



eSun Holdings Limited

豐德麗控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 571)

INTERIM REPORT

For the six months ended 31 January 2026

CORPORATE INFORMATION

Place of Incorporation

Bermuda

Board of Directors

Executive Directors

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

Non-executive Director

U Po Chu

Independent Non-executive Directors

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

Audit Committee

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

Nomination Committee

Low Chee Keong (*Chairman*)
Cheung Sum, Sam
Yang Yiu Chong, Ronald Jeffrey
Lo Kwok Kwei, David
Ng Lai Man, Carmen

Remuneration Committee

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

Authorised Representatives

Cheung Sum, Sam
Yang Yiu Chong, Ronald Jeffrey

Company Secretary

Wong Lai Chun

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Office

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

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Share Registrar and Transfer Office in Bermuda

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

Branch Share Registrar and Transfer Office in Hong Kong

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

Independent Auditor

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

Principal Bankers

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

Listing Information

Shares

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

Stock Code/Board Lot

571/2,000 shares

Website

www.esun.com

Investor Relations

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RESULTS

The board of directors (“**Board**” and “**Directors**”, respectively) of eSun Holdings Limited (“**Company**”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (“**Group**”) for the six months ended 31 January 2026 together with the comparative figures of the last corresponding period as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 January 2026

	Notes	Six months ended 31 January	
		2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
TURNOVER	4	354,442	355,359
Cost of sales		(131,998)	(156,367)
Gross profit		222,444	198,992
Other revenue		13,000	14,853
Selling and marketing expenses		(4,371)	(3,403)
Administrative expenses		(97,982)	(114,851)
Other operating gains		24,296	36,042
Other operating expenses		(130,009)	(148,451)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES	5	27,378	(16,818)
Finance costs	6	(15,862)	(21,129)
Share of profits and losses of joint ventures		(1,871)	(2,637)
PROFIT/(LOSS) BEFORE TAX		9,645	(40,584)
Tax	7	(1,293)	(799)
PROFIT/(LOSS) FOR THE PERIOD		8,352	(41,383)
Attributable to:			
Owners of the Company		9,333	(42,596)
Non-controlling interests		(981)	1,213
		8,352	(41,383)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	8		
Basic and diluted		HK\$0.005	(HK\$0.024)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 January 2026

	Six months ended 31 January	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
PROFIT/(LOSS) FOR THE PERIOD	8,352	(41,383)
OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX		
<i>Items that may be subsequently reclassified to the income statement:</i>		
Exchange realignment on translation of foreign operations	(546)	64
Share of other comprehensive income/(loss) of joint ventures	81	(18)
Release of exchange reserve upon deregistration of subsidiaries	(2,641)	2,348
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	(3,106)	2,394
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	5,246	(38,989)
Attributable to:		
Owners of the Company	6,403	(40,513)
Non-controlling interests	(1,157)	1,524
	5,246	(38,989)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 January 2026

	Notes	31 January 2026 (Unaudited) HK\$'000	31 July 2025 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		95,256	106,188
Right-of-use assets		125,879	169,552
Film rights		17,618	19,144
Film and TV program products		60,771	60,784
Music catalogs		–	–
Investments in joint ventures		71,778	67,318
Financial assets at fair value through profit or loss		32,197	29,113
Deposits, prepayments, other receivables and other assets		65,865	83,486
Deferred tax assets		241	241
Total non-current assets		469,605	535,826
CURRENT ASSETS			
Films and TV programs under production and film investments		320,462	344,024
Inventories		4,701	3,389
Debtors	10	89,715	97,207
Financial assets at fair value through profit or loss		78,617	65,399
Deposits, prepayments, other receivables and other assets		143,238	103,228
Prepaid tax		10	21
Cash and cash equivalents		421,334	482,525
Total current assets		1,058,077	1,095,793
CURRENT LIABILITIES			
Creditors and accruals	11	467,424	526,683
Deposits received and contract liabilities		207,166	184,406
Lease liabilities		165,688	154,753
Other borrowings		248,730	245,829
Loan from a fellow subsidiary		30,000	30,000
Tax payable		10,334	9,766
Total current liabilities		1,129,342	1,151,437
NET CURRENT LIABILITIES		(71,265)	(55,644)
TOTAL ASSETS LESS CURRENT LIABILITIES		398,340	480,182

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

31 January 2026

	Notes	31 January 2026 (Unaudited) HK\$'000	31 July 2025 (Audited) HK\$'000
NON-CURRENT LIABILITIES			
Creditors and accruals	11	8,291	8,291
Lease liabilities		349,693	436,779
Deferred tax liabilities		13	15
Total non-current liabilities		357,997	445,085
Net assets		40,343	35,097
EQUITY			
Equity attributable to owners of the Company			
Issued capital		877,938	877,938
Reserves		(804,542)	(810,537)
Non-controlling interests		73,396 (33,053)	67,401 (32,304)
Total equity		40,343	35,097

