—	—	1,031,492
Total turnover	1,529,479	1,264,152	1,191,418	544,564	387,082	340,950	439,506	15,065	286,645	5,998,861

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6. TURNOVER AND OTHER REVENUE AND GAINS (CONTINUED)

(a) Disaggregated revenue information (continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025 HK\$'000	2024 HK\$'000
Sale of properties	42,548	720,820
Other operations	23,200	131,331
	65,748	852,151

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of properties

Revenue from the sale of properties is recognised at a point in time when the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property. Payment in advance is normally required.

Hotel operation and building management operation

The performance obligation is satisfied over time as services are rendered. Contracts for hotel services and building management services are for certain periods and are billed based on the time incurred.

Entertainment events

Revenue from entertainment events organised by the Group is recognised at a point in time when the events are completed. Payment is generally due within 30 to 60 days from the date of billing.

Film and TV program licence income

The performance obligation is satisfied at a point in time (i) when the films or TV programs licensed to movie theatres are exhibited, (ii) where an assignment is granted to the licensee which permits the licensee to exploit those rights freely and where the Group has no remaining obligations to perform and when the materials have been delivered to the licensee, or (iii) when the films or TV programs are available for showing or telecast. Partial payment in advance for licence income is normally required and the remaining balance is billed according to the payment schedule as stipulated in agreements or upon completion of exhibition of the films or TV programs. Payment is generally due within 30 to 60 days from the date of billing.

6. TURNOVER AND OTHER REVENUE AND GAINS (CONTINUED)

(c) Transaction price allocated to the remaining performance obligations

The Group elected to apply the practical expedient under HKFRS 15 and does not disclose the amount of the transaction price allocated to the remaining obligations for contracts with an original expected duration for one year or less as well as contracts for hotel and serviced apartment operation and building management operations for which the Group bills fixed amount for each month of service provided and recognises revenue in the amount to which the Group has right to invoice.

(d) Other revenue and gains

An analysis of other revenue and gains is as follows:

	Notes	2025 HK\$'000	2024 HK\$'000
Other revenue and gains			
Interest income from bank deposits		64,715	80,256
Other interest income		85,386	114,908
Dividend income from financial assets at fair value through other comprehensive income		200	31,100
Dividend income from financial assets at fair value through profit or loss		7,299	1,656
Fair value gains on cross currency swaps	27	—	6,537
Gain on disposal of investment properties		3,434	—
Gain on disposal of an associate		—	56,202
Gain on disposal of a subsidiary	32	168,696	—
Interest income from finance lease contract		19,848	19,708
Government grants*		6,989	5,215
Gain on lease modification	16(c)	75,978	27,652
Gain on repurchase of guaranteed notes		—	18,510
Reversal of impairment of property, plant and equipment, net		19,155	—
Reversal of impairment of right-of-use assets, net		25,364	—
Write-back of other payables		24,905	—
Write-back of impairment of amounts due from joint ventures	24	4,156	15,259
Fair value changes from entertainment events organised by co-investors		6,227	8,314
Others		106,846	94,949
		619,198	480,266

* During the years ended 31 July 2025 and 2024, government grants mainly represented the amount received related to Hong Kong Cinema Day. There are no unfulfilled conditions or contingencies related to these grants.

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7. LOSS FROM OPERATING ACTIVITIES

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

	Notes	2025 HK\$'000	2024 HK\$'000
Cost of completed properties sold		906,880	1,287,935
Cost of inventories sold		317,753	369,111
Cost of film rights, licence rights and film and TV program products		59,997	257,461
Cost of artiste management services and services for entertainment events provided		146,397	230,139
Cost of theatrical releasing and concessionary sales		159,760	161,028
Depreciation of property, plant and equipment^	14	298,070	354,487
Depreciation of right-of-use assets^	16(a), (c)	282,877	372,603
Impairment of property, plant and equipment*	14	19,880	226,257
Reversal of impairment of property, plant and equipment, net^	14	(19,155)	—
Impairment of right-of-use assets*	16(a), (c)	32,120	239,266
Reversal of impairment of right-of-use assets, net^	16(a), (c)	(25,364)	—
(Gain)/loss on disposal/write-off of items of property, plant and equipment		(2,464)^	14,247*
Write-down of properties under development to net realisable value#	17	528,000	430,600
Write-down of completed properties for sale to net realisable value#	30	226,205	182,137
Staff costs (including directors' remuneration — note 9):			
Wages and salaries		1,264,495	1,339,668
Pension scheme contributions##		48,975	51,045
		1,313,470	1,390,713
Capitalised in properties under development/ investment properties under construction/ construction in progress		(34,768)	(44,044)
Total		1,278,702	1,346,669
Auditor's remuneration		12,245	15,706
Lease payments not included in the measurement of lease liabilities		33,013	30,539
Contingent rents incurred for:			
Entertainment events#		2,090	16,719
Cinema*		22,665	26,966
Total	16(c)	57,768**	74,224**

7. LOSS FROM OPERATING ACTIVITIES (CONTINUED)

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

	Notes	2025 HK\$'000	2024 HK\$'000
Minimum lease income under operating leases		(952,211)	(1,025,252)
Contingent rents		(4,262)	(6,240)
Total operating lease income		(956,473)	(1,031,492)
Less: Outgoings		154,285	121,622
Net rental income		(802,188)	(909,870)
Impairment of films and TV programs under production [#]	31	27,785	9,956
Fair value changes from film investments*	31	1,258	2,568
Fair value changes from entertainment events organised by co-investors [@]		(6,227)	(8,314)
Amortisation of film rights [#]		2,948	2,274
Amortisation of film and TV program products [#]	19	5,553	68,522
Amortisation of other intangible assets*	22	380	376
Impairment of debtors, net*	33	2,875	1,172
Impairment of advances and other receivables*	28	12,804	17,746
Impairment of amounts due from joint ventures*	24	2,393	793
Losses/(gains) on dissolution/deregistration of subsidiaries		1,819*	(3,835) [@]
Gain on disposal of a subsidiary [@]	32	(168,696)	—
Fair value losses/(gains) on cross currency swaps	27	14,244*	(6,537) [@]
Fair value losses on interest rate swaps*	27	17,802	—
Fair value gains on foreign currency forward contract [@]	27	—	(618)
Fair value losses on financial assets at fair value through profit or loss, net*		6,254	71,938
Derecognition loss on rental receivables*		148	507
(Reversal of impairment)/impairment of inventories [#]		(142)	13,671
Foreign exchange differences, net*		27,728	47,592
Service fee for operation of a club in hotel operation in Vietnam*		67,459	58,211

Notes to Financial Statements

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7. LOSS FROM OPERATING ACTIVITIES (CONTINUED)

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

- # These items are included in "cost of sales" on the face of the consolidated income statement. The contingent rents are charged based on certain percentages of the gross ticket proceeds collected in respect of the entertainment events.
- @ These items are included in "other revenue and gains" on the face of the consolidated income statement.
- * These items are included in "other operating expenses" on the face of the consolidated income statement. The contingent rents are charged based on certain percentages of the gross box-office takings in respect of the cinema operation.
- ^ Depreciation charges of approximately HK\$521,665,000 (2024: HK\$655,264,000) are included in "other operating expenses" on the face of the consolidated income statement.
- ** Lease payments of approximately HK\$36,966,000 (2024: HK\$42,641,000) are included in "other operating expenses" on the face of the consolidated income statement.
- ## As at 31 July 2025 and 31 July 2024, the Group had no forfeited contributions from the pension schemes available to reduce its contributions to the pension schemes in future years.

8. FINANCE COSTS

	Notes	2025 HK\$'000	2024 HK\$'000
Interest on bank borrowings		1,089,582	1,430,253
Interest on guaranteed notes		201,551	221,188
Interest on other borrowings		6,134	6,642
Interest on other payables		8,056	—
Interest on lease liabilities	16(b), (c)	40,288	42,335
Bank financing charges		98,702	118,297
Interest on put option liabilities		4,466	4,474
		1,448,779	1,823,189
Less: Amount capitalised in construction in progress	14	(4,209)	(6,915)
Amount capitalised in properties under development	17	(293,097)	(434,273)
Amount capitalised in investment properties under construction	15	(26,572)	(27,348)
		1,124,901	1,354,653

Where funds have been borrowed generally and used for the purpose of obtaining qualifying assets, capitalisation rates ranging from 5.0% to 7.1% (2024: 6.0% to 8.8%) have been applied to the expenditure on the individual assets for the year ended 31 July 2025.

9. DIRECTORS' REMUNERATION

Directors' remuneration for both years, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

	2025 HK\$'000	2024 HK\$'000
Fees	1,875	2,412
Other emoluments:		
Salaries, allowances and benefits in kind	48,201	50,004
Pension scheme contributions	123	127
	48,324	50,131
	50,199	52,543
Capitalised in properties under development/ investment properties under construction/ construction in progress	(5,199)	(5,625)
	45,000	46,918

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9. DIRECTORS' REMUNERATION (CONTINUED)

The remuneration paid to executive directors, non-executive directors and independent non-executive directors during both years were as follows:

	Notes	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Pension scheme contributions HK\$'000	Total HK\$'000
2025					
Executive directors:					
Lam Kin Ngok, Peter	(a)	—	27,408	—	27,408
Lau Shu Yan, Julius	(b)	—	3,293	—	3,293
Cheung Sum, Sam	(c)	—	6,580	51	6,631
Lam Hau Yin, Lester	(d)	—	3,374	36	3,410
Lee Tze Yan, Ernest	(e)	—	5,431	36	5,467
		—	46,086	123	46,209
Non-executive director:					
U Po Chu	(f)	125	2,115	—	2,240
Independent non-executive directors:					
Ip Shu Kwan, Stephen		350	—	—	350
Lam Bing Kwan	(h)	700	—	—	700
Leung Shu Yin, William		350	—	—	350
Luk Hon Man	(i)	350	—	—	350
		1,750	—	—	1,750
		1,875	48,201	123	50,199

9. DIRECTORS' REMUNERATION (CONTINUED)

		Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
2024					
Executive directors:					
Lam Kin Ngok, Peter	(a)	75	28,039	—	28,114
Lau Shu Yan, Julius	(b)	—	4,756	—	4,756
Cheung Sum, Sam	(c)	—	4,700	55	4,755
Lam Hau Yin, Lester	(d)	—	3,374	36	3,410
Lee Tze Yan, Ernest	(e)	—	5,963	36	5,999
		75	46,832	127	47,034
Non-executive directors:					
U Po Chu	(f)	187	3,172	—	3,359
Chew Fook Aun	(g)	400	—	—	400
		587	3,172	—	3,759
Independent non-executive directors:					
Ip Shu Kwan, Stephen		350	—	—	350
Lam Bing Kwan	(h)	700	—	—	700
Leung Shu Yin, William		350	—	—	350
Luk Hon Man	(i)	350	—	—	350
		1,750	—	—	1,750
		2,412	50,004	127	52,543

Notes to Financial Statements

31 July 2025

9. DIRECTORS' REMUNERATION (CONTINUED)

Notes:

- (a) The amounts included salaries paid by eSun Holdings Limited ("**eSun**") and its subsidiaries (collectively the "**eSun Group**") of HK\$11,066,000 and salaries paid by Lai Fung Holdings Limited ("**Lai Fung**") of HK\$2,724,000 (2024: fees and salaries paid by the eSun Group of HK\$11,342,000 and salaries paid by Lai Fung of HK\$2,796,000).
- (b) Mr. Lau Shu Yan, Julius retired as an executive director and the chief executive officer of the Company with effect from 1 March 2025.
- (c) Mr. Cheung Sum, Sam was appointed as an executive director of the Company with effect from 1 August 2023 and is also the Group chief financial officer of the Company. The amounts included salaries and pension scheme contributions paid by the eSun Group of HK\$435,000 and paid by Lai Fung of HK\$2,538,000 (2024: paid by the eSun Group of HK\$316,000 and paid by Lai Fung of HK\$1,819,000).
- (d) The amounts included salaries and pension scheme contributions paid by Lai Fung of HK\$1,626,000 (2024: HK\$1,626,000).
- (e) The amounts included salaries and pension scheme contributions paid by Lai Fung of HK\$1,224,000 (2024: HK\$1,330,000).
- (f) The amounts included salaries paid by Lai Fung of HK\$2,115,000 (2024: HK\$3,172,000).
- (g) Mr. Chew Fook Aun resigned as a non-executive director of the Company with effect from 1 October 2023. For the year ended 31 July 2024, the amounts included fees paid by Lai Fung of HK\$200,000.
- (h) The amounts included fees paid by Lai Fung of HK\$350,000 (2024: HK\$350,000).
- (i) Mr. Luk Hon Man was appointed as independent non-executive director of the Company with effect from 1 August 2023.

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

There was no arrangement under which a director or the chief executive officer waived or agreed to waive any remuneration during the year (2024: Nil).

10. EMPLOYEES' REMUNERATION

The five highest paid employees during the year included three (2024: two) directors, details of whose remuneration are set out in note 9 above. Details of the remuneration of the remaining two (2024: three) highest paid employees who are neither a director nor chief executive officer of the Company are as follows:

	2025 HK\$'000	2024 HK\$'000
Fees	—	90
Other emoluments:		
Salaries, allowances and benefits in kind	13,294	21,721
Pension scheme contributions	19	187
	13,313	21,908
	13,313	21,998
Capitalised in properties under development/ investment properties under construction/ construction in progress	(2,009)	(2,122)
	11,304	19,876

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
HK\$5,500,001 to HK\$6,000,000	1	—
HK\$6,000,001 to HK\$6,500,000	—	2
HK\$7,000,001 to HK\$7,500,000	1	—
HK\$9,000,001 to HK\$9,500,000	—	1
	2	3

Notes to Financial Statements

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11. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 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.

	2025 HK\$'000	2024 HK\$'000
Current tax		
— Hong Kong		
Charge for the year	18,808	20,625
Overprovision in prior years	(66)	(4,518)
	18,742	16,107
— Chinese Mainland		
CIT	38,230	153,029
LAT	80,715	225,244
	118,945	378,273
— Elsewhere		
Charge for the year	31,302	29,081
Underprovision/(overprovision) in prior years	395	(3,597)
	31,697	25,484
	169,384	419,864
Deferred tax (note 39)	(122,033)	(23,593)
Tax charge for the year	47,351	396,271

11. TAX (CONTINUED)

A reconciliation of the tax credit applicable to loss before tax at the statutory rate for the location in which the Company and the majority of its subsidiaries are domiciled to the tax charge at the effective tax rate is as follows:

	2025 HK\$'000	2024 HK\$'000
Loss before tax	(3,081,996)	(3,728,347)
Add/(less): Share of profits and losses of associates	(7,956)	(12,011)
Share of profits and losses of joint ventures	1,130,120	796,305
Loss before tax attributable to the Group	(1,959,832)	(2,944,053)
Tax at the statutory tax rate of 16.5% (2024: 16.5%)	(323,372)	(485,769)
Higher tax rate for other countries	(49,971)	(22,132)
Adjustments in respect of current tax of previous periods	329	(8,115)
Income not subject to tax	(56,878)	(53,595)
Expenses not deductible for tax purposes	305,367	470,791
Tax losses utilised from previous periods	(17,943)	(27,571)
Tax losses not recognised	331,704	366,001
Deferred tax assets written off	10,422	181,110
Provision for LAT	80,715	225,244
Tax effect of provision for LAT	(20,179)	(56,311)
Other temporary differences	(226,487)	(196,317)
Withholding tax on the distributable earnings of the subsidiaries established in Chinese Mainland	13,644	1,001
Withholding tax on the interest income from the subsidiaries established in Chinese Mainland	—	1,934
Tax charge for the year	47,351	396,271

12. DIVIDEND

No final dividend was declared for the years ended 31 July 2025 and 2024.

13. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share amount was based on the loss for the year attributable to owners of the Company of HK\$2,874,333,000 (2024: HK\$3,674,693,000), and the weighted average number of ordinary shares of 1,453,329,000 (2024: 1,453,329,000) outstanding during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 July 2025 and 2024 in respect of a dilution as the impact of the share options of the Company, eSun and Lai Fung had an anti-dilutive effect on the basic loss per share amounts presented.

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14. PROPERTY, PLANT AND EQUIPMENT

	Notes	Hotel properties HK\$'000	Leasehold buildings HK\$'000	Leasehold improvements HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Computers HK\$'000	Motor vessels HK\$'000	Theme parks HK\$'000	Construction in progress HK\$'000	Total HK\$'000
Cost:											
At 1 August 2023		5,711,520	330,315	746,390	480,777	51,734	110,640	139,303	1,487,028	357,791	9,415,498
Finance costs capitalised	8	—	—	—	—	—	—	—	—	6,915	6,915
Additions		—	—	101,770	40,911	5,071	4,588	14	—	10,721	163,075
Transfer to investment properties		—	(31,743)	—	—	—	—	—	—	—	(31,743)
Transfer to assets classified as held for sale	32	—	(6,100)	(10,127)	(10,984)	—	—	—	—	—	(27,211)
Disposals/write-off		—	(19,760)	(96,923)	(43,107)	(4,606)	(5,394)	—	—	—	(169,790)
Exchange realignment		(15,586)	(3,097)	(3,903)	(5,303)	(550)	(3,741)	—	(21,044)	(3,257)	(56,481)
At 31 July 2024 and 1 August 2024		5,695,934	269,615	737,207	462,294	51,649	106,093	139,317	1,465,984	372,170	9,300,263
Finance costs capitalised	8	—	—	—	—	—	—	—	—	4,209	4,209
Additions		2,639	—	28,892	24,889	2,921	12,264	—	—	5,185	76,790
Transfer to investment properties		—	(57,373)	—	—	—	—	—	—	—	(57,373)
Disposals/write-off		—	—	(101,082)	(28,067)	(11,369)	(3,349)	—	—	—	(143,867)
Exchange realignment		13,320	2,323	2,935	(462)	(904)	1,634	—	14,361	2,740	35,947
At 31 July 2025		5,711,893	214,565	667,952	458,654	42,297	116,642	139,317	1,480,345	384,304	9,215,969

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Notes	Hotel properties HK\$'000	Leasehold buildings HK\$'000	Leasehold improvements HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Computers HK\$'000	Motor vessels HK\$'000	Theme parks HK\$'000	Construction in progress HK\$'000	Total HK\$'000
Accumulated depreciation and impairment:											
At 1 August 2023		1,027,518	94,730	568,359	379,061	44,501	80,341	91,463	1,142,468	—	3,428,441
Depreciation provided during the year	7	188,855	16,699	57,531	41,810	2,731	12,495	12,646	21,720	—	354,487
Impairment during the year	7	—	—	133,956	14,821	—	1,300	—	21,023	55,157	226,257
Transfer to investment properties		—	(12,753)	—	—	—	—	—	—	—	(12,753)
Transfer to assets classified as held for sale	32	—	(3,378)	(10,050)	(10,921)	—	—	—	—	—	(24,349)
Disposals/write-off		—	(3,975)	(92,788)	(24,595)	(4,464)	(4,273)	—	—	—	(130,095)
Exchange realignment		(4,062)	(356)	(3,887)	(4,636)	(390)	(4,903)	—	(13,444)	—	(31,678)
At 31 July 2024 and 1 August 2024		1,212,311	90,967	653,121	395,540	42,378	84,960	104,109	1,171,767	55,157	3,810,310
Depreciation provided during the year	7	189,028	17,062	23,133	29,664	2,367	8,683	12,234	15,899	—	298,070
Impairment during the year	7	—	—	17,044	2,827	—	9	—	—	—	19,880
Reversal of impairment during the year, net	7	—	—	(19,155)	—	—	—	—	—	—	(19,155)
Transfer to investment properties		—	(14,781)	—	—	—	—	—	—	—	(14,781)
Disposals/write-off		—	—	(95,416)	(26,614)	(11,326)	(3,318)	—	—	—	(136,674)
Exchange realignment		4,288	323	2,246	(817)	(24)	3,335	—	11,794	264	21,409
At 31 July 2025		1,405,627	93,571	580,973	400,600	33,395	93,669	116,343	1,199,460	55,421	3,979,059
Net carrying amount:											
At 31 July 2025		4,306,266	120,994	86,979	58,054	8,902	22,973	22,974	280,885	328,883	5,236,910
At 31 July 2024		4,483,623	178,648	84,086	66,754	9,271	21,133	35,208	294,217	317,013	5,489,953

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14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

At 31 July 2025, the HK Hotel comprising hotel properties, leasehold improvements, furniture, fixtures and equipment, motor vehicles and computers, named "Hong Kong Ocean Park Marriott Hotel", with carrying amounts of approximately HK\$2,575,203,000 (2024: HK\$2,689,946,000), HK\$15,421,000 (2024: HK\$20,039,000), HK\$2,427,000 (2024: HK\$3,029,000), HK\$301,000 (2024: Nil) and HK\$2,500,000 (2024: HK\$2,247,000), respectively, totalling HK\$2,595,852,000 (2024: HK\$2,715,261,000); certain leasehold buildings, certain hotels and serviced apartments under hotel properties (including related leasehold improvements), theme parks and certain construction in progress with aggregate carrying amount of approximately HK\$2,164,067,000 (2024: HK\$2,268,620,000) were pledged to banks to secure banking facilities granted to the Group (note 37(i)).

