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LAI SUN GARMENT

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

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 JANUARY 2026

Financial Summary

	Six months ended 31 January		Change (%)
	2026 (HK\$ million)	2025 (HK\$ million)	
Turnover	2,633.0	2,597.0	1.4
Generated from:			
– Property development and sales	667.8	617.2	8.2
– Property investment	623.3	671.3	(7.2)
– Hotel operation	637.8	647.3	(1.5)
Administrative expenses	356.7	408.4	(12.7)
Other operating expenses	428.2	469.6	(8.8)
Finance costs (expensed and capitalised)	690.5	794.8	(13.1)
Adjusted EBITDA of the Group (non-HKFRS measure)	407.2	519.8	(21.7)
Net loss attributable to owners of the Company	682.3	123.3	453.4

Results Highlights

- Hong Kong’s residential property market has experienced gradual recovery, evidenced by upward trends in average selling prices and transaction volume. During the period under review, LSD Group sold the remaining units at Bal Residence and The Parkland while its joint venture residential project “Deep Water Pavilia” garnered robust pre-sale performance; while Lai Fung Group also successfully contracted the sale of two accommodation towers, namely tower one (“T1”) and tower three (“T3”), in Hengqin Novotown Phase II, with revenue from one of the towers (T1) recognised during the period under review.
- Commercial real estate markets of Hong Kong and Chinese Mainland remained challenging, characterised by downward pressure on market valuations and negative rental reversions, largely due to subdued consumer spending and corporate expenditure. During the period under review, despite a difficult operating environment, the Group’s commercial properties and hotels maintained relatively steady occupancy rates in Hong Kong and Chinese Mainland.
- Segment losses in non-property businesses narrowed materially primarily due to (i) closures of non-performing outlets, and (ii) operational and administrative cost control measures implemented by the Group.
- Adjusted earnings before interests, taxes, depreciation and amortisation (“**adjusted EBITDA**”) of the Group was approximately HK\$407.2 million, versus adjusted EBITDA of approximately HK\$519.8 million in the same period last year, mainly due to Lai Fung Group’s loss incurred on the sale of an accommodation tower (T1) in Hengqin Novotown Phase II during the period under review.
- Net loss attributable to owners of the Company was approximately HK\$682.3 million, versus net loss of approximately HK\$123.3 million in the same period last year, mainly due to (i) Lai Fung Group’s loss incurred on the sale of an accommodation tower (T1) and write-down of properties (mainly T3) in Hengqin Novotown Phase II; (ii) fair value losses on the Group’s investment properties; and (iii) fair value losses and impairment losses on joint ventures properties, during the period under review.
- Adjusted net loss attributable to owners of the Company (excluding impact of fair value changes on investment properties and other non-cash and non-recurring items) was approximately HK\$219.5 million, versus net loss of approximately HK\$228.7 million in the same period last year.

Capital Resources, Assets Disposal and Liquidity Management

As at
31 January 2026
(HK\$ million)

Net current assets	449.0
Total financial resources, <i>comprising</i> :	5,414.4
– Cash and cash equivalents	3,050.0
– Pledged and restricted bank balances and time deposits (including the balances classified as assets held for sale)	1,164.9
– Undrawn banking facilities	1,199.5

- Substantially most of the Group's banking facilities are supported by the assets of the Group's investment properties and development projects. During the period under review, the Group continued to benefit from tremendous support and trust from its banks on successful refinancing of its banking facilities.
- On 8 December 2025, the Group successfully refinanced a syndicated loan of HK\$924.0 million secured by Por Yen Building and G/F to 9/F of Crocodile Center for 5 years. On 30 September 2025, LSD Group successfully refinanced HK\$3,457.0 million Cheung Sha Wan Plaza syndicated loan for 5 years.
- Subsequent to the end of the reporting period, on 12 March 2026, Lai Fung Group successfully refinanced one of its banking facilities with the refinanced amount of HK\$3,049.3 million equivalent with a tenor of one year with an extension of another year subject to satisfaction of certain conditions.
- The Group has continued its proactive efforts in assets disposal and achieved encouraging progress. During the period under review, LSD Group accelerated the sale of its residential development projects while Lai Fung Group made a major breakthrough of contracting the sale of two accommodation towers (T1 and T3) in Hengqin Novotown Phase II. LSD Group is well positioned to launch new Hong Kong residential sales in 2026 while Lai Fung Group will continue to seek en-bloc sales of additional accommodation towers in Hengqin.
- On 9 December 2025, LSD Group announced the sale of its interest in Surearn Profits Limited which holds the interests related to relevant properties located at No. 3 Connaught Road Central, Hong Kong. The sale is subject to completion in the second quarter of 2026 with estimated net proceeds of HK\$2,400 million.
- In addition to sales of properties, LSD Group has also thrived to dispose of its non-core assets to realise cash and strengthen its balance sheet. On 6 March 2026, LSD Group completed its sale of its interest in the New Vision Fund, L.P. and realised net proceeds of HK\$113.9 million.
- 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 last interim results for the six months ended 31 January 2025. Since then, the aggregated gross proceeds from the disposals, upon completion, are expected to be approximately HK\$7,000 million (including approximately HK\$1,000 million at Lai Fung Group). The Group has been and remains in discussions with potential buyers for other assets disposals as part of efforts to improve its liquidity position further.
- Due to the Group's successful refinancing and asset disposal efforts, the Group regained its net current assets position as at 31 January 2026. The Group believes that completion of the above-mentioned refinancing and assets sales will further contribute to the Group's deleveraging and improve its financial position in the second half of the financial year.