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 January 2026

	Attributable to owners of the Company									
	Issued capital	Share		Share			Accumulated losses	Total	Non-controlling interests	Total equity
		premium account	Contributed surplus	option reserve	Exchange reserve	Other reserve				
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000				
At 1 August 2025	877,938	4,257,351	891,289	65	(18,924)	(121,882)	(5,818,436)	67,401	(32,304)	35,097
Profit/(loss) for the period	-	-	-	-	-	-	9,333	9,333	(981)	8,352
Other comprehensive income/(loss) for the period, net of tax:										
Exchange realignment on translation of foreign operations	-	-	-	-	(370)	-	-	(370)	(176)	(546)
Share of other comprehensive income of joint ventures	-	-	-	-	81	-	-	81	-	81
Release of exchange reserve upon deregistration of a subsidiary	-	-	-	-	(2,641)	-	-	(2,641)	-	(2,641)
Total comprehensive income/(loss) for the period	-	-	-	-	(2,930)	-	9,333	6,403	(1,157)	5,246
Acquisition of additional interests in a subsidiary	-	-	-	-	-	(408)	-	(408)	408	-
At 31 January 2026 (Unaudited)	877,938	4,257,351*	891,289*	65*	(21,854)*	(122,290)*	(5,809,103)*	73,396	(33,053)	40,343

* These reserve accounts comprise the consolidated deficit of HK\$804,542,000 (31 July 2025: HK\$810,537,000) in the condensed consolidated statement of financial position.

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

For the six months ended 31 January 2026

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 January 2026

	Six months ended 31 January	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
NET CASH FLOWS FROM OPERATING ACTIVITIES	25,172	41,134
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease/(increase) in financial assets at fair value through profit or loss	(9,603)	22,454
Purchases of items of property, plant and equipment	(746)	(4,189)
Advances to joint ventures	(13,826)	(6,185)
Repayment from joint ventures	5,533	2,515
Dividend income from a joint venture	1,773	–
Other investing cash flows	2,357	3,644
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	(14,512)	18,239
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease payments	(69,799)	(54,698)
Interest paid to a fellow subsidiary	(832)	–
CASH FLOWS USED IN FINANCING ACTIVITIES	(70,631)	(54,698)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(59,971)	4,675
Cash and cash equivalents at beginning of period	482,525	354,272
Effect of foreign exchange rate changes, net	(1,220)	1,044
CASH AND CASH EQUIVALENTS AT END OF PERIOD	421,334	359,991
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Non-pledged and non-restricted cash and bank balances	338,709	268,720
Non-pledged and non-restricted time deposits	82,625	91,271
Cash and cash equivalents as stated in the condensed consolidated statement of financial position and the condensed consolidated statement of cash flows	421,334	359,991

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

31 January 2026

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements of the Group ("**Financial Statements**") for the six months ended 31 January 2026 have not been audited by the Company's independent auditor but have been reviewed by the Company's audit committee.

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

As at 31 January 2026, the current liabilities of the Group exceeded its current assets by HK\$71,265,000. As at 31 January 2026, the Group's current liabilities of HK\$1,129,342,000 included other borrowings of HK\$248,730,000, a loan from a fellow subsidiary of HK\$30,000,000 and other current liabilities of HK\$850,612,000; while its cash and cash equivalents amounted to HK\$421,334,000.

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

- (a) the Group will continue to implement cost-saving measures and negotiate with landlords for rent relief or rent restructuring;
- (b) the Group plans to dispose of certain non-core assets of the Group;
- (c) the Group will streamline/enhance existing operations to reduce operating costs and take active measures to control administrative costs; and
- (d) the Group will continue to maintain containment of capital expenditures.

In addition, the Group's outstanding other borrowings (a principal amount of HK\$112,938,000 and all accrued interests due or to be due) are repayable on demand as at 31 January 2026. 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 March 2027.

The Directors have reviewed the Group's cash flow forecast, covering a period of at least 12 months from the reporting date, prepared by the management. They are of the opinion that, taking into account of the above-mentioned plans and measures, and the legal opinion from the external solicitor, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within the next 12 months from 31 January 2026. Accordingly, the Directors are satisfied that it is appropriate to prepare the unaudited Financial Statements on a going concern basis.

2. MATERIAL ACCOUNTING POLICIES

The material accounting policies and basis of preparation adopted in the preparation of the unaudited Financial Statements for the period under review are the same as those used in the Group's audited consolidated financial statements for the year ended 31 July 2025.

In addition, the Group has adopted the amendments to HKAS 21 *Lack of Exchangeability* which are applicable to the Group for the first time for the current period's unaudited Financial Statements. The adoption of this amended HKFRS Accounting Standards has had no material impact on the financial performance or financial position of the Group.

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

31 January 2026

3. OPERATING SEGMENT INFORMATION

Segment revenue/results:

	Six months ended 31 January									
	Media and entertainment		Film and TV program		Cinema operation		Corporate and others		Consolidated	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Segment revenue:										
Sales to external customers	104,040	103,390	29,022	31,765	221,380	220,204	-	-	354,442	355,359
Intersegment sales	-	-	6,312	5,301	1,977	3,684	684	884	8,973	9,869
Other revenue	1,787	841	343	756	7,792	8,490	976	2,047	10,898	12,134
Total	105,827	104,231	35,677	37,822	231,149	232,378	1,660	2,931	374,313	377,362
Elimination of intersegment sales									(8,973)	(9,869)
Total revenue									365,340	367,493
Segment results	58,805	18,853	(13,076)	15,322	15,337	(14,572)	(35,790)	(39,140)	25,276	(19,537)
Unallocated interest income									2,102	2,719
Profit/(loss) from operating activities									27,378	(16,818)
Finance costs									(15,862)	(21,129)
Share of profits and losses of joint ventures	746	1,967	-	-	(2,617)	(4,604)	-	-	(1,871)	(2,637)
Profit/(loss) before tax									9,645	(40,584)
Tax									(1,293)	(799)
Profit/(loss) for the period									8,352	(41,383)