As at 31 July 2025, the Group had conducted impairment tests on the long-term assets mainly related to completed theme parks (each treated as a cash-generating unit ("CGU")), theme parks under construction, cinema and restaurant and F&B product sales included in property, plant and equipment.

Completed theme parks

During the year ended 31 July 2025, no impairment was identified. During the year ended 31 July 2024, the carrying amount of certain CGU was in excess of its recoverable amount. Accordingly, a provision for impairment of HK\$21,023,000 was charged to the consolidated income statement for that year.

Theme parks under construction

The Group determined to cease the relevant development and engaged an external valuer to perform valuation on the land and building portion of certain theme park to determine the recoverable amount and no impairment was identified. During the year ended 31 July 2025, no provision for impairment (2024: provision for impairment of HK\$55,157,000 in aggregate) in relation to the portion other than the land and building was charged to the consolidated income statement.

Cinema

During the year ended 31 July 2025, in light of market conditions, operating performance and favourable market circumstances, a net reversal of impairment losses of HK\$19,155,000 on property, plant and equipment and of relevant CGUs have been recognised in the consolidated income statement for the year ended 31 July 2025. During the year ended 31 July 2024, the impairment loss of HK\$87,179,000 represented the write-down of carrying amounts of certain plant and equipment to their recoverable amounts because the market conditions were out of management's expectation.

Restaurant and F&B product sales

The carrying amounts of the CGUs were in excess of their recoverable amounts given the market conditions were out of management's expectation. Accordingly, a provision for impairment of approximately HK\$14,462,000 (2024: HK\$62,146,000) was charged to the consolidated income statement for the year.

The estimated recoverable amounts as at 31 July 2025 were determined based on their value in use amounts estimated using discount rates ranging from 10.5% to 12% (2024: 10% to 12%).

Certain property, plant and equipment of HK\$42,592,000 (2024: HK\$18,990,000) were transferred to investment properties. These properties were revalued at HK\$63,544,000 (2024: HK\$26,208,000) with revaluation surplus of HK\$20,952,000 (2024: HK\$7,218,000) credited to property revaluation reserve.

15. INVESTMENT PROPERTIES

		2025 HK\$'000	2024 HK\$'000
Completed investment properties		33,933,212	34,135,018
Investment properties under construction		382,000	542,000
		34,315,212	34,677,018

	Notes	2025 HK\$'000	2024 HK\$'000
Carrying amount at beginning of year		34,677,018	35,751,721
Additions		5,964	180,786
Disposals		(40,647)	—
Transfer from property, plant and equipment	14	63,544	26,208
Transfer from right-of-use assets	16(a)	12,856	2,810
Transfer to property under development	17	(295,000)	—
Other additions, net		39,633	(277,490)
Finance costs capitalised	8	26,572	27,348
Fair value losses, net		(457,569)	(817,288) [®]
Exchange realignment		282,841	(217,077)
Carrying amount at end of year		34,315,212	34,677,018

[®] Included in the fair value losses of HK\$817,288,000 on investment properties for the year ended 31 July 2024 were fair value gains from Lai Fung and its subsidiaries (the "**Lai Fung Group**") amounting to HK\$446,483,000 that were partly attributable to the actual construction costs incurred being lower than the accrued amount by approximately HK\$283,900,000 in aggregate for certain recently completed investment properties upon finalisation of final accounts with major contractors.

Most of the investment properties of the Group are leased to third parties under operating leases, further summary details of which are included in note 16 to the financial statements.

Certain investment properties of the Group with an aggregate carrying amount of approximately HK\$32,637,072,000 (2024: HK\$33,019,438,000) were pledged to banks to secure banking facilities granted to the Group (note 37(i)).

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15. INVESTMENT PROPERTIES (CONTINUED)

Valuation process

The directors of the Company have determined that investment properties are completed properties held for rental and investment properties under construction, based on the nature, characteristics and risks of each property. The Group's investment properties were revalued on 31 July 2025 based on valuations performed by Savills Valuation and Professional Services Limited, Savills (UK) Limited and Knight Frank Petty Limited, independent professionally qualified valuers, at HK\$12,232,840,000 (2024: HK\$12,319,080,000), HK\$2,508,672,000 (2024: HK\$2,670,738,000) and HK\$19,573,700,000 (2024: HK\$19,687,200,000), respectively. Each year, the Group's management decides to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's management has discussions with the valuers on the valuation assumptions and valuation results twice a year when the valuations are performed for interim and annual financial reporting.

Fair value measurement using significant unobservable inputs (Level 3)

For completed investment properties, valuations are based on the income approach and the market approach. The income approach is based on capitalisation of the net income and the reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation are with reference to valuers' view of recent lettings, within the subject properties and other comparable properties. The market approach is based on market comparable transactions available in the market and adjustments of various factors would be made between the subject properties and comparable properties.

For investment properties in London, the fair values are determined on the basis that they will be redeveloped and completed in accordance with the Group's latest development plans. The valuation is mainly determined by the residual method, and wherever appropriate, by the income approach. The residual method involves calculating the gross development value ("GDV") and deducting the estimated development costs and developer's profit. The income approach capitalises the remaining income profiles of the existing buildings until the latest expiry.

For investment properties under construction, the Group has valued such properties on the basis that they will be developed and completed in accordance with the Group's latest development plans. Valuations are based on the residual method, which is essentially a means of valuing the land by reference to its development potential by deducting development costs together with developer's profit and risk associated with the estimated capital value of the proposed development assumed to be completed as at the date of valuation.

15. INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques

Information about fair value measurement using significant unobservable inputs (Level 3) 2025

Description	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Completed investment properties				
Completed properties in Hong Kong	Income approach	Average monthly market rent per square foot	HK\$14 to HK\$242	The higher the market rent, the higher the fair value
		Capitalisation rate	3.0% to 4.3%	The higher the capitalisation rate, the lower the fair value
Completed properties in Chinese Mainland	Income approach	Average monthly market rent per square metre	HK\$27 to HK\$335	The higher the market rent, the higher the fair value
		Capitalisation rate	3.75% to 7.0%	The higher the capitalisation rate, the lower the fair value
Commercial properties in Chinese Mainland	Market approach	Average market unit rate per square metre	HK\$13,600	The higher the market unit rate, the higher the fair value
Residential property in Chinese Mainland	Market approach	Average market unit rate per square metre	HK\$305,000	The higher the market unit rate, the higher the fair value

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15. INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques (continued)

Information about fair value measurement using significant unobservable inputs (Level 3) (continued)

2025 (continued)

Description	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Completed investment properties (continued)				
Completed properties in London (with future redevelopment plan)	Residual method	GDV per square foot	HK\$18,554	The higher the GDV, the higher the fair value
		Estimated development costs	HK\$12.0 billion	The higher the estimated development costs, the lower the fair value
		Developer's profit margin	13%	The higher the developer's profit margin, the lower the fair value
Investment properties under construction				
Commercial properties in Chinese Mainland	Residual method	GDV per square metre	HK\$22,000	The higher the GDV, the higher the fair value
		Budgeted costs to completion	HK\$174,000,000	The higher the budgeted cost to completion, the lower the fair value
		Developer's profit margin	8%	The higher the developer's profit margin, the lower the fair value

15. INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques (continued)

Information about fair value measurement using significant unobservable inputs (Level 3) (continued)

2024

Description	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Completed investment properties				
Completed properties in Hong Kong	Income approach	Average monthly market rent per square foot	HK\$14 to HK\$248	The higher the market rent, the higher the fair value
		Capitalisation rate	2.8% to 4.3%	The higher the capitalisation rate, the lower the fair value
Completed properties in Chinese Mainland	Income approach	Average monthly market rent per square metre	HK\$27 to HK\$328	The higher the market rent, the higher the fair value
		Capitalisation rate	3.75% to 7.5%	The higher the capitalisation rate, the lower the fair value
Commercial properties in Chinese Mainland	Market approach	Average market unit rate per square metre	HK\$13,500	The higher the market unit rate, the higher the fair value
Residential property in Chinese Mainland	Market approach	Average market unit rate per square metre	HK\$302,000	The higher the market unit rate, the higher the fair value

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15. INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques (continued)

Information about fair value measurement using significant unobservable inputs (Level 3) (continued)

2024 (continued)

Description	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Completed investment properties (continued)				
Completed properties in London (with future redevelopment plan)	Residual method	GDV per square foot	HK\$17,940	The higher the GDV, the higher the fair value
		Estimated development costs	HK\$11.7 billion	The higher the estimated development costs, the lower the fair value
		Developer's profit margin	13%	The higher the developer's profit margin, the lower the fair value
Investment properties under construction				
Commercial properties in Chinese Mainland	Residual method	GDV per square metre	HK\$24,800 to HK\$28,000	The higher the GDV, the higher the fair value
		Budgeted costs to completion	HK\$667,600,000	The higher the budgeted cost to completion, the lower the fair value
		Developer's profit margin	16% to 20%	The higher the developer's profit margin, the lower the fair value

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2024: Nil).

16. LEASES

The Group as a lessee

The Group has lease contracts of certain cinema related properties, other properties and equipment for its operations. Leases of cinema related properties generally have lease terms between 2 and 15 years, while other properties generally have lease terms between 2 and 10 years. Leases of equipment generally have lease terms of 5 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Notes	Leasehold land HK\$'000	Cinema related properties HK\$'000	Other properties HK\$'000	Equipment HK\$'000	Total HK\$'000
At 1 August 2023		3,779,877	575,980	145,869	146	4,501,872
Additions		—	—	61,767	—	61,767
Transfer to investment properties	15	(2,810)	—	—	—	(2,810)
Transfer to assets classified as held for sale	32	(41,707)	—	—	—	(41,707)
Lease modification		—	(22,210)	3,110	1,145	(17,955)
Termination		—	—	(911)	—	(911)
Disposal/write-off		(66,976)	—	—	—	(66,976)
Depreciation charged	7, 16(c)	(170,287)	(108,985)	(92,807)	(524)	(372,603)
Impairment loss recognised	7, 16(c)	—	(190,551)	(48,715)	—	(239,266)
Exchange realignment		(14,046)	(29)	(253)	1	(14,327)
At 31 July 2024 and 1 August 2024		3,484,051	254,205	68,060	768	3,807,084
Additions		—	—	134,712	—	134,712
Transfer to investment properties	15	(12,856)	—	—	—	(12,856)
Lease modification		—	(77,379)	2,009	—	(75,370)
Termination		—	—	175	—	175
Depreciation charged	7, 16(c)	(162,677)	(54,596)	(65,089)	(515)	(282,877)
Reversal of impairment, net	7, 16(c)	—	25,364	—	—	25,364
Impairment loss recognised	7, 16(c)	—	—	(32,120)	—	(32,120)
Exchange realignment		12,722	19	1,201	21	13,963
At 31 July 2025		3,321,240	147,613	108,948	274	3,578,075

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16. LEASES (CONTINUED)

The Group as a lessee (continued)

(a) Right-of-use assets (continued)

Cinema

During the year ended 31 July 2025, in light of market conditions, operating performance and favourable market circumstances, a net reversal of impairment losses of HK\$25,364,000 on right-of-use assets of relevant CGUs have been recognised in the consolidated income statement for the year ended 31 July 2025. During the year ended 31 July 2024, the impairment loss of HK\$190,551,000 represented the write-down of the carrying amounts of right-of-use assets of certain properties and equipment to their recoverable amounts because of the market conditions were out of management's expectation.

Restaurant and F&B product sales

During the year ended 31 July 2025, the impairment loss of HK\$28,142,000 (2024: HK\$44,102,000) represented the write-down of the carrying amounts of right-of-use assets of other properties and equipment to their recoverable amounts because the market conditions were out of the management's expectation.

The estimated recoverable amounts as at 31 July 2025 were determined based on their value in use amounts estimated using discount rates ranging from 10.5% to 12% (2024: 10% to 12%).

At 31 July 2025, certain of the Group's right-of-use assets with a carrying amount of HK\$2,821,995,000 (2024: HK\$2,955,204,000), of which HK\$1,266,605,000 (2024: HK\$1,323,108,000) was in relation to the land on which the HK Hotel is situated, were pledged to secure banking facilities granted to the Group (note 37(i)).

16. LEASES (CONTINUED)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of the Group's lease liabilities and the movements during the year are as follows:

	Notes	2025 HK\$'000	2024 HK\$'000
Carrying amount at 1 August		908,757	1,083,657
Additions		134,690	61,027
Accretion of interest recognised during the year	8, 16(c)	40,288	42,335
Lease modification		(151,348)	(45,607)
Payments		(188,208)	(229,726)
Termination		(5,948)	(2,260)
Exchange realignment		1,509	(669)
Carrying amount at 31 July		739,740	908,757
Analysed into:			
Current portion		215,394	265,479
Non-current portion		524,346	643,278
		739,740	908,757

The maturity analysis of lease liabilities is disclosed in note 48(iv) to the financial statements.

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16. LEASES (CONTINUED)

The Group as a lessee (continued)

- (c) **The amounts charged/(credited) to consolidated income statement in relation to leases are as follows:**

	Notes	2025 HK\$'000	2024 HK\$'000
Interest on lease liabilities	8, 16(b)	40,288	42,335
Depreciation charge of right-of-use assets	7, 16(a)	282,877	372,603
Impairment of right-of-use assets	7, 16(a)	32,120	239,266
Reversal of impairment of right-of-use assets, net	7, 16(a)	(25,364)	—
Expense relating to short-term leases and other leases with remaining lease terms less than one year and leases of low value assets	7	24,011	19,221
Variable lease payments not included in the measurement of lease liabilities	7	33,757	55,003
Gain on termination of leases		(6,123)	(1,349)
Gain on lease modification	6(d)	(75,978)	(27,652)
Total amount charged to consolidated income statement		305,588	699,427

- (d) **Variable lease payments**

The Group leased a number of properties which contain variable lease payment terms that are based on the Group's turnover generated from the properties. There are also minimum annual base rental arrangements for these leases.

- (e) The total cash outflow for leases are disclosed in note 52(c) to the financial statements.

The Group as a lessor

The Group leases its investment properties (note 15) under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rental adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was HK\$956,473,000 (2024: HK\$1,031,492,000), details of which are included in note 6 to the financial statements.

16. LEASES (CONTINUED)

The Group as a lessor (continued)

At 31 July 2025, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	756,615	807,837
One to two years	541,358	603,677
Two to three years	384,955	391,744
Three to four years	254,206	272,796
Four to five years	167,700	208,556
After five years	331,494	371,057
	2,436,328	2,655,667

In addition, the operating lease arrangements for certain investment properties of the Group are contingent based on the turnover of the tenants pursuant to the terms and conditions as set out in the respective agreements. As the future turnover of the tenants could not be accurately determined, the relevant contingent rent has not been included above.

17. PROPERTIES UNDER DEVELOPMENT

	Notes	2025 HK\$'000	2024 HK\$'000
At beginning of year, at cost		4,793,714	5,377,100
Additions		473,178	284,409
Interest and bank financing charges capitalised	8	293,097	434,273
Transfer to completed properties for sale		(803,471)	(843,604)
Transfer from investment properties under construction	15	295,000	—
Disposal		—	(15,293)
Write-down of properties under development to net realisable value	7	(528,000)	(430,600)
Exchange realignment		15,379	(12,571)
At end of year, at cost		4,538,897	4,793,714

As at 31 July 2025, certain of the Group's properties under development with a total carrying amount of approximately HK\$4,224,828,000 (2024: HK\$4,088,524,000) were pledged to banks to secure banking facilities granted to the Group (note 37(i)).

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18. FILM RIGHTS

Film rights are rights acquired or licensed from outsiders for exhibition/broadcasting and other exploitation of the films and TV programs.

The Group regularly reviews its library of film rights to assess the marketability/future economic benefits of film rights and the corresponding recoverable amounts. The estimated recoverable amounts as at 31 July 2025 and 31 July 2024 were determined based on the present value of expected future revenues and related cash flows arising from the distribution and sublicensing of the film rights, which were derived from discounting the projected cash flows covering a period within 5 years using a discount rate of 12.5% (2024: 12.5%) and a long term growth rate of 2.3% (2024: 2.3%) for the relevant assets.

19. FILM AND TV PROGRAM PRODUCTS

	Notes	HK\$'000
Cost:		
At 1 August 2023		465,269
Additions		45
Transfer from films and TV programs under production	31	225,513
Sale of film and TV program products		(156,664)
Exchange realignment		(2,701)
At 31 July 2024 and 1 August 2024		531,462
Additions		36
Transfer from films and TV programs under production	31	5,778
Sale of film and TV program products		(908)
Exchange realignment		2,234
At 31 July 2025		538,602
Accumulated amortisation:		
At 1 August 2023		404,210
Provided during the year	7	68,522
Exchange realignment		(2,701)
At 31 July 2024 and 1 August 2024		470,031
Provided during the year	7	5,553
Exchange realignment		2,234
At 31 July 2025		477,818
Net carrying amount:		
At 31 July 2025		60,784
At 31 July 2024		61,431

19. FILM AND TV PROGRAM PRODUCTS (CONTINUED)

The Group regularly reviews its film and TV program products to assess the marketability/future economic benefits of the film and TV program products and the corresponding recoverable amounts. The estimated recoverable amounts as at 31 July 2025 and 31 July 2024 were determined based on the present value of expected future revenues and related cash flows arising from the distribution and sublicensing of the film and TV program products, which were derived from discounting the projected cash flows covering a period within 5 years using a discount rate of 12.5% (2024: 12.5%) and a long term growth rate of 2.3% (2024: 2.3%) for the relevant assets.

20. MUSIC CATALOGS

Music catalogs represent song catalogs, music video recording rights and publishing rights of songs acquired.

21. GOODWILL

	HK\$'000
Cost:	
At 1 August 2023	259,397
Exchange realignment	(2,185)
At 31 July 2024 and 1 August 2024	257,212
Exchange realignment	13,169
At 31 July 2025	270,381
Accumulated impairment:	
At 1 August 2023, 31 July 2024, 1 August 2024 and 31 July 2025	37,420
Net carrying amount:	
At 31 July 2025	232,961
At 31 July 2024	219,792

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21. GOODWILL (CONTINUED)

Impairment testing of goodwill

CNI CGU

Goodwill of HK\$229,119,000 (2024: HK\$215,950,000) arising from the acquisition of additional equity interests in CNI (as defined in note 50 to the financial statements) and its subsidiaries during the year ended 31 July 2018 was allocated to cash-generating unit (the “**CNI CGU**”), which is included in the components of others segment for impairment testing.

The acquired subsidiaries of the CNI CGU generate cash inflows that are largely independent of the cash inflows from other assets.

Details of impairment test of the CNI CGU are set out in note 22 to the financial statements.

F&B CGU A

Goodwill of HK\$5,161,000 (2024: HK\$5,161,000) arising from the acquisition of additional equity interests in three subsidiaries during the year ended 31 July 2016 was allocated to a cash-generating unit (the “**F&B CGU A**”), which is included in the components of the restaurant and F&B product sales operations segment for impairment testing.

The acquired subsidiaries of the F&B CGU A generate cash inflows that are largely independent of the cash inflows from other assets.

The carrying amount of the cash-generating unit, which included the goodwill, was in excess of its recoverable amount as a result of the continuing operating losses incurred. Accordingly, an impairment of approximately HK\$1,319,000 was recognised in prior years.

The recoverable amount of the F&B CGU A has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period (2024: five-year period) with a growth rate approved by senior management, which is based on management’s expectation for market development. The discount rate applied to the cash flow projections is 10.5% (2024: 12.0%).

Assumptions were used in the value in use calculation of the F&B CGU A for the years ended 31 July 2025 and 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted profit — The basis used to determine the value assigned to the budgeted profit is the historical average profit achieved, adjusted for expected efficiency improvement, and expected market development.

Discount rate — The discount rate used is before tax and reflects specific risks relating to the relevant unit.

21. GOODWILL (CONTINUED)

Impairment testing of goodwill (continued)

F&B CGU B

Goodwill of HK\$36,101,000 (2024: HK\$36,101,000) arising from the acquisition of non-wholly-owned subsidiaries during the year ended 31 July 2020 was allocated to a cash-generating unit (the “**F&B CGU B**”), which is included in the components of the restaurant and F&B product sales operations segment for impairment testing.

The acquired subsidiaries of the F&B CGU B generate cash inflows that are largely independent of the cash inflows from other assets.

The carrying amount of the cash-generating unit, which included the goodwill, was in excess of its recoverable amount because the market conditions and the impact of the outbreak of COVID-19 were out of management’s expectation. Accordingly, an impairment of approximately HK\$36,101,000 was recognised to write down to its recoverable amount in prior years.

Details of the impairment test of the F&B CGU B are set out in note 22 to the financial statements.

22. OTHER INTANGIBLE ASSETS

	Note	Trademarks HK\$'000	Customer relationships HK\$'000	Total HK\$'000
Cost:				
At 1 August 2023		127,999	16,972	144,971
Exchange realignment		(1,089)	(38)	(1,127)
At 31 July 2024 and 1 August 2024		126,910	16,934	143,844
Exchange realignment		6,502	230	6,732
At 31 July 2025		133,412	17,164	150,576
Accumulated amortisation and impairment:				
At 1 August 2023		20,272	15,069	35,341
Amortisation provided during the year	7	—	376	376
Exchange realignment		—	(19)	(19)
At 31 July 2024 and 1 August 2024	7	20,272	15,426	35,698
Amortisation provided during the year		—	380	380
Exchange realignment		—	158	158
At 31 July 2025		20,272	15,964	36,236
Net carrying amount:				
At 31 July 2025		113,140	1,200	114,340
At 31 July 2024		106,638	1,508	108,146

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22. OTHER INTANGIBLE ASSETS (CONTINUED)

Trademarks

Trademarks are regarded as having an indefinite useful life because the trademarked products and services are expected to generate net cash inflows indefinitely.

