THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institutions in securities, bank manager, solicitor, professional accountant or other professional adviser for independent advice.

If you have sold or transferred all your shares in **Lai Sun Garment (International) Limited**, you should at once hand this circular with the accompany form of proxy, to the purchaser(s) or the transferee(s), or to the licensed securities dealer, registered institutions in securities, bank or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or the transferee(s).

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

LAI SUN GARMENT

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

VERY SUBSTANTIAL DISPOSAL
DISPOSAL OF EQUITY INTEREST IN THE ENTITY OWNING THE SPL PROPERTY
AND
NOTICE OF GENERAL MEETING

Capitalised terms used in the lower portion of this cover page will have the respective meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 8 to 23 of this circular.

The notice convening the General Meeting of the Company to be held at Grand Ballroom 5, Level B, Hong Kong Ocean Park Marriott Hotel, 180 Wong Chuk Hang Road, Aberdeen, Hong Kong on Wednesday, 31 December 2025 at 9:00 a.m. is set out on pages GM-1 to GM-3 of this circular.

Shareholders are advised to read the notice of the General Meeting and if you are not able to attend the General Meeting or its adjournment thereof (as the case may be) in person but wish to exercise your right as a Shareholder, please complete, sign and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for holding the General Meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the General Meeting or any adjournment thereof (as the case may be) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

No refreshments or corporate gifts will be provided at the General Meeting.

Hong Kong, 16 December 2025

CONTENTS

Page

DEFINITIONS 1

LETTER FROM THE BOARD 8

APPENDIX I — FINANCIAL INFORMATION OF THE GROUP I-1

APPENDIX II — FINANCIAL INFORMATION OF SUREARN PROFITS II-1

APPENDIX III — UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP III-1

APPENDIX IV — MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP IV-1

APPENDIX V — PROPERTY VALUATION REPORT V-1

APPENDIX VI — GENERAL INFORMATION VI-1

NOTICE OF GENERAL MEETING GM-1

ACCOMPANYING DOCUMENT: FORM OF PROXY

This circular in both English and Chinese is available in printed form and published on the respective websites of the Company at "http://www.laisun.com" and Hong Kong Exchanges and Clearing Limited at "http://www.hkexnews.hk". The English version will prevail in case of any inconsistency between the English and the Chinese versions of this circular.

In this circular, the following expressions have the following meanings unless the context requires otherwise:

"Agreed Property Value"	HK$3,498,000,000 being the value of the SPL Property as agreed between the Vendor and the Purchaser;
"Audited Completion Accounts"	the audited management accounts of Surearn Profits as at the Completion Date;
"Board"	the board of Directors;
"Business Day"	a day (other than Saturdays, Sundays, public holidays and any day on which a tropical cyclone warning signal No. 8 or above is hoisted or a "black" rainstorm warning signal or "extreme conditions" are announced in Hong Kong at anytime between 9:00 a.m. and 5:00 p.m. on weekdays) on which banks are open in Hong Kong to the general public for business;
"Capitalisation"	the capitalisation of the Vendor Loan as share capital of Surearn Profits in accordance with the terms and conditions of the Sale and Purchase Agreement;
"Company" or "LSG"	Lai Sun Garment (International) Limited (麗新製衣國際有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 191), the ultimate holding company of LSD;
"Completion"	the completion of the sale and purchase of the Sale Shares free from Encumbrances together with all benefits and rights attached thereto in accordance with the terms and conditions of the Sale and Purchase Agreement;
"Completion Date"	the date of Completion, being 5 January 2026 which is subject to satisfaction or (if applicable) waiver of the relevant Conditions (or such other later date which may be mutually agreed by the Vendor and the Purchaser);
"connected person(s)"	has the meaning ascribed to it under the Listing Rules;

"Consideration"	the consideration to be paid by the Purchaser to the Vendor for the Sale Shares free from Encumbrances together with all benefits and rights attached thereto on Completion pursuant to the Sale and Purchase Agreement;
"Conveyancing and Property Ordinance"	the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong) (as amended, supplemented or otherwise modified from time to time);
"Deposit"	the amount in the sum of HK$177,400,000;
"Diamond String" or "DSL"	Diamond String Limited (華力達有限公司), a private limited company incorporated under the laws of Hong Kong;
"Director(s)"	the director(s) of the Company;
"Disposal"	the transaction contemplated under the Sale and Purchase Agreement, namely the disposal of the Sale Shares free from Encumbrances together with all benefits and rights attached thereto on Completion by the Vendor to the Purchaser;
"DSL Loan"	all advancement and facilities granted to Diamond String by a Lender on the security of the Property and other assets of DSL as provided in certain security documents executed in favour of a Lender to secure repayment of the DSL Loan;
"DSL Shares"	50% of all issued shares of Diamond String beneficially owned by and registered under the name of Surearn Profits;

"EGM Approval"	approval by the shareholders of the Company and LSD (other than those who are required to abstain from voting under the Listing Rules or the applicable laws, rules and regulations) of the Sale and Purchase Agreement at the GM and LSD GM, respectively, provided that the controlling shareholders of the Company, and the controlling shareholders of LSD undertake to the Purchaser that they will exercise all their respective voting rights attached to all shares they hold in the Company and LSD respectively in favour of the resolution(s) to be proposed at the GM and LSD GM, in compliance with the requirements of the Listing Rules;
"Encumbrances"	a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including a title transfer or retention arrangement) having similar effect and any agreement or obligation to create or grant any of the aforesaid;
"Escrow Account"	the escrow account for receipt and deposit of the Deposit and release in accordance with the Sale and Purchase Agreement;
"eSun"	eSun Holdings Limited (豐德麗控股有限公司), an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 571), which was held as to approximately 63.40% by LSD as at the Latest Practicable Date;
"eSun Group"	eSun and its subsidiaries;
"Final Completion Statement"	the Interim Completion Statement approved by the Purchaser or otherwise determined in accordance with the Sale and Purchase Agreement;
"General Meeting" or "GM"	a general meeting of the Company to be convened and held for considering, and, if thought fit, approving the Disposal;

"GFA"	gross floor area;
"Group"	the Company and its subsidiaries;
"Group Companies"	collectively Surearn Profits and Diamond String;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"HKEX"	Hong Kong Exchanges and Clearing Limited;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Interim Completion Statement"	a completion statement, based on the Audited Completion Accounts, setting out its calculation of the Net Current Asset Value of Surearn Profits as at the Completion Date as prepared by the Vendor;
"Lai Fung"	Lai Fung Holdings Limited (麗豐控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1125), which was held as to approximately 55.08% by LSD as at the Latest Practicable Date;
"Lai Fung Group"	Lai Fung and its subsidiaries;
"Latest Practicable Date"	11 December 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular;
"Lender"	lender of the DSL Loan or the LSD Loan;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time);
"Long Stop Date"	27 February 2026 or such other date as may be agreed by the parties to the Sale and Purchase Agreement;

"LSD"	Lai Sun Development Company Limited (麗新發展有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 488), which was held as to approximately 55.60% by the Company as at the Latest Practicable Date;
"LSD GM"	a general meeting of LSD to be convened and held for considering, and, if thought fit, approving the Disposal;
"LSD Group"	LSD and its subsidiaries;
"LSD Loan"	all advancement and facilities granted to LSD on the security of various assets of and the share in Surearn Profits as provided in certain security documents executed by the Vendor and/or Surearn Profits in favour of a Lender to secure repayment of the LSD Loan;
"LSG Group"	LSG and its subsidiaries, including the LSD Group;
"Net Current Asset Value"	the total current assets less the aggregate of all liabilities of Surearn Profits on Completion determined with reference to the Pro Forma Completion Accounts;
"PRC"	the People's Republic of China and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
"Pro Forma Completion Accounts"	a pro forma statement of financial position of Surearn Profits as at Completion and a pro forma income statement of Surearn Profits for the period from 1 January 2025 to the Completion Date;
"Property"	all that piece or parcel of land registered in the Land Registry as Inland Lot No. 8736 together with all messuages, erections and buildings thereon located at No. 3 Connaught Road Central, Hong Kong;
"Property Valuation Report"	the valuation report issued by Savills Valuation and Professional Services Limited on the value of the SPL Property as at 31 October 2025, the text of which is set out in Appendix V to this circular;

"Purchaser"	Jasmine Investment Development IV Limited, a company incorporated in the British Virgin Islands with limited liability;
"Purchaser Loan"	an amount equivalent to the lesser of such amount in the sum of HK$1,241,800,000 and the aggregate amount required for the redemption of DSL Loan and LSD Loan, which will be on-lent to LSD to redeem such loans before Completion;
"Purchaser Loan Security Documents"	security documents executed by the Vendor, Surearn Profits and/or LSD (as the case may be) in favour of the Purchaser to secure the Vendor's obligation to release and return the Deposit and repay the Purchaser Loan;
"Remaining Group"	the Group excluding the investment in the Sale Share on the assumption that completion of the Disposal had taken place;
"Sale and Purchase Agreement"	the sale and purchase agreement dated 9 December 2025 in relation to the Disposal entered into between the Vendor, the Purchaser and LSD;
"Sale Shares"	collectively: (a) 1 issued ordinary share of Surearn Profits, representing the only issued share of Surearn Profits as at the date of the Sale and Purchase Agreement; and (b) 1 additional ordinary share of Surearn Profits to be issued to the Vendor pursuant to the Capitalisation, collectively representing all issued shares of Surearn Profits as at Completion, to be sold to the Purchaser;
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended, supplemented or otherwise modified from time to time);
"SGD"	the lawful currency of Singapore;
"Share(s)"	share(s) in the issued share capital of the Company;
"Shareholder(s)"	the shareholder(s) of the Company;

"SPL Property"	the exclusive right and privilege to hold, use, occupy and enjoy specified parts of the Property, together with the corresponding undivided shares in the land and building to be allocated under the deed of mutual covenant and management agreement of the Property, namely: first floor foyer area; the whole of the 5th, 6th, 7th, 8th (with flat roof), 9th, 10th (with flat roof), 11th, 12th, 15th, 22nd and 26th floors with a total GFA of approximately 111,622 square feet; and the 18 car parking spaces B2-1 to B2-10 on Basement 2 and B3-6 to B3-13 on Basement 3;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Surearn Profits"	Surearn Profits Limited, a private company limited by shares incorporated in the British Virgin Islands;
"USD" or "US$"	the lawful currency of the United States;
"Tenancies"	the leases, tenancy agreements or licence agreements to which the SPL Property is subject and includes, as the context may permit or require, any one or more of them, and all new or supplemental leases, tenancy agreements or licence agreements entered into prior to Completion with the Purchaser's written consent in accordance with the terms of the Sale and Purchase Agreement;
"Tenants"	the lessees, tenants or licensees under the Tenancies;
"Vendor"	Transformation International Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of LSD;
"Vendor Loan"	the loan owing by Surearn Profits to the Vendor immediately prior to the Capitalisation;
"Vendor's Group"	the Vendor, all persons it controls and any persons that control the Vendor and all other persons controlled by any such person that controls the Vendor from time to time;
"Winding Up"	the voluntary winding up of Diamond String; and
"%"	per cent.



LAI SUN GARMENT

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

Executive Directors:
Dr. Lam Kin Ngok, Peter, *GBM, GBS (Chairman)*
Mr. Yang Yiu Chong, Ronald Jeffrey
Mr. Cheung Sum, Sam *(Group Chief Financial Officer)*
Mr. Lam Hau Yin, Lester
(also alternate director to Madam U Po Chu)
Mr. Lam Kin Hong, Matthew
Madam U Po Chu

Independent Non-executive Directors:
Mr. Leung Shu Yin, William
Mr. Lam Bing Kwan
Mr. Chow Bing Chiu
Mr. Ng Chi Ho, Dennis

Registered office:
11th Floor
Lai Sun Commercial Centre
680 Cheung Sha Wan Road
Kowloon
Hong Kong

16 December 2025

To the Shareholders

Dear Sir or Madam,

VERY SUBSTANTIAL DISPOSAL
DISPOSAL OF EQUITY INTEREST IN THE ENTITY OWNING THE SPL PROPERTY
AND
NOTICE OF GENERAL MEETING

1. INTRODUCTION

Reference is made to the joint announcement issued by the Company and LSD dated 9 December 2025 in which the Board announced that on 9 December 2025, the Vendor, a wholly-owned subsidiary of LSD, entered into the Sale and Purchase Agreement with, among others, the Purchaser for the sale of the Sale Shares, which represents all issued shares of Surearn Profits, free from Encumbrances together with all benefits and rights attached thereto on Completion.

As at the date of this circular, Surearn Profits only holds the legal and beneficial interest of 50% of the entire issued share capital of Diamond String, which in turn holds the entire legal and beneficial interest of the Property and assets and liabilities related to the Property. The Vendor shall procure the Winding Up and distribution of the Property pro rata to the shareholdings of Diamond String. The Vendor's 50% share in the Property is represented by the SPL Property. Upon the aforesaid distribution and prior to Completion, the SPL Property and other assets of Diamond String comprise the deposits paid by the Tenants and deposits paid to the property manager in respect of the SPL Property, will be distributed and transferred to Surearn Profits. Following Completion, the Vendor will cease to hold any interest in the SPL Property or Surearn Profits.

The Consideration shall be the aggregate of the Agreed Property Value (namely HK$3,498,000,000) and the Net Current Asset Value of Surearn Profits on Completion, determined in accordance with the Sale and Purchase Agreement. The proceeds are expected to strengthen the financial position of the LSG Group by increasing cash inflows and reducing borrowings, with an estimated net cash inflow of approximately HK$2,400,000,000. As at 31 July 2025, the Group had net current liabilities of HK$5,420,000,000. Taking into account the successful refinancing of Cheung Sha Wan Plaza syndicated loan on 30 September 2025 at the LSD Group level, the successful refinancing of Crocodile Center / Por Yen Building syndicated loan on 8 December 2025 and assuming the completion of the Disposal, the Group would turn from net current liabilities to net current assets.

Completion of the Disposal is expected to take place in January 2026.

The Disposal constitutes a very substantial disposal for the Company pursuant to Rule 14.06(4) of the Listing Rules as one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceeds 75%, and are therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The purpose of this circular is to provide you with, among other things, (i) further details of the Disposal; (ii) financial information of the Group and Surearn Profits; (iii) unaudited pro forma financial information of the Remaining Group; (iv) management discussion and analysis of the Remaining Group; (v) a valuation report on the SPL Property issued by Savills Valuation and Professional Services Limited; and (vi) a notice convening the GM, as well as other information as required under the Listing Rules.

2. THE DISPOSAL

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are summarised as below:

Date:	9 December 2025 (after trading hours)
Parties:	(i) the Vendor, a wholly-owned subsidiary of LSD, as vendor; (ii) the Purchaser, as purchaser; and (iii) LSD, as guarantor of the Vendor.
Transaction structure:	As at the date of this circular, Surearn Profits only holds the legal and beneficial interest of 50% of the entire issued share capital of Diamond String, which in turn holds the entire legal and beneficial interest of the Property and assets and liabilities related to the Property. The Vendor shall procure the Winding Up and distribution of the Property pro rata to the shareholdings of Diamond String. The Vendor's 50% share in the Property is represented by the SPL Property. Upon the aforesaid distribution and prior to Completion, the SPL Property and other assets of Diamond String comprise the deposits paid by the Tenants and deposits paid to the property manager in respect of the SPL Property, will be distributed and transferred to Surearn Profits. Following Completion, the Vendor will cease to hold any interest in the SPL Property or Surearn Profits. Immediately following such distribution and prior to Completion, Surearn Profits will transfer the DSL Shares to a member of the Vendor's Group (other than the Group Companies) at nominal value, pursuant to which Surearn Profits shall cease to hold any equity interest in any entity. Upon the Winding Up, any remaining assets of Diamond String, if any, will be distributed to the respective shareholders of Diamond String.

The Disposal comprises the sale of the Sale Shares (representing all issued shares of Surearn Profits) free from Encumbrances together with all benefits and rights attached thereto on Completion by the Vendor to the Purchaser. Upon Completion, the Group will cease to hold any interest in Surearn Profits or the SPL Property.

Consideration:

The Consideration shall be the aggregate of the Agreed Property Value (namely HK$3,498,000,000) and the Net Current Asset Value of Surearn Profits on Completion determined with reference to the Pro Forma Completion Accounts as agreed between the Vendor and the Purchaser.

The Agreed Property Value was determined following arm's length negotiations between the Purchaser and the Vendor. According to the valuation conducted by an independent valuer engaged by the Vendor, the valuation of the share of Surearn Profits in the Property as at 31 July 2025 was HK$3,750,000,000 (the "**31 July 2025 Valuation**"). The value of the SPL Property pursuant to the Property Valuation Report as set out in Appendix V to this circular was HK$3,678,000,000 as at 31 October 2025 (the "**31 October 2025 Valuation**"). In agreeing at the Agreed Property Value, which represents a 6.7% discount to the 31 July 2025 Valuation and a 4.9% discount to the 31 October 2025 Valuation, the Vendor has considered factors including the prevailing macroeconomic conditions and sentiment in the Hong Kong commercial property market, which continue to face challenges and are expected to remain uncertain. Taking into account the aforesaid factors and the reasons and benefits of the Disposal to the Group as further described in "Reasons for and Benefits of the Disposal" below, the Vendor considers the Agreed Property Value to be reasonable.

According to the management accounts of Surearn Profits as at 30 September 2025 and assuming that the Disposal had consummated, the Net Current Asset Value is estimated to be approximately HK$(25,000,000) (i.e. net current liabilities of HK$25,000,000). The Net Current Asset Value is expected to be approximately the same at Completion. Please refer to the paragraph headed "Calculation of Net Current Asset Value" below for the basis of calculating the Net Current Asset Value and the adjustment of the Consideration (if any).

The Consideration shall be paid by the Purchaser in the following manner:

(i) the Deposit shall be paid by the Purchaser and deposited into the Escrow Account upon signing of the Sale and Purchase Agreement;

(ii) subject to the receipt by the Purchaser of *inter alia* all duly-executed Purchaser Loan Security Documents (unless the Purchaser otherwise agrees in writing), the Purchaser will advance the Purchaser Loan (which shall be applied to repay the LSD Loan (estimated to be approximately HK$850,000,000) and Surearn Profits' share of the expected outstanding DSL Loan (estimated to be approximately HK$195,000,000 out of the total HK$900,000,000)) on or before the Completion Date. The Purchaser Loan shall be repayable upon Completion, and shall be deducted and set-off from and against the balance of the Consideration; and

(iii) the balance of the Consideration shall be paid by the Purchaser to the Vendor on Completion.

Calculation of Net Current Asset Value:	The Net Current Asset Value shall be calculated as at Completion, all current assets (but excluding deferred tax assets and the SPL Property) of Surearn Profits including cash at bank of Surearn Profits less the aggregate of all liabilities of Surearn Profits (but excluding Vendor Loan and deferred tax liabilities). Within 30 Business Days after the Completion Date, the Vendor shall at its cost, instruct the auditor to audit the management accounts as at the Completion Date and ensure the delivery of the Audited Completion Accounts and tax computation for the period from 1 January 2025 to the Completion Date. If adjustment shall be required to be made pursuant to the Final Completion Statement, the difference between the adjusted Consideration and the Consideration shall be paid by the Purchaser to the Vendor and the surplus between the adjusted Consideration and the Consideration shall be refunded to the Purchaser, both within 10 Business Days after the date when the Final Completion Statement is finalised.
Capitalisation of Vendor Loan:	The Vendor Loan (estimated to be approximately HK$62,800,000 prior to Completion) shall be capitalised, in accordance with applicable laws and the memorandum and articles of association of Surearn Profits, by the issue and allotment of one additional ordinary share in Surearn Profits (forming part of the Sale Shares) credited as fully paid, with the balance of the Vendor Loan (after crediting the nominal value of such share) being credited to the capital reserve of Surearn Profits, such that there will be no outstanding loan, indebtedness or liability (actual or contingent), contract, arrangement or other amount (if any) owing between Surearn Profits and the Vendor at Completion.

Conditions precedent:

Completion shall be subject to the satisfaction (or, where applicable, waiver by the Purchaser) of the following (the "**Conditions**"):

(a) the EGM Approval;

(b) the assignment of the SPL Property having been entered by the liquidators of Diamond String in favor of Surearn Profits under which the SPL Property is assigned to Surearn Profits as being part of the asset of Diamond String distributed to Surearn Profits during the voluntary winding up of Diamond String, with Surearn Profits being the sole legal and beneficial owner of the SPL Property subject to the Tenancies subsisting at the material time and the terms of the Sale and Purchase Agreement but otherwise free from Encumbrances (the "**SPL Property Assignment**");

(c) the deed of mutual covenant and management agreement of the Property being duly executed by the owners and the manager named therein immediately after the distribution of assets by Diamond String;

(d) the Vendor being the sole legal and beneficial owner of the Sale Shares free from Encumbrances together with all benefits and rights attached thereto on Completion;

(e) Surearn Profits being able to show and give title to the SPL Property in accordance with the Conveyancing and Property Ordinance;

(f) the Vendor's fundamental warranties remaining true, correct and not misleading in all respects and the other warranties remaining true, correct and not misleading in all material respects;

(g) the consents of the Lender (as applicable) in writing with respect to the transactions contemplated under the Sale and Purchase Agreement;

(h) no material adverse change having occurred before or on the Completion Date; and

(i) the Vendor Loan having been capitalised as contemplated under the Sale and Purchase Agreement.

If any of the EGM Approval or the SPL Property Assignment are not fulfilled pursuant to the terms of the Sale and Purchase Agreement by the Long Stop Date, either the Purchaser or the Vendor shall be entitled to terminate the Sale and Purchase Agreement whereupon the Vendor shall procure the release and return of the Deposit to the Purchaser but without interest, costs or compensation, and shall pay to the Purchaser an amount equivalent to the Deposit, following which none of the parties shall have any further claim or cause of action under the Sale and Purchase Agreement.

If any of the Conditions is not satisfied or (as applicable) waived by the Purchaser on or before Completion, then the Purchaser may by notice in writing to the Vendor terminate the Sale and Purchase Agreement whereupon the Vendor shall (i) procure the release and return of the Deposit to the Purchaser but without interest, costs or compensation, (ii) immediately repay the Purchaser Loan, and (iii) pay to the Purchaser an amount equivalent to the Deposit.

As of the date of this circular, the conditions precedent have not yet been declared to be satisfied or waived.

Guarantee:	LSD, as guarantor of the Vendor, irrevocably and unconditionally guarantees as a primary obligation to the Purchaser the performance of the Vendor's obligations in connection with the Disposal; and the payment, on demand, of any sum which the Vendor fails to pay to the Purchaser under or in connection with the Disposal as if it was the principal obligor.
Completion:	Completion shall take place on the Completion Date subject to the terms and conditions of the Disposal including satisfaction (or, where applicable, waiver) of the conditions precedent as mentioned in the paragraph headed "Conditions precedent" above.

3. INFORMATION OF SUREARN PROFITS AND THE SPL PROPERTY

Information of Surearn Profits

Surearn Profits is a private company limited by shares incorporated in the British Virgin Islands. As of the date of this circular and prior to the completion of the Winding Up, it is the legal and beneficial owner of 50% of the entire issued share capital of Diamond String, which is the sole legal and beneficial owner of the Property and related assets, and does not hold any other assets.

Diamond String is a private limited company incorporated under the laws of Hong Kong. Pursuant to the Winding Up, the Property and other related assets and liabilities of Diamond String shall be distributed in specie to the shareholders of Diamond String in proportion to their respective shareholding in Diamond String. Among other things, Surearn Profits will become the sole legal and beneficial owner of the SPL Property prior to Completion.

The Property is situated in the central business district of Hong Kong. It is a 27-storey office tower with a total GFA of approximately 229,206 square feet (excluding car parking spaces).

The SPL Property was delineated through arm's length negotiations between the shareholders of Diamond String with the aim of a 50:50 split by value in respect of the Property. Given differences in factors including floor sizes and configurations, tenancy profile and rents and car park characteristics, the agreed allocation therefore targets parity by value as opposed to a simple division by GFA, and the SPL Property carries the corresponding undivided shares in the land and common parts under the deed of mutual covenant and management agreement of the Property.

The resulting SPL Property refers to the exclusive right and privilege to hold, use, occupy and enjoy specified parts of the Property, together with the corresponding undivided shares in the land and building to be allocated under the deed of mutual covenant and management agreement of the Property, namely: first floor foyer area; the whole of the 5th, 6th, 7th, 8th (with flat roof), 9th, 10th (with flat roof), 11th, 12th, 15th, 22nd and 26th floors with a total GFA of approximately 111,622 square feet; and the 18 car parking spaces B2-1 to B2-10 on Basement 2 and B3-6 to B3-13 on Basement 3.

As at the date of this circular, Surearn Profits is wholly-owned by the Vendor. Upon Completion, the Purchaser shall hold the entire equity interest in Surearn Profits, and Surearn Profits will cease to be a subsidiary of any of the Vendor, LSD and the Company.