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

31 January 2026

3. OPERATING SEGMENT INFORMATION *(continued)*

Segment assets/liabilities:

	Media and entertainment		Film and TV program		Cinema operation		Corporate and others		Consolidated	
	31 January 2026 (Unaudited) HK\$'000	31 July 2025 (Audited) HK\$'000	31 January 2026 (Unaudited) HK\$'000	31 July 2025 (Audited) HK\$'000	31 January 2026 (Unaudited) HK\$'000	31 July 2025 (Audited) HK\$'000	31 January 2026 (Unaudited) HK\$'000	31 July 2025 (Audited) HK\$'000	31 January 2026 (Unaudited) HK\$'000	31 July 2025 (Audited) HK\$'000
Segment assets	219,731	193,620	617,212	708,360	334,674	399,604	284,036	262,455	1,455,653	1,564,039
Investments in joint ventures	48,964	37,094	-	-	14,047	22,060	8,767	8,164	71,778	67,318
Unallocated assets									251	262
Total assets									1,527,682	1,631,619
Segment liabilities	127,443	113,895	380,228	438,026	589,105	668,197	101,486	90,794	1,198,262	1,310,912
Unallocated liabilities									289,077	285,610
Total liabilities									1,487,339	1,596,522

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

31 January 2026

4. TURNOVER

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

	Six months ended 31 January	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Turnover from contracts with customers		
Entertainment event income	64,467	42,011
Distribution commission income, licence income from and sales of film and TV program products and film rights	27,077	28,682
Album sales, licence income and distribution commission income from music publishing and licensing	35,284	29,510
Box-office takings, concessionary income and related income from cinemas	221,380	220,204
Artiste management fee income	4,289	4,776
Advertising income	1,945	3,083
Sale of game products	–	27,093
Total	354,442	355,359
Timing of revenue recognition		
At a point in time	342,924	343,203
Over time	11,518	12,156
Total	354,442	355,359

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

31 January 2026

5. PROFIT/(LOSS) FROM OPERATING ACTIVITIES

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

	Six months ended 31 January	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Depreciation of property, plant and equipment [^]	11,839	10,574
Depreciation of right-of-use assets [^]	26,883	35,087
Amortisation of film rights [#]	1,526	1,330
Amortisation of film and TV program products [#]	13	5,099
Employee benefit expense	98,142	113,763
Impairment of amounts due from joint ventures [*]	498	4,311
Write-back of impairment of amounts due from joint ventures [@]	(228)	(3,103)
Fair value gains on financial assets at fair value through profit or loss [@]	(5,372)	(7,538)
Gain on disposal of financial assets at fair value through profit or loss [@]	(1,320)	(399)
Fair value changes from film investments ^{*/@}	11,516	(16,014)
Fair value changes from entertainment events organised by co-investors [@]	(7,743)	(4,903)
Loss/(gain) on deregistration of subsidiaries ^{*/@}	(2,641)	2,348
Gain on modification of leases [@]	(1,713)	–
Gain on termination of leases [@]	–	(2,302)
Foreign exchange differences, net ^{@/*}	(2,796)	807
Government grants ^{**}	(1,980)	(2,701)

[^] Depreciation charge of HK\$34,891,000 (six months ended 31 January 2025: HK\$42,743,000) related to cinema operation is included in "Other operating expenses" on the face of the unaudited condensed consolidated income statement.

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

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

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

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

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

31 January 2026

6. FINANCE COSTS

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

	Six months ended 31 January	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Interest on:		
Lease liabilities	11,403	17,240
Other borrowings	2,901	3,154
Loan from a fellow subsidiary	862	–
Other finance costs	696	735
Total	15,862	21,129

7. TAX

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the periods ended 31 January 2026 and 31 January 2025. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	Six months ended 31 January	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Current		
– Hong Kong Charge for the period	70	98
– Chinese Mainland Charge for the period	1,225	700
Subtotal	1,295	798
Deferred tax	(2)	1
Total	1,293	799

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

31 January 2026

8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings/(loss) per share amount is based on the profit/(loss) for the period attributable to owners of the Company and the weighted average number of ordinary shares of 1,755,876,866 (six months ended 31 January 2025: 1,755,876,866) outstanding during the period.

No adjustment had been made to the basic earnings/(loss) per share amounts presented for the six months ended 31 January 2026 and 31 January 2025 in respect of a dilution as the impact of the share options of the Company had an anti-dilutive effect on the basic earnings/(loss) per share amounts presented.

9. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 31 January 2026 (six months ended 31 January 2025: Nil).