Impairment testing of goodwill and trademarks with an indefinite useful life allocated to CNI CGU

The recoverable amount of the CNI CGU has been determined based on a value in use calculation using three-year (2024: three-year) cash flow projections based on financial budgets approved by senior management, which is based on management's expectation for market development. The growth rate used to extrapolate the cash flows of the CNI CGU beyond the three-year (2024: three-year) period is 0.7% (2024: 1.5%). The discount rate applied to the cash flow projections is 12% (2024: 12%). The terminal growth rate applied to the cash flow projections is 0.7% (2024: 1.5%).

Assumptions were used in the value in use calculation of the CNI CGU for the years ended 31 July 2025 and 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted profit — The basis used to determine the value assigned to the budgeted profit is the historical average profit achieved, adjusted for expected efficiency improvement, and expected market development.

Discount rate — The discount rate used is before tax and reflects specific risks relating to the relevant unit.

Impairment testing of goodwill and other intangible assets allocated to F&B CGU B

The recoverable amount of the F&B CGU B has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period with a growth rate approved by senior management, which is based on management's expectation for market development. The discount rate applied to the cash flow projections is 12% (2024: 12%). The terminal growth rate applied to the cash flow projections is 1.8% (2024: 1.9%).

Assumptions were used in the value in use calculation of the F&B CGU B for the years ended 31 July 2025 and 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted profit — The basis used to determine the value assigned to the budgeted profit is the historical average profit achieved, adjusted for expected efficiency improvement, and expected market development.

Discount rate — The discount rate used is before tax and reflects specific risks relating to the relevant unit.

23. INVESTMENTS IN ASSOCIATES

	2025 HK\$'000	2024 HK\$'000
Share of net assets	119,368	108,098
Amounts due from associates	344,147	354,712
Provision for impairment	(66,803)	(97,343)
	277,344	257,369
Total	396,712	365,467

The amounts due from associates are unsecured, interest-free and repayable on demand but are not expected to be repayable within the next 12 months from the end of the reporting period. In the opinion of the directors, these balances are considered as part of the Group's net investments in the associates.

Loss allowance for impairment of the amounts due from associates represented lifetime ECLs made for the credit-impaired balance.

Movements in the loss allowance for impairment of amounts due from associates are as follows:

	2025 HK\$'000	2024 HK\$'000
At the beginning of the year	97,343	98,255
Impairment loss	24	597
Write-back of impairment loss	(2)	—
Write-off	(30,562)	—
Disposal	—	(771)
Exchange realignment	—	(738)
At the end of the year	66,803	97,343

The associates are accounted for using the equity method in these financial statements. During the year ended 31 July 2025, the Group received dividend income amounting to HK\$3,933,000 from an associate (2024: HK\$3,125,000).

As at 31 July 2025 and 31 July 2024, there were no material associates which principally affected the results for the year or formed a substantial portion of the net assets of the Group.

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23. INVESTMENTS IN ASSOCIATES (CONTINUED)

Aggregate financial information of associates that are not individually material:

	2025 HK\$'000	2024 HK\$'000
The Group's share of profits	7,956	12,011
The Group's share of other comprehensive income/(expense)	6,215	(1,459)
The Group's share of total comprehensive income	14,171	10,552

24. INVESTMENTS IN JOINT VENTURES

	2025 HK\$'000	2024 HK\$'000
Share of net assets	2,637,893	4,497,135
Amounts due from joint ventures	2,199,647	1,669,151
Provision for impairment [#]	(32,744)	(34,334)
	2,166,903	1,634,817
Total	4,804,796	6,131,952

[#] As at 31 July 2025, an impairment of HK\$32,744,000 (2024: HK\$34,334,000) was recognised for amounts due from joint ventures with gross carrying amounts of HK\$61,275,000 (2024: HK\$53,412,000) because these joint ventures have been loss-making for some time.

Except for the amount of HK\$7,683,000 (2024: HK\$2,254,000) due from a joint venture which was interest bearing at HSBC prime rate, the amounts due from joint ventures are unsecured, interest-free and repayable on demand but are not expected to be repayable within the next 12 months from the end of the reporting period. In the opinion of the directors, these amounts due from joint ventures are unlikely to be repaid in the foreseeable future and are considered as part of the Group's net investments in the joint ventures.

24. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Loss allowance for impairment of amounts due from joint ventures represented lifetime ECLs made for the credit-impaired balance. Except for the credit-impaired balance, there has been no significant increase in credit risk of the remaining balances.

Movements in the loss allowance for impairment of amounts due from joint ventures are as follows:

	Notes	2025 HK\$'000	2024 HK\$'000
At the beginning of the year		34,334	49,007
Impairment loss recognised	7	2,393	793
Write-back of impairment loss	6(d)	(4,156)	(15,259)
Exchange realignment		173	(207)
At the end of the year		32,744	34,334

Shares in certain joint ventures held by the Group were pledged to banks to secure banking facilities granted to the joint ventures.

All the joint ventures are accounted for using the equity method in these financial statements. During the year ended 31 July 2025, the Group received dividend income amounting to HK\$743,260,000 from joint ventures (2024: HK\$41,723,000).

Details of the principal joint ventures are set out in note 51 to the financial statements.

The summarised financial information below represents amounts shown in the financial statements of the respective joint ventures prepared in accordance with HKFRS Accounting Standards and complies with the Group's accounting policies.

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24. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Diamond Path Limited and its subsidiaries (the “Diamond Path Group”)

The Diamond Path Group, a 50%-owned joint venture, was principally engaged in the development and sale of a residential project in Hong Kong. The project, “Alto Residences”, is located at 29 Tong Yin Street, Tseung Kwan O, Hong Kong.

	31 July 2025 HK\$'000	31 July 2024 HK\$'000
Current assets	169,831	811,535
Non-current asset	182,816	804,534
Total assets	352,647	1,616,069
Current liabilities	(44,021)	(70,323)
Non-current liabilities	(237,487)	(62,030)
Total liabilities	(281,508)	(132,353)
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	23,222	40,660
Non-current financial liabilities (excluding creditors, other payables and accruals)	(237,487)	(61,970)

24. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Diamond Path Limited and its subsidiaries (the “Diamond Path Group”) (continued)

	Year ended 31 July 2025 HK\$'000	Year ended 31 July 2024 HK\$'000
Turnover	202,522	297,979
Profit/(loss) and total comprehensive income/(expense) for the year	50,867	(493,187)
The above profit/(loss) and total comprehensive income/ (expense) for the year include the following:		
Interest income	127	411
Depreciation	(2,152)	(6,875)
Interest expense	(1,944)	(1,635)
Tax	3,690	(7,749)

Reconciliation of the above summarised financial information of the Diamond Path Group to the carrying amount of the interest in the Diamond Path Group recognised in the financial statements is as follows:

	31 July 2025 HK\$'000	31 July 2024 HK\$'000
Net assets of the Diamond Path Group	71,139	1,483,716
The Group's 50% ownership interest in the Diamond Path Group	35,570	741,858
Amount due from/(to) the Diamond Path Group	99,741	(252,310)
Carrying amount of the Group's interest in the Diamond Path Group	135,311	489,548

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24. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Diamond String Limited (“Diamond String”)

Diamond String, a 50%-owned joint venture, principally held a property for rental in Hong Kong. The property, “CCB Tower”, is located at 3 Connaught Road Central, Hong Kong.

	31 July 2025 HK\$'000	31 July 2024 HK\$'000
Current assets	532,330	448,395
Non-current assets	7,577,511	9,089,053
Total assets	8,109,841	9,537,448
Current liabilities	(30,663)	(23,990)
Non-current liabilities	(1,778,049)	(1,777,870)
Total liabilities	(1,808,712)	(1,801,860)
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	568,685	485,778
Current financial liabilities (excluding creditors, other payables and accruals)	(7,190)	(5,928)
Non-current financial liabilities (excluding creditors, other payables and accruals)	(1,739,631)	(1,740,687)
	Year ended 31 July 2025 HK\$'000	Year ended 31 July 2024 HK\$'000
Turnover	228,986	228,859
Loss and total comprehensive expense for the year	(1,400,457)	(531,985)
The above loss and total comprehensive expense for the year include the following:		
Interest income	2,890	3,489
Depreciation	(208)	(229)
Interest expense	(83,906)	(104,283)
Tax	(13,521)	(9,429)

24. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Diamond String Limited (“Diamond String”) (continued)

Reconciliation of the above summarised financial information of Diamond String to the carrying amount of the interest in Diamond String recognised in the financial statements is as follows:

	31 July 2025 HK\$'000	31 July 2024 HK\$'000
Net assets of Diamond String	6,301,129	7,735,588
The Group's 50% ownership interest in Diamond String	3,150,565	3,867,794
Amount due from Diamond String	393,522	393,522
Carrying amount of the Group's interest in Diamond String	3,544,087	4,261,316

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24. INVESTMENTS IN JOINT VENTURES (CONTINUED)

King Empire International Limited and its subsidiary (the “King Empire International Group”)

The King Empire International Group, a 15%-owned joint venture, is principally engaged in the development and sale of a residential project in Hong Kong. The project, “Deep Water Pavilia”, is located at Wong Chuk Hang, Hong Kong.

	31 July 2025 HK\$'000	31 July 2024 HK\$'000
Current assets	14,271,584	15,093,731
Current liabilities	(18,453,194)	(8,337,814)
Non-current liabilities	—	(8,161,762)
Total liabilities	(18,453,194)	(16,499,576)
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	335,998	150,677
Current financial liabilities (excluding creditors, other payables and accruals)	(13,807,445)	(8,306,580)
Non-current financial liabilities (excluding creditors, other payables and accruals)	—	(4,200,000)
Interest expense (capitalised as current asset)	579,530	697,388

24. INVESTMENTS IN JOINT VENTURES (CONTINUED)

King Empire International Limited and its subsidiary (the “King Empire International Group”) (continued)

	Year ended 31 July 2025 HK\$'000	Year ended 31 July 2024 HK\$'000
Loss and total comprehensive expense for the year	(2,775,766)	(1,404,439)

Reconciliation of the above summarised financial information of the King Empire International Group to the carrying amount of the interest in the King Empire International Group recognised in the financial statements is as follows:

	31 July 2025 HK\$'000	31 July 2024 HK\$'000
Net liabilities of the King Empire International Group	(4,181,610)	(1,405,845)
The Group's 15% ownership interest in the King Empire International Group	(627,242)	(210,877)
Amount due from the King Empire International Group	1,393,267	1,245,987
Carrying amount of the Group's interest in the King Empire International Group	766,025	1,035,110

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24. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Aggregate financial information of joint ventures that are not individually material:

	Year ended 31 July 2025 HK\$'000	Year ended 31 July 2024 HK\$'000
The Group's share of losses	(38,960)	(73,053)
The Group's share of other comprehensive income	1,630	83
The Group's share of total comprehensive expense	(37,330)	(72,970)
	2025 HK\$'000	2024 HK\$'000
Aggregate carrying amount of the Group's investments in joint ventures that are not individually material	359,373	345,978

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Notes	2025 HK\$'000	2024 HK\$'000
Financial assets at fair value through other comprehensive income			
Listed investment, at fair value	(i)	7,620	13,860
Unlisted investments, at fair value	(ii)	106,418	91,388
		114,038	105,248

Notes:

- (i) The listed investment is an investment in a company listed on the Stock Exchange and was irrevocably designated at fair value through other comprehensive income as the Group considers such investment to be strategic in nature.
- (ii) The unlisted investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	2025 HK\$'000	2024 HK\$'000
Listed investments	(i)	36,071	70,948
Unlisted investments	(ii)	828,859	861,169
		864,930	932,117
Less: Portion classified as current		(174,822)	(70,948)
Non-current portion		690,108	861,169

Notes:

- (i) The listed investments were classified as financial assets at fair value through profit or loss as they were equity investments held for trading.
- (ii) The unlisted investments were mainly debt investments, fund investments and equity investments which were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

27. DERIVATIVE FINANCIAL INSTRUMENTS

	2025 HK\$'000	2024 HK\$'000
Financial assets/(liabilities)		
— Cross currency swap agreements (the “CCSs”)		
— For LSD 2021 Guaranteed Notes		
(the “CCS — LSD 2021 Notes”)	(7,707)	6,537
— Interest rate swaps (the “IRSS”)	(17,802)	—
	(25,509)	6,537
Less: Portion classified as current	7,707	—
Non-current portion	(17,802)	6,537

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27. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The movements in the financial assets arising from the derivative financial instruments during the year are as follows:

	CCS — LSD 2021 Notes HK\$'000	Foreign currency forward contract HK\$'000	IRs HK\$'000
Carrying amount as at 1 August 2023	—	748	—
Fair value gains credited to the consolidated income statement (note 7)	6,537	618	—
Settlement upon maturity	—	(1,366)	—
Carrying amount as at 31 July 2024 and 1 August 2024	6,537	—	—
Fair value losses charged to the consolidated income statement (note 7)	(14,244)	—	(17,802)
Carrying amount as at 31 July 2025	(7,707)	—	(17,802)

CCS — LSD 2021 Notes

As at the end of the reporting period, the Group has entered into the CCS — LSD 2021 Notes with financial institutions with an aggregate nominal amount of US\$450 million (2024: US\$150 million) in connection with the guaranteed notes as detailed in note 36(b) to the financial statements.

Pursuant to the terms of the CCS — LSD 2021 Notes, the Group received an amount semi-annually in arrears calculated based on a fixed rate of 5.00% per annum on the aggregate notional amount of US\$450 million (2024: US\$150 million) during the term of two years, and paid an amount semi-annually in arrears calculated based on fixed rates of 4.47% to 4.52% (2024: 4.50% to 4.52%) per annum on the aggregate notional amount of HK\$3,510 million (2024: HK\$1,170 million) (being the HK\$ equivalent amount of US\$450 million (2024: US\$150 million) translated at a contracted exchange rate of US\$1 to HK\$7.80) during the period from June 2024 to July 2026. Upon maturity, the Group will receive the aggregate notional amount of US\$450 million and will pay the aggregate notional amount of HK\$3,510 million.

The CCS — LSD 2021 Notes are not designated for hedge purposes and are measured at fair value through profit or loss. Changes in the fair value of the CCS — LSD 2021 Notes amounting to HK\$14,244,000 were charged to the consolidated income statement (2024: HK\$6,537,000 were credited to the consolidated income statement) during the year.

28. DEPOSITS, PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 HK\$'000	2024 HK\$'000
Loan receivables:		
Variable-rate mortgage loan receivables	19,710	31,277
Deposits, prepayments, other receivables and other assets	887,098	1,476,482
	906,808	1,507,759
Less: Portion classified as current	(747,143)	(1,291,331)
Non-current portion	159,665	216,428

Movements in the loss allowance for impairment of financial assets included in deposits, prepayments, other receivables and other assets are as follows:

	Note	2025 HK\$'000	2024 HK\$'000
At the beginning of the reporting period		159,571	147,924
Impairment loss recognised	7	12,804	17,746
Write-back of impairment loss recognised		(915)	(5,874)
Write-off		(4,379)	—
Exchange realignment		231	(225)
At the end of the reporting period		167,312	159,571

Included in the above loss allowances for deposits, prepayments and other receivables are allowances for individually impaired prepayments and other receivables in aggregate of HK\$167,312,000 (2024: HK\$159,571,000) which were considered in default due to indicators which showed that the Group was unlikely to receive the outstanding contractual amount in full. Except for the aforementioned impaired prepayments and other receivables, the remaining financial assets, included in deposits, prepayments, other receivables and other assets for which there was no recent history of default and past due amounts, and the loss allowance was assessed to be minimal as at 31 July 2025 and 2024.

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29. PLEDGED AND RESTRICTED BANK BALANCES AND TIME DEPOSITS AND CASH AND CASH EQUIVALENTS

	2025 HK\$'000	2024 HK\$'000
Cash and bank balances	3,073,461	3,202,209
Time deposits	1,264,898	942,232
	4,338,359	4,144,441
Less: Non-current portion of pledged balances:		
Bank balances pledged for bank borrowings	(43,591)	(21,160)
Time deposits pledged for bank borrowings	(58,331)	(67,166)
	(101,922)	(88,326)
Less: Current portion of pledged balances:		
Bank balances pledged for bank borrowings	(328,419)	(275,094)
Bank balances pledged for banking facilities**	(1,378)	(500)
Time deposits pledged for bank borrowings	(410,478)	(480,797)
Time deposit pledged for a bank guarantee*	—	(18,536)
	(740,275)	(774,927)
Less: Current portion of restricted balances***:		
Bank balances	(335,132)	(419,998)
Time deposits	(149,045)	(51,616)
	(484,177)	(471,614)
	(1,224,452)	(1,246,541)
Cash and cash equivalents	3,011,985	2,809,574

29. PLEDGED AND RESTRICTED BANK BALANCES AND TIME DEPOSITS AND CASH AND CASH EQUIVALENTS (CONTINUED)

* As at 31 July 2024, the balance of HK\$18,536,000 was pledged to a bank in respect of a bank guarantee for an associate.

** The balances were pledged to certain banks in respect of guarantees issued by such banks.

*** In accordance with the relevant laws and regulations imposed by the government authorities concerned or the terms and conditions set out in the relevant bank loan agreements, proceeds from the sale and lease of certain properties in Chinese Mainland are required to be deposited into designated bank accounts and restricted to be used for the relevant projects. As at 31 July 2025, the balance was HK\$449,946,000 (2024: HK\$445,745,000) in aggregate.

In accordance with the relevant laws and regulations imposed by the government authorities concerned, estimated resettlement costs of certain sites for development in Chinese Mainland are required to be deposited into designated bank accounts. Such deposits are restricted to be used for the resettlement and such restriction will be uplifted upon completion of the resettlement. As at 31 July 2025, the balance was HK\$23,116,000 (2024: HK\$22,862,000) in aggregate.

In accordance with the relevant clauses of certain bank loan facilities, proceeds from the drawdown of bank loans are required to be deposited into designated bank accounts and restricted to be used for the relevant projects. As at 31 July 2025, the balance was HK\$11,022,000 (2024: HK\$2,915,000) in aggregate.

In accordance with the relevant laws and regulations imposed by the government authorities concerned, certain deposits are required to be placed into designated bank accounts restricted as to use. As at 31 July 2025, the balance was HK\$93,000 (2024: HK\$92,000) in aggregate.

The conversion of Vietnamese Dong (“**VND**”)/Renminbi (“**RMB**”) denominated cash and bank balances and time deposits into foreign currencies and the remittance of such foreign currencies denominated balances out of Vietnam/Chinese Mainland are subject to the relevant rules and regulations of foreign exchange control promulgated by the respective government authorities concerned. As at 31 July 2025, such VND and RMB denominated cash and bank balances and time deposits of the Group amounted to approximately HK\$205,631,000 (2024: HK\$179,407,000) and approximately HK\$1,434,824,000 (2024: HK\$1,465,418,000), respectively.

Cash at banks earns interest at floating rates based on bank deposit rates. Short-term time deposits are spread over varying periods up to three months based on the estimated cash requirements of the Group, and earn interest at the respective short-term time deposit rates. Bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

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30. COMPLETED PROPERTIES FOR SALE

The completed properties for sale were carried at cost and net realisable value at the end of the reporting period.

During the year ended 31 July 2025, write-down of completed properties for sale of approximately HK\$226,205,000 (2024: HK\$182,137,000) was charged to the consolidated income statement.

As at 31 July 2025, certain of the Group's completed properties for sale with a total carrying amount of approximately HK\$1,462,183,000 (2024: HK\$1,237,867,000) were pledged to banks to secure banking facilities granted to the Group (note 37(i)).

31. FILMS AND TV PROGRAMS UNDER PRODUCTION AND FILM INVESTMENTS

	Notes	2025 HK\$'000	2024 HK\$'000
Films and TV programs under production	(i)	169,809	172,908
Film investments, at fair value	(ii)	174,215	104,560
		344,024	277,468

Notes:

(i) Films and TV programs under production

	Notes	2025 HK\$'000	2024 HK\$'000
At the beginning of the reporting period		172,908	267,598
Additions, net		29,089	141,770
Transfer to film and TV program products	19	(5,778)	(225,513)
Impairment [#]	7	(27,785)	(9,956)
Exchange realignment		1,375	(991)
At the end of the reporting period		169,809	172,908

[#] The impairment of films and TV programs under production was made based on management's estimation of the recoverable amount against the carrying amount on a project-by-project basis. The recoverable amount of films and TV programs under production were estimated by value-in-use approach, which is calculated based on the present value of future cash flows directly generated by the relevant films and TV programs and future costs to be incurred to complete production, using a discount rate.

During the year ended 31 July 2025, an impairment loss on certain films and TV programs under production of HK\$27,785,000 (2024: HK\$9,956,000) was recognised in the consolidated income statement as the recoverable amount of these assets was Nil (2024: Nil), with reference to the latest production plan and management expectation on the market condition.