Financial Information of Surearn Profits

The table below sets out certain unaudited financial information of Surearn Profits for the years ended 31 July 2024 and 2025:

	2025	2024
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Net loss before taxation	**(700,248)**	(266,004)
Net loss after taxation	**(700,248)**	(266,004)

Based on the unaudited management accounts of Surearn Profits, the unaudited net asset value of Surearn Profits as at 31 July 2025, excluding the Vendor Loan, was HK$3,192,272,000.

4. INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated in the British Virgin Islands with limited liability. The Purchaser is an investment holding company. The ultimate beneficial owner of the Purchaser is JD.com, Inc., an exempted company with limited liability incorporated in the Cayman Islands. Its American depositary shares are listed on NASDAQ under the symbol "JD", and its ordinary shares are listed on the Main Board of the Stock Exchange under stock codes 9618 (HKD counter) and 89618 (RMB counter).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

5. INFORMATION OF THE COMPANY, LSD AND THE VENDOR

The Company

The Company is a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange. The principal activities of the 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. The Company owns approximately 55.60% of the total issued shares of LSD as at the Latest Practicable Date.

LSD

LSD is a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange. The principal activities of the LSD 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.

The Vendor

The Vendor is a company incorporated in the British Virgin Islands with limited liability. It is a wholly-owned subsidiary of LSD and an indirect non-wholly-owned subsidiary of the Company (through the Company's shareholding in LSD). The Vendor is an investment holding company.

6. VALUATION OF THE SPL PROPERTY

Based on the Property Valuation Report, the value of the SPL Property was HK$3,678,000,000 as at 31 October 2025. For details of the valuation of the SPL Property, please refer to the Property Valuation Report in Appendix V to this circular. Disclosure of the reconciliation of the carrying value and the valuation as required under Rule 5.07 of the Listing Rules is set out below:

	HK$'000
Carrying value of the share of Surearn Profits in the Property as at 31 July 2025*(Note)*	3,750,000
Revaluation loss from 1 August 2025 to 31 October 2025	(72,000)
Valuation of the SPL Property as at 31 October 2025 as set out in the Property Valuation Report included in Appendix V to this circular	3,678,000

Note: As disclosed in the section headed "3. INFORMATION OF SUREARN PROFITS AND THE SPL PROPERTY" above, pursuant to the Winding Up, the Property, among other things, shall be distributed in specie to the shareholders of Diamond String in proportion to their respective shareholding in Diamond String. Among other things, Surearn Profits will become the sole legal and beneficial owner of the SPL Property prior to Completion. Please refer to the same section on delineation of the SPL Property.

7. REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors undertake strategic reviews of the Group's assets from time to time with a view to maximising returns to the Shareholders.

The Agreed Property Value and the basis of determining the Consideration were arrived at after arm's length negotiations between the Purchaser and the Vendor. According to the valuation conducted by Savills Valuation and Professional Services Limited, the valuation of the SPL Property as at 31 October 2025 was HK$3,678,000,000. While the Agreed Property Value of HK$3,498,000,000 represents a discount of 4.9% to the aforesaid valuation as at 31 October 2025, the Board has taken into account the prevailing and expected market dynamics under which deviations from property valuations are frequently observed, and has also considered factors including (i) the sentiment of the overall macro-economic and commercial property market in Hong Kong, which experience ongoing challenges and are expected to remain uncertain; (ii) the financial position and business operation of the Group; and (iii) the Disposal would provide immediate cash flow, with an estimated net cash inflow of approximately HK$2,400,000,000, thereby enhancing the financial resources of the Group. In light of these factors, the Board considers that the discount, which does not deviate from market in any material respect, is equitable and justifiable. The Disposal enables the Vendor to realise the value of property investment into cash, thereby enhancing the cashflow and financial position of the Group as a whole. Although the Group is expected to record a loss on the Disposal (under the section headed "Financial Effects and Use of Proceeds of the Disposal" below), these losses are non-cash items and the Disposal will improve the cashflow position of the Group. The Board therefore concludes that it would be prudent for the Vendor to conduct the Disposal, and that the terms and conditions of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Board also considers the basis in arriving at the Consideration to be fair and reasonable given that such amount is calculated based on the Agreed Property Value and the projected/estimated assets and liabilities of Surearn Profits on the Completion Date and that such amount will be adjusted based on the Final Completion Statement.

As at 31 July 2025, the Group had net current liabilities of HK$5,420,000,000. Taking into account the successful refinancing of Cheung Sha Wan Plaza syndicated loan on 30 September 2025 at the LSD Group level, the successful refinancing of Crocodile Center / Por Yen Building syndicated loan on 8 December 2025 and assuming the completion of the Disposal, the Group would turn from net current liabilities to net current assets.

8. FINANCIAL EFFECTS AND USE OF PROCEEDS OF THE DISPOSAL

Upon Completion, the Company will cease to hold any equity interest in Surearn Profits.

Solely for reference purpose, based on the estimated Consideration, the Group is expected to record a loss on the Disposal of approximately HK$269,000,000. The aforesaid amount is arrived at based on the difference between the estimated Consideration of approximately HK$3,473,000,000 and the carrying amount of the Sale Shares as at 31 July 2025 of approximately HK$3,725,000,000, net of transaction costs and assuming the Disposal has taken place on 31 July 2025. The definitive amount of any gain or loss shall be adjusted taking into account the Consideration and subject to audit, which is expected to be recorded in the financial statements of the Company for the financial year ending 31 July 2026.

The net proceeds from the Disposal, after settling Surearn Profits' share of the expected outstanding DSL Loan and the LSD Loan, are expected to be approximately HK$2,400,000,000 before transaction cost and are intended to be applied towards general working capital of the LSD Group including but not limited to operational and administrative expenses incurred in the course of ordinary business and the servicing of debt obligations and interests of the LSD Group.

9. LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal for the Company pursuant to Rule 14.06(4) of the Listing Rules and are therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

10. GM

Set out on pages GM-1 to GM-3 of this circular is a notice convening the GM which will be held at Grand Ballroom 5, Level B, Hong Kong Ocean Park Marriott Hotel, 180 Wong Chuk Hang Road, Aberdeen, Hong Kong on Wednesday, 31 December 2025 at 9:00 a.m. at which an ordinary resolution will be proposed to approve the Disposal.

A form of proxy for use at the GM is accompanied with this circular. Shareholders are advised to read the notice of the GM, and if you are not able to attend the GM or its adjournment thereof (as the case may be) in person but wish to exercise your right as a Shareholder, you are requested to complete, sign and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for holding the GM or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the GM or any adjournment thereof (as the case may be) should you so wish, and in such event, the form of proxy shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, save for resolution which relates purely to a procedural or administrative matter to be voted by a show of hands, any vote of the Shareholders at a general meeting of the Company must be taken by way of a poll. Accordingly, the resolution to be considered and, if thought fit, passed at the GM will be voted by way of a poll by the Shareholders. Article 79 of the articles of association of the Company provides that on a poll, every Shareholder present in person or by proxy shall have one vote for every Share held by that Shareholder. An explanation of the detailed procedures of conducting a poll will be conveyed to the Shareholders at the GM. The Company will publish an announcement on the poll results of the resolution on the respective websites of the Company at "www.laisun.com" and HKEX at "www.hkexnews.hk" after the conclusion of the GM.

To the best of the knowledge, information and belief of the Directors having made all necessary enquiries, no Shareholders or any of their respective associates have any material interest in the Disposal. Therefore, no Shareholders would be required to abstain from voting under the Listing Rules if the Company were to convene a general meeting for obtaining shareholders' approval for the Disposal.

Completion of the Disposal is subject to fulfilment of various conditions precedent as set out in the section headed "The Disposal – Sale and Purchase Agreement – Conditions precedent" in this circular. Accordingly, the Disposal may or may not proceed. The Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.

11. RECOMMENDATION

The Directors consider that the terms of the Sale and Purchase Agreement are fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution to be proposed at the GM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

12. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board of
Lai Sun Garment (International) Limited
Lam Kin Ngok, Peter
Chairman

1. SUMMARY OF FINANCIAL RESULTS AND CONDITIONS OF THE GROUP

Financial information of the Group for each of the three years ended 31 July 2023, 2024 and 2025 are disclosed in the following documents which have been published on the websites of the Stock Exchange at "http://www.hkexnews.hk" and the Company at "http://www.laisun.com":

- annual report of the Company for the year ended 31 July 2023 published on 16 November 2023 (pages 177 to 368)
  (https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1116/2023111600860.pdf)

- annual report of the Company for the year ended 31 July 2024 published on 13 November 2024 (pages 177 to 364)
  (https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1113/2024111301166.pdf)

- annual report of the Company for the year ended 31 July 2025 published on 19 November 2025 (pages 177 to 364)
  (https://www1.hkexnews.hk/listedco/listconews/sehk/2025/1119/2025111900987.pdf)

2. STATEMENT OF INDEBTEDNESS

As at 31 October 2025, being the latest practicable date for ascertaining certain information related to this indebtedness statement, the Group had outstanding consolidated total borrowings (after intragroup elimination) of approximately HK$26,704 million, comprising secured and guaranteed bank borrowings of approximately HK$21,681 million, unsecured and guaranteed bank borrowing of approximately HK$18 million, unsecured and unguaranteed bank borrowing of approximately HK$1 million, unsecured guaranteed notes of approximately HK$4,223 million, and unsecured and unguaranteed other borrowings of approximately HK$781 million.

As at 31 October 2025, the Group, as lessees, had lease liabilities of approximately HK$689 million.

As at 31 October 2025, certain investment properties, right-of-use assets, property, plant and equipment, completed properties for sale, properties under development, and bank balances and time deposits were pledged to banks to secure banking facilities granted to the Group. In addition, certain shares in subsidiaries were pledged to banks to secure banking borrowing 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 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 October 2025, in respect of these guarantees, the contingent liabilities of the Group amounted to approximately HK$320 million.

As at 31 October 2025, the Group has provided corporate guarantees to banks in connection with facilities granted to and utilised by joint ventures of approximately HK$842 million.

Save as aforesaid and apart from intra-group liabilities, the Group did not, as at 31 October 2025, have any material outstanding (i) debt securities, whether issued and outstanding, authorised or otherwise created but unissued, or term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by the Group or by third parties) or unsecured; (ii) other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured; (iii) mortgage or charges; or (iv) guarantees or other contingent liabilities.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that, save as disclosed in the annual report of the Company for year ended 31 July 2025 or otherwise disclosed in this circular, there was no material adverse change in the financial or trading position or prospects of the Group since 31 July 2025, the date to which the latest published audited financial statements of the Group were made up.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

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.

Hong Kong and Overseas Property Market

During the year ended 31 July 2025, 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 year ended 31 July 2025, 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.

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, LSD Group has managed to capture sales opportunities and achieved some good results for our Bal Residence project and The Parkland project. Moreover, presales of LSD 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 at 14 October 2025. 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. LSD 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, LSD 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 ended 31 July 2025, 65 residential units were sold, amounting to HK$333.9 million, with 53 units totaling HK$270.5 million recognised in revenue during the year ended 31 July 2025. 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 ended 31 July 2025. Total proceeds are estimated to be HK$346.8 million, of which HK$322.7 million is recognised in revenue during the year ended 31 July 2025.

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 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. LSD 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. LSD 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. LSD 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.

With the planning consent approved by the City of London's Planning and Transportation Committee, LSD Group keeps monitoring the market conditions in London closely for the potential redevelopment of the three properties on Leadenhall Street in London, comprising 100, 106 and 107 Leadenhall Street. A revised proposal was submitted to the City of London's Planning and Transportation Committee in August 2022 for improving on the original design and repositioning the building to provide higher sustainability standards and enhanced amenities within the building. The revised proposal has been approved by the City of London Authority in May 2023. LSD Group is currently assessing options including redevelopment, refurbishment and investment structures to optimise value for LSD Group.

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 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. 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.

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 circular, 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 circular, 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 has agreed to sell accommodation towers T1 and T3 in Novotown Phase II for RMB625 million. 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.

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 year ended 31 July 2025, including 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.

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$6,000 million at LSD Group (excluding Lai Fung Group) and 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. Lai Fung Group has agreed to sell accommodation towers T1 and T3 in Novotown Phase II for RMB625 million. The Disposal would generate gross proceeds of around HK$3,500 million if successfully completed.

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 ended 31 July 2025. 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$4,424.8 million (HK$86.4 million excluding LSD Group) with undrawn facilities of HK$4,216.4 million (HK$425.0 million excluding LSD Group). The net debt to equity ratio as at 31 July 2025 was approximately 152% (31 July 2024: 138%). The Group's gearing excluding the net debt of LSD Group was approximately 6%.

The Group's total capital resources amounted to approximately HK$8,641.2 million, comprising cash and bank balances of approximately HK$4,424.8 million and undrawn bank facilities of approximately HK$4,216.4 million as at 31 July 2025, versus the Group's bank borrowings due within one year of approximately HK$10,886.0 million as at 31 July 2025. Out of the HK$10,886.0 million, HK$10,383.7 million was from LSD Group. Out of this HK$10,383.7 million, LSD 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 is in close dialogue with its lending banks on the refinancing of the near-term obligations.

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.

5. WORKING CAPITAL

Certain bank loans, other borrowings and guaranteed notes of the Group will be due within the next 12 months from the date of this circular. In view of the above, the Group (i) continues to actively negotiate with its lending banks on the refinancing for existing bank borrowings in a timely manner; (ii) actively discusses with potential buyers regarding the realisation of certain assets, including the Transaction as set out in this circular, to enhance liquidity; and (iii) continues to seek for other alternative financing arrangements to meet its financial obligations and future operating and capital expenditures.

The sufficiency of working capital of the Group for the next 12 months from the date of this circular is dependent on the successful completion of the Transaction and the implementation of the above measures. The directors of the Company, after due and careful enquiry, are of the opinion that, in the absence of unforeseeable circumstances and after taking into account (i) the proceeds from the successful completion of the Transaction; (ii) the Group's internally generated funds; (iii) the loan facilities presently available to the Group; and (iv) the expected refinancing of guaranteed notes and the existing banking facilities upon maturities, the Group has sufficient working capital for its present requirements for at least the next 12 months from the date of this circular.

The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

Set out below is the unaudited financial information of Surearn Profits which comprises the unaudited statements of financial position as at 31 July 2023, 2024 and 2025, and the unaudited income statements, the unaudited statements of comprehensive income, the unaudited statements of cash flows and the unaudited consolidated statements of changes in equity for the years ended 31 July 2023, 2024 and 2025 and explanatory notes.

UNAUDITED FINANCIAL INFORMATION OF SUREARN PROFITS

Set out below are the unaudited statements of financial position of Surearn Profits as at 31 July 2023, 2024 and 2025, and the unaudited income statements, the unaudited statements of comprehensive income, the unaudited statements of cash flows and the unaudited consolidated statements of changes in equity for the years ended 31 July 2023, 2024 and 2025 and explanatory notes (the "**Unaudited Financial Information**"). The Unaudited Financial Information has been prepared in accordance with rule 14.68(2)(a)(i)(A) of the Rules Governing the Listing of Securities on the Stock Exchange and the basis of preparation as set out in Note 2 to the Unaudited Financial Information. The Unaudited Financial Information is prepared by the Directors solely for the purpose of inclusion in this circular in connection with the Disposal. The Company's reporting accountants, Ernst & Young, were engaged to review the unaudited financial information of Surearn Profits as set out on pages II-2 to II-7 in accordance with Hong Kong Standard on Review Engagements 2400 (Revised) *Engagements to Review Historical Financial Statements* and with reference to Practice Note 750 *Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal* issued by the Hong Kong Institute of Certified Public Accountants. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the reporting accountants to obtain assurance that the reporting accountants would become aware of all significant matters that might be identified in an audit. Accordingly, the reporting accountants do not express an audit opinion. Based on the review, nothing has come to the reporting accountants' attention that causes them to believe that the Unaudited Financial Information is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2 to the Unaudited Financial Information.

UNAUDITED INCOME STATEMENTS

Years ended 31 July 2023, 2024 and 2025

	2023 *HK$'000*	2024 *HK$'000*	2025 *HK$'000*
Administrative expenses	(57)	(12)	(19)
LOSS FROM OPERATING ACTIVITIES	(57)	(12)	(19)
Share of loss of a joint venture	(35,778)	(265,992)	(700,229)
LOSS BEFORE TAX	(35,835)	(266,004)	(700,248)
Tax	–	–	–
LOSS FOR THE YEAR	(35,835)	(266,004)	(700,248)

UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME

Years ended 31 July 2023, 2024 and 2025

	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*
LOSS FOR THE YEAR	(35,835)	(266,004)	(700,248)
OTHER COMPREHENSIVE INCOME	–	–	–
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	(35,835)	(266,004)	(700,248)

UNAUDITED STATEMENTS OF FINANCIAL POSITION

31 July 2023, 2024 and 2025

	2023 *HK$'000*	2024 *HK$'000*	2025 *HK$'000*
NON-CURRENT ASSETS			
Interest in a joint venture	4,172,786	3,867,794	3,150,565
Pledged bank balances	19,752	19,753	–
Total non-current assets	4,192,538	3,887,547	3,150,565
CURRENT ASSETS			
Dividend receivable	–	14,000	–
Pledged bank balances	–	–	41,707
Total current assets	–	14,000	41,707
NET CURRENT ASSETS	–	14,000	41,707
NON-CURRENT LIABILITY			
Due to immediate holding company	(168,172)	(143,185)	(134,158)
Net assets	4,024,366	3,758,362	3,058,114
EQUITY			
Share capital	–*	–*	–*
Retained profits	4,024,366	3,758,362	3,058,114
Total equity	4,024,366	3,758,362	3,058,114

* *Less than HK$500*

UNAUDITED STATEMENTS OF CHANGES IN EQUITY

Years ended 31 July 2023, 2024 and 2025

	Share capital *HK$'000*	Retained profits *HK$'000*	Total *HK$'000*
At 1 August 2022	–*	4,120,201	4,120,201
Total comprehensive expense for the year	–	(35,835)	(35,835)
Dividend	–	(60,000)	(60,000)
At 31 July 2023 and 1 August 2023	–*	4,024,366	4,024,366
Total comprehensive expense for the year	–	(266,004)	(266,004)
At 31 July 2024 and 1 August 2024	–*	3,758,362	3,758,362
Total comprehensive expense for the year	–	(700,248)	(700,248)
At 31 July 2025	–*	3,058,114	3,058,114

* *Less than HK$500*

UNAUDITED STATEMENTS OF CASH FLOWS

Years ended 31 July 2023, 2024 and 2025

	2023 *HK$'000*	2024 *HK$'000*	2025 *HK$'000*
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax	(35,835)	(266,004)	(700,248)
Adjustment for share of loss of a joint venture	35,778	265,992	700,229
Cash used in operations and net cash flows used in operating activities	(57)	(12)	(19)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend received from a joint venture	–	25,000	31,000
Increase in pledged bank balances	(19,752)	(1)	(21,954)
Cash flows (used in)/from investing activities	(19,752)	24,999	9,046
CASH FLOW FROM A FINANCING ACTIVITY			
Advance from/(repayment to) immediate holding company and cash flow from/(used in) a financing activity	19,744	(24,987)	(9,027)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(65)	–	–
Cash and cash equivalents at beginning of year	65	–	–
CASH AND CASH EQUIVALENTS AT END OF YEAR	–	–	–

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

31 July 2023, 2024 and 2025

1. CORPORATE INFORMATION

Surearn Profits Limited ("**Surearn Profits**") is a limited liability company incorporated in the British Virgin Islands. Its registered office is located at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. The principal place of business of Surearn Profits is located at 11th Floor, Lai Sun Commercial Centre, 680 Cheung Sha Wan Road, Kowloon, Hong Kong.

The principal activity of Surearn Profits has not changed during the three years and consisted of investment holding.

Surearn Profits is a wholly owned subsidiary of Transformation International Limited, which is incorporated in the British Virgin Islands. In the opinion of the directors, the ultimate holding company of Surearn Profits is Lai Sun Garment (International) Limited ("**LSG**"), a company incorporated in Hong Kong with its shares listed and traded in Hong Kong.

2. BASIS OF PREPARATION

The unaudited financial information of Surearn Profits for the years ended 31 July 2023, 2024 and 2025 (the "**Unaudited Financial Information**") has been prepared in accordance with Rule 14.68(2)(a)(i) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and solely for the purpose of inclusion in the circular to be issued by LSG in connection with the disposal of Surearn Profits.

The amounts included in the Unaudited Financial Information have been recognised and measured in accordance with the relevant accounting policies of LSG, which conform with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). The Unaudited Financial Information has been prepared under the historical cost convention and is presented in Hong Kong dollar. All values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

The Unaudited Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 *Presentation of Financial Statements* nor a set of condensed financial statements as defined in Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the HKICPA.

1. INTRODUCTION

Capitalised terms used herein shall have the same meanings as those defined in the Circular. The accompanying unaudited pro forma financial information of the Remaining Group has been prepared to illustrate the effect that the Disposal might have on the financial information of the Group.

The unaudited pro forma consolidated statement of financial position of the Remaining Group has been prepared based on the audited consolidated statement of financial position of the Group as at 31 July 2025 as extracted from the published annual report of the Company for the year ended 31 July 2025 ("**2025 Annual Report**"), after giving effect to the pro forma adjustments as explained in the notes below, for the purpose of illustrating the effect of the Disposal on the financial position of the Remaining Group as if the completion of the Disposal had taken place on 31 July 2025.

The unaudited pro forma consolidated income statement, the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group have been prepared based on the audited consolidated income statement, the audited consolidated statement of comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 July 2025 as extracted from the 2025 Annual Report, after giving effect to the pro forma adjustments as explained in the notes below, for the purpose of illustrating the effect of the Disposal on the results and cash flows, respectively, of the Remaining Group as if the completion of the Disposal had taken place on 1 August 2024.

The unaudited pro forma financial information of the Remaining Group has been prepared by the directors of the Company in accordance with paragraph 4.29 of Listing Rules for illustrative purposes only, based on their judgments, estimations and assumptions, and because of its hypothetical nature, it may not give a true picture of the financial position of the Remaining Group had the completion of Disposal been completed as at 31 July 2025 or at any future dates and of the financial performance and cash flows of the Remaining Group for the year ended 31 July 2025 or any future periods had the Disposal been completed on 1 August 2024 or any future dates.