10. DEBTORS

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

An ageing analysis of the trade debtors, net of loss allowance, based on payment due date, as at 31 January 2026 and 31 July 2025 is as follows:

	31 January 2026 (Unaudited) HK\$'000	31 July 2025 (Audited) HK\$'000
Trade debtors:		
Unbilled or neither past due nor impaired	51,709	49,180
1 to 90 days past due	30,692	36,480
Over 90 days past due	7,314	11,547
Total	89,715	97,207

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

31 January 2026

11. CREDITORS AND ACCRUALS

An ageing analysis of the trade creditors, prepared based on the date of receipt of the goods and services purchased, as at 31 January 2026 and 31 July 2025, is as follows:

	31 January 2026 (Unaudited) HK\$'000	31 July 2025 (Audited) HK\$'000
Trade creditors:		
Less than 30 days	15,943	76,387
31 to 60 days	8,827	6,587
61 to 90 days	5,142	983
Over 90 days	12,378	3,039
Subtotal	42,290	86,996
Other creditors and accruals	433,425	447,978
Total	475,715	534,974
Less: Portion classified as current	(467,424)	(526,683)
Non-current portion	8,291	8,291

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

31 January 2026

12. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Financial instruments measured at fair value:

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

As at 31 January 2026	Fair value measurement using			Total (Unaudited) HK\$'000
	Quoted prices in active markets (Level 1) (Unaudited) HK\$'000	Significant observable inputs (Level 2) (Unaudited) HK\$'000	Significant unobservable inputs (Level 3) (Unaudited) HK\$'000	
Financial assets				
Financial assets at fair value through profit or loss	21,360	65,178	24,276	110,814
Film investments	–	–	142,211	142,211
Total	21,360	65,178	166,487	253,025

As at 31 July 2025	Fair value measurement using			Total (Audited) HK\$'000
	Quoted prices in active markets (Level 1) (Audited) HK\$'000	Significant observable inputs (Level 2) (Audited) HK\$'000	Significant unobservable inputs (Level 3) (Audited) HK\$'000	
Financial assets				
Financial assets at fair value through profit or loss	228	70,008	24,276	94,512
Film investments	–	–	174,215	174,215
Financial assets included in deposits, prepayments, other receivables and other assets	–	–	14,654	14,654
Total	228	70,008	213,145	283,381

Other than the above financial assets, the carrying amounts of the Group's financial instruments are carried at amortised cost and they were not materially different from their fair values as at 31 January 2026 and 31 July 2025.

During the six months ended 31 January 2026, there were no transfers of fair value measurement between Level 1 and Level 2 and no transfers of fair value measurement into or out of Level 3 for financial assets and financial liabilities (six months ended 31 January 2025: Nil).

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

31 January 2026

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

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

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

	Six months ended 31 January	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
At the beginning of the reporting period	213,145	171,846
Increase/(decrease) in investment amount, net	(2,083)	37,491
Change in fair value	(3,773)	20,917
Settlement	(41,241)	(30,541)
Exchange realignment	439	(892)
At the end of the reporting period	166,487	198,821

Valuation techniques

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

The fair values of the financial assets are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Group has estimated the fair value of the above unlisted investments in Level 3 using the net asset value or the discounted cash flow method or the latest available transaction prices.

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

31 January 2026

13. RELATED PARTY TRANSACTIONS

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

(a) Transactions with related parties

	Notes	Six months ended 31 January	
		2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Lai Sun Garment (International) Limited and Lai Sun Development Company Limited ("LSD"), the holding companies:			
Lease payments and building management fee paid or payable	(i)	2,094	2,873
Sharing of corporate salaries on a cost basis allocated from		11,872	11,625
Sharing of administrative expenses on a cost basis allocated from		2,737	3,072
Sharing of corporate salaries on a cost basis allocated to		120	123
Sharing of administrative expenses on a cost basis allocated to		67	197
Fellow subsidiaries:			
Lease payments and building management fee paid or payable	(ii)	158	148
Interest expense	(iii)	862	–
Sharing of corporate salaries on a cost basis allocated from		769	726
Sharing of corporate salaries on a cost basis allocated to		90	89
Sharing of administrative expenses on a cost basis allocated to		16	135
Joint ventures:			
Production fee	(iv)	1,920	550
Service fee income	(iv)	455	276
Film releasing income	(iv)	920	1,633
Sale of products and management fee income	(iv)	–	1,112

Notes:

- (i) *The Group leased properties from the holding companies for office and cinema use. The monthly lease payables were charged with reference to market rates. In addition to the lease payments for short-term leases to the related parties, right-of-use assets of HK\$1,058,000 and lease liabilities of HK\$12,797,000 related to the leases were recognised in the unaudited condensed consolidated statement of financial position as at 31 January 2026. During the six months ended 31 January 2026, depreciation of right-of-use assets of HK\$1,116,000 (six months ended 31 January 2025: HK\$2,262,000) and finance costs on lease liabilities of HK\$670,000 (six months ended 31 January 2025: HK\$775,000) were recognised in the unaudited condensed consolidated income statement.*

During the period ended 31 January 2026, the Group entered into an agreement with LSD to modify the lease agreements of a premise, resulting in a non-recurring gain on lease modification of HK\$1,713,000 (six months ended 31 January 2025: Nil) in the unaudited condensed consolidated income statement.