RESULTS

The board of directors (the “**Board**”) of Lai Sun Garment (International) Limited (the “**Company**”) announces the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 31 January 2026 together with the comparative figures of the last corresponding period as follows:

Condensed Consolidated Income Statement

For the six months ended 31 January 2026

	Notes	Six months ended 31 January	
		2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
TURNOVER	4	2,633,019	2,596,956
Cost of sales		<u>(1,938,081)</u>	<u>(1,615,530)</u>
Gross profit		694,938	981,426
Other revenue and gains		154,474	307,686
Selling and marketing expenses		(116,233)	(105,938)
Administrative expenses		(356,707)	(408,433)
Other operating expenses		(428,227)	(469,631)
Fair value (losses)/gains on investment properties, net		<u>(439,373)</u>	<u>97,999</u>
(LOSS)/PROFIT FROM OPERATING ACTIVITIES	5	(491,128)	403,109
Finance costs	6	(553,963)	(606,922)
Share of profits and losses of associates		(1,954)	656
Share of profits and losses of joint ventures		<u>(272,688)</u>	<u>22,040</u>
LOSS BEFORE TAX		(1,319,733)	(181,117)
Tax	7	<u>(50,671)</u>	<u>(117,573)</u>
LOSS FOR THE PERIOD		<u><u>(1,370,404)</u></u>	<u><u>(298,690)</u></u>
Attributable to:			
Owners of the Company		(682,307)	(123,256)
Non-controlling interests		<u>(688,097)</u>	<u>(175,434)</u>
		<u><u>(1,370,404)</u></u>	<u><u>(298,690)</u></u>
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	8		
Basic and diluted		<u><u>(HK\$0.772)</u></u>	<u><u>(HK\$0.140)</u></u>

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 January 2026

	Six months ended	
	2026	2025
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
LOSS FOR THE PERIOD	<u>(1,370,404)</u>	<u>(298,690)</u>
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
<i>Other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange realignments	587,559	(203,568)
Share of other comprehensive income of associates	1,869	2,729
Share of other comprehensive income/(expense) of joint ventures	1,406	(1,580)
Release of exchange reserve upon deregistration of subsidiaries	<u>(2,641)</u>	<u>2,348</u>
	<u>588,193</u>	<u>(200,071)</u>
<i>Other comprehensive expense that will not be reclassified to profit or loss in subsequent periods:</i>		
Changes in fair values of financial assets at fair value through other comprehensive income	<u>(2,668)</u>	<u>(1,667)</u>
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD	<u>585,525</u>	<u>(201,738)</u>
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD	<u><u>(784,879)</u></u>	<u><u>(500,428)</u></u>
Attributable to:		
Owners of the Company	(482,014)	(206,245)
Non-controlling interests	<u>(302,865)</u>	<u>(294,183)</u>
	<u><u>(784,879)</u></u>	<u><u>(500,428)</u></u>

Condensed Consolidated Statement of Financial Position
As at 31 January 2026

	Notes	31 January 2026 (Unaudited) HK\$'000	31 July 2025 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		5,310,970	5,370,925
Right-of-use assets		3,506,932	3,577,655
Investment properties		36,975,310	36,683,012
Film rights		17,618	19,144
Film and TV program products		60,771	60,784
Music catalogs		—	—
Goodwill		240,621	232,961
Other intangible assets		117,956	114,340
Investments in associates		481,763	466,712
Investments in joint ventures		1,610,796	4,804,796
Financial assets at fair value through other comprehensive income		125,756	128,412
Financial assets at fair value through profit or loss		647,723	788,507
Debtors	9	528,884	507,744
Deposits, prepayments, other receivables and other assets		137,977	160,713
Deferred tax assets		998	241
Pledged and restricted bank balances and time deposits		70,828	119,115
		<hr/>	<hr/>
Total non-current assets		49,834,903	53,035,061
CURRENT ASSETS			
Properties under development		4,817,136	4,539,771
Completed properties for sale		2,651,820	3,396,565
Films and TV programs under production and film investments		320,462	344,024
Inventories		37,059	40,904
Financial assets at fair value through profit or loss		321,503	174,822
Derivative financial instruments		3,940	—
Debtors	9	429,470	371,948
Deposits, prepayments, other receivables and other assets		951,315	749,922
Prepaid tax		79,008	67,972
Pledged and restricted bank balances and time deposits		1,075,833	1,279,086
Cash and cash equivalents		3,049,968	3,026,571
		<hr/>	<hr/>
Assets classified as held for sale	11	13,737,514 3,033,602	13,991,585 —
		<hr/>	<hr/>
Total current assets		16,771,116	13,991,585

Condensed Consolidated Statement of Financial Position (continued)

As at 31 January 2026

		31 January 2026 (Unaudited) <i>HK\$'000</i>	31 July 2025 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
CURRENT LIABILITIES			
Creditors, other payables and accruals	10	1,986,436	2,367,430
Deposits received, deferred income and contract liabilities		745,309	545,162
Lease liabilities		223,607	214,475
Tax payable		737,124	737,641
Bank borrowings		7,801,632	10,886,034
Other borrowings		786,262	775,973
Guaranteed notes		4,041,766	3,877,188
Derivative financial instruments		—	7,707
		<u>16,322,136</u>	<u>19,411,610</u>
Total current liabilities		16,322,136	19,411,610
NET CURRENT ASSETS/(LIABILITIES)		448,980	(5,420,025)
TOTAL ASSETS LESS CURRENT LIABILITIES		50,283,883	47,615,036
NON-CURRENT LIABILITIES			
Lease liabilities		438,436	524,258
Bank borrowings		14,090,644	10,437,690
Guaranteed notes		203,178	382,438
Derivative financial instruments		7,034	17,802
Deferred tax liabilities		4,088,804	4,010,836
Other payables and accruals	10	935,001	907,350
Long-term deposits received		222,304	229,815
		<u>19,985,401</u>	<u>16,510,189</u>
Total non-current liabilities		19,985,401	16,510,189
		<u>30,298,482</u>	<u>31,104,847</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital		2,178,944	2,178,944
Reserves		11,725,949	12,207,475
		<u>13,904,893</u>	<u>14,386,419</u>
Non-controlling interests		16,393,589	16,718,428
		<u>30,298,482</u>	<u>31,104,847</u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 31 January 2026 have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* as issued by the Hong Kong Institute of Certified Public Accountants.