31. FILMS AND TV PROGRAMS UNDER PRODUCTION AND FILM INVESTMENTS

(CONTINUED)

Notes: (continued)

(ii) Film investments, at fair value

	Note	2025 HK\$'000	2024 HK\$'000
Film investments classified as financial assets at fair value through profit or loss:			
At the beginning of the reporting period		104,560	38,544
Additions		91,690	92,787
Changes in fair value	7	(1,258)	(2,568)
Settlement		(20,189)	(23,822)
Exchange realignment		(588)	(381)
At the end of the reporting period		174,215	104,560

32. DISPOSAL OF A SUBSIDIARY AND ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

On 3 May 2024, the Company and a wholly-owned subsidiary of the Company entered into an offer letter with an independent third party to dispose the equity interest of Hong Kong Hill Limited ("**Hong Kong Hill**"). The assets and liabilities of Hong Kong Hill were classified as "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale", respectively, as at 31 July 2024. The disposal of Hong Kong Hill was completed in December 2024, at a consideration of approximately HK\$213,308,000 in cash. A gain of approximately HK\$168,696,000 was recognised in "other revenue and gains" on the face of the consolidated income statement.

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32. DISPOSAL OF A SUBSIDIARY AND ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE (CONTINUED)

The major classes of assets and liabilities of Hong Kong Hill classified as held for sale as at 31 July 2024 and the disposal date were as follows:

	Notes	HK\$'000
Property, plant and equipment	14	2,862
Right-of-use assets	16(a)	41,707
Deposits and prepayments		108
Pledged bank balance		2
Bank balance		49
Assets classified as held for sale		44,728
Other payables		(90)
Deferred tax liability	39	(26)
Liabilities directly associated with the assets classified as held for sale		(116)

As at 31 July 2024, certain property, plant and equipment, right-of-use assets and bank balance with carrying amounts of approximately HK\$2,723,000, HK\$41,707,000 and HK\$2,000, respectively, were pledged to a bank to secure a banking facility granted to the Group (note 37(i)).

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	2025 HK\$'000
Cash consideration	213,308
Bank balance disposed of	(49)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	213,259

33. DEBTORS

The Group (other than eSun Group) maintains various credit policies for different business operations in accordance with business practices and market conditions in which the respective subsidiaries operate. Sales proceeds receivable from the sale of properties are settled in accordance with the terms of the respective contracts. Rent and related charges in respect of the leasing of properties are receivable from tenants, and are normally payable in advance with rental deposits received in accordance with the terms of the tenancy agreements. Hotel and restaurant charges are mainly settled by customers on a cash basis except for those corporate clients who maintain credit accounts with the respective subsidiaries, the settlement of which is in accordance with the respective agreements. The Group's trade receivables related to a large number of diversified customers and there is no significant concentration of credit risk. Trade receivables of the Group are non-interest-bearing. The Group's finance lease receivables related to a creditworthy third party.

The trading terms of the eSun Group with its customers are mainly on credit. Invoices are normally payable within 30 to 90 days of issuance, except for certain well-established customers, where the terms are extended to 120 days. Each customer has a maximum credit limit. The eSun Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimise its credit risk. Overdue balances are regularly reviewed by senior management. Since the eSun Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the eSun Group as the customer bases of the eSun Group's trade receivables are widely dispersed in different sectors and industries. The eSun Group's trade receivables are non-interest-bearing.

Other than rental deposits received, the Group did not hold any collateral or other credit enhancements over these balances.

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33. DEBTORS (CONTINUED)

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

	2025 HK\$'000	2024 HK\$'000
Trade receivables:		
Not yet due or less than 30 days past due	269,526	321,445
31 — 60 days past due	15,437	20,650
61 — 90 days past due	22,953	8,540
Over 90 days past due	57,441	61,833
	365,357	412,468
Finance lease receivables, not yet due (Note)	513,640	492,752
	878,997	905,220
Less: Portion classified as current	(371,253)	(415,983)
Non-current portion	507,744	489,237

The movements in the loss allowance for the impairment of debtors are as follows:

	Note	2025 HK\$'000	2024 HK\$'000
At beginning of year		47,863	45,775
Impairment losses, net	7	2,875	1,172
Write-off		(185)	—
Exchange realignment		543	916
At end of year		51,096	47,863

An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on days past due for grouping of various customer segments with shared risk characteristics. The provision matrix reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

33. DEBTORS (CONTINUED)

The Group has applied the simplified approach to provide for ECLs for trade receivables and finance lease receivables which permits the use of lifetime ECLs provision. To measure the ECLs, the Group considered the historical and forward-looking information. As at 31 July 2025 and 2024, the Group estimated that the ECLs for finance lease receivables were insignificant.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix analysed by the payment due date:

As at 31 July 2025

	Past due				Total
	Current to 30 days	30 to 90 days	Over 90 days	Over 90 days – specific provision	
Expected credit loss rate	0%	0%	0%	100%	12%
Gross carrying amount (HK\$'000)	269,971	38,498	57,511	50,473	416,453
Expected credit losses (HK\$'000)	445	108	70	50,473	51,096

As at 31 July 2024

	Past due				Total
	Current to 30 days	30 to 90 days	Over 90 days	Over 90 days – specific provision	
Expected credit loss rate	0%	1%	0%	100%	10%
Gross carrying amount (HK\$'000)	321,944	29,341	61,858	47,188	460,331
Expected credit losses (HK\$'000)	499	151	25	47,188	47,863

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33. DEBTORS (CONTINUED)

Note:

The breakdown of finance lease receivables:

	2025 HK\$'000	2024 HK\$'000
Lease payments receivables		
Not later than 1 year	5,896	3,515
Later than 1 year but not later than 2 years	6,681	6,482
Later than 2 years but not later than 3 years	11,338	10,861
Later than 3 years but not later than 4 years	29,433	16,413
Later than 4 years but not later than 5 years	35,175	21,937
Later than 5 years	646,697	675,000
	735,220	734,208
Less: Unearned finance lease income relating to lease payments receivables	(221,580)	(241,456)
Present value of lease payments receivables	513,640	492,752
Add: Present value of unguaranteed residual value	—	—
Net investment in the finance lease	513,640	492,752
Less: Accumulated expected credit losses	—	—
Total	513,640	492,752

34. CREDITORS, OTHER PAYABLES AND ACCRUALS

An ageing analysis of the creditors, based on the date of receipt of the goods and services purchased/ payment due date, as at the end of the reporting period, is as follows:

	2025 HK\$'000	2024 HK\$'000
Creditors:		
Not yet due or less than 30 days past due	242,006	215,595
31 — 60 days past due	32,973	20,010
61 — 90 days past due	6,338	8,031
Over 90 days past due	57,971	35,831
	339,288	279,467
Other payables and accruals	2,025,567	1,988,807
Put option liabilities (Note)	899,059	1,104,043
	3,263,914	3,372,317
Less: Portion classified as current	(2,356,564)	(2,473,203)
Non-current portion	907,350	899,114

The creditors and other creditors are non-interest-bearing and normally with an average credit term of one to three months.

Note:

On 19 January 2020, Winfield Concept Limited ("**Winfield**"), a subsidiary owned by Lai Fung and the Company (other than interests held through Lai Fung) as to 80% and 20%, respectively, together with its wholly-owned subsidiary, Zhuhai Hengqin Laisun Creative Culture City Co., Ltd. ("**Laisun Creative Culture**"), entered into an agreement (the "**Da Hengqin Agreement**") with an independent third-party, Zhuhai Da Hengqin Real Estate Co., Ltd. ("**Da Hengqin**"). Pursuant to the Da Hengqin Agreement, among others, Da Hengqin has agreed to make a total capital contribution of approximately RMB948,448,000 in Laisun Creative Culture (the "**Da Hengqin Transaction**"). The Da Hengqin Transaction was completed on 6 August 2020 and Da Hengqin became a holder of 16.68% equity interest in Laisun Creative Culture.

According to the Da Hengqin Agreement, Da Hengqin has been granted a put option pursuant to which Da Hengqin has the right (but not an obligation) to require Laisun Creative Culture and/or Winfield to acquire all equity interest held by Da Hengqin in Laisun Creative Culture upon occurrence of certain events. Accordingly, financial liabilities of approximately RMB825,606,000 (equivalent to approximately HK\$899,059,000 (2024: HK\$890,237,000)), equal to the amount of capital contribution made by Da Hengqin in cash to Laisun Creative Culture, are recorded as put option liabilities under non-current "other payables" of the consolidated statement of financial position as at the end of the reporting period.

Further details of the Da Hengqin Transaction are set out in a circular of Lai Fung dated 30 April 2020.

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34. CREDITORS, OTHER PAYABLES AND ACCRUALS (CONTINUED)

Note: (continued)

On 31 December 2018, Rosy Commerce Holdings Limited ("**Rosy Commerce**", a company indirectly owned by Lai Fung and eSun as to 80% and 20%, respectively) and China Cinda (HK) Asset Management Co., Limited ("**Cinda**"), an independent third party, entered into investment agreement (the "**Cinda Agreement**"). Pursuant to the Cinda Agreement, Cinda agrees to invest, by way of share subscription, in a wholly-owned subsidiary of Rosy Commerce, namely Harmonic Run Limited ("**HRL**") at consideration of approximately US\$27,366,000 (the "**Consideration**") (the "**Cinda Transaction**"). The Cinda Transaction was completed on 25 January 2019 (the "**Cinda Completion Date**") and Cinda became a holder of 30% equity interests in HRL.

On the Cinda Completion Date, Rosy Commerce and Cinda further entered into shareholders' agreement ("**HRL Shareholders' Agreement**"), pursuant to the buy-back clause contained therein, upon the occurrence of certain triggering events during the six-year investment period, Rosy Commerce has a contractual obligation to buy-back the 30% equity interests in HRL from Cinda at an amount equal to the Consideration. Accordingly, financial liabilities, being the amount equal to the Consideration, is recorded as put option liabilities under "Creditors, other payables and accruals" of the consolidated statement of financial position as at the end of the reporting period.

On the Cinda Completion Date, Rosy Commerce and Cinda also entered into shareholders' loan agreement ("**HRL Shareholders' Loan Agreement**"), pursuant to which, Cinda provided non-interest-bearing initial shareholders' loan of US\$4,414,000 to HRL (the "**HRL Shareholders' Loan**"). Such shareholders' loan is repayable upon the earlier of, inter alia, the sixth anniversary of the date of the HRL Shareholders' Loan Agreement; or the occurrence of the buy-back triggering events mentioned above. As at 31 July 2024, the shareholders' loan is recorded under short-term "other borrowings" of the consolidated statement of financial position (note 38).

Further details of the Cinda Transaction are set out in a joint announcement of the Company, LSG, eSun and Lai Fung dated 2 January 2019.

On 18 December 2024, Rosy Commerce, Cinda, HRL, Lai Fung and the Company entered into a confirmation letter (the "**Confirmation Letter**"), pursuant to which, (among other things) Rosy Commerce, Cinda, HRL, Lai Fung and the Company agreed to amend the terms of the HRL Shareholders' Agreement and the HRL Shareholders' Loan Agreement.

According to the Confirmation Letter, inter alia, (i) Rosy Commerce shall repay the HRL Shareholders' Loan; (ii) Cinda has exercised its buyback right under the HRL Shareholders' Agreement and hence Rosy Commerce shall buy-back the 30% equity interests of HRL from Cinda at the amount equal to the Consideration (payable on or before 31 December 2025 together with interest in arrears of 6% per annum).

During the year, Rosy Commerce has repaid the HRL Shareholders' Loan in full. The put option liabilities relating to the Consideration of approximately US\$27,366,000 was reclassified to "other payables" under "creditors, accruals and other payables" of the consolidated statement of financial position.

Further details of the Confirmation Letter are set out in a joint announcement of Lai Fung and the Company dated 18 December 2024.

35. DEPOSITS RECEIVED, DEFERRED INCOME AND CONTRACT LIABILITIES

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

	2025 HK\$'000	2024 HK\$'000
Deposits received and deferred income	522,089	538,596
Contract liabilities (Note)	222,784	237,892
	744,873	776,488
Less: Portion classified as current	(533,232)	(554,132)
Non-current portion	211,641	222,356

Note:

Details of contract liabilities are as follows:

	2025 HK\$'000	2024 HK\$'000
Contract liabilities arising from:		
Sales of properties	42,858	95,386
Other operations	179,926	142,506
	222,784	237,892

As at 1 August 2023, 31 July 2024 and 31 July 2025, the Group's total contract liabilities of HK\$941,913,000, HK\$237,892,000 and HK\$222,784,000, respectively, mainly represented sales proceeds received in advance from buyers in connection with the Group's sale and pre-sale of properties and interest on the sales proceeds received and consideration received in advance from customers and deferred revenue under media and entertainment and film and TV program operations. The change in contract liabilities during the years ended 31 July 2025 and 2024 was mainly due to the net effect of recognition of revenue and receipt of advance from customers.

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36. GUARANTEED NOTES

	Notes	2025 HK\$'000	2024 HK\$'000
HK\$385,000,000 4.9% — 5.25% guaranteed notes ("LSD 2022 Notes")	(a)	382,438	381,492
US\$493,000,000 5% guaranteed notes ("LSD 2021 Notes")	(b)	3,877,188	3,850,653
		4,259,626	4,232,145
Less: Portion classified as current		(3,877,188)	—
Non-current portion		382,438	4,232,145
Analysed into:			
Guaranteed notes repayable:			
In the first year		3,877,188	—
In the second year		382,438	3,850,653
In the third to fifth years, inclusive		—	381,492
		4,259,626	4,232,145

Notes:

(a) LSD 2022 Notes

On 9 and 10 November 2021, Lai Sun MTN Limited ("Lai Sun MTN"), a wholly-owned subsidiary of the Company, issued guaranteed notes in an aggregate principal amount of HK\$385,000,000. The LSD 2022 Notes are guaranteed by the Company, have terms ranging from five years to seven years and three months and bear interest at fixed interest rates ranging from 4.9% to 5.25% per annum payable quarterly or semi-annually in arrears.

The net proceeds from the offering of the LSD 2022 Notes were approximately HK\$379,000,000 and were used for general corporate purposes.

	2025 HK\$'000	2024 HK\$'000
Guaranteed notes	385,000	385,000
Issue expenses	(2,562)	(3,508)
Carrying amount at the end of the reporting period	382,438	381,492

36. GUARANTEED NOTES (CONTINUED)

Notes: (continued)

(b) LSD 2021 Notes

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

The net proceeds from the offering of the LSD 2021 Notes were approximately US\$496,000,000 and were used for refinancing the guaranteed notes issued in 2017 and general corporate purposes.

On 17 April and 17 May 2024, the guaranteed notes in a principal amount of US\$7,000,000, for an aggregate consideration (with accrued interest) of approximately US\$4,725,000 (equivalent to approximately HK\$37,021,000), were repurchased in the open market.

	2025 HK\$'000	2024 HK\$'000
Guaranteed notes	3,882,868	3,862,014
Issue expenses	(5,680)	(11,361)
Carrying amount at the end of the reporting period	3,877,188	3,850,653
Fair value of the LSD 2021 Notes	2,111,736	2,723,415

The fair value was determined by reference to the closing price of the LSD 2021 Notes published by a leading global financial market data provider as at 31 July 2025 and 31 July 2024.

In connection with certain LSD 2021 Notes, the Group entered into the CCS — LSD 2021 Notes with financial institutions, which have effectively converted certain LSD 2021 Notes into fixed rate HK\$ denominated debts. Taking into account the CCS — LSD 2021 Notes, the effective interest rate of the LSD 2021 Notes ranged from 4.47% to 4.52% (2024: 4.50% to 4.52%) per annum. Details of the CCS — LSD 2021 Notes are set out in note 27 to the financial statements.

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37. BANK BORROWINGS

	Effective annual interest rate (%)	2025 HK\$'000	2024 HK\$'000
Current			
Bank borrowings — secured	2.2 — 8.0 (2024: 3.2 — 8.8)	10,364,569	2,406,964
Bank borrowings — unsecured	3.2 — 3.6 (2024: 3.9 — 5.9)	19,180	102,052
		10,383,749	2,509,016
Non-current			
Bank borrowings — secured	2.2 — 5.1 (2024: 3.2 — 8.8)	10,437,690	18,022,509
Bank borrowings — unsecured	5.9	—	206,077
		10,437,690	18,228,586
		20,821,439	20,737,602
Analysed into:			
Bank borrowings repayable:			
Within one year		10,383,749	2,509,016
In the second year		2,759,349	8,548,148
In the third to fifth years, inclusive		4,760,739	6,841,927
Beyond five years		2,917,602	2,838,511
		20,821,439	20,737,602

37. BANK BORROWINGS (CONTINUED)

- (i) Other than disclosed elsewhere in the financial statements, the Group's bank borrowings as at the end of the reporting period were secured, inter alia, by:
- (a) fixed charges over certain items of property, plant and equipment, certain right-of-use assets, certain investment properties, certain properties under development and certain completed properties for sale of the Group with carrying amounts of approximately HK\$2,747,848,000 (2024: HK\$2,925,757,000) (notes 14 and 32), HK\$1,266,605,000 (2024: HK\$1,364,815,000) (notes 16(a) and 32), HK\$14,685,672,000 (2024: HK\$14,946,738,000) (note 15), HK\$2,952,448,000 (2024: HK\$3,220,415,000) (note 17) and HK\$220,502,000 (2024: HK\$783,772,000) (note 30), respectively;
 - (b) floating charges over all assets of certain subsidiaries of the Group with an aggregate carrying amount of approximately HK\$14,087,218,000 (2024: HK\$15,903,054,000), of which the carrying amounts of the items of property, plant and equipment, right-of-use assets, investment properties, properties under development and completed properties for sale of approximately HK\$2,747,848,000 (2024: HK\$2,925,757,000), HK\$1,266,605,000 (2024: HK\$1,364,815,000), HK\$6,211,452,000 (2024: HK\$6,503,738,000), HK\$2,952,448,000 (2024: HK\$3,220,415,000) and HK\$220,502,000 (2024: HK\$783,772,000), respectively, are also included in note (i)(a) above;
 - (c) mortgages over certain serviced apartments under hotel properties (including related leasehold improvements), theme parks and certain construction in progress of the Group with an aggregate carrying amount of HK\$2,012,071,000 (2024: HK\$2,060,847,000) (note 14);
 - (d) mortgages over certain right-of-use assets of the Group with an aggregate carrying amount of HK\$1,555,390,000 (2024: HK\$1,632,096,000) (note 16(a));
 - (e) mortgages over certain properties under development of the Group with an aggregate carrying amount of HK\$1,272,380,000 (2024: HK\$868,109,000) (note 17);
 - (f) mortgages over certain investment properties of the Group with an aggregate carrying amount of HK\$17,951,400,000 (2024: HK\$18,072,700,000) (note 15);
 - (g) mortgages over certain completed properties for sale of the Group with an aggregate carrying amount of HK\$1,241,681,000 (2024: HK\$454,095,000) (note 30);
 - (h) charges over certain bank balances and time deposits of the Group with an aggregate carrying amount of approximately HK\$842,197,000 (2024: HK\$863,255,000) (notes 29 and 32); and
 - (i) charges over the shares of certain subsidiaries held by the Group (note 50).
- (ii) As at 31 July 2025, the Group's non-current bank borrowings with an aggregate carrying amount of HK\$6,682,269,000 were subject to financial covenants including but not limited to consolidated tangible net worth, loan to value ratios, minimum interest coverage and gearing ratios as tested annually, semi-annually or quarterly until maturity. The Group has complied with the covenants under the relevant loan documents as at 31 July 2025 and 2024.

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38. OTHER BORROWINGS

	Notes	Effective annual interest rate (%)	2025 HK\$'000	2024 HK\$'000
Current:				
Other borrowing — unsecured (the HRL Shareholders' Loan)	(i)	—	—	34,485
Interest-bearing other borrowings — unsecured	(ii), (iv)	5.3	245,829	—
Other borrowing — unsecured	(iii), (iv)	—	50,859	—
			296,688	34,485
Non-current:				
Interest-bearing other borrowings — unsecured	(ii), (iv)	5.9	—	239,695
Other borrowing — unsecured	(iii), (iv)	—	—	50,360
			—	290,055
			296,688	324,540
Maturity profile:				
On demand			296,688	—
Within one year			—	34,485
In the second year			—	290,055
			296,688	324,540

Notes:

- (i) During the year, Rosy Commerce has repaid the HRL Shareholders' Loan in full. As at 31 July 2024, the Group has non-interest-bearing other borrowing of US\$4,414,000 (equivalent to approximately HK\$34,485,000) payable to Cinda. Details of HRL Shareholders' Loan are set out in note 34 to the consolidated financial statements.
- (ii) The unsecured other borrowings represented amounts due to the late Mr. Lim Por Yen which bear interest at HSBC prime rate per annum except for the accrued interest portion with an amount of HK\$132,891,000 (2024: HK\$126,757,000) which is interest-free.
- (iii) The unsecured other borrowing represented an amount due to the late Mr. Lim Por Yen which was interest-free.
- (iv) As at 31 July 2024, at the request of the Group, the joint executrixes of the estate of the late Mr. Lim Por Yen confirmed with the Group that no demand for the repayment of the outstanding other borrowings or the related interest would be made within one year from 31 July 2024.