The unaudited pro forma financial information should be read in conjunction with the 2025 Annual Report, the joint announcement issued by the Company and LSD dated 9 December 2025 and other financial information included elsewhere in this circular.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE REMAINING GROUP AS AT 31 JULY 2025

	The Group	Pro forma adjustments			The Remaining Group
	As at 31 July 2025			Total pro forma adjustments	As at 31 July 2025
	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 3*	*Note 4*		
NON-CURRENT ASSETS					
Property, plant and equipment	5,370,925				5,370,925
Right-of-use assets	3,577,655				3,577,655
Investment properties	36,683,012	3,750,000	(3,750,000)	–	36,683,012
Film rights	19,144				19,144
Film and TV program products	60,784				60,784
Music catalogs	–				–
Goodwill	232,961				232,961
Other intangible assets	114,340				114,340
Investments in associates	466,712				466,712
Investments in joint ventures	4,804,796	(3,544,087)		(3,544,087)	1,260,709
Financial assets at fair value through other comprehensive income	128,412				128,412
Financial assets at fair value through profit or loss	788,507				788,507
Debtors	507,744				507,744
Deposits, prepayments, other receivables and other assets	160,713				160,713
Deferred tax assets	241				241
Pledged and restricted bank balances and time deposits	119,115				119,115
Total non-current assets	53,035,061				49,490,974

	The Group	Pro forma adjustments			The Remaining Group
	As at 31 July 2025			Total pro forma adjustments	As at 31 July 2025
	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 3*	*Note 4*		
CURRENT ASSETS					
Properties under development	4,539,771				4,539,771
Completed properties for sale	3,396,565				3,396,565
Films and TV programs under production and film investments	344,024				344,024
Inventories	40,904				40,904
Financial assets at fair value through profit or loss	174,822				174,822
Debtors	371,948				371,948
Deposits, prepayments, other receivables and other assets	749,922	2,528	(2,528)	–	749,922
Prepaid tax	67,972				67,972
Pledged and restricted bank balances and time deposits	1,279,086		(41,707)	(41,707)	1,237,379
Cash and cash equivalents	3,026,571	(183,176)	2,643,883	2,460,707	5,487,278
Total current assets	13,991,585				16,410,585
CURRENT LIABILITIES					
Creditors, other payables and accruals	2,367,430	2,524	(2,524)	–	2,367,430
Deposits received, deferred income and contract liabilities	545,162	2,629	(2,629)	–	545,162
Lease liabilities	214,475				214,475
Tax payable	737,641				737,641
Bank borrowings	10,886,034		(850,000)	(850,000)	10,036,034
Other borrowings	775,973				775,973
Guaranteed notes	3,877,188				3,877,188
Derivative financial instruments	7,707				7,707
Total current liabilities	19,411,610				18,561,610
NET CURRENT LIABILITIES	(5,420,025)				(2,151,025)

	The Group	Pro forma adjustments			The Remaining Group
	As at 31 July 2025			Total pro forma adjustments	As at 31 July 2025
	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 3*	*Note 4*		
TOTAL ASSETS LESS CURRENT LIABILITIES	47,615,036				47,339,949
NON-CURRENT LIABILITIES					
Lease liabilities	524,258				524,258
Bank borrowings	10,437,690				10,437,690
Guaranteed notes	382,438				382,438
Derivative financial instruments	17,802				17,802
Deferred tax liabilities	4,010,836				4,010,836
Other payables and accruals	907,350				907,350
Long-term deposits received	229,815	26,199	(26,199)	–	229,815
Total non-current liabilities	16,510,189				16,510,189
NET ASSETS	31,104,847				30,829,760
EQUITY					
Equity attributable to owners of the Company					
Share capital	2,178,944				2,178,944
Reserves	12,207,475	(3,384)	(149,564)	(152,948)	12,054,527
	14,386,419				14,233,471
Non-controlling interests	16,718,428	(2,703)	(119,436)	(122,139)	16,596,289
Total equity	31,104,847				30,829,760

UNAUDITED PRO FORMA CONSOLIDATED INCOME STATEMENT OF THE REMAINING GROUP FOR THE YEAR ENDED 31 JULY 2025

	The Group	Pro forma adjustments				The Remaining Group
	For the year ended 31 July 2025				Total pro forma adjustments	For the year ended 31 July 2025
	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*	*Note 4*		
Turnover	4,995,768					4,995,768
Cost of sales	(3,929,910)					(3,929,910)
Gross profit	1,065,858					1,065,858
Other revenue and gains	562,160					562,160
Selling and marketing expenses	(191,447)					(191,447)
Administrative expenses	(797,203)					(797,203)
Other operating expenses	(1,026,959)			(1,019,000)	(1,019,000)	(2,045,959)
Fair value losses on investment properties, net	(508,569)					(508,569)
LOSS FROM OPERATING ACTIVITIES	(896,160)					(1,915,160)
Finance costs	(1,164,778)					(1,164,778)
Share of profits and losses of associates	4,991					4,991
Share of profits and losses of joint ventures	(1,130,120)	700,229	(11,316)		688,913	(441,207)
LOSS BEFORE TAX	(3,186,067)					(3,516,154)
Tax	(51,790)					(51,790)
LOSS FOR THE YEAR	(3,237,857)					(3,567,944)
Attributable to:						
Owners of the Company	(1,675,589)	389,319	(6,292)	(566,564)	(183,537)	(1,859,126)
Non-controlling interests	(1,562,268)	310,910	(5,024)	(452,436)	(146,550)	(1,708,818)
	(3,237,857)					(3,567,944)

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE REMAINING GROUP FOR THE YEAR ENDED 31 JULY 2025

	The Group	Pro forma adjustments				The Remaining Group
	For the year ended 31 July 2025				Total pro forma adjustments	For the year ended 31 July 2025
	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*	*Note 4*		
LOSS FOR THE YEAR	(3,237,857)	700,229	(11,316)	(1,019,000)	(330,087)	(3,567,944)
OTHER COMPREHENSIVE INCOME						
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:						
Exchange realignments	243,212					243,212
Share of other comprehensive income of associates	6,215					6,215
Share of other comprehensive income of joint ventures	1,630					1,630
Release of exchange reserve upon deregistration of subsidiaries	2,719					2,719
	253,776					253,776

	The Group	Pro forma adjustments				The Remaining Group
	For the year ended 31 July 2025				Total pro forma adjustments	For the year ended 31 July 2025
	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*	*Note 4*		
Other comprehensive income/(expense) 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	(2,203)					(2,203)
Surplus on revaluation of properties upon reclassification to investment properties	16,491					16,491
	14,288					14,288
OTHER COMPREHENSIVE INCOME FOR THE YEAR	268,064					268,064
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	(2,969,793)					(3,299,880)
Attributable to:						
Owners of the Company	(1,562,216)	389,319	(6,292)	(566,564)	(183,537)	(1,745,753)
Non-controlling interests	(1,407,577)	310,910	(5,024)	(452,436)	(146,550)	(1,554,127)
	(2,969,793)					(3,299,880)

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE REMAINING GROUP FOR THE YEAR ENDED 31 JULY 2025

	The Group	Pro forma adjustments				The Remaining Group
	For the year ended 31 July 2025				Total pro forma adjustments	For the year ended 31 July 2025
	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*	*Note 4*		
CASH FLOWS FROM OPERATING ACTIVITIES						
Loss before tax	(3,186,067)	700,229	(11,316)	(1,019,000)	(330,087)	(3,516,154)
Adjustments for:						
Finance costs	1,164,778					1,164,778
Share of profits or losses of associates	(4,991)					(4,991)
Share of profits or losses of joint ventures	1,130,120	(700,229)	11,316		(688,913)	441,207
Fair value losses on investment properties, net	508,569					508,569
Depreciation of property, plant and equipment	306,456					306,456
Depreciation of right-of-use assets	280,961					280,961
Impairment of property, plant and equipment	19,880					19,880
Impairment of right-of-use assets	32,120					32,120
Reversal of impairment of property, plant and equipment, net	(19,155)					(19,155)
Reversal of impairment of right-of-use assets, net	(25,364)					(25,364)
Gain on disposal/write-off of items of property, plant and equipment	(2,464)					(2,464)
Gain on disposal of investment properties	(3,434)					(3,434)
Write-down of properties under development to net realisable value	528,000					528,000
Write-down of completed properties for sale to net realisable value	226,205					226,205
Amortisation of film rights	2,948					2,948
Amortisation of film and TV program products	5,553					5,553
Amortisation of other intangible assets	380					380
Impairment of films and TV programs under production	27,785					27,785

	The Group	Pro forma adjustments				The Remaining Group
	For the year ended 31 July 2025				Total pro forma adjustments	For the year ended 31 July 2025
	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*	*Note 4*		
Fair value changes from film investments	1,258					1,258
Fair value changes from entertainment events organised by co-investors	(6,227)					(6,227)
Impairment of debtors, net	2,875					2,875
Bad debts written off	48					48
Impairment of advances and other receivables	12,804					12,804
Impairment of amounts due from joint ventures	2,393					2,393
Impairment of amounts due from associates	24					24
Reversal of impairment of inventories	(142)					(142)
Write-back of impairment of advances and other receivables	(915)					(915)
Write-back of impairment of amounts due from associates	(2)					(2)
Write-back of impairment of amounts due from joint ventures	(4,156)					(4,156)
(Gain)/loss on disposal of subsidiaries	(111,063)			1,019,000	1,019,000	907,937
Losses on dissolution/deregistration of subsidiaries	1,819					1,819
Loss on disposal of a joint venture	370					370
Loss on disposal of an associate	3,818					3,818
Gain on termination of leases	(6,123)					(6,123)
Fair value losses on financial assets at fair value through profit or loss, net	470					470
Fair value losses on financial liabilities at fair value through profit or loss	34					34
Gains on disposal of financial liabilities at fair value through profit or loss	(208)					(208)
Fair value losses on cross currency swaps	14,244					14,244
Fair value losses on interest rate swaps	17,802					17,802
Derecognition loss on rental receivables	148					148
Interest income	(150,690)					(150,690)
Interest income from finance lease contract	(19,848)					(19,848)
Dividend income from financial assets at fair value through other comprehensive income	(200)					(200)

	The Group	Pro forma adjustments				The Remaining Group
	For the year ended 31 July 2025				Total pro forma adjustments	For the year ended 31 July 2025
	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*	*Note 4*		
Dividend income from financial assets at fair value through profit or loss	(7,299)					(7,299)
Gain on lease modification	(75,978)					(75,978)
Write-back of other payables	(24,905)					(24,905)
Foreign exchange differences, net	24,163					24,163
	666,794					666,794
Increase in properties under development	(472,578)					(472,578)
Decrease in completed properties for sale	932,691					932,691
Decrease in inventories	6,362					6,362
Additions of films and TV programs under production	(29,089)					(29,089)
Increase in film investments	(71,501)					(71,501)
Decrease in film and TV program products	872					872
Decrease in debtors	59,408					59,408
Decrease in financial assets at fair value through profit or loss	11,017					11,017
Decrease in deposits, prepayments, other receivables and other assets	561,941		(2,528)	2,528	–	561,941
Increase in creditors, other payables and accruals	17,238		2,524	(2,524)	–	17,238
Increase in deposits received, deferred income and contract liabilities	16,284		28,828	(28,828)	–	16,284
Cash generated from operations	1,699,439					1,699,439
Interest received	150,273					150,273
Interest paid on bank borrowings	(1,197,567)					(1,197,567)
Interest paid on guaranteed notes	(194,663)					(194,663)
Hong Kong profits tax paid, net	(17,202)					(17,202)
Chinese Mainland taxes paid, net	(122,841)					(122,841)
Overseas taxes paid, net	(24,743)					(24,743)
Net cash flows from operating activities	292,696					292,696

	The Group	Pro forma adjustments				The Remaining Group
	For the year ended 31 July 2025				Total pro forma adjustments	For the year ended 31 July 2025
	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*	*Note 4*		
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of items of property, plant and equipment	(96,419)					(96,419)
Additions to investment properties	(130,552)					(130,552)
Acquisition of financial assets at fair value through other comprehensive income	(15,679)					(15,679)
Acquisition of financial assets at fair value through profit or loss	(126,279)					(126,279)
Increase in financial liabilities at fair value through profit or loss	174					174
Proceeds from disposal of equity investment at fair value through other comprehensive income	4,506					4,506
Proceeds from disposal of financial assets at fair value through profit or loss	171,096					171,096
Proceeds from disposal of items of property, plant and equipment	9,657					9,657
Proceeds from disposal of investment properties	44,081					44,081
Proceeds from disposal of an associate	2,757					2,757
Proceeds from disposal of a joint venture	35					35
Proceeds from disposal of subsidiaries	213,259			3,481,000	3,481,000	3,694,259
Investment in joint ventures	(19,461)					(19,461)
Advances to associates	(16,710)					(16,710)
Repayment from associates	1,762					1,762
Dividend received from an associate	3,933					3,933
Advances to joint ventures	(545,574)		(250,000)		(250,000)	(795,574)
Repayment from joint ventures	6,749					6,749
Return of capital from a joint venture	14,950					14,950

	The Group	Pro forma adjustments				The Remaining Group
	For the year ended 31 July 2025				Total pro forma adjustments	For the year ended 31 July 2025
	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*	*Note 4*		
Dividends received from joint ventures	743,260	(17,000)			(17,000)	726,260
Dividends received from financial assets at fair value through other comprehensive income	200					200
Dividends received from financial assets at fair value through profit or loss	7,299					7,299
Decrease in pledged and restricted bank balances and time deposits	13,764			19,753	19,753	33,517
Net cash flows from investing activities	286,808					3,520,561
CASH FLOWS FROM FINANCING ACTIVITIES						
New bank borrowings raised	3,593,626					3,593,626
Repayment of bank borrowings	(3,693,214)			(850,000)	(850,000)	(4,543,214)
Bank financing charges	(10,325)					(10,325)
Lease payments	(186,114)					(186,114)
Decrease in other borrowings	(34,304)					(34,304)
Dividends paid to non-controlling interests of subsidiaries	(64,141)					(64,141)
Net cash flows used in financing activities	(394,472)					(1,244,472)
NET INCREASE IN CASH AND CASH EQUIVALENTS	185,032					2,568,785
Cash and cash equivalents at beginning of year	2,827,132					2,827,132
Effect of foreign exchange rate changes, net	14,407					14,407
CASH AND CASH EQUIVALENTS AT END OF YEAR	3,026,571					5,410,324

	The Group	Pro forma adjustments				The Remaining Group
	For the year ended 31 July 2025				**Total pro forma adjustments**	**For the year ended 31 July 2025**
	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*	*Note 4*		
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Non-pledged and non-restricted cash and bank balances	2,379,527	(17,000)	(221,176)	2,621,929	2,383,753	4,763,280
Non-pledged and non-restricted time deposits	647,044					647,044
Cash and cash equivalents as stated in the unaudited pro forma consolidated statement of financial position	3,026,571					5,410,324

Notes to the Pro Forma Financial Information of the Remaining Group

Note 1 The financial information of the Group is extracted from the consolidated statement of financial position as at 31 July 2025, and the consolidated income statement, the consolidated statement of comprehensive income and the consolidated statement of cash flows for the year ended 31 July 2025, as set out in the Company's published 2025 Annual Report.

Note 2 The adjustment represents the exclusion of share of loss of Diamond String of HK$700,229,000 and the dividend income from Diamond String amounted to HK$17,000,000 received for the year ended 31 July 2025, assuming the Disposal had taken place on 1 August 2024. Among the share of loss of Diamond String of HK$700,229,000, HK$389,319,000 was attributable to owners of LSG and HK$310,910,000 was attributable to non-controlling interests.

Note 3 The adjustment reflects the distribution of SPL Property, transfer of rental deposits received from tenants and deposits paid and accrued management expenses payable to the property manager from Diamond String to its shareholders and the effect of voluntary winding up of Diamond String.

(i) Diamond String distributes SPL Property to Surearn Profits.

	HK$'000
As if the distribution of SPL Property had been taken place on 31 July 2025	
Fair value of the Property recorded by Diamond String as at 31 July 2025	7,500,000
50% of the Property distributed to Surearn Profits	3,750,000
As if the distribution of SPL Property had been taken place on 1 August 2024	
Fair value of the Property recorded by Diamond String as at 1 August 2024	9,000,000
50% of the Property distributed to Surearn Profits	4,500,000

Diamond String transfers deposits received from tenants and deposits paid and accrued management expenses payable to the property manager to Surearn Profits.

As if the transfer had been taken place on 1 August 2024 and 31 July 2025	
Rental deposits received	
– Current portion	2,629
– Non-current portion	26,199
Deposit paid to the property manager	(2,528)
Accrued management expenses payable to the property manager	2,524
Bank balances received from Diamond String	28,824

(ii) The effect of winding up on the Group's investment in Diamond String is:

		HK$'000
As if the voluntary winding up had been taken place on 31 July 2025		
Investment in Diamond String as at 31 July 2025		3,544,087
(i) Further shareholder's loan to Diamond String for its repayment of DSL Loan[#]		212,000
(ii) Distribution of SPL Property as of 31 July 2025		(3,750,000)
Loss on 50% share of realisation of assets and settlement of liabilities, net	*	(5,087)
50% share of transaction costs for voluntary winding up	*	(1,000)
Investment in Diamond String after voluntary winding up		–
Total impact to reserves as at 31 July 2025	Sum of*	(6,087)
Attributable to owners of LSG		(3,384)
Attributable to non-controlling interests of LSG @44.4%		(2,703)
Pro forma distribution from Diamond String recorded as share of loss from joint venture		(6,087)
Total impact to cash and cash equivalents as at 31 July 2025		
Further shareholder's loan to Diamond String for its repayment of DSL Loan		(212,000)
Bank balances received from Diamond String		28,824
		(183,176)
As if the voluntary winding up had been taken place on 1 August 2024		
Investment in Diamond String as at 1 August 2024		4,261,316
(i) Further shareholder's loan to Diamond String for its repayment of DSL Loan[#]		250,000
(ii) Distribution of SPL Property as of 1 August 2024		(4,500,000)
Loss on 50% share of realisation of assets and settlement of liabilities, net	*	(10,316)
50% share of transaction costs for voluntary winding up	*	(1,000)
Investment in Diamond String after voluntary winding up		–

[#] *Before the distribution of the Property of Diamond String to the shareholders, Diamond String is required to repay its outstanding bank loan. The shareholders advance additional shareholders' loans to Diamond String. Then, the shareholders waive the outstanding shareholders' loans to Diamond String before the voluntary winding up of Diamond String.*

		HK$'000
The total impact to share of loss of joint venture for the year ended 31 July 2025	Sum of *	(11,316)
Attributable to owners of LSG		(6,292)
Attributable to non-controlling interests of LSG @44.4%		(5,024)
Pro forma distribution from Diamond String recorded as share of loss from joint venture		(11,316)
Total impact to the unaudited pro forma consolidated statement of cashflows for the year ended 31 July 2025 is:		
Further shareholder's loan to Diamond String for its repayment of DSL Loan		(250,000)
Bank balances received from Diamond String		28,824
		(221,176)

Note 4 This adjustment reflects the pro forma loss on disposal of interest in Surearn Profits at the Consideration of HK$3,473,000,000, net of estimated transaction costs of HK$17,000,000. Upon the Disposal, the Group's bank loan borrowed from the Lender of HK$850,000,000 (the "**LSD Loan**") will be fully repaid and the relevant pledged bank balances of HK$41,707,000 as at 31 July 2025 would be released (1 August 2024: HK$19,753,000).

		HK$'000
As if the Disposal had been taken place on 31 July 2025		
Consideration		3,473,000
Less: Transaction costs		(17,000)
		3,456,000
Less: Net assets of Surearn Profits		
Investment properties	(3,750,000)	
Deposits paid to the property manager	(2,528)	
Cash and cash equivalents	(3,824)	
Accrued management expenses	2,524	
Rental deposits received		
– Current portion	2,629	
– Non-current portion	26,199	(3,725,000)
Pro forma loss on disposal of Surearn Profits		(269,000)
Attributable to owners of LSG		(149,564)
Attributable to non-controlling interests of LSG @44.4%		(119,436)
Pro forma loss on disposal of Surearn Profits		(269,000)

		HK$'000
Analysis of the net inflow of cash and cash equivalents in respect of the Disposal		
Cash consideration, net transaction costs		3,456,000
Cash and cash equivalents held by Surearn Profits disposed of		(3,824)
Repayment of LSD Loan		(850,000)
Release of pledged bank balances		41,707
Net inflow of cash and cash equivalents in respect of the Disposal		2,643,883
As if the Disposal had been taken place on 1 August 2024		
Consideration		3,473,000
Less: Transaction costs		(17,000)
		3,456,000
Less: Net assets of Surearn Profits		
Investment properties	(4,500,000)	
Deposits paid to the property manager	(2,528)	
Cash and cash equivalents	(3,824)	
Accrued management expenses	2,524	
Rental deposits received		
– Current portion	2,629	
– Non-current portion	26,199	(4,475,000)
Pro forma loss on disposal of Surearn Profits	*(Note 5)*	(1,019,000)
Attributable to owners of LSG		(566,564)
Attributable to non-controlling interests of LSG @44.4%		(452,436)
Pro forma loss on disposal of Surearn Profits	*(Note 5)*	(1,019,000)
Analysis of the net inflow of cash and cash equivalents in respect of the Disposal		
Cash consideration, net transaction costs		3,456,000
Cash and cash equivalents held by Surearn Profits disposed of		(3,824)
Repayment of LSD Loan		(850,000)
Release of pledged bank balances		19,753
Net inflow of cash and cash equivalents in respect of the Disposal		2,621,929

Note 5 For the purpose of pro forma consolidated income statement, pro forma consolidated statement of comprehensive income and pro forma consolidated statement of cash flows as if the Disposal had been taken place on 1 August 2024, the pro forma loss on disposal of Surearn Profits of HK$1,019,000,000 had not considered the Group's share of revaluation loss of the Property held by Diamond String of HK$750,000,000 for the year ended 31 July 2025. The pro forma financial information is solely for the purpose of illustrating the effect on financial results and cash flows of the Remaining Group as if the completion of the Disposal had taken place on 1 August 2024. Because of its hypothetical nature, the Unaudited Pro Forma Financial Information does not purport to describe the actual financial performance of the Group that would have been attained had the Disposal been completed on 1 August 2024, 31 July 2025 or any future date, nor purport to predict the Group's future financial performance.

Note 6 The pro forma adjustments in the unaudited pro forma financial information of the Remaining Group are not expected to have a continuing effect on the Remaining Group.

Note 7 No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 July 2025.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION



Ernst & Young Limited
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話：+852 2846 9888
Fax 傳真：+852 2868 4432
ey.com

To the Directors of Lai Sun Garment (International) Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Lai Sun Garment (International) Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 31 July 2025, the unaudited pro forma consolidated income statement, the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 July 2025, and related notes as set out in Appendix III of the circular dated 16 December 2025 (the "**Circular**") issued by the Company (the "**Unaudited Pro Forma Financial Information**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix III of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the very substantial disposal in relation to the proposed disposal transaction of the Company (the "**Disposal**") on the Group's consolidated financial position as at 31 July 2025, as if the Disposal had taken place at 31 July 2025 and on the Group's consolidated income statement, consolidated statement of comprehensive income and consolidated cash flows for the year ended 31 July 2025, as if the Disposal had taken place at 1 August 2024. As part of this process, information about the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows has been extracted by the Directors from the consolidated statement of financial position of the Group as at 31 July 2025, the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year ended 31 July 2025, on which an annual report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Disposal on unadjusted financial information of the Group as if the Disposal had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Disposal would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Disposal, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and

- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Ernst & Young
Certified Public Accountants
Hong Kong

16 December 2025

For the purpose of this circular and for illustration purpose only, the management discussion and analysis of the Remaining Group below is made with the exclusion of Surearn Profits.

There will be no change to the principal business of the Remaining Group as a result of the Disposal. Following the Disposal, the Remaining Group will continue to carry out its existing businesses.

FOR THE YEAR ENDED 31 JULY 2025

For the year ended 31 July 2025, the Remaining Group recorded turnover of HK4,995.8 million (2024: HK$6,096.1 million) and a gross profit of HK$1,065.9 million (2024: HK$1,604.0 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.

Set out below is the turnover by segment:

	Year ended 31 July			
	2025	2024	Difference	% change
	(HK$ million)	*(HK$ million)*	*(HK$ million)*	
Property investment	**1,300.6**	1,363.5	-62.9	-4.6
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	**300.3**	284.4	+15.9	+5.6
Total	**4,995.8**	6,096.1	-1,100.3	-18.0

For the year ended 31 July 2025, net loss attributable to owners of the Company was approximately HK$1,286.3 million (2024: HK$2,019.9 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 Remaining 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.

Net loss per share was HK$1.456 (2024: HK$2.287).

Non-HKFRS Financial Measures

To supplement the Remaining Group's consolidated financial statements which are presented under HKFRS, the Remaining Group also uses (i) adjusted earnings before interests, taxes, depreciation and amortisation ("**adjusted EBITDA**") of the Remaining 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 Remaining 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 Remaining 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 Remaining Group's management.

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

(HK$ million)	For the year ended 31 July 2025	2024
Loss from operating activities of the Remaining Group (HKFRS measure)	**(896.1)**	(1,668.5)
Adjustments for:		
Share of losses of joint ventures	**(429.9)**	(530.3)
Share of profits of associates	**5.0**	11.7
Fair value losses on investment properties held by the Remaining Group*(Note 1)*	**508.6**	927.9
Fair value losses on investment properties held by the associates and the joint ventures*(Note 1)*	**3.4**	293.6
Depreciation of property, plant and equipment*(Note 2)*	**306.5**	365.0
Depreciation of right-of-use assets*(Note 2)*	**281.0**	370.9
Amortisation of film rights, film and TV program products*(Note 3)*	**8.5**	70.8
Impairment of properties held by the Remaining 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**	398.6
Gain on disposal of a subsidiary*(Note 5)*	**(111.1)**	–
Adjusted EBITDA of the Remaining Group (non-HKFRS measure)	**875.3**	1,152.2

Notes:

1. *Given the sizeable investment properties portfolio held by the Remaining Group, the associates 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 Remaining 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 Remaining 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 Remaining Group was approximately HK$875.3 million for the year under review (2024: HK$1,152.2 million).

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

	For the year ended 31 July	
(HK$ million)	**2025**	2024
Net loss attributable to owners of the Company (HKFRS measure)	**(1,286.3)**	(2,019.9)
Adjustments for:		
Fair value losses on investment properties held by the Remaining Group*(Note 1)*	**508.6**	927.9
Fair value losses on investment properties held by the associates and the joint ventures*(Note 1)*	**3.4**	293.6
Deferred tax on fair value changes on investment properties held by the Remaining Group*(Note 1)*	**(9.5)**	111.6
Non-controlling interest's share of fair value losses on investment properties held by the Remaining Group less deferred tax*(Note 1)*	**(206.4)**	(463.4)
Impairment of properties held by the Remaining Group*(Note 2)*	**754.2**	688.9
Impairment of properties held by the joint ventures*(Note 2)*	**410.0**	223.6
Impairment of restaurant and F&B product sales, cinema and film & TV program operations*(Note 2)*	**35.2**	398.6
Deferred tax on impairment*(Note 2)*	**(106.7)**	(126.0)
Deferred tax assets written off*(Note 2)*	**10.4**	181.1
Gain on disposal of a subsidiary*(Note 2)*	**(111.1)**	—
Non-controlling interest's share of the above non-recurring adjustments*(Note 2)*	**(478.0)**	(759.6)
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)	**(476.2)**	(543.6)

Notes:

1. *Given the sizeable investment properties portfolio held by the Remaining Group, the associates 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 Remaining 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, the gain on disposal of a subsidiary, and impact on non-controlling interest's share, which are 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$476.2 million for the year under review (2024: HK$543.6 million). Net loss per share excluding the effect of property revaluations and other non-cash and non-recurring items was approximately HK$0.539 (2024: HK$0.615).