The financial information relating to the year ended 31 July 2025 that is included in the unaudited condensed consolidated interim financial statements of the Group for the six months ended 31 January 2026 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 July 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to the Hong Kong Companies Ordinance.

The Company’s independent auditor has reported on those financial statements. The independent auditor’s report was unqualified; included a reference to a material uncertainty related to going concern to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

The condensed consolidated interim financial statements have not been audited by the Company’s independent auditor but have been reviewed by the Company’s audit committee.

Going Concern Basis

As at 31 January 2026, the Group had net current assets of HK\$449.0 million. The cash and bank balances (including pledged and restricted bank balances and time deposits, and pledged bank balances classified as assets held for sale (note 11)) under current assets were HK\$4,144.0 million, while the total bank and other borrowings and guaranteed notes under current liabilities amounted to HK\$12,629.7 million. In addition, the Group incurred a net loss of HK\$1,370.4 million during the six months ended 31 January 2026.

In view of the abovementioned circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing resources to continue as a going concern for at least twelve months from 31 January 2026, taking into account the following plans and measures to mitigate the liquidity pressure and to improve its cash flows:

- (i) The Group will continue to actively negotiate with its existing lending banks and potential new lending banks on the refinancing of existing bank borrowings at costs acceptable to the Group and in a timely manner such that the banking facilities and bank borrowings will continue to be made available to the Group. In view of the Group's established banking relationships, its history of compliance with financial covenants, and past renewals of banking facilities, the directors of the Company are of the view that the Group should be able to refinance its bank borrowings as and when they fall due. Subsequent to the end of the reporting period, on 12 March 2026, Lai Fung Holdings Limited ("**Lai Fung**") and its subsidiaries (the "**Lai Fung Group**") successfully refinanced one of its banking facilities originally matured on the same day. The refinanced facilities amounted to HK\$3,049.3 million with a tenor of one year with an extension of another year subject to satisfaction of certain conditions.
- (ii) The Group will continue to closely monitor its compliance with financial covenants associated with its banking facilities and bank borrowings with a view to ensuring ongoing compliance and the continued availability of these facilities.
- (iii) As at 31 January 2026, the Group has unutilised banking facilities of HK\$1,199.5 million for the payment of construction costs of its properties development projects. As at the date of this results announcement, the unutilised banking facilities increased to HK\$2,137.5 million. The increase was due to the successful extension of a project loan availability period by the Lai Fung Group. The directors of the Company believe that the Group will be able to fulfill all its payment obligations to the Group's contractors/vendors and meet all of the necessary conditions to launch the pre-sale and complete the remaining construction work for property delivery of the relevant projects.
- (iv) The Group has been in active discussions with potential buyers for the realisation of certain assets to enhance liquidity. The Group is preparing to complete the disposal of assets as set out in note 11 to the condensed consolidated financial statements. In addition, the Group remains committed to executing its asset disposal plan including identifying potential buyers or seeking other opportunities for the realisation of its property projects with the objective of reducing its debt and lowering finance costs.
- (v) The Group will consider its options with regards to the maturity of its guaranteed notes, including but not limited to a potential liability management exercise to extend the maturity profile of its guaranteed notes.
- (vi) The Group will accelerate the pre-sales and sales of its properties under development and completed properties.
- (vii) The Group will, despite the challenging economic environment, continue to effectively manage its rental and hotel portfolios which could generate a steady and reliable income stream to the Group.
- (viii) The Group will continue to implement/contemplate various cost control strategies and resources improvement plans and measures to reduce operating costs and administrative costs and maintain containment of capital expenditure.

In addition, regarding the Group's outstanding other borrowings (principal amounts of HK\$392.1 million and all accrued interests due or to be due) as of 31 January 2026, the Group has obtained legal opinion from an external solicitor that there is unlikely any demand for repayment of other borrowings for the period up to 31 March 2027.

The directors of the Company have reviewed the Group's cash flow projections which cover a period of not less than twelve months from 31 January 2026 and are of the opinion that, in the absence of unforeseeable circumstances, taking into account the successful implementation of the abovementioned plans and measures, the Group will have sufficient working capital to finance its operation and to meet its financial obligations as and when they fall due within the next twelve months from 31 January 2026. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the condensed consolidated financial statements for the six months ended 31 January 2026 on a going concern basis.

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

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

2. MATERIAL ACCOUNTING POLICIES

The material accounting policies and basis of presentation used in the preparation of these interim financial statements are the same as those used in the Group's audited consolidated financial statements for the year ended 31 July 2025.