As at 31 July 2025, the other borrowings were repayable on demand. The Group has not obtained a confirmation that no demand for the repayment of the outstanding other borrowings or the related interest would be made within one year from 31 July 2025. However, subsequent to the end of the reporting period, the Group has obtained a legal opinion from an external solicitor that there is unlikely any demand for repayment of the other borrowings for the period up to 31 October 2026.

39. DEFERRED TAX

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2025 HK\$'000	2024 HK\$'000
Deferred tax assets	241	1,945
Deferred tax liabilities	(3,958,713)	(4,059,607)
	(3,958,472)	(4,057,662)

The movements in deferred tax (liabilities)/assets during the year are as follows:

	Notes	Accelerated tax depreciation HK\$'000	Fair value adjustments arising from acquisition of subsidiaries HK\$'000	Revaluation of properties HK\$'000	Withholding tax HK\$'000	Losses available for offsetting against future taxable profits HK\$'000	Other temporary differences HK\$'000	Total HK\$'000
At 1 August 2023		(1,014,364)	(1,309,001)	(1,978,785)	(63,932)	236,930	(21,871)	(4,151,023)
Deferred tax (charged)/credited to the consolidated income statement during the year	11	(69,689)	232,342	751	(1,001)	255	42,045	204,703
Deferred tax assets written off during the year	11	—	—	—	—	(181,110)	—	(181,110)
Deferred tax utilised during the year		—	—	—	26,456	—	—	26,456
Transfer to liabilities directly associated with the assets classified as held for sale	32	515	—	—	—	(489)	—	26
Exchange realignment		9,560	10,804	25,280	—	(2,201)	(157)	43,286
At 31 July 2024 and 1 August 2024		(1,073,978)	(1,065,855)	(1,952,754)	(38,477)	53,385	20,017	(4,057,662)
Deferred tax (charged)/credited to the consolidated income statement during the year	11	(66,300)	196,386	14,228	(13,644)	(1,704)	3,489	132,455
Deferred tax assets written off during the year	11	—	—	—	—	(10,422)	—	(10,422)
Deferred tax utilised during the year		—	—	—	13,121	—	—	13,121
Exchange realignment		(9,617)	(5,579)	(21,164)	—	392	4	(35,964)
At 31 July 2025		(1,149,895)	(875,048)	(1,959,690)	(39,000)	41,651	23,510	(3,958,472)

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39. DEFERRED TAX (CONTINUED)

At 31 July 2025, the Group had tax losses arising in Hong Kong of approximately HK\$10.6 billion (2024: HK\$9.5 billion) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses could be utilised.

As at 31 July 2025, the Group had tax losses arising in Chinese Mainland of HK\$2.6 billion (2024: HK\$2.2 billion) that would expire in one to five years for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses could be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese Mainland. The requirement is effective from 1 January 2008 and applied to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Chinese Mainland and the jurisdiction of the foreign investors. For the Group, the applicable rate is either 5% or 10% (2024: 5% or 10%). The Group is therefore liable to withholding taxes on dividends to be distributed by those subsidiaries and joint ventures established in Chinese Mainland in respect of earnings generated from 1 January 2008.

For the investment properties that are located in Chinese Mainland, they are held by certain subsidiaries with a business model to consume substantially all the economic benefits embodied in the investment properties over time, rather than through sale, the presumption is rebutted and related deferred tax is determined based on recovery of use. For the remaining investment properties, the tax consequence is on the presumption that they are recovered entirely by sale.

At 31 July 2025, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that were subject to withholding taxes of certain subsidiaries established in Chinese Mainland. In the opinion of the directors, it was not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Chinese Mainland for which deferred tax liabilities have not been recognised totalled approximately HK\$11 million as at 31 July 2025 (2024: HK\$12 million).

40. SHARE CAPITAL

	2025		2024	
	Number of shares	Total amount HK\$'000	Number of shares	Total amount HK\$'000
Issued and fully paid ordinary shares	1,453,328,830	6,240,082	1,453,328,830	6,240,082

41. SHARE OPTION SCHEMES

(a) The Company

2006 Share Option Scheme

On 22 December 2006, the Company adopted a share option scheme (the “**2006 Share Option Scheme**”) for the purpose of providing incentives or rewards to eligible participants for their contribution or would be contribution to the Group, to enable the Group to recruit and retain high-calibre employees and to attract human resources that are valuable to the Group. Eligible participants of the 2006 Share Option Scheme include the directors (including executive, non-executive and independent non-executive directors), employees of the Group, agents or consultants of the Group, and employees of the shareholder or any member of the Group or any holder of any securities issued by any member of the Group. The 2006 Share Option Scheme became effective on 29 December 2006. Unless otherwise terminated or amended, the 2006 Share Option Scheme would remain in force for 10 years from 29 December 2006. The 2006 Share Option Scheme was terminated upon the adoption of the 2015 Share Option Scheme (as defined below) on 11 December 2015.

The maximum number of the Company's shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the 2006 Share Option Scheme and any other schemes of the Company must not exceed 30% of the Company's total number of shares in issue (excluding treasury shares, if any) from time to time. The total number of shares which may be issued upon exercise of all share options to be granted under the 2006 Share Option Scheme and any other schemes of the Company shall not exceed 10% of the total number of shares of the Company in issue (excluding treasury shares, if any) as at the date of adopting the 2006 Share Option Scheme unless the Company seeks the approval of its shareholders in a general meeting to refresh the 10% limit under the 2006 Share Option Scheme.

The total number of shares issued and to be issued upon exercise of the share options granted to each eligible participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the Company's total number of shares in issue (excluding treasury shares, if any). Any further grant of share options representing in aggregate over 1% of the total number of the Company's shares in issue (excluding treasury shares, if any) must be separately approved by the shareholders in general meetings of the Company.

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41. SHARE OPTION SCHEMES (CONTINUED)

(a) The Company (continued)

2006 Share Option Scheme (continued)

Each grant of share options to a director, chief executive or substantial shareholder of the Company, or to any of their respective associates, shall be subject to approval by the independent non-executive directors of the Company. Any grant of share options to a substantial shareholder or an independent non-executive director of the Company, or to any of their respective associates, representing in aggregate over 0.1% of the shares of the Company in issue (excluding treasury shares, if any) or having an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5 million, in the 12-month period up to and including the date of such grant must be approved by shareholders in general meetings of the Company.

The offer of a grant of share options shall be accepted within 28 days from the date of offer and acceptance shall be made with a remittance in favour of the Company of HK\$1 by way of consideration for the grant. The exercise period of the share options granted is determinable by the directors of the Company save that such period shall not be more than 10 years from the date of grant of the share options.

The exercise price of share options is determinable by the directors of the Company, but shall not be lower than the highest of (i) the closing price of the Company's shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant, which must be a trading day; and (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant.

Share options do not confer rights on the holders to dividends or to vote at general meetings of the Company.

2015 Share Option Scheme

On 11 December 2015, the Company adopted a new share option scheme (the "**2015 Share Option Scheme**") and terminated the 2006 Share Option Scheme. Subsisting options granted prior to the termination will continue to be valid and exercisable in accordance with the terms of the previous scheme. The purpose of the 2015 Share Option Scheme is to recognise the contribution or future contribution of the eligible participants 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 relevant companies. Eligible participants include but are not limited to the directors and any employee of the Group. The 2015 Share Option Scheme became effective on 23 December 2015. Upon the termination of the 2015 Share Option Scheme at the annual general meeting of the Company held on 16 December 2022, no further share options can be granted thereunder but the subsisting share options granted prior to the termination will continue to be valid and exercisable in accordance with the terms of the 2015 Share Option Scheme.

41. SHARE OPTION SCHEMES (CONTINUED)

(a) The Company (continued)

2015 Share Option Scheme (continued)

The maximum number of shares which may be issued upon the exercise of all options to be granted under the 2015 Share Option Scheme (i) shall not exceed 10% of the shares of the Company in issue (excluding treasury shares, if any) at the date of adopting the 2015 Share Option Scheme; (ii) shall not exceed 30% of the shares of the Company in issue (excluding treasury shares, if any) from time to time; and (iii) to each eligible participant and within any 12-month period, is limited to 1% of the shares of the Company in issue (excluding treasury shares, if any) at any time. Any further grant of share options in excess of the limits set out in (i) and (iii) is subject to the approval of shareholders of the Company and the shareholders of LSG (so long as the Company is a subsidiary of LSG under the Listing Rules) in the respective general meetings.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors of each of the Company and LSG (so long as the Company is a subsidiary of LSG under the Listing Rules). In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue (excluding treasury shares, if any) at any time or with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to the approval of shareholders of the Company and the shareholders of LSG (so long as the Company is a subsidiary of LSG under the Listing Rules) in the respective general meetings.

The offer of a grant of share options may be accepted within 30 days from the date of grant, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determined by the directors of the Company, save that such period shall not be longer than 10 years from the date of grant of the share options.

The exercise price of the share options is determinable by the directors of the Company, which shall be at least the highest of (i) the closing price of the Company's shares as stated in the daily quotation sheets of the Stock Exchange on the date of grant of the share options; and (ii) the average closing price of the Company's shares as stated in the daily quotation sheets of the Stock Exchange for the five trading days immediately preceding the date of grant.

Share options do not confer rights on the holders to dividends or to vote at general meetings of the Company.

Notes to Financial Statements

31 July 2025

41. SHARE OPTION SCHEMES (CONTINUED)

(a) The Company (continued)

2022 Share Option Scheme

On 16 December 2022 (the “**Adoption Date**”), the Company adopted of a new share option scheme (the “**2022 Share Option Scheme**”) and terminated the 2015 Share Option Scheme. Subsisting options granted prior to the termination will continue to be valid and exercisable in accordance with the terms of the 2006 Share Option Scheme and the 2015 Share Option Scheme. The purpose of the 2022 Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants (as defined in the 2022 Share Option Scheme) for their contribution 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 (as defined in the 2022 Share Option Scheme). Eligible Participants include but are not limited to the directors, chief executive, employees of the Group and related entity and the service providers. The 2022 Share Option Scheme shall strengthen the many long-term relationships that the Eligible Participants may have with the Group. The 2022 Share Option Scheme became effective on 19 December 2022 (the “**Effective Date**”). Unless otherwise altered or terminated, the 2022 Share Option Scheme will be valid and effective for a period of 10 years commencing on the Effective Date.

The maximum number of shares which may be issued upon the exercise of all share options to be granted under the 2022 Share Option Scheme and any other share option schemes and share award schemes of the Company (i) shall not in aggregate exceed 10% of shares of the Company in issue (excluding treasury shares, if any) at the Adoption Date; (ii) to the Service Provider (as defined in the 2022 Share Option Scheme), shall not exceed 1% of shares of the Company in issue (excluding treasury shares, if any) at the Adoption Date; and (iii) to each Eligible Participant in the 2022 Share Option Scheme and within any 12-month period, is limited to 1% of shares of the Company in issue (excluding treasury shares, if any) at any time. Any further grant of share options in excess of the limits set out in (i), and (ii) must be subject to the approval of the shareholders of the Company and the shareholders of LSG (so long as the Company is a subsidiary of LSG under the Listing Rules) in the respective general meetings after three years from the Adoption Date or the last refreshment.

Share options granted to Eligible Participants (as defined in the 2022 Share Option Scheme), including a director, chief executive or substantial shareholder of the Company, or to any of their respective associates, are subject to the approval by the independent non-executive directors of each of the Company and LSG (so long as the Company is a subsidiary of LSG under the Listing Rules). In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their respective associates, in excess of 0.1% of the relevant class of shares of the Company, within any 12-month period up to and including the date of grant, are subject to the approval by the shareholders of the Company and the shareholders of LSG (so long as the Company is a subsidiary of LSG under the Listing Rules) in the respective general meetings.

41. SHARE OPTION SCHEMES (CONTINUED)

(a) The Company (continued)

2022 Share Option Scheme (continued)

The offer of a grant of share options may be accepted within 30 days from the date of grant, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determined by the directors of the Company provided that such period must not be longer than 10 years from the date upon which any share option is granted in accordance with the 2022 Share Option Scheme.

A share option must be held by the option holder for at least 12 months before the share option can be exercised. A shorter vesting period may be granted to the Employee Participants (as defined in the 2022 Share Option Scheme) at the discretion of the board of directors of the Company in the circumstances as set out in the 2022 Share Option Scheme.

The exercise price of the share options is determinable by the directors of the Company, which shall be at least the highest of (i) the closing price of the Company's shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant of the share options; and (ii) the average closing price of the Company's shares as stated in the daily quotation sheet of the Stock Exchange for the five trading days immediately preceding the date of grant.

Share options do not confer rights on the holders to dividends or to vote at general meetings of the Company.

Notes to Financial Statements

31 July 2025

41. SHARE OPTION SCHEMES (CONTINUED)

(a) The Company (continued)

During the year, no share options had been granted under the 2006 Share Option Scheme, 2015 Share Option Scheme and 2022 Share Option Scheme. Details of the movements of the Company's share options outstanding under the 2006 Share Option Scheme and the 2015 Share Option Scheme during the year are as follows:

	2025		2024	
	Number of underlying shares comprised in the Company's share options	Weighted average exercise price per the Company's share* HK\$	Number of underlying shares comprised in the Company's share options	Weighted average exercise price per the Company's share* HK\$
Outstanding at beginning of year	717,342	5.755	896,604	5.483
Lapsed during the year	(392,295)	6.239	(179,262)	4.397
Outstanding at end of year	325,047	5.170	717,342	5.755

The exercise prices and exercise periods of the Company's share options outstanding as at the end of the reporting period are as follows:

2025		
Number of underlying shares comprised in the Company's share options	Exercise price per share* HK\$	Exercise period
69,652	4.048	22/1/2016 — 21/1/2026
255,395	5.476	26/1/2021 — 25/1/2031
325,047		

41. SHARE OPTION SCHEMES (CONTINUED)

(a) The Company (continued)

The exercise prices and exercise periods of the Company's share options outstanding as at the end of the reporting period are as follows: (continued)

2024	Number of underlying shares comprised in the Company's share options	Exercise price per share* HK\$	Exercise period
	193,176	7.192	21/01/2015 to 20/01/2025
	69,652	4.048	22/01/2016 to 21/01/2026
	69,652	7.019	20/01/2017 to 19/01/2027
	255,395	5.476	26/01/2021 to 25/01/2031
	129,467	4.397	25/01/2022 to 24/01/2032
	717,342		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other relevant changes in the Company's share capital.

Other than the movements of the share options as detailed above, no share options were granted, vested, exercised, cancelled or lapsed in accordance with the terms of the 2006 Share Option Scheme, the 2015 Share Option Scheme and the 2022 Share Option Scheme.

As at 31 July 2025, a total of 325,047 underlying shares comprised in share options were outstanding, of which 325,047 underlying shares relate to share options granted under the 2015 Share Option Scheme, represented approximately 0.02% of the Company's shares in issue (excluding treasury shares, if any) as at that date.

Notes to Financial Statements

31 July 2025

41. SHARE OPTION SCHEMES (CONTINUED)

(b) eSun

2015 eSun Share Option Scheme

On 11 December 2015 (the “**2015 eSun Adoption Date**”), eSun adopted a share option scheme (the “**2015 eSun Share Option Scheme**”). The purpose of the 2015 eSun Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants (as defined in the 2015 eSun Share Option Scheme) to the eSun Group by granting share options to them as incentives or rewards and to attract, retain and motivate the Eligible Participants in line with the performance goals of the Relevant Companies (as defined in the 2015 eSun Share Option Scheme). Eligible Participants include but are not limited to the directors and any employees of the eSun Group. Upon the termination of the 2015 eSun Share Option Scheme at the annual general meeting of eSun held on 16 December 2022, no further share options can be granted thereunder but the subsisting share options granted prior to the termination will continue to be valid and exercisable in accordance with the terms of the 2015 eSun Share Option Scheme.

The principal terms of the 2015 eSun Share Option Scheme are:

- (i) The maximum number of shares in respect of which share options may be granted under the 2015 eSun Share Option Scheme and any other share option schemes of eSun (i) shall not in aggregate exceed 10% of the total issued eSun shares (excluding treasury shares, if any) on the 2015 eSun Adoption Date; (ii) shall not exceed 30% of the total issued eSun shares (excluding treasury shares, if any) from time to time; and (iii) to each Eligible Participant in the 2015 eSun Share Option Scheme and within any 12-month period, is limited to 1% of total issued eSun shares (excluding treasury shares, if any) at any time. Any further grant of share options in excess of the limits set out in (i) and (iii) must be subject to the approval of the shareholders of eSun and the shareholders of the Company (so long as eSun is a subsidiary of the Company under the Listing Rules) in the respective general meetings.
- (ii) Share options granted to a director, chief executive or substantial shareholder of eSun, or to any of their respective associates, are subject to approval by the independent non-executive directors of eSun and the Company (so long as eSun is a subsidiary of the Company under the Listing Rules). In addition, any share options granted to a substantial shareholder or an independent non-executive director of eSun, or to any of their respective associates, in excess of 0.1% of the total issued eSun shares at any time and with an aggregate value (based on the closing price of eSun shares as stated in the Stock Exchange’s daily quotation sheet on the date of grant) in excess of HK\$5 million, within any 12-month period up to and including the date of grant, are subject to the approval by the shareholders of eSun and the shareholders of the Company (so long as eSun is a subsidiary of the Company under the Listing Rules) in the respective general meetings.

41. SHARE OPTION SCHEMES (CONTINUED)

(b) eSun (continued)

2015 eSun Share Option Scheme (continued)

- (iii) The offer of a grant of share options may be accepted within 30 days from the date of offer, to be accompanied by payment of a consideration of HK\$1 per share option by the grantee.
- (iv) The exercise period of the share options granted is determined by the directors of eSun provided that such period must not be longer than 10 years from the date upon which any share option is granted in accordance with the 2015 eSun Share Option Scheme.
- (v) The subscription (or exercise) price of any share options is determinable by the directors of eSun, and shall be at least the highest of (i) the closing price of eSun shares in the Stock Exchange's daily quotation sheet on the date of the offer of grant; (ii) the average closing price of eSun shares in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of an eSun share on the date of the offer of grant.

Share options do not confer rights on the holders to dividends or to vote at general meetings

2022 eSun Share Option Scheme

At the annual general meeting of eSun held on 16 December 2022 (the “**2022 eSun Adoption Date**”), the shareholders of eSun approved the adoption of a new share option scheme (the “**2022 eSun Share Option Scheme**”) which became effective on 19 December 2022 (the “**2022 eSun Share Option Scheme Effective Date**”). Unless otherwise cancelled or amended, the 2022 eSun Share Option Scheme will remain in force for 10 years from the 2022 eSun Share Option Scheme Effective Date, which will expire on 19 December 2032.

The purpose of the 2022 eSun Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants (as defined in the 2022 eSun Share Option Scheme, including but not limited to the directors, chief executives, employees and service providers of the eSun Group as well as the related entity participants) to the eSun 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 eSun Group and the related entities. The 2022 eSun Share Option Scheme shall strengthen the many long-term relationships that the Eligible Participants may have with the eSun Group.

Notes to Financial Statements

31 July 2025

41. SHARE OPTION SCHEMES (CONTINUED)

(b) eSun (continued)

2022 eSun Share Option Scheme (continued)

The principal terms of the 2022 eSun Share Option Scheme are:

- (i) The maximum number of shares in respect of which share options may be granted under the 2022 eSun Share Option Scheme and any other share option schemes and share award schemes of eSun (i) shall not in aggregate exceed 10% of the number of the total issued eSun shares (excluding treasury shares, if any) on the 2022 eSun Adoption Date (i.e. 149,185,459 shares); (ii) to the Service Provider(s) (as defined in the 2022 eSun Share Option Scheme), shall not exceed 1% of the number of the total issued eSun shares on the 2022 eSun Adoption Date (i.e. 14,918,545 shares); and (iii) to each Eligible Participant in the 2022 eSun Share Option Scheme and within any 12-month period, is limited to 1% of the total issued eSun shares (excluding treasury shares, if any) at any time. Any further grant of share options in excess of the limits set out in (i) and (ii) must be subject to the approval of the shareholders of eSun and the shareholders of the Company and/or LSG (so long as eSun is a subsidiary of the Company and/or LSG under the Listing Rules) in the respective general meetings after three years of the 2022 eSun Adoption Date or the last refreshment.
- (ii) Share options granted to an Eligible Participant (as defined in the 2022 eSun Share Option Scheme), including a director, chief executive or substantial shareholder of eSun, or to any of their respective associates, are subject to the approval by the independent non-executive directors of eSun and the Company and/or LSG (so long as eSun is a subsidiary of the Company and/or LSG under the Listing Rules). In addition, any share options granted to a substantial shareholder or an independent non-executive director of eSun, or to any of their respective associates, in excess of 0.1% of the relevant class of shares of eSun, within any 12-month period up to and including the date of grant, are subject to the approval by the shareholders of eSun and the shareholders of the Company and/or LSG (so long as eSun is a subsidiary of the Company and/or LSG under the Listing Rules) in the respective general meetings.
- (iii) The offer of a grant of share options may be accepted within 30 days from the date of offer, to be accompanied by payment of a consideration of HK\$1 per share option by the grantee.
- (iv) The exercise period of the share options granted is determined by the directors of eSun provided that such period must not be longer than 10 years from the date upon which any share option is granted in accordance with the 2022 eSun Share Option Scheme.