Equity attributable to owners of the Company as at 31 July 2025 amounted to HK$12,415.9 million, as compared to HK$13,592.3 million as at 31 July 2024. Net asset value per share attributable to owners of the Company dropped to HK$14.055 per share as at 31 July 2025 from HK$15.387 per share as at 31 July 2024.

PROPERTY PORTFOLIO COMPOSITION

The Remaining Group maintained a property portfolio with attributable GFA of approximately 4.6 million square feet as at 31 July 2025. All major properties of the Remaining 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 LSD Remaining Group, and all major properties in Hong Kong and overseas are held by the Remaining Group excluding eSun Group and Lai Fung Group.

Approximate attributable GFA (in '000 square feet) of the Remaining 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 Apartment	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 basis[1])							
Completed Properties Held for Rental[2]	816	676	—	—	—	1,492	915
Completed Hotel Properties and Serviced Apartments[2]	—	—	303	—	—	303	—
Properties under Development[3]	176	84	484	—	—	744	327
Completed Properties Held for Sale	50	129	119	13	—	311	1,081
Subtotal	**1,042**	**889**	**906**	**13**	**—**	**2,850**	**2,323**
GFA of major properties and number of car parking spaces of LSD Remaining Group (excluding Lai Fung Group) (on attributable basis[1])							
Completed Properties Held for Rental[2]	384	485	—	—	8	877	744
Completed Hotel Properties and Serviced Apartments[2]	—	—	403	—	—	403	51
Properties under Development[3]	—	—	—	149	—	149	76
Completed Properties Held for Sale	17	58	19	16	—	110	26
Subtotal	**401**	**543**	**422**	**165**	**8**	**1,539**	**897**
GFA of major properties and number of car parking spaces of the Remaining Group (excluding LSD Remaining Group) (on attributable basis)							
Completed Properties Held for Rental[2]	91	—	—	—	160	251	37
Subtotal	**91**	**—**	**—**	**—**	**160**	**251**	**37**
Total GFA attributable to the Remaining Group	**1,534**	**1,432**	**1,328**	**178**	**168**	**4,640**	**3,257**

Notes:

1. *As at 31 July 2025, Lai Fung is a 55.08%-owned subsidiary of LSD and LSD is a 55.60%-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 Remaining Group's rental operations recorded a turnover of HK$1,300.6 million (2024: HK$1,363.5 million) comprising turnover of HK$540.5 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 Remaining Group is as follows:

	Year ended 31 July			**Year end occupancy**	
	2025	2024	% Change	**2025**	2024
	HK$ million	*HK$ million*		**%**	%
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	**48.6**	50.8	-4.3	**93.0**	98.9
Crocodile Center (commercial podium)*	**80.1**	79.7	+0.5	**100.0**	100.0
Por Yen Building*	**14.6**	15.1	-3.3	**88.5**	96.6
Others	**12.4**	10.8	+14.8		
Subtotal:	**540.5**	571.7	-5.5		
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**	Retail: 92.7
				Office: 85.1	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**	Retail: 83.9
				Office: 61.8	Office: 45.6
Guangzhou					
Guangzhou May Flower Plaza	**92.7**	93.1	-0.4	**Retail: 98.7**	Retail: 94.1
				Office: 100.0	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**	Retail: 100.0
				Office: 88.0[1]	Office: 90.6[1]
Guangzhou Lai Fung International Center	**65.7**	43.0	+52.8	**Retail: 99.0**	Retail: 99.0
				Office: 66.0	Office: 52.9

	Year ended 31 July			Year end occupancy	
	2025	2024	% Change	**2025**	2024
	HK$ million	*HK$ million*		**%**	%
Zhongshan					
Zhongshan Palm Spring Rainbow Mall	**4.5**	5.0	-10.0	**Retail: 82.3**[1]	Retail: 83.5[1]
Hengqin					
Hengqin Novotown Phase I	**19.8**	13.7	+44.5	**Retail: 85.1**[2]	Retail: 81.3[2]
Others	**38.6**	35.7	+8.1		
Subtotal:	**720.9**	714.1	+1.0		
Total:	**1,300.6**	1,363.5	-4.6		
Rental income from joint venture project					
Hong Kong					
Alto Residences[3] (50% basis)	**3.0**	21.6	-86.1	**N/A**	82.0
Total:	**3.0**	21.6	-86.1		

Notes:

* *The property is held by the Remaining Group (excluding LSD Remaining Group).*

1. *Excluding self-use area.*

2. *Including the cultural attraction spaces.*

3. *Alto Residences is a joint venture project with Empire Group Holdings Limited ("**Empire Group**") in which each of LSD Remaining 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).*

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

	Year ended 31 July 2025			Year ended 31 July 2024		
	Attributable interest to the Remaining Group	**Turnover** *(HK$ million)*	**Total GFA** *(square feet)*	Attributable interest to the Remaining Group	Turnover *(HK$ million)*	Total GFA *(square feet)*
Hong Kong						
Cheung Sha Wan Plaza	**55.60%**			55.60%		
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	**55.60%**			55.60%		
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	**55.60%**			55.60%		
Commercial		**23.6**	**95,063**		23.7	95,063
Office		**4.6**	**74,181**		5.3	74,181
Car Parking Spaces		**20.4**	**N/A**		21.8	N/A
Subtotal:		**48.6**	**169,244**		50.8	169,244
Crocodile Center*	**100%**			100%		
Commercial		**80.1**	**91,201**		79.7	91,201
Por Yen Building*	**100%**			100%		
Industrial		**14.3**	**109,010**		14.8	109,010
Car Parking Spaces		**0.3**	**N/A**		0.3	N/A
Subtotal:		**14.6**	**109,010**		15.1	109,010
Others		**12.4**	**61,169**		10.8	61,169
Subtotal:		**540.5**	**1,280,365**		571.7	1,280,365
London, United Kingdom						
107 Leadenhall Street	**55.60%**			55.60%		
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

	Year ended 31 July 2025			Year ended 31 July 2024		
	Attributable interest to the Remaining Group	**Turnover** *(HK$ million)*	**Total GFA** *(square feet)*	Attributable interest to the Remaining Group	Turnover *(HK$ million)*	Total GFA *(square feet)*
100 Leadenhall Street	**55.60%**			55.60%		
Office		**26.9**	**177,700**		64.7	177,700
106 Leadenhall Street	**55.60%**			55.60%		
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
Chinese Mainland						
Shanghai						
Shanghai Hong Kong Plaza	**30.62%**			30.62%		
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	**30.62%**			30.62%		
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	**29.10%**			29.10%		
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	**30.62%**			30.62%		
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

	Year ended 31 July 2025			Year ended 31 July 2024		
	Attributable interest to the Remaining Group	**Turnover** *(HK$ million)*	**Total GFA** *(square feet)*	Attributable interest to the Remaining Group	Turnover *(HK$ million)*	Total GFA *(square feet)*
Guangzhou						
Guangzhou May Flower Plaza	**30.62%**			30.62%		
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	**30.62%**			30.62%		
Retail		**21.4**	**182,344**		22.2	182,344
Guangzhou Lai Fung Tower	**30.62%**			30.62%		
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	**30.62%**			30.62%		
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 Rainbow Mall	**30.62%**			30.62%		
Retail[1]		**4.5**	**148,106**		5.0	148,106
Hengqin						
Novotown Phase I[#]	**35.62%**			35.62%		
Commercial[2]		**19.8**	**997,085**[2]		13.7	1,006,091[2]
Others		**38.6**	**N/A**		35.7	N/A
Subtotal:		**720.9**	**5,077,095**		714.1	5,086,101
Total:		**1,300.6**	**6,701,690**		1,363.5	6,710,696

	Year ended 31 July 2025			Year ended 31 July 2024		
	Attributable interest to the Remaining Group	**Turnover** *(HK$ million)*	**Total GFA** *(square feet)*	Attributable interest to the Remaining Group	Turnover *(HK$ million)*	Total GFA *(square feet)*
Rental income from joint venture project						
Hong Kong						
Alto Residences[3] (50% basis)	**27.80%**			27.80%		
Commercial		**0.2**	**—**		14.1	47,067[4]
Residential units[5]		**1.9**	**2,052**[6]		3.9	11,447[6]
Car Parking Spaces		**0.9**	**N/A**		3.6	N/A
Total:		**3.0**	**2,052**		21.6	58,514

Notes:

* *The property is held by the Remaining Group (excluding LSD Remaining Group).*

\# *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.*

1. *Excluding self-use area.*

2. *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 LSD Remaining Group.*

3. *Alto Residences is a joint venture project with Empire Group in which each of LSD Remaining 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).*

4. *GFA attributable to LSD Remaining Group. The total GFA is 94,133 square feet.*

5. *Referring to those sold residential units offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*

6. *Saleable area attributable to LSD Remaining Group. The total saleable area is 4,104 (2024: 22,893) square feet.*

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**

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[4]
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 LSD Remaining 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 LSD Remaining 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 LSD Remaining Group. The total no. of car parking space(s) recognised is 1.*

Contracted Sales

As at 31 July 2025, the Remaining Group's property development operation has contracted but not yet recognised sales of HK$256.9 million. Including the joint venture project of the Remaining Group, the total contracted but not yet recognised sales of the Remaining 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**

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 LSD Remaining 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.*

HOTEL AND SERVICED APARTMENT OPERATIONS

The hotel and serviced apartment operation segment of the Remaining Group includes LSD Remaining 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, LSD Remaining 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 Remaining Group. The hotel project in Phuket, Thailand that LSD Remaining Group invested in June 2017 is still at the planning stage. LSD Remaining 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 Remaining 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.

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

	Location	Attributable interest to LSD Remaining 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 LSD Remaining Group. The total number of rooms and total GFA are 211 and 276,482 square feet, respectively.*

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 Remaining 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, LSD Remaining Group has closed or consolidated certain non-performing restaurants and renegotiated leases with certain

landlords, the segment losses reduced during the year under review. LSD Remaining 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.

Up to 24 October 2025, restaurant operations include LSD Remaining 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 LSD Remaining Group are as follows:

Cuisine	Restaurant	Location	Attributable interest to LSD Remaining Group	Award
Owned restaurants				
Western/International Cuisine	8½ Otto e Mezzo BOMBANA Hong Kong	Hong Kong	38%	Three Michelin stars (2012-2025)
	8½ Otto e Mezzo BOMBANA Shanghai	Shanghai	13%	Two Michelin stars (2017-2025)
	Beefbar	Hong Kong	63%	One Michelin star (2017-2025)
	Prohibition*(Note)*	Hong Kong	100%	
	Cipriani	Hong Kong	44%	
	Plaisance by Mauro Colagreco	Hong Kong	48%	One Michelin star (2025)
Asian Cuisine	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*(Note)*	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%	
	SÊP	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	8½ 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.

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 24 October 2025, 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% 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*".

INTERESTS IN JOINT VENTURES

For the year ended 31 July 2025, share of losses from joint ventures of the Remaining Group amounted to HK$429.9 million, as compared to HK$530.3 million in last financial year. The decrease in losses was primarily due to no fair value losses were recorded during the year under review, while partially offset by the increase in impairment losses on properties recorded during the year under review.

	Year ended 31 July	
	2025	2024
	(HK$ million)	*(HK$ million)*
Revaluation losses	**—**	(292.7)
Operating losses	**(429.9)**	(237.6)
Losses from joint ventures	**(429.9)**	(530.3)

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 July 2025, cash and bank balances and undrawn facilities held by the Remaining Group amounted to approximately HK$4,424.8 million and approximately HK$4,216.4 million, respectively. Cash and bank balances held by the Remaining Group of which about 51% was denominated in Hong Kong dollars and United States dollars, and about 33% was denominated in Renminbi. Excluding LSD Remaining Group, cash and bank balances and undrawn facilities held by the Remaining Group as at 31 July 2025 were approximately HK$86.4 million and approximately HK$425.0 million, respectively.

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

As at 31 July 2025, the Remaining Group had bank borrowings of approximately HK$21,323.7 million, guaranteed notes of approximately HK$4,259.6 million and other borrowings of approximately HK$776.0 million. As at 31 July 2025, the maturity profile of the bank borrowings of HK$21,323.7 million is spread with HK$10,886.0 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, LSD Remaining 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 Remaining Group's bank borrowings under current liabilities as at 31 July 2025. LSD Remaining 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 Remaining Group will be able to refinance its bank borrowings when they become due and obtain new bank facilities as needed based on the Remaining Group's relationship with the banks and its historical record of successfully refinancing loans.

LSD Remaining 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 and were issued for refinancing the previous notes and for general corporate purposes. LSD Remaining Group entered into cross currency swap agreements with financial institutions for hedging the foreign currency risk of certain guaranteed notes. LSD Remaining 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 16% of the Remaining Group's total borrowings carried interest on a floating rate basis and fixed rate basis, respectively, and the remaining 2% of the Remaining 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 177%. Excluding the net debt of LSD Remaining Group, the Remaining Group's gearing ratio was approximately 7%.

As at 31 July 2025, certain investment properties with carrying amounts of approximately HK$34,840.1 million, certain property, plant and equipment and the related right-of-use assets with carrying amounts of approximately HK$7,589.8 million, certain completed properties for sale with carrying amounts of approximately HK$1,478.6 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$914.0 million were pledged to banks to secure banking facilities granted to the Remaining Group. In addition, shares in certain subsidiaries were pledged to banks to secure banking facilities granted to the Remaining Group. Shares in certain joint ventures were pledged to banks to secure banking facilities granted to the respective joint ventures of the Remaining Group. The Remaining Group's secured bank borrowings were also secured by floating charges over certain assets held by the Remaining Group.

The Remaining 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 Remaining Group believes that the corresponding exposure to exchange rate risk arising from United States dollars is not material. LSD Remaining 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 Remaining Group were denominated in Euro and Vietnamese Dong which were insignificant as compared with the Remaining Group's total assets and liabilities. The Remaining 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 Remaining Group's financial position and liquidity further.

MATERIAL ACQUISITIONS OR DISPOSALS

The Remaining Group has no material acquisition or disposal of subsidiaries and associates companies for the year ended 31 July 2025.

CONTINGENT LIABILITIES

The Remaining 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	2024
	HK$'000	*HK$'000*
Guarantees given to banks in connection with facilities granted to and utilised by joint ventures	**934,842**	881,631

(b) The Remaining 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 Remaining Group. Pursuant to the terms of the guarantees, upon default in mortgage payments by these end-buyers, the Remaining Group will be responsible to repay the outstanding mortgage loan principal amounts together with accrued interest owed by the end-buyers in default. The Remaining 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 Remaining Group amounted to approximately HK$375,901,000 (2024: HK$594,086,000).

(c) The Remaining 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.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 July 2025, the Remaining Group employed a total of approximately 3,600 employees. The Remaining Group recognises the importance of maintaining a stable staff force in its continued success. Under the Remaining 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.

FOR THE YEAR ENDED 31 JULY 2024

For the year ended 31 July 2024, the Remaining Group recorded turnover of HK$6,096.1 million (2023: HK$4,994.6 million) and a gross profit of HK$1,604.0 million (2023: HK$799.3 million). The increase was primarily due to (i) higher turnover from the Remaining Group's rental operation; (ii) increase in the Remaining Group's property sales particularly from Lai Fung Group; (iii) growth in the Remaining Group's hotel operation, which was mainly driven by the relaxation of COVID-19 restrictions; and (iv) the increase in revenue derived from eSun Group's film and TV program. Nonetheless, this increase was partially offset by the Remaining Group's weaker than expected performance in cinema operation during the year under review, as compared to last financial year.

Set out below is the turnover by segment:

	Year ended 31 July			
	2024	2023	Difference	% change
	(HK$ million)	*(HK$ million)*	*(HK$ million)*	
Property investment	**1,363.5**	1,255.6	+107.9	+8.6
Property development and sales	**1,529.5**	946.6	+582.9	+61.6
Hotel operation	**1,191.4**	977.7	+213.7	+21.9
Restaurant and F&B product sales operations	**544.6**	552.6	-8.0	-1.4
Media and entertainment	**387.1**	372.5	+14.6	+3.9
Film and TV program	**341.0**	113.1	+227.9	+201.5
Cinema operation	**439.5**	525.1	-85.6	-16.3
Theme park operation	**15.1**	18.9	-3.8	-20.1
Others	**284.4**	232.5	+51.9	+22.3
Total	**6,096.1**	4,994.6	+1,101.5	+22.1

For the year ended 31 July 2024, net loss attributable to owners of the Company was approximately HK$2,019.9 million (2023: HK$1,646.3 million). The increased loss was primarily due to (i) decrease in fair values of investment properties directly owned by the Remaining Group, and (ii) increase in share of losses of joint ventures held by LSD Remaining Group during the year under review as compared to last financial year. Net loss per share was HK$2.287 (2023: HK$2.135).

Non-HKFRS Financial Measures

To supplement the Remaining Group's consolidated financial statements which are presented under HKFRS, the Remaining Group also use (i) adjusted EBITDA of the Remaining 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 Remaining 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 Remaining 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 Remaining Group's management.

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

	For the year ended 31 July	
(HK$ million)	**2024**	2023
Loss from operating activities of the Remaining Group (HKFRS measure)	**(1,668.5)**	(2,358.0)
Adjustments for:		
Share of profits and losses of joint ventures	**(530.3)**	25.4
Share of profits and losses of associates	**11.7**	(2.6)
Fair value losses of investment properties held by the Remaining Group*(Note 1)*	**927.9**	890.4
Fair value losses of investment properties held by the associates and the joint ventures*(Note 1)*	**293.6**	—
Depreciation of property, plant and equipment*(Note 2)*	**365.0**	416.9
Depreciation of right-of-use assets*(Note 2)*	**370.9**	373.5
Amortisation of film rights, film and TV program products and music catalogs*(Note 3)*	**70.8**	40.0
Impairment of properties held by the Remaining Group*(Note 4)*	**688.9**	1,353.0
Impairment of properties held by the joint ventures*(Note 4)*	**223.6**	—
Impairment of restaurant and F&B product sales, cinema and film & TV program operations*(Note 4)*	**398.6**	42.4
Adjusted EBITDA of the Remaining Group (non-HKFRS measure)	**1,152.2**	781.0

Notes:

1. *Given the sizeable investment properties portfolio held by the Remaining Group, the associates and the joint ventures, the adjustments relate to fair value losses of investment properties, which are non-cash in nature.*

2. *The adjustments arise from depreciation of the Remaining 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 and music catalogs, which is non-cash in nature.*

4. *The adjustments arise from impairment of the Remaining Group's and the joint ventures' properties, and the restaurant and F&B product sales, cinema and film & TV program operations, which are non-cash and non-recurring in nature.*

Excluding the net effect of property revaluations, other non-cash and non-recurring items, adjusted EBITDA of the Remaining Group was approximately HK$1,152.2 million for the year under review (2023: HK$781.0 million).

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

	For the year ended 31 July	
(HK$ million)	**2024**	2023
Net loss attributable to owners of the Company (HKFRS measure)	**(2,019.9)**	(1,646.3)
Adjustments for:		
Fair value losses of investment properties held by the Remaining Group*(Note 1)*	**927.9**	890.4
Fair value losses of investment properties held by the associates and the joint ventures*(Note 1)*	**293.6**	—
Deferred tax on fair value changes of investment properties held by the Remaining Group*(Note 1)*	**111.6**	(33.5)
Non-controlling interests' share of fair value losses of investment properties held by the Remaining Group less deferred tax*(Note 1)*	**(463.4)**	(376.1)
Impairment of properties held by the Remaining Group*(Note 2)*	**688.9**	1,353.0
Impairment of properties held by the joint ventures*(Note 2)*	**223.6**	—
Impairment of restaurant and F&B product sales, cinema and film & TV program operations*(Note 2)*	**398.6**	42.4
Deferred tax on impairment*(Note 2)*	**(126.0)**	(160.4)
Deferred tax assets written off*(Note 2)*	**181.1**	—
Non-controlling interests' share of impairment less deferred tax and deferred tax assets written off*(Note 2)*	**(759.6)**	(646.3)
Adjusted net loss attributable to owners of the Company excluding fair value losses of investment properties and other non-cash and non-recurring items (non-HKFRS measure)	**(543.6)**	(576.8)

Notes:

1. *Given the sizeable investment properties portfolio held by the Remaining Group, the associates and the joint ventures, the adjustments relate to fair value losses of 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 Remaining 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-cash and 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$543.6 million for the year under review (2023: HK$576.8 million). Net loss per share excluding the effect of property revaluations and other non-cash and non-recurring items was approximately HK$0.615 (2023: HK$0.748).

Equity attributable to owners of the Company as at 31 July 2024 amounted to HK$13,592.3 million, as compared to HK$15,751.9 million as at 31 July 2023. Net asset value per share attributable to owners of the Company dropped to HK$15.387 per share as at 31 July 2024 from HK$17.832 per share as at 31 July 2023.

PROPERTY PORTFOLIO COMPOSITION

The Remaining Group maintained a property portfolio with attributable GFA of approximately 4.8 million square feet as at 31 July 2024. All major properties of the Remaining 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 LSD Remaining Group, and all major properties in Hong Kong and overseas are held by the Remaining Group excluding eSun Group and Lai Fung Group.

Approximate attributable GFA (in '000 square feet) of the Remaining Group's major properties and number of car parking spaces as at 31 July 2024 are set out as follows (before latest development on Novotown Phase II):

	Commercial/ Retail	Office	Hotel/ Serviced Apartment	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 basis[1])							
Completed Properties Held for Rental[2]	819	676	—	—	—	1,495	915
Completed Hotel Properties and Serviced Apartments[2]	—	—	303	—	—	303	—
Properties under Development[3]	167	485	177	—	—	829	414
Completed Properties Held for Sale	50	129	59	47	—	285	1,043
Subtotal	**1,036**	**1,290**	**539**	**47**	**—**	**2,912**	**2,372**
GFA of major properties and number of car parking spaces of LSD Remaining Group (excluding Lai Fung Group) (on attributable basis[1])							
Completed Properties Held for Rental[2]	411	485	—	—	8	904	782
Completed Hotel Properties and Serviced Apartments[2]	—	—	403	—	—	403	51
Properties under Development[3]	—	—	—	173	—	173	76
Completed Properties Held for Sale	23	58	27	30	—	138	27
Subtotal	**434**	**543**	**430**	**203**	**8**	**1,618**	**936**
GFA of major properties and number of car parking spaces of the Remaining Group (excluding LSD Remaining Group) (on attributable basis)							
Completed Properties Held for Rental[2]	91	—	—	—	160	251	37
Subtotal	**91**	**—**	**—**	**—**	**160**	**251**	**37**
Total GFA attributable to the Remaining Group	**1,561**	**1,833**	**969**	**250**	**168**	**4,781**	**3,345**

Notes:

1. *As at 31 July 2024, Lai Fung is a 55.08%-owned subsidiary of LSD and LSD is a 55.60%-owned subsidiary of the Company.*

2. *Completed and rental generating properties.*

3. *All properties under construction (before latest development on Novotown Phase II).*

PROPERTY INVESTMENT

Rental Income

During the year under review, the Remaining Group's rental operations recorded a turnover of HK$1,363.5 million (2023: HK$1,255.6 million) comprising turnover of HK$571.7 million, HK$77.7 million and HK$714.1 million from rental properties in Hong Kong, London and Chinese Mainland, respectively.