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

3. SEGMENT INFORMATION

Segment revenue and results

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

	Six months ended 31 January (Unaudited)																			
	Property development and sales		Property investment		Hotel operation		Restaurant and F&B product sales operations		Media and entertainment		Film and TV program		Cinema operation		Theme park operation		Others		Consolidated	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:																				
Sales to external customers	667,802	617,205	623,326	671,336	637,759	647,299	233,954	217,849	104,040	103,390	29,022	31,765	221,380	220,204	2,036	3,452	113,700	84,456	2,633,019	2,596,956
Intersegment sales	—	—	22,505	23,562	377	358	1,965	1,944	—	—	6,312	5,301	1,977	3,684	—	—	12,922	13,337	46,058	48,186
Other revenue and gains	16,829	24,137	26,994	14,144	529	411	10,248	2,297	10,343	841	381	756	11,558	8,214	70	97	18,801	64,683	95,753	115,580
Total	<u>684,631</u>	<u>641,342</u>	<u>672,825</u>	<u>709,042</u>	<u>638,665</u>	<u>648,068</u>	<u>246,167</u>	<u>222,090</u>	<u>114,383</u>	<u>104,231</u>	<u>35,715</u>	<u>37,822</u>	<u>234,915</u>	<u>232,102</u>	<u>2,106</u>	<u>3,549</u>	<u>145,423</u>	<u>162,476</u>	<u>2,774,830</u>	<u>2,760,722</u>
Elimination of intersegment sales																			(46,058)	(48,186)
Total																			<u>2,728,772</u>	<u>2,712,536</u>
Segment results	<u>(271,201)</u>	<u>(937)</u>	<u>360,267</u>	<u>408,830</u>	<u>(25,300)</u>	<u>(41,856)</u>	<u>13,057</u>	<u>(15,430)</u>	<u>58,451</u>	<u>18,504</u>	<u>(13,076)</u>	<u>15,320</u>	<u>12,850</u>	<u>(16,566)</u>	<u>(13,276)</u>	<u>(15,906)</u>	<u>(24,717)</u>	<u>9,994</u>	<u>97,055</u>	<u>361,953</u>
Unallocated other revenue and gains																			58,721	192,106
Fair value (losses)/gains on investment properties, net	—	—	(439,373)	97,999	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(439,373)	97,999
Unallocated expenses																			(207,531)	(248,949)
(Loss)/profit from operating activities																			(491,128)	403,109
Finance costs																			(553,963)	(606,922)
Share of profits and losses of associates	46	202	(2,568)	(1,811)	(524)	(381)	3,839	2,165	—	—	—	—	—	—	—	—	548	1,075	1,341	1,250
Share of profits and losses of associates — unallocated																			(3,295)	(594)
Share of profits and losses of joint ventures	(129,026)	10,596	(135,185)	21,870	(1,648)	(6,944)	(3,595)	—	746	1,967	—	—	(2,617)	(4,604)	—	—	(1,363)	(845)	(272,688)	22,040
Loss before tax																			(1,319,733)	(181,117)
Tax																			(50,671)	(117,573)
Loss for the period																			<u>(1,370,404)</u>	<u>(298,690)</u>

3. SEGMENT INFORMATION (continued)

Segment assets and liabilities

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

	Property development and sales		Property investment		Hotel operation		Restaurant and F&B product sales operations		Media and entertainment		Film and TV program		Cinema operation		Theme park operation		Others		Consolidated	
	31 January 2026 (Unaudited)	31 July 2025 (Audited)	31 January 2026 (Unaudited)	31 July 2025 (Audited)	31 January 2026 (Unaudited)	31 July 2025 (Audited)	31 January 2026 (Unaudited)	31 July 2025 (Audited)	31 January 2026 (Unaudited)	31 July 2025 (Audited)	31 January 2026 (Unaudited)	31 July 2025 (Audited)	31 January 2026 (Unaudited)	31 July 2025 (Audited)	31 January 2026 (Unaudited)	31 July 2025 (Audited)	31 January 2026 (Unaudited)	31 July 2025 (Audited)	31 January 2026 (Unaudited)	31 July 2025 (Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	8,230,654	8,631,057	37,471,549	37,185,197	7,762,142	7,796,037	377,588	405,959	216,773	190,465	617,212	708,360	333,282	389,067	737,408	726,258	1,000,576	1,044,142	56,747,184	57,076,542
Investments in associates	1,643	1,597	67,696	70,077	186,726	181,236	19,895	16,116	—	—	—	—	—	—	—	—	8,321	13,227	284,281	282,253
Investments in associates — unallocated																			197,482	184,459
Investments in joint ventures	848,944	901,337	393,555	3,544,121	53,222	53,544	15,694	19,289	48,964	37,094	—	—	14,047	22,060	—	—	236,370	227,351	1,610,796	4,804,796
Unallocated assets																			4,732,674	4,678,596
Assets classified as held for sale																			3,033,602	—
Total assets																			66,606,019	67,026,646
Segment liabilities	436,859	489,324	600,337	622,953	302,978	274,471	202,640	242,983	125,408	111,342	380,236	438,034	585,931	652,325	19,729	19,940	501,300	528,614	3,155,418	3,379,986
Bank borrowings																			21,892,276	21,323,724
Guaranteed notes																			4,244,944	4,259,626
Other borrowings																			786,262	775,973
Unallocated liabilities																			6,228,637	6,182,490
Total liabilities																			36,307,537	35,921,799

4. TURNOVER

An analysis of turnover is as follows:

	Six months ended	
	31 January	
	2026	2025
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<u>Turnover from contracts with customers:</u>		
Sale of properties	667,802	617,205
Building management fee income	131,834	130,145
Income from hotel operation	637,759	647,299
Income from restaurant and F&B product sales operations	233,954	217,849
Distribution commission income, licence income from and sale of film and TV program products and film rights	27,077	28,682
Box-office takings, concessionary income and related income from cinemas	221,380	220,204
Entertainment event income	64,467	42,011
Sale of game products	—	27,093
Album sales, licence income and distribution commission income from music publishing and licensing	35,284	29,510
Artiste management fee income	4,289	4,776
Advertising income	1,945	3,083
Income from theme park operation	2,036	3,452
Others	113,700	84,456
	<u>2,141,527</u>	<u>2,055,765</u>
<u>Turnover from other source:</u>		
Rental income	491,492	541,191
Total turnover	<u><u>2,633,019</u></u>	<u><u>2,596,956</u></u>
<u>Timing of recognition of turnover from contracts with customers:</u>		
At a point in time	1,693,404	1,609,910
Over time	448,123	445,855
	<u><u>2,141,527</u></u>	<u><u>2,055,765</u></u>

5. (LOSS)/PROFIT FROM OPERATING ACTIVITIES

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

	Six months ended	
	31 January	
	2026	2025
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment [^]	144,048	151,813
Depreciation of right-of-use assets [^]	124,837	142,606
Foreign exchange differences, net	5,991 [*]	(8,503) [@]
Amortisation of film rights [#]	1,526	1,330
Amortisation of film and TV program products [#]	13	5,099
Amortisation of other intangible assets [*]	203	187
Fair value losses on financial assets at fair value through profit or loss, net [*]	14,617	5,868
Fair value gains on cross currency swaps [@]	(11,647)	(1,912)
Fair value gains on interest rate swaps [@]	(10,768)	—
Write-down of properties under development to net realisable value [#]	97,382	—
Write-down of completed properties for sale to net realisable value [#]	76,035	—
Gain on disposal of a subsidiary [@]	—	(111,063)
	144,048	151,813

[^] Depreciation charge of approximately HK\$243,429,000 (Six months ended 31 January 2025: HK\$267,132,000) is included in “other operating expenses” on the face of the unaudited condensed consolidated income statement.

[@] These items are included in “other revenue and gains” on the face of the unaudited condensed consolidated income statement.

[#] These items are included in “cost of sales” on the face of the unaudited condensed consolidated income statement.

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

6. FINANCE COSTS

	Six months ended	
	31 January	
	2026	2025
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on bank borrowings	513,495	613,572
Interest on guaranteed notes	101,231	101,747
Interest on other borrowings	8,725	9,486
Interest on other payables	5,168	—
Interest on lease liabilities	14,943	19,231
Interest on put option liabilities	2,289	2,260
Bank financing charges	44,602	48,484
	690,453	794,780
Less: Amount capitalised in construction in progress	(1,837)	(2,287)
Amount capitalised in properties under development	(127,325)	(171,684)
Amount capitalised in investment properties under construction	(7,328)	(13,887)
	553,963	606,922

7. TAX

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

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

	Six months ended	
	31 January	
	2026	2025
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax		
— Hong Kong		
Charge for the period	9,715	16,606
Underprovision in prior periods	644	716
	<u>10,359</u>	<u>17,322</u>
— Chinese Mainland		
Corporate income tax	27,764	22,979
Land appreciation tax	20,058	56,177
	<u>47,822</u>	<u>79,156</u>
— Elsewhere		
Charge for the period	14,744	13,480
	<u>72,925</u>	<u>109,958</u>
Deferred tax	<u>(22,254)</u>	<u>7,615</u>
Tax charge for the period	<u>50,671</u>	<u>117,573</u>

8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share amount was based on the loss for the period attributable to owners of the Company of HK\$682,307,000 (Six months ended 31 January 2025: HK\$123,256,000), and the weighted average number of ordinary shares of 883,373,901 (Six months ended 31 January 2025: 883,373,901) in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the periods ended 31 January 2026 and 2025 in respect of a dilution as the impact of the share options of the Company, Lai Sun Development Company Limited (“LSD”), eSun Holdings Limited (“eSun”) and Lai Fung had an anti-dilutive effect on the basic loss per share amounts presented.

9. DEBTORS

The Group (other than eSun and its subsidiaries (the “eSun Group”)) maintains various credit policies for different business operations in accordance with business practices and market conditions in which the respective subsidiaries operate. Sales proceeds receivable from the sale of properties are settled in accordance with the terms of the respective contracts. Rent and related charges in respect of the leasing of properties are receivable from tenants, and are normally payable in advance with rental deposits received in accordance with the terms of the tenancy agreements. Hotel and restaurant charges are mainly settled by customers on a cash basis except for those corporate clients who maintain credit accounts with the respective subsidiaries, the settlement of which is in accordance with the respective agreements. The Group’s trade receivables related to a large number of diversified customers and there is no significant concentration of credit risk. Trade receivables of the Group are non-interest bearing. The Group’s finance lease receivables related to a creditworthy third party.

The trading terms of the eSun Group with its customers are mainly on credit. Invoices are normally payable within 30 to 90 days of issuance, except for certain well-established customers, where the terms are extended to 120 days. Each customer has a maximum credit limit. The eSun Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimise its credit risk. Overdue balances are regularly reviewed by senior management. Since the eSun Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the eSun Group as the customer bases of the eSun Group’s trade receivables are widely dispersed in different sectors and industries. The eSun Group’s trade receivables are non-interest-bearing.

Other than rental deposits received, the Group does not hold any collateral or other credit enhancements over these balances.