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

31 January 2026

13. RELATED PARTY TRANSACTIONS *(continued)*

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

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

Notes: *(continued)*

(ii) The Group leased properties from fellow subsidiaries for office use. The monthly lease payables were charged with reference to market rates. In addition to the lease payments for short-term leases to the related parties, right-of-use assets of HK\$1,468,000 and lease liabilities of HK\$2,093,000 related to the leases were recognised in the unaudited condensed consolidated statement of financial position as at 31 January 2026. During the six months ended 31 January 2026, depreciation of right-of-use assets of HK\$1,664,000 (six months ended 31 January 2025: HK\$197,000) and finance costs on lease liabilities of HK\$65,000 (six months ended 31 January 2025: HK\$94,000) were recognised in the unaudited condensed consolidated income statement.

(iii) The terms of the loan is determined based on an agreement entered into between the Group and a fellow subsidiary, which is a wholly-owned subsidiary of LSD. The loan is unsecured, interest-bearing and repayable within one year.

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

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

	Six months ended 31 January	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Short-term employee benefits	7,025	10,472
Post-employment benefits	16	34
Total compensation paid to key management personnel	7,041	10,506

14. COMPARATIVE AMOUNTS

Certain comparative amounts in the operating segment information have been re-presented to conform with the current period's presentation. In the opinion of the Directors, this presentation would better reflect the financial performance of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

During the period under review, Hong Kong economy transitioned from a cautious recovery to a noticeable expansion. According to the Hong Kong Government's advance estimates released in late January 2026, real GDP grew by 3.8% year-on-year in the fourth quarter of 2025, marking the third consecutive year of expansion. Full-year 2025 GDP recorded a robust 3.5% increase, notably accelerating from 2.6% in 2024 and surpassing earlier forecasts. This growth was supported by several factors, including three consecutive U.S. interest rate cuts in the second half of 2025, a relatively more buoyant capital market, a strengthened Renminbi moderating cross-border shopping incentives, and a resurgence in visitor arrivals. The visitors in Hong Kong experienced a remarkable recovery that exceeded expectations, with provisional full-year visitor arrivals in 2025 totaling 49.9 million, reflecting a 12% year-on-year surge. Despite ongoing external uncertainties arising from escalating geopolitical tensions and evolving economic, financial, and trade policies in key economies, the Hong Kong Government's initiatives to foster economic growth and broaden market diversification will provide crucial support to the Hong Kong economy.

Driven by a significant shift in consumer habits, propelled by the increasing popularity of streaming platforms and other digital entertainment mediums, as well as the absence of compelling foreign blockbusters, declining cinema attendance has impacted theatre revenues. The Hong Kong box office continues to face a challenging landscape, marked by an approximately 16% year-on-year drop in ticket sales in 2025, the lowest level recorded in 13 years. Additionally, the industry is still grappling with high rental and operational costs, which continue to pressure cinema operators. The closure of cinemas intensified notably in 2025, with approximately 10 theatres either shut down or transferred to other operators, a trend that has persisted into early 2026.

Despite these challenging market conditions and economic uncertainties, there have been some bright spots from local productions. During the period from late December 2025 to 2026 Lunar New Year, local production films such as *"Back To The Past"* and *"Night King"* achieved good box office revenues. While these well performances have offered a degree of momentum, the overall outlook for the Hong Kong film market in 2026 remains subdued, particularly in the absence of major blockbuster releases. The Film Development Fund remains committed to providing financial support to boost box-office revenues, complemented by the 50th Hong Kong International Film Festival and various industry support programs approved in late 2025. These initiatives are geared towards improving the quality and quantity of local productions. During the period under review, the Group managed to maintain revenue broadly stable in its cinema operation. The Group will continue to monitor closely market conditions and improve overall operating efficiency, as well as 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 the Company), being the media and entertainment arm of the Group, will continue to produce high-quality and commercially viable products.

Our released film *"The Volunteers: Peace at Last"* achieved box office performance within expectation. The Group will continue to invest in original productions of quality films with Chinese themes.

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

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

Business Review and Outlook *(continued)*

Congratulations to Jay Fung, Stephy Tang and Amy Lo who won the best male singer gold award, favorite female singer award and the best new female singer silver award in Ultimate Song Chart Awards Presentation 2025, respectively. We will keep exploring new talent in Chinese Mainland and further cooperation with Asian artistes with an aim to build up a strong artiste roster for the Group.

The recent concerts, namely “*Big Four Happy To See You All concert 2025*” and “*STEP by STEPHY Live in Macau 2025*”, earned good reputation and public praises. The Group will continue to work with prominent local and Asian artistes for concert promotion and the upcoming events include concerts of Leon Lai, Sammi Cheng and Grasshopper.

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

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

Other Business Updates

As at 31 January 2026, the Group’s consolidated cash and bank deposits amounted to HK\$421.3 million (31 July 2025: HK\$482.5 million). After netting off total borrowings of HK\$278.7 million as at 31 January 2026 (31 July 2025: HK\$275.8 million), the Group had net cash of HK\$142.6 million as at 31 January 2026 (31 July 2025: net cash of HK\$206.7 million). The Group is in net cash position, therefore gearing ratio of the Group, being the net borrowings (total borrowings minus cash and bank deposits) to net assets attributable to the owners of the Company, is not applicable. The Group will continue its prudent and flexible approach in managing its financial position.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

Overview of Interim Results

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

For the six months ended 31 January 2026, the Group recorded a turnover of HK\$354.4 million (2025: HK\$355.4 million), representing a slight decrease in revenue of approximately 0.3%. The marginal decrease was primarily driven by the reduction in revenue from film and TV program, while being partially offset by marginal increase in income from cinema operation and media and entertainment during the period under review as compared to the same period last year.