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

	Year ended 31 July			**Year end occupancy**	
	2024	2023	% Change	**2024**	2023
	HK$ million	*HK$ million*		**%**	%
Hong Kong					
Cheung Sha Wan Plaza	**284.6**	268.6	+6.0	**96.9**	95.5
Causeway Bay Plaza 2	**130.7**	125.5	+4.1	**89.7**	93.5
Lai Sun Commercial Centre	**50.8**	44.9	+13.1	**98.9**	94.3
Crocodile Center (commercial podium)*	**79.7**	75.8	+5.1	**100.0**	100.0
Por Yen Building*	**15.1**	14.9	+1.3	**96.6**	96.4
Others	**10.8**	10.1	+6.9		
Subtotal:	**571.7**	539.8	+5.9		
London, United Kingdom					
107 Leadenhall Street	**12.1**	24.6	-50.8	**47.8**	64.8
100 Leadenhall Street	**64.7**	47.1	+37.4	**100.0**	100.0
106 Leadenhall Street	**0.9**	5.4	-83.3	**0.0**	100.0
Subtotal:	**77.7**	77.1	+0.8		
Chinese Mainland					
Shanghai					
Shanghai Hong Kong Plaza	**271.3**	270.3	+0.4	**Retail: 92.7**	Retail: 91.5
				Office: 90.3	Office: 90.8
Shanghai May Flower Plaza	**41.0**	42.4	-3.3	**Retail: 99.6**	Retail: 98.9
Shanghai Regents Park	**17.4**	20.6	-15.5	**100.0**	100.0
Shanghai Skyline Tower[1]	**49.2**	12.0	+310.0	**Retail: 83.9**	Retail: 70.1
				Office: 45.6	Office: 31.9
Guangzhou					
Guangzhou May Flower Plaza	**93.1**	95.0	-2.0	**95.1**	94.5
Guangzhou West Point	**22.2**	21.3	+4.2	**95.0**	95.0
Guangzhou Lai Fung Tower	**122.5**	130.9	-6.4	**Retail: 100.0**	Retail: 100.0
				Office: 90.6[2]	Office: 85.0[2]
Guangzhou Lai Fung International Center[1]	**43.0**	10.6	+305.7	**Retail: 99.0**	Retail: 6.0
				Office: 52.9	Office: 42.0

	Year ended 31 July			Year end occupancy	
	2024	2023	% Change	**2024**	2023
	HK$ million	*HK$ million*		**%**	%
Zhongshan					
Zhongshan Palm Spring Rainbow Mall	**5.0**	5.1	-2.0	**Retail: 83.5**[2]	Retail: 66.5[2]
Hengqin					
Hengqin Novotown Phase I	**6.7**	2.7	+148.1	**Retail: 81.3**[3]	Retail: 81.0[3]
Others	**42.7**	27.8	+53.6		
Subtotal:	**714.1**	638.7	+11.8		
Total:	**1,363.5**	1,255.6	+8.6		
Rental proceeds from joint venture project					
Hong Kong					
Alto Residences[4] (50% basis)	**21.6**	24.4	-11.5	**82.0**	94.0
Total:	**21.6**	24.4	-11.5		

Notes:

* *The property is held by the Remaining Group (excluding LSD Remaining Group).*

1. *Shanghai Skyline Tower and Guangzhou Lai Fung International Center were completed in September and November 2022, respectively.*

2. *Excluding self-use area.*

3. *Including the cultural attraction spaces occupied by Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin.*

4. *Alto Residences is a joint venture project with Empire Group Holdings Limited ("**Empire Group**") in which each of LSD Remaining Group and Empire Group has an effective 50% interest. For the year ended 31 July 2024, the joint venture recorded rental proceeds of approximately HK$43.1 million (2023: HK$48.8 million).*

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

	Year ended 31 July 2024			Year ended 31 July 2023		
	Attributable interest to the Remaining Group	**Turnover** *(HK$ million)*	**Total GFA** *(square feet)*	Attributable interest to the Remaining Group	Turnover *(HK$ million)*	Total GFA *(square feet)*
Hong Kong						
Cheung Sha Wan Plaza	**55.60%**			55.60%		
Commercial		**131.8**	**233,807**		120.1	233,807
Office		**133.4**	**409,896**		129.5	409,896
Car Parking Spaces		**19.4**	**N/A**		19.0	N/A
Subtotal:		**284.6**	**643,703**		268.6	643,703
Causeway Bay Plaza 2	**55.60%**			55.60%		
Commercial		**82.5**	**109,770**		76.8	109,770
Office		**42.8**	**96,268**		43.6	96,268
Car Parking Spaces		**5.4**	**N/A**		5.1	N/A
Subtotal:		**130.7**	**206,038**		125.5	206,038
Lai Sun Commercial Centre	**55.60%**			55.60%		
Commercial		**23.7**	**95,063**		18.2	95,063
Office		**5.3**	**74,181**		5.3	74,181
Car Parking Spaces		**21.8**	**N/A**		21.4	N/A
Subtotal:		**50.8**	**169,244**		44.9	169,244
Crocodile Center*	**100%**			100%		
Commercial		**79.7**	**91,201**		75.8	91,201
Por Yen Building*	**100%**			100%		
Industrial		**14.8**	**109,010**		14.6	109,010
Car Parking Spaces		**0.3**	**N/A**		0.3	N/A
Subtotal:		**15.1**	**109,010**		14.9	109,010
Others		**10.8**	**61,169**[1]		10.1	61,169[1]
Subtotal:		**571.7**	**1,280,365**[1]		539.8	1,280,365[1]
London, United Kingdom						
107 Leadenhall Street	**55.60%**			55.60%		
Commercial		**3.1**	**48,182**		3.0	48,182
Office		**9.0**	**98,424**		21.6	98,424
Subtotal:		**12.1**	**146,606**		24.6	146,606

	Year ended 31 July 2024			Year ended 31 July 2023		
	Attributable interest to the Remaining Group	**Turnover** *(HK$ million)*	**Total GFA** *(square feet)*	Attributable interest to the Remaining Group	Turnover *(HK$ million)*	Total GFA *(square feet)*
100 Leadenhall Street	**55.60%**			55.60%		
Office		**64.7**	**177,700**		47.1	177,700
106 Leadenhall Street	**55.60%**			55.60%		
Commercial		**0.1**	**3,540**		0.4	3,540
Office		**0.8**	**16,384**		5.0	16,384
Subtotal:		**0.9**	**19,924**		5.4	19,924
Subtotal:		**77.7**	**344,230**		77.1	344,230
Chinese Mainland						
Shanghai						
Shanghai Hong Kong Plaza	**30.62%**			30.62%		
Retail		**168.5**	**468,434**		164.1	468,434
Office		**97.3**	**362,096**		100.2	362,098
Car Parking Spaces		**5.5**	**N/A**		6.0	N/A
Subtotal:		**271.3**	**830,530**		270.3	830,532
Shanghai May Flower Plaza	**30.62%**			30.62%		
Retail		**36.4**	**320,314**		37.8	320,314
Car Parking Spaces		**4.6**	**N/A**		4.6	N/A
Subtotal:		**41.0**	**320,314**		42.4	320,314
Shanghai Regents Park	**29.10%**			29.10%		
Retail		**16.2**	**82,062**		18.5	82,062
Car Parking Spaces		**1.2**	**N/A**		2.1	N/A
Subtotal:		**17.4**	**82,062**		20.6	82,062

	Year ended 31 July 2024			Year ended 31 July 2023		
	Attributable interest to the Remaining Group	**Turnover** *(HK$ million)*	**Total GFA** *(square feet)*	Attributable interest to the Remaining Group	Turnover *(HK$ million)*	Total GFA *(square feet)*
Shanghai Skyline Tower[2]	**30.62%**			30.62%		
Retail		**6.4**	**92,226**		1.5	92,226
Office		**41.2**	**634,839**		10.3	634,839
Car Parking Spaces		**1.6**	**N/A**		0.2	N/A
Subtotal:		**49.2**	**727,065**		12.0	727,065
Guangzhou						
Guangzhou May Flower Plaza	**30.62%**			30.62%		
Retail		**81.3**	**357,424**		80.1	357,424
Office		**8.5**	**79,431**		12.3	79,431
Car Parking Spaces		**3.3**	**N/A**		2.6	N/A
Subtotal:		**93.1**	**436,855**		95.0	436,855
Guangzhou West Point	**30.62%**			30.62%		
Retail		**22.2**	**182,344**		21.3	182,344
Guangzhou Lai Fung Tower	**30.62%**			30.62%		
Retail		**16.8**	**112,292**		17.2	112,292
Office		**99.2**	**625,821**		107.0	625,821
Car Parking Spaces		**6.5**	**N/A**		6.7	N/A
Subtotal:		**122.5**	**738,113**		130.9	738,113
Guangzhou Lai Fung International Center[2]	**30.62%**			30.62%		
Retail		**9.6**	**109,320**		0.1	109,320
Office		**30.6**	**505,301**		10.2	505,301
Car Parking Spaces		**2.8**	**N/A**		0.3	N/A
Subtotal:		**43.0**	**614,621**		10.6	614,621

	Year ended 31 July 2024			Year ended 31 July 2023		
	Attributable interest to the Remaining Group	**Turnover** *(HK$ million)*	**Total GFA** *(square feet)*	Attributable interest to the Remaining Group	Turnover *(HK$ million)*	Total GFA *(square feet)*
Zhongshan						
Zhongshan Palm Spring	**30.62%**			30.62%		
Rainbow Mall						
Retail[3]		**5.0**	**148,106**		5.1	148,106
Hengqin						
Novotown Phase I[#]	**35.62%**			35.62%		
Commercial[4]		**6.7**	**1,006,091**[4]		2.7	1,006,091[4]
Others		**42.7**	**N/A**		27.8	N/A
Subtotal:		**714.1**	**5,086,101**		638.7	5,086,103
Total:		**1,363.5**	**6,710,696**[1]		1,255.6	6,710,698[1]
Rental proceeds from joint venture project						
Hong Kong						
Alto Residences[5] (50% basis)	**27.80%**			27.80%		
Commercial		**14.1**	**47,067**[6]		15.1	47,067[6]
Residential units[7]		**3.9**	**11,447**[8]		6.1	15,262[8]
Car Parking Spaces		**3.6**	**N/A**		3.2	N/A
Total:		**21.6**	**58,514**		24.4	62,329

Notes:

* *The property is held by the Remaining Group (excluding LSD Remaining Group).*

\# *Excluding office units and cultural workshop units. Office units of total GFA of 525,881 square feet and cultural workshop units of total GFA of 239,143 square feet of Hengqin Novotown Phase I under "Completed properties for sale" have been leased during the year ended 31 July 2024, with occupancy rate of approximately 62.0% and 72.0%, respectively, achieving a total of approximately HK$3.3 million and HK$3.5 million to "Other revenue and gains", respectively.*

1. *Excluding 10% interest in AIA Central.*

2. *Shanghai Skyline Tower and Guangzhou Lai Fung International Center were completed in September and November 2022, respectively.*

3. *Excluding self-use area.*

4. *Including the cultural attraction spaces occupied by Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin (self-use area), the total GFA of which was approximately 384,759 square feet as at 31 July 2024. Revenue from Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin are recognised under turnover from theme park operation of LSD Remaining Group.*

5. *Alto Residences is a joint venture project with Empire Group in which each of LSD Remaining Group and Empire Group has an effective 50% interest. For the year ended 31 July 2024, the joint venture recorded rental proceeds of approximatelyHK$43.1 million (2023: HK$48.8 million).*

6. *GFA attributable to LSD Remaining Group. The total GFA is 94,133 square feet.*

7. *Referring to those sold residential units offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*

8. *Saleable area attributable to LSD Remaining Group. The total saleable area is 22,893 (2023: 30,524) square feet.*

PROPERTY DEVELOPMENT

Recognised Sales

For the year ended 31 July 2024, recognised turnover from sales of properties was HK$1,529.5 million (2023: HK$946.6 million). Breakdown of turnover for the year ended 31 July 2024 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)*
Bal Residence				
Residential Units	61	20,677	15,314	316.7
Ki Lung Street				
Retail Units	2	2,400	11,117	26.7
Monti				
Car Parking Spaces	4			3.8
Subtotal				**347.2**

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	12	42,179	4,412	175.8
Cultural Workshop Units	98	69,488	2,218	141.4
Zhongshan Palm Spring				
Residential High-rise Units	460	558,615	1,644	842.4
Shanghai Regents Park				
Car Parking Spaces	13			8.0
Guangzhou West Point				
Car Parking Spaces	35			13.8
Zhongshan Palm Spring				
Car Parking Spaces	5			0.9
Subtotal				**1,182.3**
Total				**1,529.5**

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)				
Houses	2[4]	4,614[4]	23,158	106.9[5]
Residencial Unit	1[6]	589[6]	27,859	16.4[7]
Car Parking Spaces	2[8]			5.6
Total				**128.9**

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 houses and saleable area attributable to LSD Remaining Group. The total no. of houses recognised and total saleable area are 3 and 9,228 square feet, respectively.*

5. *Representing property sales proceeds of HK$198.8 million and rental proceeds of HK$14.9 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 and saleable area attributable to LSD Remaining Group. The total no. of residential unit recognised and total saleable area are 1 and 1,178 square feet, respectively.*

7. *Representing property sales proceeds of HK$31.2 million and rental proceeds of HK$1.6 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 spaces attributable to LSD Remaining Group. The total no. of car parking spaces recognised are 4.*

Contracted Sales

As at 31 July 2024, the Remaining Group's property development operation has contracted but not yet recognised sales of HK$284.5 million. Including the joint venture project of the Remaining Group, the total contracted but not yet recognised sales of the Remaining Group as at 31 July 2024 amounted to HK$451.7 million. Breakdown of contracted but not yet recognised sales as at 31 July 2024 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	18	6,153	15,283	94.0
Monti				
Car Parking Spaces	2			1.9
Subtotal				**95.9**

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	11	10,277	1,421	14.6
Hengqin Novotown Phase I				
Cultural Studio	1	2,928	4,542	13.3
Hengqin Novotown Phase II				
Harrow LiDe School Hengqin Buildings[2]	N/A	149,078	1,074	160.1
Shanghai Regents Park				
Car Parking Space	1			0.6
Subtotal				**188.6**
Total				**284.5**

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)				
Houses	2[3]	4,627[3]	22,945	106.2[4]
Residential Units	2[5]	2,343[5]	25,440	59.6[6]
Car Parking Spaces	1[7]			1.4
Total				**167.2**

Notes:

1. *Value-added tax inclusive.*

2. *Will be recognised as income from finance lease under turnover.*

3. *No. of houses and saleable area attributable to LSD Remaining Group. The total no. of houses contracted and total saleable area are 3 and 9,254 square feet, respectively.*

4. *Representing property sales proceeds of HK$196.6 million and rental proceeds of HK$15.7 million in relation to certain houses offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*

5. *No. of residential units and saleable area attributable to LSD Remaining Group. The total no. of residential units contracted and total saleable area are 4 and 4,686 square feet, respectively.*

6. *Representing property sales proceeds of HK$113.3 million and rental proceeds of HK$6.0 million in relation to certain residential units offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*

7. *No. of car parking space attributable to LSD Remaining Group. The total no. of car parking space contracted is 1.*

HOTEL AND SERVICED APARTMENT OPERATIONS

The hotel and serviced apartment operation segment of the Remaining Group includes LSD Remaining 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, LSD Remaining 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 Remaining Group. The hotel project in Phuket, Thailand that LSD Remaining Group invested in June 2017 is still at the planning stage. LSD Remaining 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 2024, the hotel and serviced apartment operations contributed HK$1,191.4 million to the Remaining Group's turnover (2023: HK$977.7 million), representing a significant increase of approximately 21.9%. The noticeable recovery in LSD Remaining Group's hotel business was mainly driven by (i) the relaxation of COVID-19 restrictions in Hong Kong and Chinese Mainland; (ii) the reopening of the border with Chinese Mainland; and (iii) the upward trend of the tourism industry in Vietnam. As a result, a robust growth was recorded for LSD Remaining Group's hotels, particularly the Hong Kong Ocean Park Marriott Hotel, Hyatt Regency Hengqin and Caravelle Hotel in Ho Chi Minh City, during the year under review compared to last financial year.

Breakdown of turnover from hotel and serviced apartment operations for the year ended 31 July 2024 is as follows:

	Location	Attributable interest to LSD Remaining 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	425.0	75.9
Ascott Huaihai Road Shanghai	Shanghai	55.08%	310	358,009	103.2	88.8
STARR Hotel Shanghai	Shanghai	55.08%	239	143,846	28.7	82.3
Hyatt Regency Hengqin	Hengqin	64.06%	493	610,540	147.8	75.4
Caravelle Hotel	Ho Chi Minh City	26.01%	335	378,225	484.1	63.3
Subtotal:			**1,848**	**1,856,594**	**1,188.8**	
Hotel management fee					2.6	
Total:					**1,191.4**	
Joint Venture Project						
Fairmont St. Andrews resort (50% basis)	Scotland	50%	106[2]	138,241[2]	101.0	76.8

Notes:

1. *On 100% basis.*

2. *No. of rooms and GFA attributable to LSD Remaining Group. The total number of rooms and total GFA are 211 and 276,482 square feet, respectively.*

RESTAURANT AND F&B PRODUCT SALES OPERATIONS

For the year ended 31 July 2024, restaurant and F&B product sales operations contributed HK$544.6 million to the Remaining Group's turnover, representing a slight decrease of approximately 1.4% from that of HK$552.6 million for last financial year. The Remaining Group has 4 new restaurants in operation under the year under review, namely Plaisance by Mauro Colagreco, KiKi Noodle Bar Hysan Place, Academia and HANU.

Up to 18 October 2024, restaurant operations include LSD Remaining Group's interests in 23 restaurants in Hong Kong and Chinese Mainland and 1 restaurant in Macau under management. Details of each existing restaurant of LSD Remaining Group are as follows:

Cuisine	Restaurant	Location	Attributable interest to LSD Remaining Group	Award
Owned restaurants				
Western/International Cuisine	8½ Otto e Mezzo BOMBANA Hong Kong	Hong Kong	38%	Three Michelin stars (2012–2024)
	8½ Otto e Mezzo BOMBANA Shanghai	Shanghai	13%	Two Michelin stars (2017–2024)
	Beefbar	Hong Kong	63%	One Michelin star (2017–2024)
	Prohibition*(Note 1)*	Hong Kong	100%	
	ZEST by Konishi	Hong Kong	68%	One Michelin star (2020–2024)
	Cipriani	Hong Kong	44%	
	Plaisance by Mauro Colagreco	Hong Kong	48%	
Asian Cuisine	China Tang Landmark	Hong Kong	51%	The Plate Michelin (2019–2021)
	Howard's Gourmet	Hong Kong	51%	
	Chiu Tang Central	Hong Kong	68%	
	Canton Bistro*(Note 1)*	Hong Kong	100%	
	KiKi Noodle Bar IFC	Hong Kong	83%	
	KiKi Noodle Bar K11 MUSEA	Hong Kong	83%	
	KiKi Noodle Bar OP Mall	Hong Kong	83%	
	KiKi Noodle Bar Hysan Place	Hong Kong	83%	
	Academia	Hong Kong	83%	
	MOSU Hong Kong	Hong Kong	68%	
	SÊP	Hong Kong	68%	
	HANU	Hong Kong	65%	
	bibigo bapsang*(Note 2)*	Hong Kong	68%	
	China Club	Hong Kong	17%	
Japanese Cuisine	Kanesaka Hong Kong	Hong Kong	68%	
	Yamato	Hong Kong	60%	
Managed restaurant				
Western Cuisine	8½ Otto e Mezzo BOMBANA, Macau	Macau	N/A	One Michelin star (2016–2024)

Notes:

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

2. *Commenced operation in October 2024.*

CINEMA OPERATION

The cinema operation is managed by eSun Group. For the year ended 31 July 2024, this segment recorded a turnover of HK$439.5 million (2023: HK$525.1 million) and segment results of a loss of HK$356.1 million (2023: a loss of HK$55.5 million). As at 18 October 2024, eSun Group operates sixteen cinemas in Hong Kong (including one joint venture project) 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% 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)	**Attributable interest to eSun Group** *(%)*	**No. of screens** *(Note)*	**No. of Seats** *(Note)*
Chinese Mainland			
Suzhou Grand Cinema City	100	10	1,440
Subtotal		**10**	**1,440**
Hong Kong			
K11 Art House	100	12	1,708
Movie Town (including MX4D theatre)	100	7	1,702
MCL AIRSIDE Cinema	100	7	944
MCL The ONE Cinema	100	6	831
MCL Cyberport Cinema	100	4	818
MCL Citygate Cinema	100	4	673
MCL Amoy Cinema	100	3	603
Festival Grand Cinema	95	8	1,196
MCL Telford Cinema (including MX4D theatre)	95	6	789
MCL Metro City Cinema	95	6	690
STAR Cinema	95	6	622
Grand Kornhill Cinema (including MX4D theatre)	95	5	706
MCL Cheung Sha Wan Cinema	95	4	418
MCL Green Code Cinema	95	3	285
Grand Windsor Cinema	95	3	246
MCL Cinemas Plus+ Plaza Hollywood	50	6	1,595
Subtotal		**90**	**13,826**
Total		**100**	**15,266**

Note: On 100% basis.

MEDIA AND ENTERTAINMENT

The media and entertainment businesses are operated by eSun Group. For the year ended 31 July 2024, this segment recorded a turnover of HK$387.1 million (2023: HK$372.5 million) and segment results of an increased profit to HK$35.9 million from that of HK$12.2 million last year.

Events Management

During the year under review, eSun Group organised and invested in 77 (2023: 93) shows by popular local and Asian renowned artistes, including Sammi Cheng, Leon Lai, Andy Lau, Grasshopper, Mayday, Dear Jane, Ekin Cheng, On Chan, NCT Dream, Jan Lamb, Yoga Lin, Crowd Lu, YEAHS, Waa Wei, Tsai Chin and Woo Fung.

Music Production, Distribution and Publishing

During the year under review, eSun Group released 14 (2023: 7) albums, including titles by Sammi Cheng, Jay Fung, Richie Jen, On Chan, Cloud Wan, ILUB, Feanna Wong, Andy Leung and various artistes. 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 20 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 2024, this segment recorded a turnover of HK341.0 million (2023: HK$113.1 million) and segment results of a decreased loss to HK$21.9 million (2023: loss of HK$48.6 million).

During the year under review, a total of 3 (2023: 6) films and 3 (2023: Nil) TV programs produced/invested by eSun Group were theatrically released, namely "*Twilight of the Warriors: Walled In*", "*Love at First Lie*", "*The Grey Men*", "*Dead Ringer*", "*Bazaar Beloved Birds*" and "*The Heir to the Throne*". eSun Group also distributed 42 (2023: 32) films with high profile titles including "*Twilight of The Warriors: Walled In*", "*IF Imaginary Friends*", "*Lost in the Stars*", "*No More Bets*", "*In Broad Daylight*", "*Killers of The Flower Moon*" and "*The Boy and the Heron*".

INTERESTS IN JOINT VENTURES

For the year ended 31 July 2024, share of losses from joint ventures of the Remaining Group amounted to HK$530.3 million, as compared to profits of HK$25.4 million for last year. The increased loss was primarily due to decrease in fair values of the properties and operation losses recorded during the year under review.

	Year ended 31 July	
	2024	2023
	(HK$ million)	*(HK$ million)*
Revaluation (losses)/gains	**(292.7)**	2.2
Operating (losses)/profits	**(237.6)**	23.2
(Losses)/profits from joint ventures	**(530.3)**	25.4

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 July 2024, cash and bank balances and undrawn facilities held by the Remaining Group amounted to approximately HK$4,234.3 million and approximately HK$5,937.0 million, respectively. Cash and bank balances held by the Remaining Group of which about 49% was denominated in Hong Kong dollars and United States dollars, and about 37% was denominated in Renminbi. Excluding LSD Remaining Group, cash and bank balances and undrawn facilities held by the Remaining Group as at 31 July 2024 were approximately HK$89.9 million and approximately HK$425.0 million, respectively.

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

As at 31 July 2024, the Remaining Group had bank borrowings of approximately HK$21,253.9 million, guaranteed notes of approximately HK$4,232.1 million and other borrowings of approximately HK$791.6 million. As at 31 July 2024, the maturity profile of the bank borrowings of HK$21,253.9 million is spread with HK$2,523.0 million repayable within one year, HK$9,050.4 million repayable in the second year, HK$6,842.0 million repayable in the third to fifth years, and HK$2,838.5 million repayable beyond the fifth year.

The Remaining 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 and were issued for

refinancing the previous notes and for general corporate purposes. The Remaining Group entered into cross currency swap agreements with financial institutions for the purpose of hedging the foreign currency risk of certain guaranteed notes.

Approximately 82% and 16% of the Remaining Group's total borrowings carried interest on a floating rate basis and fixed rate basis, respectively, and the remaining 2% of the Remaining 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 162%. Excluding the net debt of LSD Remaining Group, the Remaining Group's gearing ratio was approximately 7%.

As at 31 July 2024, certain investment properties with carrying amounts of approximately HK$35,260.4 million, certain property, plant and equipment and the related right-of-use assets with carrying amounts of approximately HK$8,052.5 million, certain completed properties for sale with carrying amounts of approximately HK$1,237.9 million, certain properties under development with carrying amounts of approximately HK$4,088.5 million, and certain bank balances and time deposits with banks of approximately HK$935.7 million were pledged to banks to secure banking facilities granted to the Remaining Group. In addition, shares in certain subsidiaries were pledged to banks to secure banking facilities granted to the Remaining Group. Shares in certain joint ventures were pledged to banks to secure banking facilities granted to the respective joint ventures of the Remaining Group. The Remaining Group's secured bank borrowings were also secured by floating charges over certain assets held by the Remaining Group.

The Remaining 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 Remaining Group believes that the corresponding exposure to exchange rate risk arising from United States dollars is not material. The Remaining 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 Remaining Group were denominated in Euro, Malaysian Ringgit and Vietnamese Dong which were insignificant as compared with the Remaining Group's total assets and liabilities. The Remaining 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.

MATERIAL ACQUISITIONS OR DISPOSALS

The Remaining Group has the following material acquisitions or disposals of subsidiaries and associates for the year ended 31 July 2024.