41. SHARE OPTION SCHEMES (CONTINUED)

(b) eSun (continued)

2022 eSun Share Option Scheme (continued)

- (v) A share option must be held by the option holder for at least 12 months before the share option can be exercised. A shorter vesting period may be granted to the Employee Participants (as defined in the 2022 eSun Share Option Scheme) at the discretion of the board of directors of eSun in the circumstances as set out in the 2022 eSun Share Option Scheme.
- (vi) The exercise price of any share options is determinable by the directors of eSun, and shall be at least the highest of (i) the closing price of eSun share as stated in the Stock Exchange's daily quotation sheet on the date of the offer of grant; (ii) the average of the closing price of eSun share as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of eSun share on the date of the offer of grant.

Share options do not confer rights on the holders to dividends or to vote at general meetings of eSun.

During the years ended 31 July 2025 and 2024, no eSun share options had been granted under the 2015 eSun Share Option Scheme and 2022 eSun Share Option Scheme. Details of the movement of the eSun share options outstanding under the 2015 eSun Share Option Scheme during the year are as follows:

	2025		2024	
	Number of underlying shares comprised in eSun share options	Weighted average exercise price per eSun share* HK\$	Number of underlying shares comprised in eSun share options	Weighted average exercise price per eSun share* HK\$
Outstanding at beginning of year	700,000	0.50	1,500,000	0.50
Lapsed during the year	(300,000)	0.50	(800,000)	0.50
Outstanding at end of year	400,000	0.50	700,000	0.50

Notes to Financial Statements

31 July 2025

41. SHARE OPTION SCHEMES (CONTINUED)

(b) eSun (continued)

2022 eSun Share Option Scheme (continued)

The exercise price and exercise period of the share options outstanding as at the end of the reporting period are as follows:

2025		
Number of underlying shares comprised in eSun share options	Exercise price per eSun share* HK\$	Exercise period
400,000	0.50	21/01/2022 to 20/01/2032

2024		
Number of underlying shares comprised in eSun share options	Exercise price per eSun share* HK\$	Exercise period
700,000	0.50	21/01/2022 to 20/01/2032

* The exercise price of the eSun share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in eSun's share capital.

Other than the movements of the eSun share options as detailed above, no eSun share options were granted vested, exercised, cancelled or lapsed in accordance with the terms of the 2015 eSun Share Option Scheme and 2022 eSun Share Option Scheme during the years ended 31 July 2025 and 2024.

As at 31 July 2025, a total of 400,000 (2024: 700,000) underlying eSun shares relating to share options granted under the 2015 eSun Share Option Scheme were outstanding and they represented approximately 0.02% (2024: 0.04%) of the total issued eSun shares (excluding treasury shares, if any) as at that date.

41. SHARE OPTION SCHEMES (CONTINUED)

(c) Lai Fung

2012 Lai Fung Share Option Scheme

On 18 December 2012 (the “**2012 Lai Fung Adoption Date**”), Lai Fung adopted a share option scheme (the “**2012 Lai Fung Share Option Scheme**”). Unless otherwise cancelled or amended, the 2012 Lai Fung Share Option Scheme will remain in force for 10 years from the 2012 Lai Fung Adoption Date. The purpose of the 2012 Lai Fung Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants (as defined in the 2012 Lai Fung Share Option Scheme) to the Lai Fung 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 Relevant Companies (as defined in the 2012 Lai Fung Share Option Scheme). Eligible Participants include but are not limited to the directors and any employees of the Lai Fung Group. The 2012 Lai Fung Share Option Scheme expired on 17 December 2022. Upon expiration of the 2012 Lai Fung Share Option Scheme, no further share options shall be granted under the 2012 Lai Fung Share Option Scheme but the outstanding share options granted thereunder shall continue to be valid and exercisable in accordance with the terms of the 2012 Lai Fung Share Option Scheme.

The maximum number of shares which may be issued upon the exercise of all options to be granted under the 2012 Lai Fung Share Option Scheme (i) shall not exceed 10% of the shares of Lai Fung in issue (excluding treasury shares, if any) on the 2012 Lai Fung Adoption Date; (ii) shall not exceed 30% of the shares of Lai Fung in issue (excluding treasury shares, if any) from time to time; and (iii) to each Eligible Participant and within any 12-month period, is limited to 1% of the shares of Lai Fung in issue (excluding treasury shares, if any) at any time. Any further grant of share options in excess of the limits set out in (i) and (iii) is subject to the approval of shareholders of Lai Fung and the shareholders of the holding company of Lai Fung in the respective general meetings.

Share options granted to a director, chief executive or substantial shareholder of Lai Fung, or to any of their associates, are subject to approval in advance by the independent non-executive directors of each of Lai Fung and the holding company of Lai Fung. In addition, any share options granted to a substantial shareholder or an independent non-executive director of Lai Fung, or to any of their associates, in excess of 0.1% of the shares of Lai Fung in issue (excluding treasury shares, if any) at any time or with an aggregate value (based on the closing price of Lai Fung shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to the approval of shareholders of Lai Fung and the shareholders of the holding company of Lai Fung in the respective general meetings.

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41. SHARE OPTION SCHEMES (CONTINUED)

(c) Lai Fung (continued)

2012 Lai Fung Share Option Scheme (continued)

The offer of a grant of share options may be accepted within 30 days from the date of grant, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determined by the directors of Lai Fung, save that such period shall not be longer than 10 years from the date of grant of the share options.

The exercise price of the share options is determinable by the directors of Lai Fung, which shall be at least the highest of (i) the Stock Exchange closing price of Lai Fung shares on the date of grant of the share options; (ii) the average Stock Exchange closing price of Lai Fung shares for the five trading days immediately preceding the date of grant; and (iii) the nominal value of Lai Fung shares on the date of grant.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings of Lai Fung.

2022 Lai Fung Share Option Scheme

On 16 December 2022 (the “**2022 Lai Fung Adoption Date**”), Lai Fung adopted a new share option scheme (the “**2022 Lai Fung Share Option Scheme**”) which became effective on 19 December 2022 (the “**2022 Lai Fung Share Option Scheme Effective Date**”). The purpose of the 2022 Lai Fung Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants (as defined in the 2022 Lai Fung Share Option Scheme) to the Lai Fung Group by granting options to them as incentives or rewards and to attract, retain and motivate high-calibre Eligible Participants in line with performance goals of the Lai Fung Group and the related entities. Eligible Participants include, but are not limited, to the directors, chief executive and employees of the Lai Fung Group and related entities, and service providers of the Lai Fung Group. Unless otherwise cancelled or amended, the 2022 Lai Fung Share Option Scheme will remain in force for 10 years from the 2022 Lai Fung Share Option Scheme Effective Date.

The maximum number of shares which may be issued upon the exercise of all options to be granted under the 2022 Lai Fung Share Option Scheme (i) shall not (when aggregated with any other share option scheme(s) and share award scheme(s) of Lai Fung) exceed 10% of the shares of Lai Fung in issue (excluding treasury shares, if any) on the 2022 Lai Fung Adoption Date (“**Scheme Mandate Limit**”); and (ii) shall not exceed 1% of the shares of Lai Fung in issue (excluding treasury shares, if any) on the 2022 Lai Fung Adoption Date in respect of options that may be granted to service providers. The total number of shares issued and to be issued upon exercise of the options and awards granted to each Eligible Participant or grantee (including exercised and outstanding options but excluding any options and awards lapsed in accordance with the terms of such schemes) in any 12-month period up to the date of grant shall not exceed 1% of the number of total issued shares (excluding treasury shares, if any) of Lai Fung at the date of grant.

41. SHARE OPTION SCHEMES (CONTINUED)

(c) Lai Fung (continued)

2022 Lai Fung Share Option Scheme (continued)

Lai Fung may seek separate approval by the shareholders in its general meeting for granting options beyond the Scheme Mandate Limit provided that the options in excess of the Scheme Mandate Limit are granted only to the Eligible Participants specifically identified by Lai Fung before such approval is sought.

Any grant of options to an Eligible Participant who is a director, chief executive or substantial shareholder of Lai Fung or their respective associates must be approved by the independent non-executive directors of Lai Fung (excluding any independent non-executive director who is a proposed grantee of the relevant options) and shall comply with the requirements of Rule 17.04 of the Listing Rules. Where options are proposed to be granted to independent non-executive director or substantial shareholder of Lai Fung, or any of their respective associates and if such grant would result in the total number of shares issued and to be issued in respect of all options and awards (excluding any options and awards lapsed in accordance with the terms of the 2022 Lai Fung Share Option Scheme) granted to such person in the 12-month period up to and including the date of grant to such person representing in aggregate over 0.1% of the relevant class of shares, then the proposed grant must be subject to the approval of shareholders of Lai Fung taken on a poll in a general meeting.

Save for the circumstances as set out in the 2022 Lai Fung Share Option Scheme that a shorter vesting period may be granted to the employee participants at the sole discretion of the board of directors of Lai Fung, an option must be held by the option holder for at least 12 months before the option can be exercised.

The offer of a grant of share options may be accepted within 30 days from the date of grant, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determined by the directors of Lai Fung, save that such period shall not be longer than 10 years from the date of grant of the share options.

The exercise price of the share options is determinable by the directors of Lai Fung, which shall be at least the highest of (i) the Stock Exchange closing price of Lai Fung shares on the date of grant of the share options; (ii) the average Stock Exchange closing price of Lai Fung shares for the five trading days immediately preceding the date of grant; and (iii) the nominal value of Lai Fung shares on the date of grant.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings of Lai Fung.

Notes to Financial Statements

31 July 2025

41. SHARE OPTION SCHEMES (CONTINUED)

(c) Lai Fung (continued)

During the year, no Lai Fung share options had been granted under the 2012 Lai Fung Share Option Scheme and 2022 Lai Fung Share Option Scheme. The movements of Lai Fung share options outstanding under the 2012 Lai Fung Share Option Scheme during the year are as follows:

	2025		2024	
	Number of underlying shares comprised in Lai Fung share options	Weighted average exercise price per Lai Fung share* HK\$	Number of underlying shares comprised in Lai Fung share options	Weighted average exercise price per Lai Fung share* HK\$
Outstanding at beginning of year	730,000	9.668	830,000	9.196
Lapsed during the year	(200,000)	7.979	(100,000)	5.750
Outstanding at end of year	530,000	10.305	730,000	9.668

The exercise prices and exercise periods of the outstanding Lai Fung share options under 2012 Lai Fung Share Option Scheme as at the end of the reporting period are as follows:

2025		
Number of underlying shares comprised in Lai Fung share options	Exercise price per Lai Fung share* HK\$	Exercise period
150,000	13.520	19/01/2018-18/01/2028
260,000	10.180	22/01/2019-21/01/2029
60,000	7.364	22/01/2021-21/01/2031
60,000	5.750	21/01/2022-20/01/2032
530,000		

41. SHARE OPTION SCHEMES (CONTINUED)

(c) Lai Fung (continued)

2024			
	Number of underlying shares comprised in Lai Fung share options	Exercise price per Lai Fung share* HK\$	Exercise period
	60,000	8.000	16/01/2015 to 15/01/2025
	190,000	13.520	19/01/2018 to 18/01/2028
	260,000	10.180	22/01/2019 to 21/01/2029
	60,000	7.364	22/01/2021 to 21/01/2031
	160,000	5.750	21/01/2022 to 20/01/2032
	730,000		

* The exercise price of the Lai Fung share options is subject to adjustment in the case of rights or bonus issues or other similar changes in Lai Fung's share capital.

Other than the lapse of Lai Fung share options comprising 200,000 Lai Fung underlying shares granted under the 2012 Lai Fung Share Option Scheme, no Lai Fung share options were granted, vested, exercised, cancelled or lapsed in accordance with the terms of the 2012 Lai Fung Share Option Scheme and the 2022 Lai Fung Share Option Scheme during the year.

As at 31 July 2025, no Lai Fung share option had been granted under the 2022 Lai Fung Share Option Scheme and a total of 530,000 Lai Fung underlying shares relating to Lai Fung share options granted under the 2012 Lai Fung Share Option Scheme were outstanding, represented approximately 0.16% of the Lai Fung shares in issue (excluding treasury shares, if any) as at that date.

Notes to Financial Statements

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42. RESERVES

The amounts of the Group's reserves and the movements therein for the years ended 31 July 2025 and 2024 are presented in the consolidated statement of changes in equity.

Statutory reserve

Pursuant to the relevant laws and regulations in the PRC, the subsidiaries and the joint ventures of the Company, which are registered in the PRC, are required to transfer a certain percentage of their net profit after tax (after offsetting any prior years' losses, if any) to the statutory reserve funds which are restricted as to use, until the balance of the statutory reserve funds reaches 50% of the entity's registered capital.

Other reserve

The other reserve mainly comprised of the reserve arising from the acquisition of the additional equity interests in subsidiaries.

43. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below. The summarised financial information below represents amounts after fair value adjustments and before intragroup eliminations.

43. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

(CONTINUED)

(a) eSun

	2025 HK\$'000	2024 HK\$'000
Current assets	1,095,793	1,089,392
Non-current assets	587,418	801,940
Total assets	1,683,211	1,891,332
Current liabilities	1,151,438	922,895
Non-current liabilities	453,598	874,410
Total liabilities	1,605,036	1,797,305
Equity attributable to owners of the Company	711,391	760,177
Non-controlling interests	(633,216)	(666,150)
Total equity	78,175	94,027
Turnover	779,608	1,167,538
Cost of sales	(401,854)	(716,414)
Gross profit	377,754	451,124
Other revenue	178,843	42,171
Selling and marketing expenses	(8,522)	(52,237)
Administrative expenses	(223,121)	(234,045)
Other operating expenses	(292,411)	(645,238)
Profit/(loss) from operating activities	32,543	(438,225)
Finance costs	(42,651)	(45,035)
Share of profits and losses of joint ventures	(6,408)	(44,526)
Loss before tax	(16,516)	(527,786)

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43. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

(CONTINUED)

(a) eSun (continued)

	2025 HK\$'000	2024 HK\$'000
Loss before tax	(16,516)	(527,786)
Tax	(865)	(814)
Loss for the year	(17,381)	(528,600)
Loss attributable to owners of the Company	(9,936)	(325,729)
Loss attributable to non-controlling interests	(7,445)	(202,871)
Loss for the year	(17,381)	(528,600)
Other comprehensive income/(expense) attributable to owners of the Company	1,001	(3,650)
Other comprehensive income/(expense) attributable to non-controlling interests	528	(1,765)
Other comprehensive income/(expense) for the year	1,529	(5,415)
Total comprehensive expense attributable to owners of the Company	(8,935)	(329,379)
Total comprehensive expense attributable to non-controlling interests	(6,917)	(204,636)
Total comprehensive expense for the year	(15,852)	(534,015)
Net cash flows from/(used in) operating activities	180,680	(95,762)
Net cash flows from/(used in) investing activities	30,263	(52,638)
Net cash flows used in financing activities	(83,254)	(146,404)
Net increase/(decrease) in cash and cash equivalents	127,689	(294,804)

43. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

(CONTINUED)

(b) Lai Fung

	2025 HK\$'000	2024 HK\$'000
Current assets	6,416,711	6,412,521
Non-current assets	24,105,557	24,359,908
Total assets	30,522,268	30,772,429
Current liabilities	6,631,801	2,439,332
Non-current liabilities	10,204,130	14,112,008
Total liabilities	16,835,931	16,551,340
Equity attributable to owners of the Company	7,128,358	7,395,211
Non-controlling interests	6,557,979	6,825,878
Total equity	13,686,337	14,221,089
Turnover	1,291,326	2,192,830
Cost of sales	(1,078,175)	(1,681,802)
Gross profit	213,151	511,028
Other revenue	94,454	92,933
Selling and marketing expenses	(65,572)	(123,975)
Administrative expenses	(209,024)	(229,314)
Other operating expenses	(159,636)	(289,381)
Fair value (losses)/gains on investment properties, net	(37,819)	446,483
(Loss)/profit from operating activities	(164,446)	407,774
Finance costs	(521,860)	(634,139)
Share of profits and losses of joint ventures	868	(1,537)
Share of profits and losses of associates	(9)	(13)
Loss before tax	(685,447)	(227,915)

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43. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

(CONTINUED)

(b) Lai Fung (continued)

	2025 HK\$'000	2024 HK\$'000
Loss before tax	(685,447)	(227,915)
Tax	8,281	(351,333)
Loss for the year	(677,166)	(579,248)
Loss attributable to owners of the Company	(342,529)	(280,181)
Loss attributable to non-controlling interests	(334,637)	(299,067)
Loss for the year	(677,166)	(579,248)
Other comprehensive income/(expense) attributable to owners of the Company	75,676	(113,889)
Other comprehensive income/(expense) attributable to non-controlling interests	66,738	(113,695)
Other comprehensive income/(expense) for the year	142,414	(227,584)
Total comprehensive expense attributable to owners of the Company	(266,853)	(394,070)
Total comprehensive expense attributable to non-controlling interests	(267,899)	(412,762)
Total comprehensive expense for the year	(534,752)	(806,832)
Net cash flows from operating activities	320,903	394,710
Net cash flows used in investing activities	(22,072)	(261,617)
Net cash flows used in financing activities	(281,246)	(749,851)
Net increase/(decrease) in cash and cash equivalents	17,585	(616,758)

44. COMMITMENTS

The Group had the following commitments not provided for in the financial statements at the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
Contracted, but not provided for		
Purchase of items of property, plant and equipment	3,028	12,795
Additions to investment properties	7,700	3,727
Construction, development and resettlement costs	83,503	242,863
	94,231	259,385

45. CONTINGENT LIABILITIES

Save as disclosed elsewhere in the financial statements, the Group also had the following contingent liabilities at the end of the reporting period:

- (a) Contingent liabilities not provided for in the financial statements:

	2025 HK\$'000	2024 HK\$'000
Guarantees given to banks in connection with facilities granted to and utilised by joint ventures	934,842	881,631

- (b) The Group has provided guarantees to certain banks in respect of mortgage loan facilities granted by such banks to certain end-buyers of property units developed by the Group. Pursuant to the terms of the guarantees, upon default in mortgage payments by these end-buyers, the Group will be responsible to repay the outstanding mortgage loan principal amounts together with accrued interest owed by the end-buyers in default. The Group's obligation in relation to such guarantees has been gradually relinquished along with the settlement of the mortgage loans granted by the banks to the end-buyers. Such obligation will also be relinquished when the property ownership certificates for the relevant properties are issued and/or the end-buyers have fully repaid the mortgage loans. As at 31 July 2025, in respect of these guarantees, the contingent liabilities of the Group amounted to approximately HK\$375,901,000 (2024: HK\$594,086,000).

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45. CONTINGENT LIABILITIES (CONTINUED)

- (c) The Group has pledged a time deposit to a bank in connection with a bank guarantee for an associate of approximately HK\$18,536,000 as at 31 July 2024.

46. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

31 July 2025

	Financial assets at fair value through profit or loss HK\$'000	Financial assets at fair value through other comprehensive income HK\$'000	Financial assets at amortised cost HK\$'000	Total HK\$'000
Due from associates	—	—	277,344	277,344
Due from joint ventures	—	—	2,166,903	2,166,903
Financial assets at fair value through other comprehensive income	—	114,038	—	114,038
Financial assets at fair value through profit or loss	864,930	—	—	864,930
Film investments	174,215	—	—	174,215
Trade receivables	—	—	365,357	365,357
Finance lease receivables	—	—	513,640	513,640
Financial assets included in deposits, prepayments, other receivables and other assets	14,654	—	566,911	581,565
Pledged and restricted bank balances and time deposits	—	—	1,326,374	1,326,374
Cash and cash equivalents	—	—	3,011,985	3,011,985
	1,053,799	114,038	8,228,514	9,396,351

46. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

Financial assets (continued)

31 July 2024

	Financial assets at fair value through profit or loss HK\$'000	Financial assets at fair value through other comprehensive income HK\$'000	Financial assets at amortised cost HK\$'000	Total HK\$'000
Due from associates	—	—	257,369	257,369
Due from joint ventures	—	—	1,634,817	1,634,817
Financial assets at fair value through other comprehensive income	—	105,248	—	105,248
Financial assets at fair value through profit or loss	932,117	—	—	932,117
Derivative financial instruments	6,537	—	—	6,537
Film investments	104,560	—	—	104,560
Trade receivables	—	—	412,468	412,468
Finance lease receivables	—	—	492,752	492,752
Financial assets included in deposits, prepayments, other receivables and other assets	14,180	—	1,064,761	1,078,941
Pledged and restricted bank balances and time deposits	—	—	1,334,867	1,334,867
Cash and cash equivalents	—	—	2,809,574	2,809,574
	1,057,394	105,248	8,006,608	9,169,250

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46. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

Financial liabilities

31 July 2025

	Financial liabilities at fair value through profit or loss HK\$'000	Financial liabilities at amortised cost HK\$'000	Total HK\$'000
Financial liabilities included in creditors, other payables and accruals	—	3,098,977	3,098,977
Financial liabilities included in deposits received, deferred income and contract liabilities	—	418,746	418,746
Derivative financial instruments	25,509	—	25,509
Lease liabilities	—	739,740	739,740
Bank borrowings	—	20,821,439	20,821,439
Other borrowings	—	296,688	296,688
Guaranteed notes	—	4,259,626	4,259,626
	25,509	29,635,216	29,660,725

31 July 2024

	Financial liabilities at fair value through profit or loss HK\$'000	Financial liabilities at amortised cost HK\$'000	Total HK\$'000
Financial liabilities included in creditors, other payables and accruals	—	3,112,321	3,112,321
Financial liabilities included in deposits received, deferred income and contract liabilities	—	424,946	424,946
Lease liabilities	—	908,757	908,757
Bank borrowings	—	20,737,602	20,737,602
Other borrowings	—	324,540	324,540
Guaranteed notes	—	4,232,145	4,232,145
	—	29,740,311	29,740,311

47. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Financial instruments for which fair value is disclosed

Except for the guaranteed notes with a fair value in aggregate of approximately HK\$2,111,736,000 (2024: HK\$2,723,415,000) as detailed in note 36, the directors consider the carrying amounts of all other financial assets and financial liabilities measured at amortised cost approximated to their fair values as at the end of the reporting period.