Revenue from film and TV program experienced a decrease of approximately 8.6% as compared to the same period last year. The decline was mainly attributed to fewer film releases which led to the reduction in distribution commission, licence fee, sale of film and TV program products, film rights, and advertising income during the period under review. Notably, the Group released two films during the period under review, compared to six films released in the same period last year.

Revenue from cinema operation remained broadly stable with marginal increase of approximately 0.5% as compared to the same period last year, which was primarily due to the performance of limited blockbuster titles, such as *"Back To The Past"*, *"Zootopia 2"* and *"Avatar: Fire and Ash"*. The Group is actively engaging in cost optimisation measures for the cinema operation.

Furthermore, revenue from media and entertainment business increased marginally by approximately 0.6% compared to the same period last year. The growth was primarily driven by the increase in organisation and scale in concerts featuring our local and Asian renowned artistes by the Group, as well as growth in the album sales, licence income and distribution commission income from music publishing and licensing.

The gross profit of the Group increased by approximately 11.8% to HK\$222.4 million for the six months ended 31 January 2026 (2025: HK\$199.0 million). The increase was primarily driven by operational cost control measures implemented by the Group, as well as lower-than-anticipated production costs for entertainment events, during the period under review.

The amount attributable to owners of the Company significantly increased from a net loss of HK\$42.6 million for the six months ended 31 January 2025 to a net profit of HK\$9.3 million for the six months ended 31 January 2026. The turnaround from loss to profit was primarily attributed to operational and administrative cost control measures implemented by the Group, coupled with lower-than-anticipated production costs for entertainment events, partially offset by the losses from the Group's film investments, during the period under review. Net earnings per share attributable to owners of the Company was HK\$0.005 (2025: net loss of HK\$0.024 per share).

Equity attributable to owners of the Company as at 31 January 2026 amounted to HK\$73.4 million (31 July 2025: HK\$67.4 million). Net asset value per share attributable to owners of the Company as at 31 January 2026 was HK\$0.042 per share (31 July 2025: HK\$0.038 per share).

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

Overview of Interim Results *(continued)*

Cinema Operation

For the six months ended 31 January 2026, this segment recorded a turnover of HK\$221.4 million (2025: HK\$220.2 million) and segment results of a profit of HK\$15.3 million (2025: a loss of HK\$14.6 million). As at the date of this Interim Report, the 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, the Group has extended its cinema network through two 50%-owned joint ventures with Emperor Cinemas Group, namely Emperor Cinemas Plus+ (The Wai) and Emperor Cinemas Plus+ (The Southside), which are managed by Emperor Cinemas Group.

Cinema (managed by the 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

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

Overview of Interim Results *(continued)*

Media and Entertainment

For the six months ended 31 January 2026, this segment recorded a turnover of HK\$104.0 million (2025: HK\$103.4 million) and segment results of an increased profit to HK\$58.8 million from that of HK\$18.9 million in the same period last year.

Events Management

During the period under review, the Group organised and invested in 17 (2025: 15) shows by popular local and Asian renowned artistes, including Grasshopper, Ekin Cheng, Jay Fung, Stephy Tang, Cloud Wan, On Chan and Big Four.

Music Production, Distribution and Publishing

During the period under review, the Group released 10 (2025: 6) albums, including titles by Anita Mui, Leslie Cheung, Sammi Cheng, Miriam Yeung, Jay Fung, On Chan, Big Four and Nowhere Boys. The Group expects to continue to increase its music licensing revenue from the exploitation of the music library through new media distribution.

Artiste Management

The Group has a strong artiste management team and a sizeable number of talents and will continue to expand its profile and in tandem with our growing TV drama production and film production businesses. The Group currently has 14 artistes under its management.

Film and TV Program Production and Distribution

For the six months ended 31 January 2026, this segment recorded a turnover of HK\$29.0 million (2025: HK\$31.8 million) and segment results of a loss of HK\$13.1 million (2025: profit of HK\$15.3 million).

During the period under review, a total of 2 (2025: 6) films produced/invested by the Group were theatrically released, namely “*The Volunteers: Peace at Last*” and “*Dream Demon Spirit Snake Record*”. The Group also distributed 27 (2025: 27) films with high profile titles including “*Back To The Past*”, “*The Housemaid*” and “*The SpongeBob Movie: Search for SquarePant*”.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

Liquidity, Financial Resources and Gearing

Cash and Bank Balances

As at 31 January 2026, cash and bank balances held by the Group amounted to HK\$421.3 million (31 July 2025: HK\$482.5 million) of which around 71.1% was denominated in Hong Kong dollars (“**HKD**”) and around 20.3% was denominated in Renminbi (“**RMB**”). The conversion of RMB denominated cash and bank balances into foreign currencies and the remittance of such foreign currencies denominated balances out of Chinese Mainland are subject to the relevant rules and regulations of foreign exchange control promulgated by the government authorities concerned. The Group does not have any derivative financial instruments or hedging instruments outstanding.