On 3 May 2024 (after trading hours), Boom Goal Limited (a wholly-owned subsidiary of LSD) ("**Boom Goal**") as vendor and Star Gallery Limited ("**Star Gallery**") (an independent third party) as purchaser had entered into an offer letter ("**Offer Letter**"), pursuant to which Star Gallery has conditionally agreed to acquire the entire issued share capital of Hong Kong Hill Limited ("**Hong Kong Hill**"), the sole legal and beneficial owner of the residential property situated at Eighteenth Floor and Nineteenth Floor of May Tower II, May Road, Hong Kong and car parking spaces nos. 60 and 67 of May Tower I and May Tower II, from Boom Goal and take up the assignment of all such sum of money due and owing by Hong Kong Hill to LSD at completion of the Offer Letter ("**May Tower Disposal**"), with a purchase price of HK$215,800,000 (subject to proforma net tangible asset value adjustments and completion net tangible asset value adjustments). Upon completion, Hong Kong Hill ceased to be a subsidiary of the Company and LSD. The May Tower Disposal enables the Remaining Group to reallocate more financial resources on capital structure enhancement and/or for general corporate purpose of the Remaining Group, as well as, to enhance the cashflow and financial position of the Remaining Group and LSD Remaining Group as a whole. The transaction was completed in January 2025.

On 14 May 2024 (after trading hours), Kingswood Shine Limited ("**Kingswood**") (an indirect wholly-owned subsidiary of LSD), Bright Jewel Investments Limited ("**Bright Jewel**") (an indirect wholly-owned subsidiary of LSD), Feldmore Investments Limited (an independent third party) and Ms. Huang Qing (an independent third party) as vendors, and Weishan Shipping Pte. Ltd. ("**Weishan**") (an independent third party) as purchaser had entered into a sale and purchase and put option agreement, in relation to a disposal of 95% of the equity interest in Orwell Investments Pte. Ltd. (新加坡廣成股份有限公司*[1]) ("**Orwell**") and the assignment of the shareholder's loan owing to the vendors by Orwell, and the put option grants by Weishan to Kingswood subject to the occurrence of the completion and in consideration of SGD1 paid by Kingswood to Weishan under the sale and purchase and put option agreement ("**Golf Club Disposal**"). The total consideration from sale of sale shares and assignment of shareholder's loan to which the LSD Remaining Group (through Kingswood and Bright Jewel) shall be entitled is US$7,393,542 (based on RMB53,500,000). Orwell indirectly holds a 90% interest in Guangzhou International Golf Club* (廣州仙村國際高爾夫球場), a golf club in the PRC invested in and operated by Guangzhou International Golf Club* (廣州仙村國際高爾夫球場). The Golf Club Disposal enables the Remaining Group to enhance its capital structure and/or for general corporate purpose, as well as, to enhance the cashflow and financial position of the Remaining Group and the LSD Remaining Group as a whole.

* *for identification purposes only*

CONTINGENT LIABILITIES

The Remaining Group also had the following contingent liabilities at the end of the reporting period:

(a) Contingent liabilities not provided for in the financial statements:

	2024	2023
	HK$'000	*HK$'000*
Guarantees given to banks in connection with facilities granted to and utilised by joint ventures	**881,631**	780,480

(b) The Remaining 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 Remaining Group. Pursuant to the terms of the guarantees, upon default in mortgage payments by these end-buyers, the Remaining Group will be responsible to repay the outstanding mortgage loan principal amounts together with accrued interest owed by the end-buyers in default. The Remaining 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 2024, in respect of these guarantees, the contingent liabilities of the Remaining Group amounted to approximately HK$594,086,000 (2023: HK$731,643,000).

(c) The Remaining Group has pledged a time deposit to a bank in connection with a bank guarantee for an associate of approximately HK$18,536,000 (2023: HK$17,999,000).

(d) The Remaining Group had pledged certain time deposits to certain banks in connection with the banking facilities granted to certain subsidiaries. As at 31 July 2023, the respective letter of credit and letter of guarantee facilities of approximately HK$440,000 were utilised.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 July 2024, the Remaining Group employed a total of approximately 3,800 employees. The Remaining Group recognises the importance of maintaining a stable staff force in its continued success. Under the Remaining 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.

FOR THE YEAR ENDED 31 JULY 2023

For the year ended 31 July 2023, the Remaining Group recorded turnover of HK$4,994.6 million (2022: HK$5,191.8 million) and a gross profit of HK$799.3 million (2022: HK$1,622.1 million). The decrease was primarily due to (i) decrease in property sales in Lai Fung Group predominantly; and (ii) write-down of certain properties under development and completed properties for sale, during the year under review as compared to last financial year.

Set out below is the turnover by segment:

	For the year ended 31 July			
	2023	2022	Difference	% change
	(HK$ million)	*(HK$ million)*	*(HK$ million)*	
Property investment	**1,255.6**	1,341.8	-86.2	-6.4
Property development and sales	**946.6**	1,685.5	-738.9	-43.8
Restaurant and F&B product sales operations	**552.6**	419.9	+132.7	+31.6
Hotel operation	**977.7**	650.0	+327.7	+50.4
Media and entertainment	**372.5**	256.8	+115.7	+45.1
Film and TV program	**113.1**	184.6	-71.5	-38.7
Cinema operation	**525.1**	385.0	+140.1	+36.4
Theme park operation	**18.9**	16.0	+2.9	+18.1
Others	**232.5**	252.2	-19.7	-7.8
Total	**4,994.6**	5,191.8	-197.2	-3.8

For the year ended 31 July 2023, net loss attributable to owners of the Company was approximately HK$1,646.3 million. The increased loss, partially offset by lower other operating expenses and tax charge, was primarily due to (i) decrease in property sales in Lai Fung predominantly; (ii) write-down of certain properties under development and completed properties for sale; (iii) increased finance costs; and (iv) decrease in fair values of investment properties owned by the Remaining Group, during the year under review as compared to last financial year. Net loss per share was HK$2.135.

Non-HKFRS Financial Measures

To supplement the Remaining Group's consolidated financial statements which are presented under HKFRS, the Remaining Group also use (i) adjusted EBITDA of the Remaining 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 Remaining 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 Remaining 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 Remaining Group's management.

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

(HK$ million)	For the year ended 31 July 2023
Loss from operating activities of the Remaining Group (HKFRS measure)	**(2,358.0)**
Adjustments for:	
Share of profits of joint ventures	**25.4**
Share of losses of associates	**(2.6)**
Fair value losses of investment properties held by the Remaining Group*(Note 1)*	**890.4**
Depreciation of property, plant and equipment*(Note 2)*	**416.9**
Depreciation of right-of-use assets*(Note 2)*	**373.5**
Amortisation of film rights, film and TV program products and music catalogs*(Note 3)*	**40.0**
Impairment of properties held by the Remaining Group*(Note 4)*	**1,353.0**
Impairment of restaurant and F&B product sales, cinema and film & TV program operations*(Note 4)*	**42.4**
Adjusted EBITDA of the Remaining Group (non-HKFRS measure)	**781.0**

Notes:

1. *Given the sizeable investment properties portfolio held by the Remaining Group, the adjustments relate to fair value losses of investment properties, which are non-cash in nature.*

2. *The adjustments arise from depreciation of the Remaining 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 and music catalogs, which is non-cash in nature.*

4. *The adjustments arise from impairment of the Remaining Group's properties, and the restaurant and F&B product sales, cinema and film & TV program operations, which are non-cash and non-recurring in nature.*

Excluding the net effect of property revaluations, other non-cash and non-recurring items, adjusted EBITDA of the Remaining Group was approximately HK$781.0 million for the year under review.

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

(HK$ million)	For the year ended 31 July 2023
Net loss attributable to owners of the Company (HKFRS measure)	**(1,646.3)**
Adjustments for:	
Fair value losses of investment properties held by the Remaining Group*(Note 1)*	**890.4**
Deferred tax on fair value changes of investment properties held by the Remaining Group*(Note 1)*	**(33.5)**
Non-controlling interests' share of fair value losses of investment properties held by the Remaining Group less deferred tax*(Note 1)*	**(376.1)**
Impairment of properties held by the Remaining Group*(Note 2)*	**1,353.0**
Impairment of restaurant and F&B product sales, cinema and film & TV program operations*(Note 2)*	**42.4**
Deferred tax on impairment*(Note 2)*	**(160.4)**
Non-controlling interests' share of impairment less deferred tax*(Note 2)*	**(646.3)**
Adjusted net loss attributable to owners of the Company excluding fair value losses of investment properties and other non-cash and non-recurring items (non-HKFRS measure)	**(576.8)**

Notes:

1. *Given the sizeable investment properties portfolio held by the Remaining Group, the adjustments relate to fair value losses of 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 Remaining Group's properties, and the restaurant and F&B product sales, cinema and film & TV program operations and related deferred tax, and impact on non-controlling interest's share, which are non-cash and 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$576.8 million for the year under review. Net loss per share excluding the effect of property revaluations and other non-cash and non-recurring items was approximately HK$0.748.

Equity attributable to owners of the Company as at 31 July 2023 amounted to HK$15,751.9 million. Net asset value per share attributable to owners of the Company amounted to HK$17.832 per share as at 31 July 2023.

PROPERTY PORTFOLIO COMPOSITION

The Remaining Group maintained a property portfolio with attributable GFA of approximately 5.1 million square feet as at 31 July 2023. All major properties of the Remaining 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 LSD Remaining Group, and all major properties in Hong Kong and overseas are held by the Remaining Group excluding eSun Group and Lai Fung Group.

Approximate attributable GFA (in '000 square feet) of the Remaining Group's major properties and number of car parking spaces as at 31 July 2023 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 basis[1])							
Completed Properties Held for Rental[2]	819	676	—	—	—	1,495	915
Completed Hotel Properties and Serviced Apartments[2]	—	—	303	—	—	303	—
Properties under Development[3]	160	485	177	—	—	822	414
Completed Properties Held for Sale	50	129	76	228	—	483	1,060
Subtotal	**1,029**	**1,290**	**556**	**228**	**—**	**3,103**	**2,389**
GFA of major properties and number of car parking spaces of LSD Remaining Group (excluding Lai Fung Group) (on attributable basis[1])							
Completed Properties Held for Rental[2]	411	509	—	—	35	955	788
Completed Hotel Properties and Serviced Apartments[2]	—	—	403	—	—	403	51
Properties under Development[3]	4	—	—	208	—	212	83
Completed Properties Held for Sale	19	58	34	18	—	129	29
Subtotal	**434**	**567**	**437**	**226**	**35**	**1,699**	**951**
GFA of major properties and number of car parking spaces of the Remaining Group (excluding LSD Remaining Group) (on attributable basis[1])							
Completed Properties Held for Rental[2]	91	—	—	—	160	251	37
Subtotal	**91**	**—**	**—**	**—**	**160**	**251**	**37**
Total GFA attributable to the Remaining Group	**1,554**	**1,857**	**993**	**454**	**195**	**5,053**	**3,377**

Notes:

1. *As at 31 July 2023, Lai Fung is a 55.08%-owned subsidiary of LSD and LSD is a 55.60%-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 Remaining Group's rental operations recorded a turnover of HK$1,255.6 million (2022: HK$1,341.8 million) comprising turnover of HK$539.8 million, HK$77.1 million and HK$638.7 million from rental properties in Hong Kong, London and Chinese Mainland, respectively.

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

	For the year ended 31 July			Year end occupancy	
	2023	2022	% Change	**2023**	2022
	HK$ million	*HK$ million*		**%**	%
Hong Kong					
Cheung Sha Wan Plaza	**268.6**	263.3	+2.0	**95.5**	87.0
Causeway Bay Plaza 2	**125.5**	151.6	–17.2	**93.5**	94.6
Lai Sun Commercial Centre	**44.9**	44.8	+0.2	**94.3**	86.5
Crocodile Center (commercial podium)*	**75.8**	80.6	–6.0	**100.0**	100.0
Por Yen Building*	**14.9**	15.4	-3.2	**96.4**	96.4
Others	**10.1**	9.8	+3.1		
Subtotal:	**539.8**	565.5	-4.5		
London, United Kingdom					
107 Leadenhall Street	**24.6**	27.8	-11.5	**64.8**	78.9
100 Leadenhall Street	**47.1**	50.8	-7.3	**100.0**	100.0
106 Leadenhall Street	**5.4**	6.1	-11.5	**100.0**	100.0
Subtotal:	**77.1**	84.7	-9.0		
Chinese Mainland					
Shanghai					
Shanghai Hong Kong Plaza	**270.3**	298.8	-9.5	**Retail: 91.5** **Office: 90.8**	Retail: 87.2 Office: 85.9
Shanghai May Flower Plaza	**42.4**	45.0	-5.8	**Retail: 98.9**	Retail: 97.3
Shanghai Regents Park	**20.6**	19.8	+4.0	**100.0**	81.0
Shanghai Skyline Tower[1]	**12.0**	N/A	N/A	**Retail: 70.1** **Office: 31.9**	N/A
Guangzhou					
Guangzhou May Flower Plaza	**95.0**	121.8	-22.0	**94.5**	91.9
Guangzhou West Point	**21.3**	27.2	-21.7	**95.0**	90.0
Guangzhou Lai Fung Tower	**130.9**	142.9	-8.4	**Retail: 100.0** **Office: 85.0**[2]	Retail: 100.0 Office: 93.6[2]
Guangzhou Lai Fung International Center[1]	**10.6**	N/A	N/A	**Retail: 6.0** **Office: 42.0**	N/A

	For the year ended 31 July			Year end occupancy	
	2023	2022	% Change	**2023**	2022
	HK$ million	*HK$ million*		**%**	%
Zhongshan					
Zhongshan Palm Spring Rainbow Mall	**5.1**	7.1	-28.2	**Retail: 66.5**[2]	Retail: 65.9[2]
Hengqin					
Hengqin Novotown Phase I	**2.7**	2.2	+22.7	**Retail: 81.0**[3]	Retail: 77.0[3]
Others	**27.8**	26.8	+3.7		
Subtotal:	**638.7**	691.6	-7.6		
Total:	**1,255.6**	1,341.8	-6.4		
Rental proceeds from joint venture project					
Hong Kong					
Alto Residences[4] (50% basis)	**24.4**	39.7	-38.5	**94.0**	84.7
Total:	**24.4**	39.7	-38.5		

Notes:

* *The property is held by the Remaining Group (excluding LSD Remaining Group).*

1. *Shanghai Skyline Tower and Guangzhou Lai Fung International Center were completed in September and November 2022, respectively.*

2. *Excluding self-use area.*

3. *Including the cultural attraction spaces occupied by Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin.*

4. *Alto Residences is a joint venture project with Empire Group Holdings Limited ("**Empire Group**") in which each of LSD Remaining Group and Empire Group has an effective 50% interest. For the year ended 31 July 2023, the joint venture recorded rental proceeds of approximately HK$48.8 million (2022: HK$79.4 million).*

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

	For the year ended 31 July 2023			For the year ended 31 July 2022		
	Attributable interest to the Remaining Group	**Turnover** *(HK$ million)*	**Total GFA** *(square feet)*	Attributable interest to the Remaining Group	Turnover *(HK$ million)*	Total GFA *(square feet)*
Hong Kong						
Cheung Sha Wan Plaza	**55.60%**			53.19%		
Commercial		**120.1**	**233,807**		120.9	233,807
Office		**129.5**	**409,896**		125.3	409,896
Car Parking Spaces		**19.0**	**N/A**		17.1	N/A
Subtotal:		**268.6**	**643,703**		263.3	643,703
Causeway Bay Plaza 2	**55.60%**			53.19%		
Commercial		**76.8**	**109,770**		102.4	109,770
Office		**43.6**	**96,268**		44.8	96,268
Car Parking Spaces		**5.1**	**N/A**		4.4	N/A
Subtotal:		**125.5**	**206,038**		151.6	206,038
Lai Sun Commercial Centre	**55.60%**			53.19%		
Commercial		**18.2**	**95,063**		19.6	95,063
Office		**5.3**	**74,181**		5.2	74,181
Car Parking Spaces		**21.4**	**N/A**		20.0	N/A
Subtotal:		**44.9**	**169,244**		44.8	169,244
Crocodile Center*	**100%**			100%		
Commercial		**75.8**	**91,201**		80.6	91,201
Por Yen Building*	**100%**			100%		
Industrial		**14.6**	**109,010**		15.1	109,010
Car Parking Spaces		**0.3**	**N/A**		0.3	N/A
Subtotal:		**14.9**	**109,010**		15.4	109,010
Others		**10.1**	**109,101**[1]		9.8	109,101[1]
Subtotal:		**539.8**	**1,328,297**[1]		565.5	1,328,297[1]
London, United Kingdom						
107 Leadenhall Street	**55.60%**			53.19%		
Commercial		**3.0**	**48,182**		3.4	48,182
Office		**21.6**	**98,424**		24.4	98,424
Subtotal:		**24.6**	**146,606**		27.8	146,606

	For the year ended 31 July 2023			For the year ended 31 July 2022		
	Attributable interest to the Remaining Group	**Turnover** *(HK$ million)*	**Total GFA** *(square feet)*	Attributable interest to the Remaining Group	Turnover *(HK$ million)*	Total GFA *(square feet)*
100 Leadenhall Street	**55.60%**			53.19%		
Office		**47.1**	**177,700**		50.8	177,700
106 Leadenhall Street	**55.60%**			53.19%		
Commercial		**0.4**	**3,540**		0.5	3,540
Office		**5.0**	**16,384**		5.6	16,384
Subtotal:		**5.4**	**19,924**		6.1	19,924
Subtotal:		**77.1**	**344,230**		84.7	344,230
Chinese Mainland						
Shanghai						
Shanghai Hong Kong Plaza	**30.62%**			29.30%		
Retail		**164.1**	**468,434**		188.0	468,434
Office		**100.2**	**362,098**		104.7	362,096
Car Parking Spaces		**6.0**	**N/A**		6.1	N/A
Subtotal:		**270.3**	**830,532**		298.8	830,530
Shanghai May Flower Plaza	**30.62%**			29.30%		
Retail		**37.8**	**320,314**		40.5	320,314
Car Parking Spaces		**4.6**	**N/A**		4.5	N/A
Subtotal:		**42.4**	**320,314**		45.0	320,314
Shanghai Regents Park	**29.10%**			27.83%		
Retail		**18.5**	**82,062**		17.6	82,062
Car Parking Spaces		**2.1**	**N/A**		2.2	N/A
Subtotal:		**20.6**	**82,062**		19.8	82,062
Shanghai Skyline Tower[2]	**30.62%**			29.30%		
Retail		**1.5**	**92,226**		N/A	N/A
Office		**10.3**	**634,839**		N/A	N/A
Car Parking Spaces		**0.2**	**N/A**		N/A	N/A
Subtotal:		**12.0**	**727,065**		N/A	N/A
Guangzhou						
Guangzhou May Flower Plaza	**30.62%**			29.30%		
Retail		**80.1**	**357,424**		104.8	357,424
Office		**12.3**	**79,431**		14.3	79,431
Car Parking Spaces		**2.6**	**N/A**		2.7	N/A
Subtotal:		**95.0**	**436,855**		121.8	436,855

	For the year ended 31 July 2023			For the year ended 31 July 2022		
	Attributable interest to the Remaining Group	**Turnover** *(HK$ million)*	**Total GFA** *(square feet)*	Attributable interest to the Remaining Group	Turnover *(HK$ million)*	Total GFA *(square feet)*
Guangzhou West Point	**30.62%**			29.30%		
Retail		**21.3**	**182,344**		27.2	182,344
Guangzhou Lai Fung Tower	**30.62%**			29.30%		
Retail		**17.2**	**112,292**		18.3	112,292
Office		**107.0**	**625,821**		117.8	625,821
Car Parking Spaces		**6.7**	**N/A**		6.8	N/A
Subtotal:		**130.9**	**738,113**		142.9	738,113
Guangzhou Lai Fung International Center[2]	**30.62%**			29.30%		
Retail		**0.1**	**109,320**		N/A	N/A
Office		**10.2**	**505,301**		N/A	N/A
Car Parking Spaces		**0.3**	**N/A**		N/A	N/A
Subtotal:		**10.6**	**614,621**		N/A	N/A
Zhongshan						
Zhongshan Palm Spring Rainbow Mall	**30.62%**			29.30%		
Retail[3]		**5.1**	**148,106**		7.1	148,106
Hengqin						
Novotown Phase I	**35.62%**			34.07%		
Commercial[4]		**2.7**	**1,006,091**[4]		2.2	995,717[4]
Others		**27.8**	**N/A**		26.8	N/A
Subtotal:		**638.7**	**5,086,103**		691.6	3,734,041
Total:		**1,255.6**	**6,758,630**[1]		1,341.8	5,406,568[1]
Rental proceeds from joint venture project						
Hong Kong						
Alto Residences[5] (50% basis)	**27.80%**			26.60%		
Commercial		**15.1**	**47,067**[6]		13.7	47,067[6]
Residential units[7]		**6.1**	**15,262**[8]		22.7	28,191[8]
Car Parking Spaces		**3.2**	**N/A**		3.3	N/A
Total:		**24.4**	**62,329**		39.7	75,258

Notes:

* *The property is held by the Remaining Group (excluding LSD Remaining Group).*

1. *Excluding 10% interest in AIA Central.*

2. *Shanghai Skyline Tower and Guangzhou Lai Fung International Center were completed in September and November 2022, respectively.*

3. *Excluding self-use area.*

4. *Including the cultural attraction spaces occupied by Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin (self-use area), the total GFA of which was approximately 384,759 square feet as at 31 July 2023. Revenue from Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin are recognised under turnover from theme park operation of LSD Remaining Group.*

5. *Alto Residences is a joint venture project with Empire Group in which each of LSD Remaining Group and Empire Group has an effective 50% interest. For the year ended 31 July 2023, the joint venture recorded rental proceeds of approximately HK$48.8 million (2022: HK$79.4 million).*

6. *GFA attributable to LSD Remaining Group. The total GFA is 94,133 square feet.*

7. *Referring to those sold residential units offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*

8. *Saleable area attributable to LSD Remaining Group. The total saleable area is 30,524 (2022: 56,382) square feet.*

PROPERTY DEVELOPMENT

Recognised Sales

For the year ended 31 July 2023, recognised turnover from sales of properties was HK$946.6 million (2022: HK$1,685.5 million). Breakdown of turnover for the year ended 31 July 2023 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)*
Monti				
Residential Units	8	2,788	21,382	59.6
Subtotal				**59.6**

Chinese Mainland

Recognised basis	No. of Units	Approximate GFA *(Square feet)*	Average Selling Price[2] *(HK$/square foot)*	Turnover[3] *(HK$ million)*
Shanghai Wuli Bridge Project				
Residential Unit	1	3,202	14,000	41.1
Hengqin Novotown Phase I				
Cultural Studios	10	32,605	4,547	137.9
Cultural Workshop Units	56	42,476	2,375	92.6
Zhongshan Palm Spring				
Residential High-rise Units	287	343,099	1,838	578.8
Residential House Units	3	6,208	3,412	20.2
Shanghai Regents Park				
Car Parking Spaces	20			12.8
Guangzhou Eastern Place				
Car Parking Space	1			0.7
Guangzhou King's Park				
Car Parking Spaces	3			1.6
Guangzhou West Point				
Car Parking Spaces	2			1.0
Zhongshan Palm Spring				
Car Parking Spaces	2			0.3
Subtotal				**887.0**
Total				**946.6**

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)				
Houses	2[4]	4,638[4]	22,302	103.4[5]
Residential Unit	1[6]	1,304[6]	25,307	33.0[7]
Car Parking Space	1[8]			2.8
Total				**139.2**

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 houses and saleable area attributable to LSD Remaining Group. The total no. of houses recognised and total saleable area are 3 and 9,275 square feet, respectively.*

5. *Representing property sales proceeds of HK$191.7 million and rental proceeds of HK$15.2 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 and saleable area attributable to LSD Remaining Group. The total no. of residential unit recognised and total saleable area is 2 and 2,608 square feet, respectively.*

7. *Representing property sales proceeds of HK$64.2 million and rental proceeds of HK$1.8 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 attributable to LSD Remaining Group. The total no. of car parking spaces recognised is 2.*

Contracted Sales

As at 31 July 2023, the Remaining Group's property development operation has contracted but not yet recognised sales of HK$1,014.3 million. Including the joint venture project of the Remaining Group, the total contracted but not yet recognised sales of the Remaining Group as at 31 July 2023 amounted to HK$1,311.6 million. Breakdown of contracted but not yet recognised sales as at 31 July 2023 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	7	2,382	17,890	42.6

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	300	364,690	1,684	614.0
Hengqin Novotown Phase I				
Cultural Studios	7	27,318	4,715	128.8
Cultural Workshop Units	37	26,310	2,360	62.1
Hengqin Novotown Phase II				
Harrow ILA Hengqin Buildings[2]	N/A	149,078	1,110	165.5
Shanghai Regents Park				
Car Parking Space	1			0.7
Guangzhou West Point				
Car Parking Space	1			0.6
Subtotal				**971.7**
Total				**1,014.3**

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)				
Houses	3[3]	9,241[3]	23,189	214.3[4]
Residential Units	3[5]	2,932[5]	25,926	76.0[6]
Car Parking Spaces	3[7]			7.0
Total				**297.3**

Notes:

1. *Value-added tax inclusive.*

2. *Will be recognised as income from finance lease under turnover.*

3. *No. of houses and saleable area attributable to LSD Remaining Group. The total no. of houses contracted and total saleable area are 6 and 18,482 square feet, respectively.*

4. *Representing property sales proceeds of HK$394.8 million and rental proceeds of HK$33.7 million in relation to certain houses offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*

5. *No. of residential units and saleable area attributable to LSD Remaining Group. The total no. of residential units contracted and total saleable area are 5 and 5,864 square feet, respectively.*

6. *Representing property sales proceeds of HK$144.4 million and rental proceeds of HK$7.6 million in relation to certain residential units offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*

7. *No. of car parking spaces attributable to LSD Remaining Group. The total no. of car parking spaces contracted is 5.*

RESTAURANT AND F&B PRODUCT SALES OPERATIONS

For the year ended 31 July 2023, restaurant and F&B product sales operations contributed HK$552.6 million to the Remaining Group's turnover, representing an increase of approximately 31.6% from that of HK$419.9 million for the same period last year. LSD Remaining Group has 6 more new restaurants in operation under the year under review, namely ADD+, KiKi Noodle Bar OP Mall, KiKi Lu Wei, MOSU Hong Kong, SÊP and Kanesaka Hong Kong.