Financial instruments measured at fair value

	Notes	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
As at 31 July 2025					
Financial assets					
Financial assets at fair value through other comprehensive income	25	7,620	—	106,418	114,038
Financial assets at fair value through profit or loss	26	36,071	731,003	97,856	864,930
Financial assets included in deposits, prepayments, other receivables and other assets		—	—	14,654	14,654
Film investments	31	—	—	174,215	174,215
		43,691	731,003	393,143	1,167,837
Financial liabilities					
Derivative financial instruments					
— CCSs	27	—	—	7,707	7,707
— IRSs	27	—	—	17,802	17,802
		—	—	25,509	25,509

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47. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Financial instruments measured at fair value (continued)

	Notes	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
As at 31 July 2024					
Financial assets					
Financial assets at fair value through other comprehensive income	25	13,860	—	91,388	105,248
Financial assets at fair value through profit or loss	26	70,948	730,261	130,908	932,117
Derivative financial instruments	27	—	—	6,537	6,537
Financial assets included in deposits, prepayments, other receivables and other assets		—	—	14,180	14,180
Film investments	31	—	—	104,560	104,560
		84,808	730,261	347,573	1,162,642

During the year ended 31 July 2025, there were no transfer of fair value measurement between Level 1 and Level 2 for both financial assets and financial liabilities (2024: Nil).

During the year ended 31 July 2025, there were no transfers into or out of Level 3 for both financial assets and liabilities (2024: Nil).

47. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Financial instruments measured at fair value (continued)

The movements in fair value measurements within Level 3 during the year are as follows:

(i) Financial assets at fair value through other comprehensive income:

	2025 HK\$'000	2024 HK\$'000
At beginning of year	91,388	1,669,041
Additions	15,679	78
Disposal	(4,506)	(1,421,920)
Total gains/(losses) recognised in other comprehensive income	3,857	(155,811)
At end of year	106,418	91,388

(ii) Financial assets at fair value through profit or loss

	2025 HK\$'000	2024 HK\$'000
At beginning of year	130,908	137,993
Additions	—	33,292
Total (losses)/gains recognised in the income statement	(28,830)	642
Settlement	(11,017)	(39,988)
Exchange realignment	6,795	(1,031)
At end of year	97,856	130,908

The movements in the financial assets arising from the derivative financial instruments and film investments are disclosed in notes 27 and 31, respectively to the financial statements.

Valuation techniques

Fair value measurement using significant observable inputs (Level 2)

The fair values of certain financial assets at fair value through profit or loss is based on the fair values of the underlying investment portfolio provided by the fund managers.

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47. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Valuation techniques (continued)

Fair value measurement using significant unobservable inputs (Level 3)

Each year, the Group's management appoints external valuers to be responsible for the external valuations of the Group's financial instruments (the "**Financial Instrument Valuers**"). Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's management has discussions with the Financial Instrument Valuers on the valuation assumptions and valuation results twice a year when the valuation is performed for interim and annual financial reporting.

The fair values of the financial assets and liabilities 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. The methods and assumptions used to estimate the fair values of the principal financial instruments are stated as follows:

- (i) Fair value of the financial asset at fair value through profit or loss has been determined using equity value allocation model with Black-Scholes option pricing formula. Under this valuation methodology, the underlying total equity values have been determined based on the most recent transactions of share subscriptions by the independent third-party investors in the investee companies as well as other unobservable inputs.
- (ii) Fair values of unlisted equity investments designated at fair value through other comprehensive income have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation is based on industry, size, leverage and strategy to calculate enterprise value to sales ("**EV/S**") multiple for each comparable company identified.
- (iii) Derivative financial instruments — CCSs and IRSs were measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporated various market observable inputs including the credit quality of counterparties, foreign exchange spot rates and interest rate curves as well as other unobservable inputs. The carrying amounts of the derivative financial instruments were the same as their fair values.

47. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Valuation techniques (continued)

Information about fair value measurement using significant unobservable inputs (Level 3) 31 July 2025

	Valuation technique	Significant unobservable inputs	Value of unobservable inputs	Notes
Financial assets at fair value through other comprehensive income	Market approach	EV/S	2.3x	1
Derivative financial instruments — CCSs	Discounted cash flow with swaption approach	Expected exposure at default — counterparty	HK\$0.72 million to HK\$2.20 million	2
		Expected exposure at default — the Group	HK\$1.72 million to HK\$5.95 million	3
		Credit spread — counterparty	14.51 basis point to 53.72 basis point	4
		Credit spread — the Group	677.45 basis point to 913.62 basis point	5
		Loss given default ratio — counterparty non-performance risk	60%	6
		Loss given default ratio — own credit risk	60%	7

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47. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Valuation techniques (continued)

Information about fair value measurement using significant unobservable inputs (Level 3) (continued)

31 July 2025

	Valuation technique	Significant unobservable inputs	Value of unobservable inputs	Notes
Derivative financial instruments — IRSs	Discounted cash flow with swaption approach	Expected exposure at default — counterparty	HK\$0.00 million to HK\$0.91 million	2
		Expected exposure at default — the Group	HK\$0.24 million to HK\$5.08 million	3
		Credit spread — counterparty	14.51 basis point to 97.15 basis point	4
		Credit spread — the Group	677.45 basis point to 913.62 basis point	5
		Loss given default ratio — counterparty non-performance risk	60%	6
		Loss given default ratio — own credit risk	60%	7

47. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Valuation techniques (continued)

Information about fair value measurement using significant unobservable inputs (Level 3) (continued)

31 July 2024

	Valuation technique	Significant unobservable inputs	Value of unobservable inputs	Notes
Financial asset at fair value through profit or loss	Market approach	Expected volatility	63.00%	8
		Expected time to exit	2.0 years	9
Financial assets at fair value through other comprehensive income	Market approach	EV/S	0.66x to 2.00x	1
Derivative financial instruments — CCSs	Discounted cash flow with swaption approach	Expected exposure at default — counterparty	HK\$2.76 million to HK\$3.24 million	2
		Expected exposure at default — the Group	HK\$1.13 million to HK\$3.61 million	3
		Credit spread — counterparty	12.06 basis point to 44.56 basis point	4
		Credit spread — the Group	899.10 basis point to 1,194.35 basis point	5
		Loss given default ratio — counterparty non-performance risk	60%	6
		Loss given default ratio — own credit risk	60%	7

Notes:

1. The higher the enterprise value to sales, the higher the fair value
2. The higher the expected exposure at default — counterparty, the lower the fair value of CCSs/IRSs
3. The higher the expected exposure at default — the Group, the higher the fair value of CCSs/IRSs
4. The higher the credit spread — counterparty, the lower the fair value of CCSs/IRSs
5. The higher the credit spread — the Group, the higher the fair value of CCSs/IRSs
6. The higher the loss given default ratio — counterparty non-performance risk, the lower the fair value of CCSs/IRSs
7. The higher the loss given default ratio — own credit risk, the higher the fair value of CCSs/IRSs
8. The higher the expected volatility, the higher the fair value
9. The longer the expected time to exit, the higher the fair value

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The principal financial assets held by the Group comprise financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, pledged and restricted bank balances and time deposits, and cash and cash equivalents. Management would, based on the Group's projected cash flow requirements, determine the types and levels of these financial instruments with a view to maintaining an appropriate level of funding for the Group's operations and to enhancing the returns generated from these financial instruments. The Group's principal financial liabilities comprise bank borrowings and guaranteed notes. The Group will procure various types and levels of such financial liabilities in order to maintain sufficient funding for the Group's daily operations and to cope with expenditures incurred for various properties under development or investment projects. In addition, the Group has various other financial assets and liabilities such as debtors and creditors which arise directly from its daily operations.

The main risks arising from the Group's financial instruments are interest rate risks, foreign currency risk, credit risk and liquidity risk. The management of the Company meets periodically to analyse and formulate measures to manage the Group's exposure to these risks. Generally, the Group has adopted relatively conservative strategies on its risk management and the Group has not used any derivatives and other instruments for hedging purposes during the year. The Group does not hold or issue derivative financial instruments for trading purposes. The directors review and determine policies for managing each of these risks and they are summarised as follows:

(i) Fair value and cash flow interest rate risks

Fair value interest rate risk is the risk that the value of a financial instrument fluctuates because of changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument fluctuate because of changes in market interest rates. The Group is exposed to both fair value and cash flow interest rate risks. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's pledged and restricted bank balances and time deposits, cash and cash equivalents and bank borrowings with a floating interest rate.

At present, the Group does not intend to seek to hedge its exposure to interest rate fluctuations. However, the Group constantly reviews the economic situation and its interest rate risk profile, and will consider appropriate hedging measures in future as may be necessary.

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(i) Fair value and cash flow interest rate risks (continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant and before any impact on tax, of the Group's income statement (through the impact on variable-rate mortgage loan receivables, pledged and restricted bank balances and time deposits, cash and cash equivalents, bank borrowings and certain other borrowings) and the equity of the Group.

	Increase in interest rate %	Increase in loss and decrease in equity HK\$'000
2025	0.5	82,882
2024	0.5	83,374

(ii) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument fluctuates because of changes in foreign exchange rates.

US\$

The Group's major assets and liabilities and transactions are denominated in HK\$ or US\$. As HK\$ is pegged against US\$, the Group believes that the corresponding exposure to exchange rate risk arising from US\$ is nominal and does not expect any significant movements in the exchange rate in the foreseeable future.

RMB

Certain subsidiaries (mainly the Lai Fung Group) of the Group have transactions denominated in RMB. The Group is exposed to foreign exchange risk arising from the exposure of RMB against HK\$.

It is the Group's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximise hedge effectiveness. The Group will constantly review the economic situation and its foreign currency risk profile, and will consider other appropriate hedging measures in future as may be necessary.

Other than the abovementioned, the remaining monetary assets and liabilities of the Group were denominated in Pound Sterling, Euro, Malaysian Ringgit and VND which were insignificant as compared with the Group's total assets and liabilities. The Group manages its foreign currency risk by closely reviewing the movement of foreign currency rates and considers hedging significant foreign currency exposure should the additional need arise.

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(ii) Foreign currency risk (continued)

The following table demonstrates the sensitivity as at the end of the reporting period to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the post-tax loss and equity (due to changes in the translated value of monetary assets and liabilities) of the Group.

	Change in exchange rate	Decrease/ (increase) in post-tax loss HK\$'000	Increase/ (decrease) in equity* HK\$'000
2025			
If US\$/HK\$ weakens against RMB	5%	18,640	6,950
If US\$/HK\$ strengthens against RMB	5%	(17,640)	(6,766)
2024			
If US\$/HK\$ weakens against RMB	5%	22,026	8,950
If US\$/HK\$ strengthens against RMB	5%	(20,980)	(8,758)

* excluding amounts attributable to non-controlling interests.

(iii) Credit risk

The Group (other than eSun Group) maintains various credit policies for different business operations as described in note 33 to the financial statements. In addition, debtor balances are being closely monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The eSun Group trades only with recognised and creditworthy third parties. It is the eSun Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the eSun Group's exposure to bad debts is not significant.

In respect of loan and interest receivables, individual credit evaluations are performed on all borrowers requiring credit over a certain amount. These evaluations focus on the borrowers' past history of making payments when due and the current ability to pay, and take into account information specific to the borrowers. Certain of these loan and interest receivables are secured by share charges in respect of the equity interest of certain subsidiaries and unlisted equity investments of the respective borrowers.

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Credit risk (continued)

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 July. The amounts presented are gross carrying amounts for financial assets.

As at 31 July 2025

	12-month ECLs	Lifetime ECLs			Total HK\$'000
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Simplified approach HK\$'000	
Due from associates					
Normal**	277,344	—	—	—	277,344
Doubtful**	—	—	66,803	—	66,803
Due from joint ventures					
Normal**	2,138,372	—	—	—	2,138,372
Doubtful**	—	—	61,275	—	61,275
Trade receivables*	—	—	—	416,453	416,453
Finance lease receivables*	—	—	—	513,640	513,640
Financial assets included in deposit, prepayments, other receivables and other assets					
Normal**	566,911	—	—	—	566,911
Doubtful**	—	—	106,174	—	106,174
Pledged and restricted bank balances and time deposits	1,326,374	—	—	—	1,326,374
Cash and cash equivalents	3,011,985	—	—	—	3,011,985
	7,320,986	—	234,252	930,093	8,485,331

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Credit risk (continued)

Maximum exposure and year-end staging (continued)

As at 31 July 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Simplified approach HK\$'000	Total HK\$'000
Due from associates					
Normal**	257,369	—	—	—	257,369
Doubtful**	—	—	97,343	—	97,343
Due from joint ventures					
Normal**	1,600,479	—	—	—	1,600,479
Doubtful**	—	—	68,672	—	68,672
Trade receivables*	—	—	—	460,331	460,331
Finance lease receivables*	—	—	—	492,752	492,752
Financial assets included in deposit, prepayments, other receivables and other assets					
Normal**	1,064,762	—	—	—	1,064,762
Doubtful**	—	—	104,903	—	104,903
Pledged and restricted bank balances and time deposits	1,334,867	—	—	—	1,334,867
Cash and cash equivalents	2,809,574	—	—	—	2,809,574
	7,067,051	—	270,918	953,083	8,291,052

* For trade receivables and finance lease receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 33 to the financial statements.

** The credit quality of the amounts due from associates and joint ventures, and financial assets included in deposits, prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iv) Liquidity risk

The Group's objective is to ensure adequate funds are available to meet commitments associated with its capital expenditure and financial liabilities. Cash flows are closely monitored on an ongoing basis.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	2025			Total HK\$'000
	Less than 1 year HK\$'000	1 to 5 years HK\$'000	Over 5 years HK\$'000	
Financial liabilities included in creditors, other payables and accruals	2,199,918	—	899,059	3,098,977
Financial liabilities included in deposits received, deferred income and contract liabilities	207,106	211,640	—	418,746
Lease liabilities	232,118	516,378	57,135	805,631
Bank borrowings	11,044,543	8,129,223	3,163,827	22,337,593
Other borrowings	302,617	—	—	302,617
Guaranteed notes	4,089,346	421,698	—	4,511,044
Inflow of derivative financial instruments	(196,481)	(16,807)	—	(213,288)
Outflow of derivative financial instruments	211,680	47,197	—	258,877
	18,090,847	9,309,329	4,120,021	31,520,197

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iv) Liquidity risk (continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows: (continued)

	2024			
	Less than 1 year HK\$'000	1 to 5 years HK\$'000	Over 5 years HK\$'000	Total HK\$'000
Financial liabilities included in creditors, other payables and accruals	2,222,084	—	890,237	3,112,321
Financial liabilities included in deposits received, deferred income and contract liabilities	202,590	222,356	—	424,946
Lease liabilities	290,303	599,549	108,721	998,573
Bank borrowings	3,729,191	17,046,364	3,313,607	24,089,162
Other borrowings	34,485	296,690	—	331,175
Guaranteed notes	203,938	4,551,231	—	4,755,169
Inflow of derivative financial instruments	(170,873)	(176,258)	—	(347,131)
Outflow of derivative financial instruments	152,373	157,541	—	309,914
	6,664,091	22,697,473	4,312,565	33,674,129

(v) Capital management

The Group manages its capital structure to ensure that entities in the Group will be able to continue to operate as a going concern while maximising the return to stakeholders through the setting up and maintenance of an optimal debt and equity capital structure. The Group's overall strategy remains unchanged from that of the prior year.

The capital structure of the Group mainly consists of bank borrowings, other borrowings, guaranteed notes and equity attributable to owners of the Company, comprising share capital and reserves.

The directors of the Company review the capital structure regularly. They will take into consideration the cost of capital and the risks associated with each class of capital prevailing in the market. Based on the recommendation of the directors, the Group will balance its overall capital structure through various types of equity fund raising exercises as well as maintenance of appropriate types and levels of debts.

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(v) Capital management (continued)

The Group monitors capital using, inter alia, a gearing ratio which is net debt divided by equity attributable to owners of the Company. Net debt includes bank borrowings, other borrowings, and guaranteed notes, less pledged and restricted bank balances and time deposits, and cash and cash equivalents. The gearing ratio as at the end of the reporting period is as follows:

	2025 HK\$'000	2024 HK\$'000
Bank borrowings	20,821,439	20,737,602
Other borrowings	296,688	324,540
Guaranteed notes	4,259,626	4,232,145
Less: Pledged and restricted bank balances and time deposits	(1,326,374)	(1,334,867)
Cash and cash equivalents	(3,011,985)	(2,809,574)
Net debt	21,039,394	21,149,846
Equity attributable to owners of the Company	23,119,815	25,810,127
Gearing ratio	91%	82%

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49. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS		
Property, plant and equipment	5,157	6,664
Right-of-use assets	35,506	14,896
Investment properties	8,508,200	8,478,900
Investments in subsidiaries	16,471,384	13,475,553
Investments in joint ventures	420,402	455,492
Financial assets at fair value through other comprehensive income	36,309	36,309
Financial assets at fair value through profit or loss	15,436	18,017
Deposits, prepayments, other receivables and other assets	17,099	19,744
Pledged bank balances and time deposits	40,343	50,665
Total non-current assets	25,549,836	22,556,240
CURRENT ASSETS		
Debtors	8,720	5,995
Deposits, prepayments, other receivables and other assets	112,617	84,795
Pledged bank balances and time deposits	204,167	136,241
Cash and cash equivalents	591,807	546,044
Total current assets	917,311	773,075
CURRENT LIABILITIES		
Creditors, other payables and accruals	95,954	85,690
Deposits received	35,444	33,343
Lease liabilities	12,497	15,331
Tax payable	12,689	7,461
Bank borrowings	5,402,478	590,683
Total current liabilities	5,559,062	732,508
NET CURRENT (LIABILITIES)/ASSETS	(4,641,751)	40,567
TOTAL ASSETS LESS CURRENT LIABILITIES	20,908,085	22,596,807

49. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

	2025 HK\$'000	2024 HK\$'000
NON-CURRENT LIABILITIES		
Lease liabilities	24,762	—
Bank borrowings	854,035	4,960,005
Derivative financial instruments	17,802	—
Deferred tax liabilities	100,916	99,540
Long-term deposits received	40,343	50,665
Total non-current liabilities	1,037,858	5,110,210
	19,870,227	17,486,597
EQUITY		
Share capital	6,240,082	6,240,082
Reserves (Note)	13,630,145	11,246,515
	19,870,227	17,486,597

Lam Kin Ngok, Peter
Director

Cheung Sum, Sam
Director

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49. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserves is as follows:

	Share option reserve HK\$'000	Capital reduction reserve HK\$'000	General reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 August 2023	1,810	4,692	646,700	12,461,508	13,114,710
Loss for the year and total comprehensive expense for the year	—	—	—	(1,868,195)	(1,868,195)
Release of reserve upon lapse of share options	(319)	—	—	319	—
At 31 July 2024 and 1 August 2024	1,491	4,692	646,700	10,593,632	11,246,515
Profit for the year and total comprehensive income for the year	—	—	—	2,383,630	2,383,630
Release of reserve upon lapse of share options	(803)	—	—	803	—
At 31 July 2025	688	4,692	646,700	12,978,065	13,630,145

50. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 July 2025 were as follows:

Name of company	Place of incorporation/ registration and business	Issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Bushell Limited	Hong Kong	HK\$2	—	100.00	Property development and sale
Camper & Nicholsons International S.A. ("CNI")	Luxembourg	EUR941,625	—	98.27	Brokerage, charter, marketing, management and crew placement of luxury yachts

50. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Cape Nga Holding Company Limited	Thailand	THB1,225,000	—	100.00	Investment holding
Capital Court Limited	Hong Kong	HK\$1	—	100.00	Hotel operation
Chains Caravelle Hotel Joint Venture Company Limited ("CCHJV") @###	Vietnam	US\$23,175,577	—	26.01	Hotel operation
Frontier Dragon Limited	British Virgin Islands/ United Kingdom	US\$1	—	100.00	Property investment
Furama Hotel Enterprises Limited	Hong Kong	HK\$102,880,454	—	100.00	Investment holding
Furama Hotels and Resorts International Limited	British Virgin Islands/ Hong Kong	US\$1,000,000	—	100.00	Provision of management services
Fusion Century Limited ^{AAA}	Hong Kong	HK\$100	—	51.29	Restaurant operation
Gainful Limited	Hong Kong	HK\$1	—	100.00	Property development
Gainlong Limited	Hong Kong	HK\$1	—	100.00	Property development
Gainplace Limited	Hong Kong	HK\$1	—	100.00	Property development and sale
Gilroy Company Limited	Hong Kong	HK\$10,000	100.00	—	Property investment
Glynhill Hotels and Resorts (Vietnam) Pte Ltd	Singapore/Vietnam	S\$2	—	100.00	Provision of management and consultancy services to hotel owners
Glynhill Investments (Vietnam) Pte Ltd ("GIV") @	Singapore	S\$2	—	51.00	Investment holding