Borrowings

As at 31 January 2026, the Group had outstanding consolidated total borrowings in the amount of HK\$278.7 million. The borrowings of the Group are as follows:

The Group had unsecured other borrowings due to the late Mr. Lim Por Yen in the principal amount of HK\$113.0 million which is interest-bearing at the HSBC prime rate per annum. The Group’s recorded interest accruals were HK\$135.7 million for the said unsecured other borrowings as at 31 January 2026. As at 31 January 2026, the other borrowings of the Group were denominated in HKD and repayable on demand.

Apart from the other borrowings, the Group had an unsecured loan of HK\$30.0 million from a fellow subsidiary, which is a wholly-owned subsidiary of Lai Sun Development Company Limited. The loan is on floating rate basis, denominated in HKD and repayable within one year. The Group had an undrawn facility of HK\$20.0 million as at 31 January 2026.

Gearing

After netting off total borrowings, the Group had net cash of HK\$142.6 million as at 31 January 2026. The Group is in net cash position, therefore gearing ratio of the Group, being the net borrowings (total borrowings minus cash and bank deposits) to net assets attributable to the owners of the Company, is not applicable.

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

Contingent Liabilities

There has been no material change in contingent liabilities of the Group since 31 July 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate Governance

The Company has complied with all applicable code provisions set out from time to time in the Corporate Governance Code contained in 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) throughout the six months ended 31 January 2026 (“**Period**”).

Board

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

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

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

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

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

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

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

Corporate Governance *(continued)*

Chairman and Chief Executive

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

Securities Transactions by Directors and Designated Employees

The Company has adopted with updates last made on 1 May 2025 a Code of Practice for Securities Transactions by Directors and Designated Employees (“**Securities Code**”) on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Listing Rules. The Company has made specific enquiry of all Directors and they have confirmed in writing their compliance with the required standard set out in the Securities Code during the Period.

Share Option Schemes

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

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

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

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

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

Share Option Schemes *(continued)*

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

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

As at 31 January 2026 and the date of this Interim Report, share options comprising a total of 400,000 underlying Shares (representing approximately 0.02% of the total issued Shares (excluding treasury Shares, if any) as at those dates (that is, 1,755,876,866)) granted under the 2015 Scheme were outstanding, and no further share options could be granted under the 2015 Scheme upon its termination on 16 December 2022. Therefore, a total number of 149,585,459 Shares were available for issue under the 2015 Scheme and the 2022 Scheme, representing approximately 8.52% of the total issued Shares (excluding treasury Shares, if any) as at those dates.

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

Category of grantee	Date of grant (dd/mm/yyyy)	Number of underlying Shares comprised in share options				As at 31 January 2026	Exercise period (dd/mm/yyyy)	Exercise price per Share (HK\$) <i>(Note)</i>	Vesting period
		As at 1 August 2025	Granted during the Period	Exercised during the Period	Cancelled/ lapsed during the Period				
Employee Participant									
Employee	21/01/2022	400,000	-	-	-	400,000	21/01/2022 - 20/01/2032	0.50	No
Total		400,000	-	-	-	400,000			

Note: 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.

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

Directors' and Chief Executives' Interests

The following Directors and chief executives of the Company (“**Chief Executive**”) who held office on 31 January 2026 and their respective close associates (as defined in the Listing Rules) were interested, or were deemed to be interested, in the following long or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) (“**SFO**”)) on that date (a) as required to be notified to the Stock Exchange and the Company pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions, if any, which they were taken or deemed to have under such provisions of the SFO); or (b) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO (“**Register of Directors and Chief Executives**”); or (c) as notified to the Stock Exchange and the Company pursuant to the Securities Code; or (d) as otherwise known by the Directors:

(I) *Interests in the Company*

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

Note: The total number of issued Shares as at 31 January 2026 (that is, 1,755,876,866 Shares) has been used for the calculation of the approximate percentage.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(continued)*

Directors' and Chief Executives' Interests *(continued)*

(II) Interests in the Associated Corporations

(a) LSG

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

Notes:

- The total number of issued LSG Shares as at 31 January 2026 (that is, 883,373,901 LSG Shares) has been used for the calculation of the approximate percentage.
- These interests in underlying LSG Shares represent the interests in share options granted to a Director under a share option scheme of LSG, particulars of which are as follows:

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

CORPORATE GOVERNANCE AND OTHER INFORMATION *(continued)*

Directors' and Chief Executives' Interests *(continued)*

(II) Interests in the Associated Corporations *(continued)*

(b) LSD

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

Note: The total number of issued LSD Shares as at 31 January 2026 (that is, 1,453,328,830 LSD Shares) has been used for the calculation of the approximate percentage.

Save as disclosed above, as at 31 January 2026, none of the Directors and the Chief Executives and their respective close associates had, or was deemed to have, any interest in the long or short positions in the shares, underlying shares and/or debentures of the Company or any of its associated corporations, which was required to be notified to the Stock Exchange and the Company pursuant to the SFO, or recorded in the Register of Directors and Chief Executives, or notified to the Stock Exchange and the Company under the Securities Code or otherwise known by the Directors.