Up to 20 October 2023, restaurant operations include LSD Remaining Group's interests in 27 restaurants in Hong Kong and Chinese Mainland and 1 restaurant in Macau under management. Details of each existing restaurant of LSD Remaining Group are as follows:

Cuisine	Restaurant	Location	Attributable interest to LSD Remaining Group	Award
Owned restaurants				
Western/International Cuisine	8½ Otto e Mezzo BOMBANA Hong Kong	Hong Kong	38%	Three Michelin stars (2012–2023)
	8½ Otto e Mezzo BOMBANA Shanghai	Shanghai	13%	Two Michelin stars (2017–2023)
	Opera BOMBANA	Beijing	20%	One Michelin star (2023)
	CIAK – In The Kitchen	Hong Kong	63%	One Michelin star (2015–2017)
	CIAK – All Day Italian	Hong Kong	68%	Michelin Bib Gourmand (2017–2021)
	Beefbar	Hong Kong	63%	One Michelin star (2017–2023)
	Takumi by Daisuke Mori	Hong Kong	65%	One Michelin star (2018–2023)
	Prohibition *(Note)*	Hong Kong	100%	
	ZEST by Konishi	Hong Kong	68%	One Michelin star (2020–2023)
	Cipriani	Hong Kong	44%	
	ADD+	Hong Kong	68%	
Asian Cuisine	China Tang Landmark	Hong Kong	51%	The Plate Michelin (2019–2021)
	China Tang Beijing	Beijing	68%	
	Howard's Gourmet	Hong Kong	51%	
	Chiu Tang Central	Hong Kong	68%	
	Old Bazaar Kitchen	Hong Kong	85%	
	Canton Bistro *(Note)*	Hong Kong	100%	
	KiKi Noodle Bar IFC	Hong Kong	85%	
	KiKi Noodle Bar K11 MUSEA	Hong Kong	85%	
	KiKi Noodle Bar OP Mall	Hong Kong	85%	
	KiKi Lu Wei	Hong Kong	85%	
	MOSU Hong Kong	Hong Kong	68%	
	SÊP	Hong Kong	68%	
	China Club	Hong Kong	17%	
Japanese Cuisine	Kanesaka Hong Kong	Hong Kong	68%	
	Rozan	Hong Kong	65%	
	Yamato	Hong Kong	60%	
Managed restaurant				
Western Cuisine	8½ Otto e Mezzo BOMBANA, Macau	Macau	N/A	One Michelin star (2016–2023)

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

HOTEL AND SERVICED APARTMENT OPERATIONS

The hotel and serviced apartment operation segment of the Remaining Group includes LSD Remaining 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, LSD Remaining 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 Remaining Group. The hotel project in Phuket, Thailand that LSD Remaining Group invested in June 2017 is still at the planning stage. LSD Remaining 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 2023, the hotel and serviced apartment operations contributed HK$977.7 million to the Remaining Group's turnover (2022: HK$650.0 million). Recovery of tourism industry and hotel business in Vietnam was strong since its reopening of border gate to foreign visitors in March 2022 and the Remaining Group's Caravelle Hotel in Ho Chi Minh City recorded robust growth during the year under review as compared to last financial year. Hong Kong Ocean Park Marriot Hotel was operating as a designated quarantine hotel since June 2022 before the change of quarantine arrangement in Hong Kong to a "0+3" regime in September 2022, and during that period the hotel's catering and banquet businesses saw a significant decrease in demand. Following the reopening of the border with Chinese Mainland in early January 2023, there has been an increase in the number of visitors from Chinese Mainland. As a result, LSD Remaining Group's Hong Kong Ocean Park Marriot Hotel experienced growth during the year under review as compared to last financial year.

Breakdown of turnover from hotel and serviced apartment operations for the year ended 31 July 2023 is as follows:

	Location	Attributable interest to LSD Remaining 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	287.4	82.7
Ascott Huaihai Road Shanghai	Shanghai	55.08%	310	358,009	97.8	88.1
STARR Hotel Shanghai	Shanghai	55.08%	239	143,846	23.7	91.3
Hyatt Regency Hengqin	Hengqin	64.06%	493	610,540	128.1	86.0
Caravelle Hotel	Ho Chi Minh City	26.01%	335	378,225	439.5	72.4
Subtotal:			**1,848**	**1,856,594**	**976.5**	
Hotel management fee					1.2	
Total:					**977.7**	
Joint Venture Project						
Fairmont St. Andrews resort (50% basis)	Scotland	50%	106[2]	138,241[2]	80.7	77.3

Notes:

1. *On 100% basis.*

2. *No. of rooms and GFA attributable to LSD Remaining Group. The total number of rooms and total GFA are 211 and 276,482 square feet, respectively.*

CINEMA OPERATION

The cinema operation is managed by eSun Group. For the year ended 31 July 2023, this segment recorded a turnover of HK$525.1 million (2022: HK$385.0 million) and segment results of a loss of HK$55.5 million (2022: a loss of HK$130.1 million). The Hong Kong box office was encouraging with a strong line-up of locally produced movies and Hollywood blockbusters released during the year under review. In view of the challenging market condition and economic uncertainty in Chinese Mainland, the Guangzhou Mayflower Cinema City was closed in October 2022 and a non-recurring gain on derecognition of lease liabilities was recognised during the year under review. As at 20 October 2023, eSun Group operates seventeen cinemas in Hong Kong (including one joint venture project) and two cinemas in Chinese Mainland and 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 a 50% joint venture with Emperor Cinemas Group, namely the Emperor Cinemas Plus+ (Tai Wai), which is managed by Emperor Cinemas Group and opened in July 2023.

Cinema (managed by eSun Group)	**Attributable interest to eSun Group** *(%)*	**No. of screens** *(Note)*	**No. of Seats** *(Note)*
Chinese Mainland			
Suzhou Grand Cinema City	100	10	1,440
Zhongshan May Flower Cinema City	100	5	905
Subtotal		**15**	**2,345**
Hong Kong			
K11 Art House	100	12	1,708
Movie Town (including MX4D theatre)	100	7	1,702
MCL Airside Cinema	100	7	944
MCL The One Cinema	100	6	831
MCL Cyberport Cinema	100	4	818
MCL Citygate Cinema	100	4	673
MCL Amoy Cinema	100	3	603
Festival Grand Cinema	95	8	1,196
MCL Telford Cinema (including MX4D theatre)	95	6	789
MCL Metro City Cinema	95	6	690
STAR Cinema	95	6	622
Grand Kornhill Cinema (including MX4D theatre)	95	5	706
MCL Cheung Sha Wan Cinema	95	4	418
MCL South Horizons Cinema	95	3	555
MCL Green Code Cinema	95	3	285
Grand Windsor Cinema	95	3	246
MCL Cinemas Plus+ Plaza Hollywood	50	6	1,595
Subtotal		**93**	**14,381**
Total		**108**	**16,726**

Note: On 100% basis.

MEDIA AND ENTERTAINMENT

The media and entertainment businesses are operated by eSun Group. For the year ended 31 July 2023, this segment recorded a turnover of HK$372.5 million (2022: HK$256.8 million) and segment results of a turnaround from loss to profit of HK$12.2 million from that of a loss of HK$8.4 million last year.

Events Management

During the year under review, eSun Group organised and invested in 93 (2022: 18) shows by popular local, Asian and internationally renowned artistes, including Grasshopper, Super Junior, Ekin Cheng, Joyce Cheng, Jay Fung, Jay Chou, Mayday, Yoga Lin, ILUB, Miriam Yeung and C AllStar.

Music Production, Distribution and Publishing

During the year under review, eSun Group released 7 (2022: 18) albums, including titles by Jay Fung, Cloud Wan, Sammi Cheng, Joyce Cheng and Leslie Cheung. eSun Group is expected 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 25 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 2023, this segment recorded a turnover of HK$113.1 million (2022: HK$184.6 million) and segment results of a loss of HK$48.6 million (2022: a loss of HK$52.8 million).

During the year under review, a total of 6 (2022: 8) films produced/invested by eSun Group were theatrically released, namely "*Warriors of Future*", "*Tales From The Occult I*", "*Cyber Heist*", "*Tales From The Occult: Body and Soul*", "*Tales From The Occult: Ultimate Malevolence*" and "*Detrimental*". eSun Group also distributed 32 (2022: 19) films and 151 (2022: 196) videos with high profile titles including "*Warriors of Future*", "*Mama's Affair*", "*Marry My Dead Body*", "*Godfather*", "*Jurassic World Dominion*" and "*Top Gun: Maverick*".

INTERESTS IN JOINT VENTURES

For the year ended 31 July 2023, profits from joint ventures amounted to HK$25.4 million, which mainly driven by the operating profits generated from joint ventures during the year under review.

	For the year ended 31 July 2023 *(HK$ million)*
Revaluation gains	**2.2**
Operating profits	**23.2**
Profits from joint ventures	**25.4**

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 July 2023, cash and bank balances and undrawn facilities held by the Remaining Group amounted to approximately HK$5,124.3 million and approximately HK$5,720.4 million, respectively. Cash and bank balances held by the Remaining Group of which about 42% was denominated in Hong Kong dollars and United States dollars, and about 44% was denominated in Renminbi. Excluding LSD Remaining Group, cash and bank balances and undrawn facilities held by the Remaining Group as at 31 July 2023 were approximately HK$101.9 million and approximately HK$425.0 million, respectively.

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

As at 31 July 2023, the Remaining Group had bank borrowings of approximately HK$21,874.6 million, guaranteed notes of approximately HK$4,263.7 million and other borrowings of approximately HK$772.1 million. As at 31 July 2023, the maturity profile of the bank borrowings of HK$21,874.6 million is spread with HK$6,014.8 million repayable within one year, HK$1,707.1 million repayable in the second year, HK$12,678.7 million repayable in the third to fifth years, and HK$1,474.0 million repayable beyond the fifth year.

The Remaining Group issued guaranteed notes in an aggregate principal amount of US$500 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 and were issued for refinancing the previous notes and for general corporate purposes.

Approximately 83% and 16% of the Remaining Group's total borrowings carried interest on a floating rate basis and fixed rate basis, respectively, and the remaining 1% of the Remaining 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 138%. Excluding the net debt of LSD Remaining Group, the Remaining Group's gearing ratio was approximately 6%.

As at 31 July 2023, certain investment properties with carrying amounts of approximately HK$35,658.6 million, certain property, plant and equipment and the related right-of-use assets with carrying amounts of approximately HK$8,329.7 million, certain completed properties for sale with carrying amounts of approximately HK$449.7 million, certain properties under development with carrying amounts of approximately HK$4,718.8 million, and certain bank balances and time deposits with banks of approximately HK$899.3 million were pledged to banks to secure banking facilities granted to the Remaining Group. In addition, certain shares in subsidiaries were pledged to banks to secure banking facilities granted to the Remaining Group. Shares in certain joint ventures were pledged to banks to secure banking facilities granted to the respective joint ventures of the Remaining Group. The Remaining Group's secured bank borrowings were also secured by floating charges over certain assets held by the Remaining Group.

The Remaining 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 Remaining Group believes that the corresponding exposure to exchange rate risk arising from United States dollars is not material. The Remaining 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 Remaining Group were denominated in Euro, Malaysian Ringgit and Vietnamese Dong which were insignificant as compared with the Remaining Group's total assets and liabilities. The Remaining 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.

MATERIAL ACQUISITIONS OR DISPOSALS

The Remaining Group has no material acquisition or disposal of subsidiaries and associates for the year ended 31 July 2023.

CONTINGENT LIABILITIES

The Remaining Group also had the following contingent liabilities at the end of the reporting period:

(a) Contingent liabilities not provided for in the financial statements:

	2023	2022
	HK$'000	*HK$'000*
Guarantees given to banks in connection with facilities granted to and utilised by joint ventures	**780,480**	563,250

(b) The Remaining 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 Remaining Group. Pursuant to the terms of the guarantees, upon default in mortgage payments by these end-buyers, the Remaining Group will be responsible to repay the outstanding mortgage loan principal amounts together with accrued interest owed by the end-buyers in default. The Remaining 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 2023, in respect of these guarantees, the contingent liabilities of the Remaining Group amounted to approximately HK$731,643,000 (2022: HK$768,204,000).

(c) The Remaining Group has pledged a time deposit to a bank in connection with a bank guarantee for an associate of approximately HK$17,999,000 (2022: HK$14,040,000).

(d) The Remaining Group had pledged certain time deposits to certain banks in connection with the banking facilities granted to certain subsidiaries. As at 31 July 2023, the respective letter of credit and letter of guarantee facilities of approximately HK$440,000 (2022: HK$2,246,000) were utilised.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 July 2023, the Remaining Group employed a total of approximately 4,100 employees. The Remaining Group recognises the importance of maintaining a stable staff force in its continued success. Under the Remaining Group's existing policies, employee pay rates are maintained at competitive levels whilst promotion and salary increments are assessed on a performance-related basis. Discretionary bonuses are granted to employees based on their merit and in accordance with industry practice. Other benefits including share option scheme, mandatory provident fund scheme, free hospitalisation insurance plan, subsidised medical care and sponsorship for external education and training programmes are offered to eligible employees.

The following is the text of a letter and valuation report prepared for the purpose of incorporation in this circular received from Savills Valuation and Professional Services Limited, an independent valuer, in connection with their valuation of the subject property as at 31 October 2025.

The Directors
Lai Sun Garment (International) Limited
11th Floor
Lai Sun Commercial Centre
680 Cheung Sha Wan Road
Kowloon

16 December 2025

Savills Valuation and
Professional Services Limited
Room 1208
1111 King's Road, Taikoo Shing
Hong Kong
T: (852) 2801 6100
F: (852) 2530 0756
EA Licence: C-023750
savills.com

Dear Sir

RE: FIRST FLOOR FOYER AREA, THE WHOLE OF THE 5TH, 6TH, 7TH, 8TH (WITH FLAT ROOF), 9TH, 10TH (WITH FLAT ROOF), 11TH, 12TH, 15TH, 22ND AND 26TH FLOORS, AND THE 18 CAR PARKING SPACES B2-1 TO B2-10 ON BASEMENT 2 AND B3-6 TO B3-13 ON BASEMENT 3, 3 CONNAUGHT ROAD CENTRAL, CENTRAL, HONG KONG (THE "PROPERTY")

In accordance with your instructions for us to value the Property held by Lai Sun Garment (International) Limited (the "**Company**") and its subsidiary (hereinafter together known as the "**Group**") for investment purposes, we confirm that we have carried out inspections, made relevant searches and enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 31 October 2025 ("**Valuation Date**") for the purposes of inclusion in a circular to be issued by the Company on 16 December 2025 in relation to a very substantial disposal.

BASIS OF VALUATION

Our valuation of the Property is our opinion of its market value which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

Our valuation has been undertaken in accordance with the HKIS Valuation Standards 2024 of The Hong Kong Institute of Surveyors ("**HKIS**"), which incorporates the International Valuation Standards ("**IVS**"), and (where applicable) the relevant HKIS or jurisdictional supplement. We have also complied with Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

IDENTIFICATION AND STATUS OF THE VALUER

The subject valuation exercise is handled by Mr Charles Chan and Mr Eddie So.

Mr Charles Chan is the Managing Director of Savills Valuation and Professional Services Limited ("**SVPSL**") and a Fellow of HKIS (General Practice Division) with over 41 years' experience in valuation of properties in Hong Kong and has sufficient knowledge of the relevant market, skills and understanding to handle the subject valuation exercise competently.

Mr Eddie So is the Senior Director of SVPSL and a Member of the HKIS (General Practice Division) with over 31 years' experience in valuation of properties in Hong Kong and has sufficient knowledge of the relevant market, the skills and understanding to handle the subject valuation exercise competently.

Prior to your instructions for us to provide this valuation services in respect of the Property, SVPSL, Mr Charles Chan and Mr Eddie So had been involved in valuation of the Property for accounting and financing purposes in the past 12 months.

We are independent of the Group. We are not aware of any instances which would give rise to potential conflict of interest from SVPSL, Mr Charles Chan or Mr Eddie So in the subject exercise. We confirm SVPSL, Mr Charles Chan and Mr Eddie So are in the position to provide objective and unbiased valuation for the Property.

VALUATION METHODOLOGY

Sales comparison approach is regarded as the most preferable method for property valuation. It involves the analysis of sales transactions in the market of similar properties compared with the Property. However, there are insufficient recent sales transactions of similar properties in the vicinity of the Property for reference in our valuation. Instead, in the locality of the Property, there are sufficient rentals in the lettings of similar offices including the Property available for reference in valuation.

Hence, in undertaking our valuation, we have adopted the income capitalization approach whereby the rental incomes of contractual tenancies for the unexpired terms and the reversionary market rents after the expiry of tenancies of the Property are capitalized.

TITLE INVESTIGATIONS

We have not been provided with any title documents relating to the Property, but we have caused search to be made at the Land Registry. We have not, however, searched the original documents to verify ownership or to ascertain the existence of any amendment which does not appear on the copies handed to us. As advised by the Group and to the best of their knowledge, there are no significant investigations, notices, pending litigations, breaches of law or title defects against the Property. In our valuation, we have assumed that the Property has good legal titles and is freely transferable in the market. We do not accept a liability for any interpretation which we have placed on such information which is more properly the sphere of your legal advisers.

VALUATION CONSIDERATION AND ASSUMPTIONS

In the course of our valuation, we have relied to a very considerable extent on information given by the Group and have accepted information given to us on such matters as planning approvals, statutory notices, easements, tenure, particulars of occupancy, tenancy details, trading accounts, floor areas, ESG matters (if any) and all other relevant matters. We have no reason to doubt the truth and accuracy of the information provided to us by the Group. We have been advised by the Group that no material facts have been omitted from the information provided.

We have not carried out on-site measurements to verify the correctness of the floor areas in respect of the Property. Dimensions, measurements and areas included in this report are based on information contained in the documents provided to us and are therefore only approximations.

We have inspected the exterior of the Property and where possible, we have also inspected the interior of the premises. Our inspection was carried out by Mr Jason Mo, MRICS, on 12 November 2025. In undertaking our valuation, we have assumed that the interiors of the non-inspected portions of the Property are finished and maintained in reasonable condition commensurate with its age and uses and without any unauthorized structures / extensions or structural alterations. We have also assumed in our valuation that the Property is provided with normal and satisfactory building services for its existing uses as at the Valuation Date.

No structural survey has been made, but during our inspection, we did not note any serious defect. We are not, however, able to report that the Property is free from rot, infestation or any other structural defect. No tests were carried out to any of the services. No environmental study for the Property has been made.

As advised by the Group and to the best of their knowledge, there were no plans for substantial construction, renovation, improvement, development or change of uses of the Property as at the Valuation Date.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

MARKET CONDITIONS COMMENT

Ongoing political and economic developments continue to create a complex and evolving landscape. Following the introduction of tariffs by the US Administration, there has been significant disruption to the global economy and international stock markets, and whilst the US trade war with China and other countries continues, the situation will remain volatile and the tariff regime may undergo further revisions with continued volatility, adding to global uncertainty. It is therefore important to recognise that our valuation has been prepared against the fluid backdrop outlined above and the local economic environment. Moreover, investor behaviour can change quickly during such periods of volatility. As such, the conclusions set out in this report are only valid at the Valuation Date and we would recommend that the value of the Property is kept under regular review.

SUSTAINABILITY AND ESG CONSIDERATIONS

ESG criteria are a set of standards which can be used to measure the performance of a business or investment in terms of sustainability. These criteria are increasingly being integrated into real estate valuation. At a property level, this includes environmental and climate impacts, the impact of buildings on the health and well-being of tenants/occupiers and local communities, and how a building is managed to encourage sustainable practices.

Nevertheless, quantifying the impact of ESG on value requires specialized expertise and would take time to become evident. A data-driven analysis is essential to understand how ESG performance translates into value.

In these regards, we are unable to quantify the potential impact of ESG matters, if any, on value, as we are not in the position of an expert on the assessment of sustainability and ESG matters. You are recommended to make further enquires and/or obtain further specialist or expert advice regarding ESG matters if necessary.

Except for the purpose of disclosure in the public circular to be issued by the Company in connection with the very substantial disposal, neither the whole nor any part of the valuation report nor any reference thereto may be included in any document, circular or statement without our written approval of the form and context in which it may appear.

We enclose herewith our valuation report.

Yours faithfully
For and on behalf of
Savills Valuation and Professional Services Limited

Charles C K Chan	Eddie C K So
MSc FRICS FHKIS MCIArb R.P.S. (GP)	MRICS MHKIS R.P.S. (GP)
Managing Director	Senior Director

Notes: *Mr Charles C K Chan is a professional surveyor who has over 41 years' experience in valuation of properties in Hong Kong.*

Mr Eddie C K So is a professional surveyor who has over 31 years' experience in valuation of properties in Hong Kong.

Enc

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 October 2025
First Floor Foyer Area, the whole of the 5th, 6th, 7th, 8th (with flat roof), 9th, 10th (with flat roof), 11th, 12th, 15th, 22nd and 26th Floors, and the 18 car parking spaces B2-1 to B2-10 on Basement 2 and B3-6 to B3-13 on Basement 3, 3 Connaught Road Central, Central, Hong Kong Certain parts or shares of and in Inland Lot No. 8736.	3 Connaught Road Central (the "**Development**") is a 31-storey office building with a car park on Basement 1 to Basement 3, entrance lobby & loading/unloading facilities on the Ground Floor, a foyer/commercial area on the 1st Floor, a sky lobby on the 2nd Floor and banking / office areas on the 3rd to 16th & the 19th to 30th Floors. There are also 2 mechanical floors on Basement 4 and the 18th Floor respectively and a refuge floor on the 17th Floor. The Development was completed in 2012. The Development is situated on the southwestern side of Connaught Road Central at its junction with Club Street in Central district of Hong Kong. The locality is central business district of Hong Kong with clusters of prestigious office buildings, high class hotels and shopping arcades in the vicinity. The Property comprises the First Floor Foyer Area (the "**Foyer Area**"), the entire 5th, 6th, 7th, 8th (with flat roof), 9th, 10th (with flat roof), 11th, 12th, 15th, 22nd and 26th Floors (the "**Office Portion**"), and the 18 car parking spaces including B2-1 to B2-10 on Basement 2 and B3-6 to B3-13 on Basement 3 (the "**Car Park Portion**") of the Development.	The Foyer Area and the 15th Floor of the Property are vacant as at the Valuation Date. The 5th Floor of the Property is subject to an intra-group lease from 1 August 2024 to 31 July 2027 at a monthly rent of approximately HK$556,000. 6th, 7th, 8th (with flat roof), 9th, 11th and 12th Floors together with Car Parking Spaces B2-1, B2-2, B2-6, B2-7, B2-9 and B2-10 on Basement 2 of the Property are subject to a lease from 6 November 2013 to 30 September 2028, with rent reviews to the then market rent on 1st October 2017, 1st October 2021 and 1st October 2025 for 3-year renewal terms. As at the Valuation Date, the new rent starts from 1 October 2025 is under negotiation, a holdover rent of approximately HK$5,191,000 is charged. 10th Floor (with flat roof) of the Property is subject to a tenancy from 1 July 2023 to 30 July 2026 at a monthly rent of approximately HK$725,000.	HK$3,678,000,000 (HONG KONG DOLLARS THREE BILLION SIX HUNDRED AND SEVENTY-EIGHT MILLION)

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 October 2025
	By scaling off the Approved Building Plans, the total saleable area of the Property (excluding the Car Park Portion) is approximately 8,553.98 sq m (92,075 sq ft) plus a total flat roof area of approximately 203.55 sq m (2,191 sq ft). The breakdown areas of the Property are as follow: **Saleable Area** *(sq m)* *(sq ft)* Foyer Area 267.75 2,882 Office Portion 8,286.23 89,193 In addition, flat roofs on the 8th & 10th Floors are about 103.31 sq m (1,112 sq ft) and 100.24 sq m (1,079 sq ft) respectively. Inland Lot No. 8736 is held from the Government under Conditions of Exchange No. UB12058 for a term commencing from 28 June 1989 and expiring on 30 June 2047 at an annual Government rent equal to 3% of the rateable value for the time being of the lot.	22nd Floor of the Property is subject to a tenancy from 15 July 2024 to 14 July 2027 at a monthly rent of approximately HK$779,000. 26th Floor of the Property is subject to a lease from 6 November 2013 to 30 September 2028, with rent reviews to the then market rent on 1st October 2017, 1st October 2021 and 1st October 2025 for 3-year renewal terms. As at the Valuation Date, the new rent starts from 1 October 2025 is still under negotiation, a holdover rent of approximately HK$758,000 is charged. Car parking spaces B2-3, B2-4, B2-5 and B2-8 on Basement 2 and B3-6 to B3-13 on Basement 3 of the Property are let under various licences on monthly basis at a total licence fee of approximately HK$55,000.	