9. DEBTORS (continued)

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

	31 January 2026 (Unaudited) HK\$'000	31 July 2025 (Audited) HK\$'000
Trade receivables:		
Not yet due or less than 30 days past due	340,995	269,526
31 — 60 days past due	10,085	15,707
61 — 90 days past due	12,242	22,956
Over 90 days past due	59,258	57,863
	<hr/>	<hr/>
	422,580	366,052
Finance lease receivables, not yet due	535,774	513,640
	<hr/>	<hr/>
	958,354	879,692
Less: Portion classified as current	(429,470)	(371,948)
	<hr/>	<hr/>
Non-current portion	528,884	507,744
	<hr/> <hr/>	<hr/> <hr/>

10. CREDITORS, OTHER PAYABLES AND ACCRUALS

An ageing analysis of the creditors, based on the date of receipt of the goods and services purchased/ payment due date, as at the end of the reporting period, is as follows:

	31 January 2026 (Unaudited) HK\$'000	31 July 2025 (Audited) HK\$'000
Creditors:		
Not yet due or less than 30 days past due	186,042	243,925
31 — 60 days past due	60,160	34,577
61 — 90 days past due	10,381	7,823
Over 90 days past due	33,396	59,736
	<hr/>	<hr/>
	289,979	346,061
Other payables and accruals	1,704,748	2,029,660
Put option liabilities	926,710	899,059
	<hr/>	<hr/>
	2,921,437	3,274,780
Less: Portion classified as current	(1,986,436)	(2,367,430)
	<hr/>	<hr/>
Non-current portion	935,001	907,350
	<hr/> <hr/>	<hr/> <hr/>

11. ASSETS CLASSIFIED AS HELD FOR SALE

On 9 December 2025, a wholly-owned subsidiary of LSD, entered into a sale and purchase agreement with an independent third party for sale of all issued shares of its wholly-owned subsidiary, Surearn Profits Limited (“**SPL**”). Accordingly, all assets of SPL, being interest in a joint venture of HK\$3,015,380,000 and pledged bank balances of HK\$18,222,000, have been classified as assets held for sale as at 31 January 2026.

Further details are set out in the joint announcement of the Company and LSD dated 9 December 2025 and the circular of the Company dated 16 December 2025.

12. EVENT AFTER THE REPORTING PERIOD

On 12 January 2026, the Group entered into a sale and purchase agreement with an independent third party to dispose the interest in a limited partnership (“**LP Interest**”) at a consideration of US\$14.6 million (equivalent to approximately HK\$114.9 million). The LP Interest is accounted for as financial assets measured at fair value through profit or loss under current assets in the condensed consolidated interim financial statements of the Group. Further details are set out in the joint announcement of the Company and LSD dated 12 January 2026 and the circular of the Company dated 11 February 2026.

The disposal has been completed subsequently on 6 March 2026 which resulted in a loss on disposal of approximately HK\$87.5 million.

INTERIM DIVIDEND

The Board of the Company has resolved not to declare the payment of an interim dividend for the financial year ending 31 July 2026. No interim dividend was declared in respect of the last corresponding period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Global Economic and Geopolitical Landscape

The global economic outlook was anticipated to remain steady with GDP growth at around 3.3% for 2026, underpinned by resilient technology investment and private sector adaptability in January 2026. This expected resilience is called into question with the outbreak of conflicts in Iran and the disruption to global crude oil supply. This is likely tested further by other persistent downside risks including other geopolitical tensions, geoeconomic confrontation, as well as the potential for a market correction if technology investment expectations are reevaluated. These factors continue to contribute to market volatility and policy uncertainty. The U.S. Federal Reserve maintained the federal funds rate in a target range of 3.5% to 3.75% in January 2026 might signal a pause following its 2025 easing cycle at the time, but this may need to be revisited in the near future.

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 Property Market

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

The office leasing market in Hong Kong remains challenging with an oversupply of office spaces. The citywide office vacancy rate stood at around 17.5% in early 2026, illustrating the competitive and oversupplied market conditions. Leveraging large-scale events and the facilitation of cross-border travel policies, the retail leasing market has shown divergent performance, prime districts recovered somewhat, but suburban retail and community malls continue to face rental pressure and negative reversions. While overall rental pressures persist, the Group has been securing renewals from existing tenants proactively and diversifying the tenant mix to maintain high occupancy rates for 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 a cautious backdrop.

The residential property market demonstrated signs of bottoming out and gradual recovery during the period, though challenges persist. The upturn in the residential property sector can be directly linked to the continuous influx of talent: the Top Talent Pass Scheme expanded its eligible university list to 200 institutions in January 2026. This expansion is expected to create approximately 12,000 leasing units annually through 2027, with 70% of these holders currently renting private residential units. Also, the growing “mortgage cheaper than rent” trend has become more prominent, encouraging renters to transition to homeownership and attracting buy-to-let investors. This sustained demand, combined with the continuous influx of talent under the expanded Top Talent Pass Scheme, is progressively alleviating developer discounting pressures.

Lai Sun Development Company Limited (“**LSD**”) and its subsidiaries (together, “**LSD Group**”) has managed to capture sales opportunities and achieved some good results for our Bal Residence project and The Parkland project, both of which have been completely sold. Moreover, presales of LSD Group’s joint venture project, namely “Deep Water Pavilia” in The Southside, commenced in June 2025 have garnered strong market interest. Around 780 units out of total 825 units have been presold for approximately HK\$13.7 billion as of the latest update. This robust performance reflects the improving market confidence and reaffirms the continuing demand for well-positioned, high-quality residential developments, amidst a challenging operating landscape. 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 28 February 2026, LSD Group has sold all residential units in Bal Residence at an average selling price of approximately HK\$15,193 per square foot. Total proceeds for this sold residential units are estimated to be HK\$830.2 million. During the period under review, 40 residential units were sold, amounting to HK\$216.6 million recognised in revenue. Since 1 February 2026 to 28 February 2026, the remaining 2 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 prior year under review. Total proceeds amounted to HK\$346.8 million, of which HK\$24.1 million is recognised in revenue during this financial period.