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50. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Gold Fusion Limited	Hong Kong	HK\$1	—	100.00	Property development and sale
Greatful Limited ^{^^^}	Hong Kong	HK\$100	—	68.39	Restaurant operation
Hazelway Limited	Hong Kong	HK\$1	—	65.90	Restaurant operation
Hibright Limited	Hong Kong	HK\$1	100.00	—	Provision of finance
Hong Kong Go Hospitality Group Limited	Hong Kong	HK\$10,000	—	83.10	Restaurant operation
Intercontinental Development and Services Limited	Hong Kong	HK\$300,000	—	100.00	Property investment
KiKi Dining Limited	Hong Kong	HK\$1	—	83.10	Restaurant operation
King Faithful Limited ^{^^^}	Hong Kong	HK\$100	—	62.92	Restaurant operation
Kingland Century Limited	Hong Kong	HK\$1	—	100.00	Property development and sale
Kingright International Limited	Hong Kong	HK\$1	—	100.00	Golf apparel retailing
Kolot Property Services Limited	Hong Kong	HK\$780,002	100.00	—	Property management
Lai Sun Dining Limited ^{^^^}	Hong Kong	HK\$1	—	68.39	Provision of management and consultancy services to restaurants
Lai Sun F&B Holding Company Limited ("LSF&B")	British Virgin Islands/ Hong Kong	HK\$621,995,507	—	68.39	Investment holding
Lai Sun International Finance (2012) Limited	British Virgin Islands/ Hong Kong	US\$1	100.00	—	Treasury operation
Lai Sun MTN	Hong Kong	HK\$1	100.00	—	Treasury operation

50. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Lai Sun Real Estate Agency Limited	Hong Kong	HK\$2	100.00	—	Property management and real estate agency
Laurel Coast Limited	Hong Kong	HK\$1,000,000	—	83.10	Restaurant operation
Mazy Lamp Limited ^{^^^}	Hong Kong	HK\$1,000,000	—	50.61	Restaurant operation
Mighty Style Limited ^{^^^}	Hong Kong	HK\$1	—	68.39	Restaurant operation
Milirich Investment Limited	Hong Kong	HK\$2	100.00	—	Property development and sale
Modern Charm Limited ^{^^^}	Hong Kong	HK\$10,000	—	68.39	Restaurant operation
Nice Plus Limited ^{^^^}	Hong Kong	HK\$1	—	68.39	Restaurant operation
Oceania Gem Limited	Hong Kong	HK\$1	—	83.10	Restaurant operation
Oriental Style Limited	Hong Kong	HK\$1	—	100.00	Property development and sale
Oriental Wood Limited	Hong Kong	HK\$1	—	100.00	Investment holding
Pleasure King Limited ^{^^^}	Hong Kong	HK\$1,000	—	47.87	Restaurant operation
Porchester Assets Limited ("Porchester") [@]	British Virgin Islands/ Hong Kong	US\$100	—	51.00	Investment holding

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50. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Really Star Limited ^{AAA}	Hong Kong	HK\$4,600	—	64.70	Restaurant operation
Rolling Star Limited	Hong Kong	HK\$1	—	100.00	Provision of finance
Royal Team Limited ^{AAA}	Hong Kong	HK\$10,000	—	60.18	Restaurant operation
Silver Fusion Limited ^{AAA}	Hong Kong	HK\$500,000	—	68.39	Restaurant operation
Skyway Century Limited ^{AAA}	Hong Kong	HK\$1,000,000	—	68.39	Restaurant operation
Superise Limited ^{AAA}	Hong Kong	HK\$400	—	38.23	Restaurant operation
Transformation International Limited	British Virgin Islands/ Hong Kong	US\$1	100.00	—	Investment holding
Transtrend Holdings Limited	Hong Kong	HK\$20	—	100.00	Investment holding
Unit Power Limited	Hong Kong	HK\$1	—	100.00	Property investment
Wellway Limited	Hong Kong	HK\$1	—	100.00	Property development
Winstead Limited	Hong Kong	HK\$1	—	100.00	Property development and sale
西雙版納麟瓏茶室飲料 有限公司(“麟瓏茶室”) ^Δ	PRC/Chinese Mainland	RMB100,000,000 [#]	—	60.00	Sales of beverage products
eSun (Listed on the Stock Exchange)	Bermuda/Hong Kong	HK\$877,938,433	—	63.40	Investment holding
Capital Artists Limited ^{AA}	Hong Kong	HK\$44,394,500	—	63.40	Music production and distribution and film investment

50. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Champ Universe Limited ^{^^}	Hong Kong	HK\$1	—	63.40	Provision of management services
East Asia Music (Holdings) Limited ^{^^}	Hong Kong	HK\$10,000	—	63.40	Music production and distribution and film investment
eSun High-Tech Limited ^{^^}	Hong Kong	HK\$2	—	63.40	Investment in and licensing of film rights
Fascinating Screens Limited ^{^^}	Hong Kong	HK\$1,000,001	—	63.40	Cinema operation
Fortunate Sound Limited ^{^^}	Hong Kong	HK\$1	—	63.40	Music production and distribution and film investment
Fortune Spark Limited ^{^^}	Hong Kong	HK\$10,000,000	—	63.40	Cinema operation
Glynhill International Limited ^{^^}	Hong Kong	HK\$915,631,997	—	63.40	Investment holding and provision of management service
Intercontinental Film Distributors (H.K.) Limited ^{^^}	Hong Kong	HK\$700,400	—	63.40	Film distribution
Intercontinental Group Holdings Limited ^{^^}	Cayman Islands/ Hong Kong	US\$50,000	—	63.40	Investment holding
Kaleidoscope International Limited ^{^^}	British Virgin Islands/ Hong Kong	US\$1	—	63.40	Property holding
Lam & Lamb Entertainment Limited ^{^^}	Hong Kong	HK\$1	—	63.40	Provision of artiste management services and entertainment activity production

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50. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Media Asia Distribution (Beijing) Co., Ltd. ^{^^##}	PRC/Chinese Mainland	RMB130,000,000 [#]	—	63.40	Film distribution
Media Asia Distribution (HK) Limited ^{^^}	Hong Kong	HK\$2	—	63.40	Film distribution and film library management
Media Asia Distribution Ltd. ^{^^}	British Virgin Islands/ Hong Kong	US\$80	—	63.40	Film distribution, licensing of film rights and film investment
Media Asia Entertainment Group Limited ^{^^}	Bermuda/Hong Kong	HK\$100	—	63.40	Investment holding
Media Asia Entertainment Limited ^{^^}	Hong Kong	HK\$100	—	63.40	Entertainment activity production, and event and film investments
Media Asia Films (BVI) Ltd. ^{^^}	British Virgin Islands/ Hong Kong	US\$7	—	63.40	Film production, licensing of films and investment holding
Media Asia Film Distribution (HK) Limited ^{^^}	Hong Kong	HK\$1	—	63.40	Film distribution and licensing of films
Media Asia Film International Limited ^{^^}	British Virgin Islands/ Hong Kong	US\$100	—	63.40	Film investment and production and event investments
Media Asia Film Production Limited ^{^^}	Hong Kong	HK\$100	—	63.40	Investment holding and film production
Media Asia Group Holdings Limited ^{^^}	Incorporated in the Cayman Islands and continued in Bermuda/Hong Kong	HK\$29,863	—	63.40	Investment holding

50. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Media Asia Group Limited ^{^^}	Hong Kong	HK\$2	—	63.40	Investment holding and provision of management services
Media Asia Music Limited ^{^^}	Hong Kong	HK\$1	—	63.40	Music production and distribution and event investments
Media Asia Music Publishing Limited ^{^^}	Hong Kong	HK\$100	—	63.40	Music publishing
Media Asia Talent Management Limited ^{^^}	Hong Kong	HK\$1	—	63.40	Provision of artiste management services
Media Asia TV Program Distribution Limited ^{^^}	Hong Kong	HK\$1	—	63.40	Licensing of television dramas
Media Asia TV Program Production (HK) Limited ^{^^}	Hong Kong	HK\$1	—	44.38	TV program production
Mega Star Video Distribution (HK) Limited ^{^^}	Hong Kong	HK\$2	—	63.40	Licensing of film rights and sale of video products
Multiplex Cinema Limited ^{^^}	Hong Kong	HK\$71,000,000	—	63.40	Cinema operation
Perfect Advertising & Production Company Limited ^{^^}	Hong Kong	HK\$10,000	—	63.40	Provision of advertising services, video duplication services, and translating and subtitling of TV programs
Rich & Famous Talent Management Group Limited ^{^^}	Hong Kong	HK\$100	—	47.55	Provision of artiste management services

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50. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Silver Motion Limited ^{^^}	Hong Kong	HK\$1	—	63.40	Cinema operation
廣東五月花電影城有限公司 ("廣東五月花") ^{^^##}	PRC/Chinese Mainland	RMB120,000,000 [#]	—	63.40	Cinema operation
寰亞影城(蘇州)有限公司 ^{^^##}	PRC/Chinese Mainland	RMB5,000,000 [#]	—	63.40	Cinema operation
東亞豐麗演出經紀(北京) 有限公司 ^{^^##}	PRC/Chinese Mainland	RMB25,000,000 [#]	—	63.40	Provision of artiste management and performance agency services
寰亞文化傳播(中國) 有限公司 ^{^^##}	PRC/Chinese Mainland	HK\$38,000,000 [#]	—	63.40	Entertainment activity production
Lai Fung (Listed on the Stock Exchange)	Cayman Islands/ Hong Kong	HK\$1,655,167,215	—	55.08	Investment holding
Canvex Limited [^]	Hong Kong	HK\$2	—	55.08	Property investment
Eastern Power Limited [^]	Hong Kong	HK\$1	—	55.08	Investment holding
Eternal Medal Limited [^]	Hong Kong	HK\$1	—	55.08	Investment holding
Fore Bright Limited [^]	Hong Kong	HK\$1	—	55.08	Investment holding
Frank Light Development Limited [^]	Hong Kong	HK\$19,999,999	—	55.08	Investment holding
Gentle Holdings Limited [^]	Hong Kong	HK\$1	—	55.08	Investment holding
Goldthorpe Limited [^]	British Virgin Islands/ Hong Kong	US\$1	—	55.08	Investment holding
Good Strategy Limited [^]	British Virgin Islands/ Chinese Mainland	US\$1	—	55.08	Property investment

50. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Grand Wealth Limited [^]	Hong Kong	HK\$2	—	55.08	Investment holding
Grosslink Investment Limited [^]	Hong Kong	HK\$2	—	55.08	Investment holding
Guangzhou Gentle Real Estate Company Limited [^] ##	PRC/Chinese Mainland	US\$1,000,000 [#]	—	55.08	Property development
Guangzhou Grand Wealth Properties Limited [^] ##	PRC/Chinese Mainland	HK\$280,000,000 [#]	—	55.08	Property development and investment
Guangzhou Guang Bird Property Development Limited ("Guangzhou Guang Bird") [^] ##	PRC/Chinese Mainland	US\$79,600,000 [#]	—	55.08	Property investment
Guangzhou Honghui Real Estate Development Company Limited [^] ##	PRC/Chinese Mainland	RMB79,733,004 [#]	—	55.08	Property development and investment
Guangzhou Jieli Real Estate Company Limited [^] ##	PRC/Chinese Mainland	HK\$168,000,000 [#]	—	55.08	Property investment
Hankey Development Limited [^]	Hong Kong	HK\$10,000	—	55.08	Investment holding
Kingscord Investment Limited [^]	Hong Kong	HK\$2	—	55.08	Investment holding
Lai Fung Company Limited [^]	Hong Kong	HK\$20	—	55.08	Investment holding
Manful Concept Limited [^]	Hong Kong	HK\$2	—	55.08	Investment holding
Nicebird Company Limited [^]	Hong Kong	HK\$2	—	55.08	Investment holding
Pearl Merge Limited [^]	Hong Kong	HK\$1	—	64.06	Investment holding
Rosy Commerce [^]	British Virgin Islands/ Hong Kong	US\$100	—	64.06	Investment holding

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50. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Shanghai Hankey Real Estate Development Company Limited ^{^ ##}	PRC/Chinese Mainland	US\$47,600,000 [#]	—	55.08	Property investment
Shanghai HKP Property Management Limited ^{^ ##}	PRC/Chinese Mainland	US\$150,000 [#]	—	55.08	Property management
Shanghai Hu Xin Real Estate Development Company Limited ^{^ ##}	PRC/Chinese Mainland	US\$40,000,000 [#]	—	55.08	Property development and investment
Shanghai Li Xing Real Estate Development Company Limited ^{^ ##}	PRC/Chinese Mainland	US\$36,000,000 [#]	—	55.08	Property investment
Shanghai Wa Yee Real Estate Development Company Limited ^{^ Δ}	PRC/Chinese Mainland	US\$10,000,000 [#]	—	52.33	Property development and investment
Shanghai Zhabei Plaza Real Estate Development Company Limited ^{^ ##}	PRC/Chinese Mainland	US\$79,800,000 [#]	—	55.08	Property investment
Sunlite Investment Limited [^]	Hong Kong	HK\$2	—	55.08	Investment holding
Supreme Motion Limited [^]	Hong Kong	HK\$1	—	55.08	Investment holding
Wide Angle Development Limited [^]	Hong Kong	HK\$2	—	55.08	Investment holding
Winfield [^]	Hong Kong	HK\$1	—	64.06	Investment holding
Win Merge Limited [^]	Hong Kong	HK\$1	—	64.06	Investment holding

50. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Zhongshan Bao Li Properties Development Company Limited ("Zhongshan Bao Li") ^{^ ##}	PRC/Chinese Mainland	HK\$617,411,000 [#]	—	55.08	Property development and investment
廣州高樂物業管理有限公司 ^{^ Ø}	PRC/Chinese Mainland	RMB1,100,000 [#]	—	55.08	Property management
上海麗港物業管理有限公司 ^{^ Ø}	PRC/Chinese Mainland	RMB500,000 [#]	—	55.08	Property management
上海閘北廣場物業管理 有限公司 ^{^ ##}	PRC/Chinese Mainland	RMB2,000,000 [#]	—	55.08	Property management
上海麗星房地產發展 有限公司 ^{^ ##}	PRC/Chinese Mainland	RMB10,000,000 [#]	—	55.08	Property development
中山高樂物業管理有限公司 ^{^ Ø}	PRC/Chinese Mainland	RMB500,000 [#]	—	55.08	Property management
珠海橫琴創新方商業管理 有限公司 ^{^ ##}	PRC/Chinese Mainland	RMB5,000,000 [#]	—	55.08	Property management
珠海橫琴麗新文創天地 有限公司("麗新文創") ^{^ Δ}	PRC/Chinese Mainland	RMB2,280,379,000 [#]	—	64.06	Property development and investment
珠海橫琴麗新創新方發展 有限公司("創新方發展") ^{^ ##}	PRC/Chinese Mainland	RMB2,500,000,000 [#]	—	55.08	Property development and investment

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50. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
珠海橫琴創新方娛樂 有限公司 [^] ^{##}	PRC/Chinese Mainland	RMB500,000,000 [#]	—	64.06	Development and operation of and investment in cultural, leisure, entertainment and related facilities
珠海橫琴創新方文化創意 有限公司 [^] ^{##}	PRC/Chinese Mainland	RMB52,000,000 [#]	—	64.06	Development and operation of and investment in cultural, leisure, entertainment and related facilities

[#] The registered capital of 麟瓏茶室 was fully paid up.

Subsidiaries of eSun

The registered capital of these subsidiaries was fully paid up, except for 廣東五月花 of which the capital of RMB20,000,000 (equivalent to approximately HK\$21,780,000), 寰亞影城(蘇州)有限公司 of which the capital of RMB2,000,000 (equivalent to approximately HK\$2,178,000) and Media Asia Distribution (Beijing) Co., Ltd. of which the capital of RMB29,480,000 (equivalent to approximately HK\$32,104,000) were unpaid as at 31 July 2025.

Subsidiaries of Lai Fung

The registered capital of these subsidiaries was fully paid up, except for Guangzhou Guang Bird, 麗新文創 and 創新方發展 which capital of approximately US\$9,971,000 (equivalent to approximately HK\$78,272,000), RMB736,443,000 (equivalent to approximately HK\$801,963,000) and RMB1,005,610,000 (equivalent to approximately HK\$1,095,078,000), respectively, was unpaid as at 31 July 2025.

During the year ended 31 July 2024, approvals from the relevant authority have been obtained to reduce the registered capital of Zhongshan Bao Li from HK\$960,000,000 to HK\$300,000,000 whereas the return of capital to its holding company could take place by batches. As at 31 July 2025, the paid-up registered capital of Zhongshan Bao Li was HK\$617,411,000.

50. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

- ## Registered as wholly-foreign-owned enterprises under the laws of the PRC.
- ### This subsidiary has registered capital rather than issued share capital.
- △ Registered as equity joint ventures under the laws of the PRC.
- ∅ Registered as domestic enterprises under the laws of the PRC.
- ^ They are subsidiaries of Lai Fung.
- ^^ They are subsidiaries of eSun.
- ^^^ They are subsidiaries of LSF&B, a 68.39%-owned subsidiary of the Company (2024: 68.39%).
- @ The Group owns a 51% (2024: 51%) equity interests in Porchester, which in turn, through GIV, a wholly-owned subsidiary of Porchester, owns a 51% (2024: 51%) interest in CCHJV. By virtue of the 51% (2024: 51%) equity interest in CCHJV held by the Group through the 51%-owned Porchester, an effective equity interest of 26.01% (2024: 26.01%) in CCHJV was held by the Group.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Shares of certain subsidiaries held by the Group were also pledged to banks to secure banking facilities granted to the Group (note 37(i)).

As at 31 July 2025, the Group had unpaid capital contributions of approximately HK\$122,304,000 (2024: HK\$127,840,000) to five (2024: six) non-wholly-owned subsidiaries which are not included in the above table.

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51. PARTICULARS OF PRINCIPAL JOINT VENTURES

Particulars of the Group's principal joint ventures as at 31 July 2025 were as follows:

Name	Place of incorporation or registration and business	Class of shares held	Percentage of ownership interest attributable to the Group	Principal activities
Diamond Path Limited	British Virgin Islands/ Hong Kong	Ordinary	50.00	Investment holding (Diamond Path Group is principally engaged in property development and sale)
Diamond String Limited	Hong Kong	Ordinary	50.00	Property investment
King Empire International Limited	British Virgin Islands/ Hong Kong	Ordinary	15.00	Investment holding (King Empire International Group is principally engaged in property development and sale)

The above table lists the joint ventures of the Group which, in the opinion of the directors of the Company, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other joint ventures would, in the opinion of the directors of the Company, result in particulars of excessive length.

52. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year ended 31 July 2025, the Group had non-cash additions and modifications to right-of-use assets of HK\$59,342,000 (2024: HK\$43,812,000) and lease liabilities of HK\$16,658,000 (2024: HK\$15,420,000), in respect of lease arrangements for cinema related properties, other properties and equipment.

52. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Changes in liabilities arising from financing activities

	Bank borrowings HK\$'000	Guaranteed notes HK\$'000	Other borrowings HK\$'000	Put option liabilities [#] HK\$'000	Lease liabilities HK\$'000
At 1 August 2023	21,344,364	4,263,654	318,418	1,114,080	1,083,657
Changes from financing cash flows	(600,308)	(36,334)	—	—	(229,726)
Amortisation of bank financing charges	54,515	—	—	—	—
Interest expense	—	—	6,642	—	42,335
Amortisation of guaranteed note issued expenses	—	7,093	—	—	—
Gain on repurchase of guaranteed notes	—	(18,510)	—	—	—
Additions	—	—	—	—	61,027
Lease modification	—	—	—	—	(45,607)
Termination	—	—	—	—	(2,260)
Foreign exchange movements	(60,969)	16,242	(520)	(10,037)	(669)
At 31 July 2024 and 1 August 2024	20,737,602	4,232,145	324,540	1,104,043	908,757
Changes from financing cash flows	(83,588)	—	(34,304)	—	(188,208)
Reclassification to other payables	—	—	—	(213,806)	—
Amortisation of bank financing charges	51,642	—	—	—	—
Interest expense	—	—	6,134	—	40,288
Amortisation of guaranteed note issued expenses	—	7,093	—	—	—
Additions	—	—	—	—	134,690
Lease modification	—	—	—	—	(151,348)
Termination	—	—	—	—	(5,948)
Foreign exchange movements	115,783	20,388	318	8,822	1,509
At 31 July 2025	20,821,439	4,259,626	296,688	899,059	739,740

[#] The amount is included in creditors, other payables and accruals.

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52. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 HK\$'000	2024 HK\$'000
Within operating activities	57,768	74,224
Within financing activities	188,208	229,726
	245,976	303,950

53. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 24 October 2025.