Notes:

(1) Pursuant to the land register record obtained from the Land Registry, the current registered owner of the Property is Diamond String Limited.

(2) The Property is, inter alia, subject to a mortgage dated 16 December 2022 vide Memorial No. 22122801710157.

(3) As at the Valuation Date, the Property lies within an area zoned "Commercial" under the Draft Central District (HPA 4) Outline Zoning Plan No. S/H4/17 exhibited on 24 May 2019.

(4) The key parameters adopted in our valuation of the Property are as follow:

Property	***Capitalization Rate***	***Monthly Market Rent (Approx.)***
Foyer Area	*3.50%*	*HK$74 per sq ft saleable area*
Office Portion	*2.60%*	*HK$86 per sq ft saleable area*
Car Parking Spaces	*2.60%*	*HK$6,500 per parking space*

(5) In valuing the Foyer Area on 1st Floor, i.e. a commercial space, we have considered rental transactions of similar properties within the Central district in the past year. Taking into consideration the transaction time, location, size, building condition, headroom, exposure and accessibility of the properties, we have selected two rental transactions as the comparables.

We consider the selected commercial comparables to be representative and exhaustive, having met the relevant selection criteria. Details of the commercial comparables are set out as follow:

Comparable No.	***S1***	***S2***
Address	*Entrance on G/F and the whole Basement, LHT Tower 31 and 31A Queen's Road Central 1, 3, 5 and 7 Theatre Lane*	*1/F 33 Des Voeux Road Central*
Year Built	*2011*	*2014*
Use	*Commercial /Retail*	*Commercial /Retail*
Date	*07 Mar 2025*	*12 Feb 2025*
Monthly Rent (HK$) approx.	*$400,000*	*$321,000*
Saleable Area (sq ft)	*7,803*	*3,331*
Unit Rent (per sq ft)	*$51*	*$96*

(6) With reference to the property market statistics published by the Rating and Valuation Department in November 2025, the market yield of retail property is in the region of 3.6%. This is compatible with our adopted capitalization rate of 3.5% for the Foyer Area considering that it is situated within the central business district of Hong Kong.

(7) In conducting our valuation for the Office Portion, we have made reference to rental transactions of similar properties within Central in the past two years. Taking into consideration of the transaction time, location, floor level, size, building condition, headroom, view and accessibility etc., we have selected four rental transactions as the office comparables.

We consider the selected office comparables to be representative and exhaustive, having met the relevant selection criteria. Details of the office comparables are set out as follow:

Comparable No.	***O1***	***O2***	***O3***	***O4***
Address	*Whole floor on the low level, AIA Central 1 Connaught Road Central, Central*	*Units on the low level, AIA Central 1 Connaught Road Central, Central*	*Whole floor on the low level, AIA Central 1 Connaught Road Central, Central*	*22nd Floor, 3 Connaught Road Central, Central*
Year Built	*2005*	*2005*	*2005*	*2012*
Use	*Office*	*Office*	*Office*	*Office*
Date	*20 Aug 2025*	*26 May 2025*	*25 Apr 2025*	*15 Jul 2024*
Monthly Rent (HK$) approx.	*$1,200,000*	*$240,000*	*$1,340,000*	*$779,000*
Saleable Area (sq ft)	*14,952*	*2,680*	*15,596*	*7,675*
Unit Rent (per sq ft)	*$80*	*$90*	*$86*	*$101*

(8) We have also gathered and analysed some recent sales and lettings of similar offices in the vicinity of the Property and noted that the market yields are in the region of 2.7% to 2.9%. In view of the prime location of the Property, we opined that the 2.6% capitalization rate adopted by us is reasonable.

(9) In assessing the market value of the car parking spaces, we have made reference to rents of car park in the vicinity around the Valuation Date. Our findings are as follows:

Comparable No.	***P1***	***P2***	***P3***
Address	*Star Ferry Multi-storey Car Park, 9 Edinburgh Place*	*Admiralty Car Park, Rodney Street, Queensway*	*The Center, 99 Queen's Road Central*
Monthly Rent (HK$) approx.	*$6,100*	*$6,700*	*$6,600*

(10) We have also analysed the recent sales and lettings of car parking spaces around Central and noted that the market yields are in the region of about 2.0% to 3.1%. Taking into account that the car park of the Property is only accessible by car lifts, we opined that the 2.6% capitalization rate adopted by us is reasonable.

(11) The Development is under a unified title in the Land Registry as at the Valuation Date. We are instructed by the Group to assume that the Development is stratified, and each commercial/office floor or car parking space of the Property has a good legal title and is capable of being sold on a strata-titled basis. Meanwhile, the Group also furnishes us with a set of draft DMC plans of the Development which delineates the estate common areas, office common areas and car park common areas. Our measurement for areas of the Property is prepared with reference to this set of draft DMC plans.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) 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 (ii) 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 (iii) 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**") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of the Listed Issuers contained in Appendix C3 of the Listing Rules; or (iv) as known by the Directors were as follows:

(a) 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 *(Note 6)*	Beneficial owner/ Owner of controlled corporations	129,149,733 *(Note 2)*	Nil	258,168,186 *(Note 3)*	1,832,017 *(Notes 4&5)*	389,149,936	44.05%
U Po Chu *(Note 6)*	Beneficial owner	1,857,430	Nil	Nil	Nil	1,857,430	0.21%
Lam Hau Yin, Lester *(Note 6)*	Beneficial owner	28,033,218	Nil	Nil	6,519,095 *(Notes 4&5)*	34,552,313	3.91%

Notes:

1. *The percentage has been compiled based on the total number of issued Shares as at the Latest Practicable Date (i.e. 883,373,901 Shares).*

2. *Dr. Lam Kin Ngok, Peter purchased 16,938,695 Shares on 14 February 2025, increasing his personal interests from 112,211,038 Shares to 129,149,733 Shares.*

3. *As at the Latest Practicable Date, Dr. Lam Kin Ngok, Peter was deemed to be interested in 258,168,186 Shares (representing approximately 29.23% of the Company's issued share capital) by virtue of his 100% interest in the issued share capital of Wisdoman Limited which directly owned 258,168,186 Shares.*

4. *A share option was granted by the Company to each of Dr. Lam Kin Ngok, Peter and Mr. Lam Hau Yin, Lester, the particulars of which before the completion of 1-for-2 rights issue of the Company on 3 January 2023 ("**2022 Rights Issue**") are set out below:*

Name of Director	*Date of grant*	*Number of underlying Shares comprised in the share options*	*Exercise period of share options*	*Exercise price of share options* *HK$ per Share*
Lam Kin Ngok, Peter	*19/06/2017*	*425,033*	*19/06/2017-18/06/2027*	*11.763*
Lam Kin Ngok, Peter	*25/01/2022*	*1,312,300*	*25/01/2022-24/01/2032*	*3.874*
Lam Hau Yin, Lester	*19/06/2017*	*4,869,867*	*19/06/2017-18/06/2027*	*11.763*
Lam Hau Yin, Lester	*25/01/2022*	*1,312,300*	*25/01/2022-24/01/2032*	*3.874*

5. *The exercise price of and the number of Shares entitled to be subscribed for under the outstanding share options have been adjusted on 3 January 2023 in the following manner following the completion of the 2022 Rights Issue:*

Name of Director	*Number of underlying Shares comprised in share options before the 2022 Rights Issue*	*Exercise price of share options before the 2022 Rights Issue* *HK$ per Share*	*Adjusted number of underlying Shares comprised in share options after the 2022 Rights Issue*	*Adjusted exercise price of share options after the 2022 Rights Issue* *HK$ per Share*
Lam Kin Ngok, Peter	*425,033*	*11.763*	*448,197*	*11.155*
Lam Kin Ngok, Peter	*1,312,300*	*3.874*	*1,383,820*	*3.673*
Lam Hau Yin, Lester	*4,869,867*	*11.763*	*5,135,275*	*11.155*
Lam Hau Yin, Lester	*1,312,300*	*3.874*	*1,383,820*	*3.673*

6. *Dr. Lam Kin Ngok, Peter, Madam U Po Chu and Mr. Lam Hau Yin, Lester are the directors of Wisdoman Limited.*

(b) Associated Corporations

(i) Lai Sun Development Company Limited ("LSD") – a subsidiary of the Company

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

Name of Director	Capacity	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Approximate % of total interests to total issued LSD 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%

Notes:

1. *The percentage has been compiled based on the total number of issued LSD Shares as at the Latest Practicable Date (i.e. 1,453,328,830 LSD Shares).*

2. *As at the Latest Practicable Date, the Company and two of its wholly-owned subsidiaries, namely Joy Mind Limited and Zimba International Limited, beneficially owned in aggregate 808,084,296 LSD Shares, representing approximately 55.60% of the issued share capital of LSD. As such, Dr. Lam Kin Ngok, Peter was deemed to be interested in the same 808,084,296 LSD Shares (representing approximately 55.60% of the issued share capital of LSD) by virtue of, in aggregate, his personal (including underlying shares) and deemed interests of approximately 44.05% in the issued share capital of the Company.*

   The Company pledged approximately 208,513,987 LSD Shares 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 LSD Shares, representing approximately 0.60% of the issued share capital of LSD.*

(ii) eSun Holdings Limited ("eSun") – a subsidiary of LSD

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 *(Note 3)*	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 the Latest Practicable Date (i.e. 1,755,876,866 eSun Shares).*

2. *As at the Latest Practicable Date, the Company was interested in 808,084,296 LSD Shares, representing approximately 55.60% of the issued share capital of LSD. Transtrend Holdings Limited ("**Transtrend**"), a wholly-owned subsidiary of LSD, 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 (representing approximately 63.40% of the issued share capital of eSun) by virtue of, in aggregate, his personal (including underlying shares) and deemed interests of approximately 44.05% and 55.67% in the issued share capital of the Company and LSD, respectively.*

3. *Dr. Lam Kin Ngok, Peter resigned as an executive director of eSun with effect from 14 February 2014.*

(iii) Lai Fung Holdings Limited ("Lai Fung") – a subsidiary of LSD

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 *(Note 3)*	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 the Latest Practicable Date (i.e. 331,033,443 Lai Fung Shares).*

2. *As at the Latest Practicable Date, LSD 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 LSD and 1,717,510 Lai Fung Shares were beneficially owned by Transtrend, representing approximately 55.08% of the issued share capital of Lai Fung. 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 (including underlying shares) and deemed interests approximate 44.05% and 55.67% in the issued share capital of the Company and LSD, respectively.*

3. *Dr. Lam Kin Ngok, Peter was appointed the chairman and an executive director of Lai Fung on 2 June 2023.*

(iv) Lai Sun MTN Limited – a subsidiary of LSD

Long position 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 the Latest Practicable Date, none of the Directors and 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 pursuant to Divisions 7 and 8 of Part XV of the SFO, or as recorded in the Register of Directors and Chief Executive pursuant to section 352 of the SFO, or as notified to the Company and the Stock Exchange under the Securities Code or otherwise known by the Directors.

Save as otherwise disclosed in this circular, as at the Latest Practicable Date, none of the Company or its subsidiaries is a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or exercised any such right.

3. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date, so far as it is known by or otherwise notified by any Director or the chief executive of the Company, the particulars of the corporations or individuals, who had 5% or more interests in the following long positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, as 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

Name	**Capacity**	**Nature of interests**	**Number of Shares and underlying Shares**	**Approximate % of issued Shares** *(Note 1)*
Lam Kin Ngok, Peter *(Note 2)*	Beneficial owner/Owner of controlled corporations	Personal and corporate	389,149,936 *(Note 3)*	44.05%
Wisdoman Limited *(Note 2)*	Beneficial owner	Corporate	258,168,186 *(Note 4)*	29.23%
Yu Cheuk Yi	Beneficial owner	Personal	185,690,000 *(Note 5)*	21.02% *(Note 5)*
Yu Siu Yuk	Beneficial owner	Personal	185,690,000 *(Note 5)*	21.02% *(Note 5)*

Notes:

1. *The percentage has been compiled based on the total number of issued Shares as at the Latest Practicable Date (i.e. 883,373,901 Shares).*

2. *Dr. Lam Kin Ngok, Peter, a Director of the Company, is also a director of Wisdoman Limited.*

3. *Dr. Lam Kin Ngok, Peter purchased 16,938,695 Shares on 14 February 2025, increasing his personal and corporate interests from 372,211,241 Shares to 389,149,936 Shares.*

4. *Dr. Lam Kin Ngok, Peter was deemed to be interested in 258,168,186 Shares owned by Wisdoman Limited by virtue of his 100% interests in the issued share capital of Wisdoman Limited.*

5. *Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk jointly held 185,690,000 Shares (21.02%) according to shareholdings shown in the last Individual Substantial Shareholder Notice (Form 1) filed for an event on 22 May 2023.*

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 the Latest Practicable Date, 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.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or be determinable by the relevant member of the Group within one year without payment of compensation (other than the statutory compensation).

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, the following Directors are considered to have interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group (which would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling shareholder of the Company):

A. Dr. Lam Kin Ngok, Peter, Mr. Lam Hau Yin, Lester and Madam U Po Chu (together, "**Interested Directors**") held shareholdings or other interests and/or directorships in companies/entities engaged in the businesses of property investment and development in Hong Kong and the PRC, including LSD and Lai Fung.

B. Dr. Lam Kin Ngok, Peter held shareholdings 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.

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:

(a) different locations and different uses of the properties owned by the above companies and those of the Group; and

(b) different target customers of the restaurant operations as well as the concerts and albums of the above companies and those of the Group.

In addition, 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 the 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.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and their respective close associates had any interest in a business which competes or are likely to compete with the businesses of the Group (which would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them was a controlling shareholder of the Company).

6. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS OF THE GROUP

As at the Latest Practicable Date, (a) none of the Directors had any interest, direct or indirect, in any assets which had been, since 31 July 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group; (b) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at such date and which was significant in relation to the business of the Group.

7. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

8. MATERIAL CONTRACTS

The following contracts (being contracts entered into outside the ordinary course of business carried on by the Group) have been entered into by members of the Group within the two years immediately preceding the date of this circular:

(a) the Sale and Purchase Agreement;

(b) a sale and purchase agreement entered into on 2 July 2024 between Strongly Limited (owned by a joint venture to which 50% interest is attributable to the LSD Group and 50% interest is attributable to an independent third party of the LSD Group) as vendor and an independent third party of the LSD Group as purchaser, in relation to the disposal of its legal and beneficial interest in the commercial accommodation of "Alto Residences (藍塘傲)" ("**Development**") and the public vehicle park of the Development for a consideration of HK$540,000,000;

(c) sale and purchase agreements entered into on 20 June 2024 between Zhuhai Hengqin Laisun Creative Culture City Co., Ltd.* (珠海橫琴麗新文創天地有限公司) (an indirect non-wholly-owned subsidiary of Lai Fung) as vendor and Industrial and Commercial Bank of China Limited, Zhuhai Branch* (中國工商銀行股份有限公司珠海分行) (an independent third party) as purchaser, in relation to the disposal of the non-residential properties situated at Shop Nos. 90 and 92 in Zhishui Road, Hengqin New Area, Zhuhai, PRC, for a consideration of RMB32,963,320 (equivalent to approximately HK$35,400,000);

(d) a sale and purchase and put option agreement entered into on 14 May 2024 between Kingswood Shine Limited ("**Kingswood**") (an indirect wholly-owned subsidiary of LSD), Bright Jewel Investments Limited (an indirect wholly-owned subsidiary of LSD), Feldmore Investments Limited (an independent third party) and Ms. Huang Qing (an independent third party) as vendors, and Weishan Shipping Pte. Ltd. ("**Weishan**") (an independent third party) as purchaser, in relation to a disposal of 95% of the equity interest in Orwell Investments Pte. Ltd. (新加坡廣成股份有限公司*) ("**Orwell**") and the assignment of the shareholder's loans owing to the vendors by Orwell, and the put option grants by Weishan to Kingswood subject to the occurrence of the completion and in consideration of SGD1 paid by Kingswood to Weishan under the sale and purchase and put option agreement, for a total consideration of US$7,393,542 (based on RMB53,500,000);

* *for identification purposes only*

(e) an offer letter entered into on 3 May 2024 (after trading hours) between Boom Goal Limited (a wholly-owned subsidiary of LSD) ("**Boom Goal**") as vendor and Star Gallery Limited ("**Star Gallery**") as purchaser (the "**Offer Letter**"), pursuant to which Star Gallery has conditionally agreed to acquire the entire issued share capital of Hong Kong Hill Limited ("**Hong Kong Hill**"), the sole legal and beneficial owner of the residential property situated at Eighteenth Floor and Nineteenth Floor of May Tower II, May Road, Hong Kong and car parking spaces nos. 60 and 67 of May Tower I and May Tower II, from Boom Goal and take up the assignment of all such sum of money due and owing by Hong Kong Hill to LSD at completion of the Offer Letter from LSD, with a purchase price of HK$215,800,000 (subject to proforma net tangible asset value adjustments and completion net tangible asset value adjustments);

(f) a sale and purchase agreement entered into on 8 April 2024 between Peakflow Profits Limited (a wholly-owned subsidiary of LSD) as vendor and Grand Design Development Limited (an independent third party) as purchaser, in relation to the disposal of 10% equity interest in Bayshore Development Group Limited ("**Bayshore Development**") at the consideration of 10% of the net asset value based on the audited completion account of Bayshore Development at the completion date, for a consideration of approximately HK$1,422,000,000; and

(g) a provisional sale and purchase agreement entered into on 15 March 2024 between Intercontinental Development and Services Limited (a wholly-owned subsidiary of LSD) as vendor and Wai Tung International Limited as purchaser (an independent third party) in relation to the disposal of a non-residential property and car parking spaces situated at Wyler Centre Phase II at the consideration of HK$80,000,000.

9. EXPERTS' QUALIFICATIONS, INTERESTS AND CONSENTS

The following are the qualifications of the experts which have given their opinion or advice which are contained in this circular:

Name	Qualification
Ernst & Young	Certified public accountants
Savills Valuation and Professional Services Limited	Professional valuer

As at the Latest Practicable Date, the above experts did not have:

(a) any direct or indirect interest in any assets which have been, since 31 July 2025 (being the date to which the latest published audited consolidated financial statements of the Company were made up), acquired, disposed of by, or leased to, any member of the Group, or were proposed to be acquired, disposed of by, or leased to, any member of the Group; and

(b) any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter, recommendation, opinion and/or references to its name in the form and context in which they are included.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of HKEX (www.hkexnews.hk) and the Company (www.laisun.com) for a period of 14 days from the date of this circular:

(a) the Sale and Purchase Agreement;

(b) the articles of association of the Company;

(c) the annual reports of the Company for the three financial years ended 31 July 2023, 31 July 2024, and 31 July 2025;

(d) the material contracts referred to under the paragraph headed "*8. MATERIAL CONTRACTS*" in this Appendix VI;

(e) the unaudited pro forma financial information of the Remaining Group from Ernst & Young as set out in Appendix III to this circular;

(f) the Property Valuation Report prepared by Savills Valuation and Professional Services Limited, the text of which is set out in Appendix V to this circular;

(g) the written consent from each of the experts referred to in the paragraph headed "*9. EXPERTS' QUALIFICATIONS, INTERESTS AND CONSENTS*" above; and

(h) this circular.

11. GENERAL

(a) the address of the registered office of the Company is 11th Floor, Lai Sun Commercial Centre, 680 Cheung Sha Wan Road, Kowloon, Hong Kong;

(b) the company secretary of the Company is Ms. Tse Pik Ha, who is an associate member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom;

(c) the share registrar of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong; and

(d) in case of inconsistency, the English text of this circular shall prevail over the Chinese text.

LAI SUN GARMENT

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

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT a general meeting ("**General Meeting**") of the members ("**Members**") of Lai Sun Garment (International) Limited ("**Company**") will be held at Grand Ballroom 5, Level B, Hong Kong Ocean Park Marriott Hotel, 180 Wong Chuk Hang Road, Aberdeen, Hong Kong, on Wednesday, 31 December 2025 at 9:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution, with or without amendments, as an ordinary resolution of the Company:

ORDINARY RESOLUTION

"THAT

(a) the entering into of the Sale and Purchase Agreement (as defined in the circular of the Company dated 16 December 2025, the "**Circular**"), a copy of which is tabled at the meeting and marked "A" and initialled by the chairman of the meeting for identification purpose by the Company be and is hereby approved, confirmed and ratified;

(b) the Disposal (as more particularly described in the Circular), all actions taken (or to be taken) by the Company (or any of its subsidiaries) in relation thereto and all other matters contemplated thereunder be and are hereby approved; and

(c) any director or any two directors of the Company (if execution under the common seal of the Company ("**Common Seal**") is required) be and is/are hereby authorised for and on behalf of the Company to sign and execute, under hand or under the Common Seal (as appropriate), perfect, perform and deliver all such agreements, instruments, documents and deeds, and do all such acts or things and take all such steps as he/she may in his/her absolute discretion consider to be necessary, desirable, appropriate or expedient to implement and/or to give effect to the Sale and Purchase Agreement and all matters incidental thereto."

By order of the Board
Lai Sun Garment (International) Limited
Tse Pik Ha
Company Secretary

Hong Kong, 16 December 2025

Registered Office:
11th Floor
Lai Sun Commercial Centre
680 Cheung Sha Wan Road
Kowloon
Hong Kong

Notes:

1. *A Member entitled to attend and vote at the General Meeting convened by the above notice ("**Notice**") or its adjourned meeting (as the case may be) is entitled to appoint one (or if he/she/it holds two or more shares in the share capital of the Company ("**Shares**"), more than one) proxy to attend and speak at the General Meeting and, on a poll, vote on his/her/its behalf in accordance with the articles of association of the Company. A proxy need not be a Member.*

2. *A form of proxy for use at the General Meeting is sent to the Members with the Circular containing this Notice and is also available at the respective websites of Hong Kong Exchanges and Clearing Limited ("**HKEX**") and the Company.*

3. *To be valid, a form of proxy, duly signed and completed together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Company's share registrar, Tricor Investor Services Limited ("**Registrar**"), at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for holding the General Meeting or its adjourned meeting (as the case may be) and in default, the form of proxy shall not be treated as valid. Completion and return of the form of proxy shall not preclude Members from attending in person and voting at the General Meeting or at its adjourned meeting (as the case may be) should they so wish. In such case, the said form(s) of proxy shall be deemed to be revoked.*

   The contact phone number of the Registrar is (852) 2980 1333.

4. *The record date for determining Member's entitlement to attend, speak and vote at the General Meeting is Tuesday, 23 December 2025. To ascertain the entitlements to attend, speak and vote at the General Meeting, Members must lodge the relevant transfer document(s) and share certificate(s) at the office of the Registrar not later than 4:30 p.m. on Tuesday, 23 December 2025 for registration.*

5. *Where there are joint registered holders of any Shares, any one of such joint holders may attend and vote at the General Meeting or its adjourned meeting (as the case may be), either personally or by proxy, in respect of such Shares as if he/she/it was solely entitled thereto; but if more than one of such joint holders are present at the General Meeting or its adjourned meeting (as the case may be) personally or by proxy, then one of such holders so present whose name stands first in the Register of Members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.*

6. *In compliance with Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, voting on the resolution proposed in this Notice shall be decided by way of poll at the General Meeting.*

7. *If a tropical cyclone warning signal No. 8 or above is expected to be hoisted or a black rainstorm warning signal or "extreme conditions" announced by the Government of the Hong Kong Special Administrative Region of the People's Republic of China is/are expected to be in force at any time after 7:00 a.m. on the date of the General Meeting, the General Meeting will be postponed and the Members will be informed of the date, time and venue of the postponed General Meeting by a supplementary notice posted on the respective websites of HKEX and the Company.*

   If a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal or "extreme conditions" is cancelled at or before 7:00 a.m. on the date of the General Meeting and where conditions permit, the General Meeting will be held as scheduled.

   The General Meeting will be held as scheduled when an amber or red rainstorm warning signal is in force.

   Having considered their own situations, Members should decide on their own whether or not they would attend the General Meeting under any bad weather condition and if they do so, they are advised to exercise care and caution.

8. *Members are advised to read the Circular which contains information concerning the resolution to be proposed at the General Meeting.*

9. *No refreshments or corporate gifts will be provided at the General Meeting.*