Construction works of the residential project at Deep Water Pavilia is in progress and is expected to be completed in the second quarter of 2026. It has a total gross floor area (“**GFA**”) of approximately 636,200 square feet and is expected to deliver two residential towers, offering 825 residential units.

Superstructure works of the 79 Broadcast Drive project in Kowloon Tong is in progress and the construction is expected to be completed in the first half of 2026. It will be developed into a high-quality luxury residential property with the maximum permissible GFA of approximately 71,600 square feet, offering around 46 medium-large sized units, including 2 houses.

Foundation works of 1 Kotewall Road project in Mid-Levels, Hong Kong Island is in progress and the construction is expected to be completed in the first quarter of 2028. 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.

Project design work of 116 Waterloo Road project in Ho Man Tin is in progress and is expected to be completed in the third quarter of 2028. LSD Group intends to redevelop the site into a residential project with total GFA of approximately 46,600 square feet, offering around 85 residential units.

Chinese Mainland Property Market

Chinese Mainland economy recorded 5% GDP growth for the full year of 2025, meeting official targets and demonstrating notable resilience amid persistent global headwinds and domestic challenges, according to data released by the National Bureau of Statistics in January 2026. This performance reflects the impact of accommodative policy measures and lower-than-expected tariffs on exports, although subdued household income, uncertain global trade environment and soft labour market continue to constrain domestic demand.

Supportive policy measures - including reduced mortgage rates, lower down payment ratios, eased purchasing restrictions, and the national extension of VAT exemptions on qualifying home sales - have provided marginal support to property transaction volumes. However, the residential market has not achieved stabilisation. By January 2026, new home prices across 70 major cities recorded their steepest year-on-year decline in seven months, falling 3.1%, which indicated that nationwide home prices have not yet shown clear signs of stabilisation.

In response, the Central Government has recalibrated its policy approach for 2026. The National Housing Work Conference in December 2025 outlined a strategic shift toward urban renewal, inventory reduction, and demand-side support. Key measures for 2026 include: authorising local governments to acquire unsold commercial housing for conversion into affordable housing, strengthening the “white list” financing mechanism to support project delivery; and promoting a transition toward completed-unit (post-sale) housing. It is anticipated that the Central Government will maintain its commitment to stabilising the property sector and fostering sustainable long-term economic growth.

While Lai Fung Holdings Limited (“**Lai Fung**”) and its subsidiaries (together, “**Lai Fung Group**”), the PRC property arm of the Group, remains confident in the long-term business prospects of the cities where we operate, especially within the dynamic Greater Bay Area (“**GBA**”), the prolonged economic recovery progress sets a challenging backdrop for the foreseeable future.

Lai Fung Group’s rental portfolio comprises approximately 5.9 million square feet in Shanghai, Guangzhou, Zhongshan, and Hengqin. The Chinese Mainland’s office rental market has continued to face significant headwinds, and conditions are anticipated to remain tough throughout 2026. Vacancy rates in major first-tier cities are expected to persist at elevated levels amid sluggish net absorption and ongoing new supply, exerting continued downward pressure on Grade A office rents. Tenants are increasingly prioritising high-quality, well-located assets as safe havens, sustaining demand for prime office space in core urban precincts.

During the period under review, Lai Fung Group proactively secured renewals from existing tenants early while actively pursuing new tenants to maintain high occupancy rates. The economic conditions remained challenging and resulted in a decrease in rental income despite the decline was within expectation. Nonetheless, the two recently completed Grade A office towers - Shanghai Skyline Tower and Guangzhou Lai Fung International Center - continued to improve steadily and delivered incremental income compared to the last financial period.

Lai Fung Group’s Hengqin Novotown project has been established successfully 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, 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 results announcement, approximately 99% 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 results announcement, commercial area of Novotown Phase I with approximately 86% has been 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 their purchase 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 since the end of 2024.

Significant progress has been made on Phase II of the Novotown project (“**Novotown Phase II**”). Lai Fung Group completed the signing of the agreement for the sale of the two accommodation towers (T1 and T3) in Novotown Phase II in late November 2025. The total consideration for the transaction was RMB625.7 million, covering a combined GFA of approximately 49,655 square metre, and comprising around 780 residential units. These apartments will provide accommodation options for talents working in Novotown Phase I and Novotown Phase II, as well as the wider Hengqin Island.

Tower two of Novotown Phase II, which is designated for office use, is scheduled for commencing operation in November 2026 and is expected to attract more cross-border e-commerce tenants. In addition, Lai Fung Group received approval from the local government to develop towers four to eleven of Novotown Phase II as accommodation for rental purpose, becoming the first project to be awarded the “Hengqin Guangdong-Macao In-Depth Cooperation Zone Rental Accommodation Project Certificate”. This initiative is designed to meet the growing rental accommodation demand from the commercial ecosystem of Hengqin, and provide essential supporting facilities for the area.

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 disposal of the two accommodation towers (T1 and T3) in Novotown Phase II of approximately HK\$688.1 million (RMB625.7 million) as aforementioned, Lai Fung Group is in discussions with a potential buyer for certain accommodation towers of Novotown Phase II. These will contribute towards the stated disposal targets and Lai Fung Group will continue to seek out appropriate assets for disposal to improve its financial position.