Substantial Shareholders' and Other Persons' Interests

As at 31 January 2026, so far as it is known by or otherwise notified by any Director or the Chief Executive, the particulars of the corporations or individuals, who had 5% or more interests in the following long positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO ("**Register of Shareholders**") or were entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company ("**Voting Entitlements**") (i.e. within the meaning of substantial shareholders of the Listing Rules) were as follows:

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

Notes:

- The total number of issued Shares as at 31 January 2026 (that is, 1,755,876,866 Shares) has been used for the calculation of the approximate percentage.
- As at 31 January 2026, Mr. Cheung Sum, Sam ("**Mr. Cheung**", an ED and Group Chief Financial Officer ("**Group CFO**")) and Mr. Lam Hau Yin, Lester ("**Mr. Lam**", an ED) were also the executive directors of LSD; and Madam U Po Chu ("**Madam U**", a NED) was also a non-executive director of LSD.
- As at 31 January 2026, Mr. Yang, Mr. Cheung, Mr. Lam and Madam U were also executive directors of LSG.
- These interests in the Company represented all the Shares beneficially owned by Transtrend Holdings Limited, an indirect wholly-owned subsidiary of LSD. As at 31 January 2026, LSG and Dr. Lam Kin Ngok, Peter ("**Dr. Peter Lam**", a substantial shareholder of the Company within the meaning of Part XV of the SFO) were deemed to be interested in the same 1,113,260,072 Shares (approximately 63.40% of the total issued Shares) indirectly owned by LSD by virtue of his personal and deemed interests of approximately 43.85% (excluding share options) of the total issued LSG Shares; LSD was approximately 55.60% directly and indirectly owned by LSG; and LSG was approximately 14.62% (excluding share options) owned by Dr. Peter Lam and approximately 29.23% owned by Wisdom Limited, which in turn 100% beneficially owned by Dr. Peter Lam.
As at 31 January 2026, Dr. Peter Lam also held 2,794,443 Shares as beneficial owner.
- Based on the disclosure of interests notices received by the Company, as at 31 January 2026, Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk were both taken to be interested in the same 149,864,000 Shares (approximately 8.53% of the total issued Shares), which were held jointly by them.

Save as disclosed above, the Directors are not aware of any other corporation or individual (other than a Director or the Chief Executive) which/who, as at 31 January 2026, had the Voting Entitlements or 5% or more interests or short positions in the Shares or underlying Shares as recorded in the Register of Shareholders.

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

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

Update on Directors' and Chief Executives' Information

Pursuant to Rule 13.51B(1) of the Listing Rules, change in the Directors' and Chief Executives' information since the disclosure made in the Company's annual report for the year ended 31 July 2025 and up to the date of this Interim Report are set out as follows:

The Group usually makes annual adjustment to basic salaries and pays discretionary bonuses in January. For the six months ended 31 January 2026 and 2025, the Directors' and Chief Executives' remuneration are as follows:

	Fees HK\$'000	Salaries, allowances, and benefits in kind HK\$'000	Pension scheme contributions HK\$'000	Total remuneration HK\$'000
Six months ended 31 January 2026				
<i>Executive Directors:</i>				
Yang Yiu Chong, Ronald Jeffrey (CEO)	–	163	8	171
Cheung Sum, Sam (Group CFO)	–	175	8	183
Lam Hau Yin, Lester	–	–	–	–
	–	338	16	354
<i>Non-executive Director:</i>				
U Po Chu	–	–	–	–
<i>Independent Non-executive Directors:</i>				
Low Chee Keong	388	36	–	424
Lo Kwok Kwei, David	145	25	–	170
Ng Lai Man, Carmen*	195	30	–	225
Poon Kwok Hing, Albert	145	20	–	165
Alfred Donald Yap*	145	25	–	170
	1,018	136	–	1,154
Total	1,018	474	16	1,508

* Dr. Ng was appointed as a member of the Nomination Committee on 15 July 2025 in place of Mr. Yap who has ceased to be a member on the same date.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(continued)*

Update on Directors' and Chief Executives' Information *(continued)*

For the six months ended 31 January 2026 and 2025, the Directors' and Chief Executives' remuneration are as follows:
(continued)

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

* Mr. Yip has resigned as Director on 1 May 2025.

Employees and Remuneration Policies

As at 31 January 2026, the Group employed a total of around 400 full-time employees (31 January 2025: 440) and around 290 part-time employees (31 January 2025: 470). The Group recognises the importance of maintaining a stable staff force in its continued success. Under the Group's existing policies, employee pay rates are maintained at competitive levels whilst promotion and salary increments are assessed on a performance-related basis. Discretionary bonuses are granted to employees based on their merit and in accordance with industry practice. Other benefits including share option scheme, mandatory provident fund scheme, free hospitalisation insurance plan, subsidised medical care and sponsorship for external education and training programs are offered to eligible employees.

Investor Relations

To ensure our investors have a better understanding of the Company, our management engages with investors on a regular basis. Our EDs and Investor Relations Department communicate with research analysts and institutional investors throughout the year.

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

The Company welcomes suggestions from investors, stakeholders and the public who may contact the Investor Relations Department by phone on (852) 2853 6106, by fax at (852) 2853 6651 or by e-mail at ir@esun.com.

Review of Interim Report

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

By order of the Board
Low Chee Keong
Chairman

Hong Kong, 24 March 2026