Cinema Operation/Media and Entertainment/Film Production and Distribution

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

Despite these challenging market conditions and economic uncertainties, there have been some bright spots from local productions. During the period from late December 2025 to 2026 Lunar New Year, local production films such as “*Back To The Past*” and “*Night King*” achieved good box office revenues. While these well performances have offered a degree of momentum, the overall outlook for the Hong Kong film market in 2026 remains subdued, particularly in the absence of major blockbuster releases. The Film Development Fund remains committed to providing financial support to boost box-office revenues, complemented by the 50th Hong Kong International Film Festival and various industry support programs approved in late 2025. These initiatives are geared towards improving the quality and quantity of local productions. During the period under review, eSun Holdings Limited (“**eSun**”) and its subsidiaries (together, “**eSun Group**”) managed to maintain revenue broadly stable in its cinema operation. eSun Group will continue to monitor closely market conditions and improve overall operating efficiency, as well as actively engage in cost optimisation measures and adopt a prudent approach in evaluating future opportunities for cinema operation.

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

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

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

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

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

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

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 the opportunities of entertainment market by a balanced and synergetic approach and 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

On 9 December 2025, LSD Group announced the sale of its interest in Surearn Profits Limited which holds the interests related to relevant properties located at No. 3 Connaught Road Central, Hong Kong. The sale is subject to completion in the second quarter of 2026 with estimated net proceeds of HK\$2,400 million.

In addition to sales of properties, LSD Group has also thrived to dispose of its non-core assets to realise cash and strengthen its balance sheet. On 6 March 2026, LSD Group completed its sale of its interest in the New Vision Fund, L.P. and realised net proceeds of HK\$113.9 million.

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 last interim results for the six months ended 31 January 2025. Since then, the aggregated gross proceeds from the disposals, upon completion, are expected to be approximately HK\$7,000 million (including approximately HK\$1,000 million at Lai Fung Group). The Group has been and remains in discussions with potential buyers for other assets disposals as part of efforts to improve its liquidity position further.

Due to the Group’s successful refinancing and asset disposal efforts, the Group regained its net current assets position as at 31 January 2026. The Group believes that completion of the above-mentioned refinancing and asset sales will further contribute to the Group’s deleveraging and improve its financial position in the second half of the financial year.

The Group anticipates that 2026 will be a year of uncertainty taking into consideration the global geopolitical conflicts and operational challenges of the commercial real estate markets in Hong Kong and Chinese Mainland. The Group is cautiously managing its financial position and is proactive in discussion with potential buyers for additional assets disposals to improve the Group’s liquidity.

OVERVIEW OF INTERIM RESULTS

For the six months ended 31 January 2026, the Group recorded turnover of HK2,633.0 million (2025: HK\$2,597.0 million). The increase was primarily driven by (i) Lai Fung Group's successful sale of two accommodation towers (T1 and T3) in Hengqin Novotown Phase II, with revenue from one of the towers (T1) recognised during the period under review. This was partially offset by lower Hong Kong property sales from Bal Residence and The Parkland, given that only a limited number of units remained for sale during the period under review; (ii) an increase in restaurant and F&B revenue, attributed to the resurgence in visitor arrivals; and (iii) an increase in other income, primarily driven by Camper & Nicholsons International S.A.. Due to the challenging operating environment, the revenue growth was hampered by a reduction in rental income as well as a decline in revenue from hotel operation during the period under review compared to the same period last year.

The gross profit decreased by approximately 29.2% to HK\$694.9 million from that of HK\$981.4 million in the same period last year, which was mainly due to Lai Fung Group's loss incurred on the sale of an accommodation tower (T1), as well as the write-down of properties under development (T3) and completed properties for sale in Hengqin Novotown Phase II.

Set out below is the turnover by segment:

	Six months ended 31 January		Difference (HK\$ million)	% change
	2026 (HK\$ million)	2025 (HK\$ million)		
Property investment	623.3	671.3	-48.0	-7.2
Property development and sales	667.8	617.2	+50.6	+8.2
Hotel operation	637.8	647.3	-9.5	-1.5
Restaurant and F&B product sales operations	234.0	217.8	+16.2	+7.4
Cinema operation	221.4	220.2	+1.2	+0.5
Media and entertainment	104.0	103.4	+0.6	+0.6
Film and TV program	29.0	31.8	-2.8	-8.8
Theme park operation	2.0	3.5	-1.5	-42.9
Others	113.7	84.5	+29.2	+34.6
Total	2,633.0	2,597.0	+36.0	+1.4

For the six months ended 31 January 2026, net loss attributable to owners of the Company was approximately HK\$682.3 million (2025: HK\$123.3 million). The increased loss was primarily attributed to (i) the aforementioned Lai Fung Group's loss incurred on the sale of an accommodation tower (T1) and write-down of properties (mainly T3) in Hengqin Novotown Phase II; (ii) fair value losses on the Group's investment properties; and (iii) fair value losses and impairment losses on joint ventures properties, during the period under review.

Net loss per share was HK\$0.772 (2025: HK\$0.140).

Non-HKFRS Financial Measures

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

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

(HK\$ million)	For the six months ended	
	31 January 2026	2025
(Loss)/profit from operating activities of the Group (HKFRS Accounting Standards measure)	(491.1)	403.1
Adjustments for:		
Share of (losses)/profits of joint ventures	(272.7)	22.0
Share of (losses)/profits of associates	(2.0)	0.7
Fair value losses/(gains) on investment properties held by the Group ^(Note 1)	439.4	(98.0)
Fair value losses on investment properties held by the associates and the joint ventures ^(Note 1)	153.5	2.1
Depreciation of property, plant and equipment ^(Note 2)	144.0	151.8
Depreciation of right-of-use assets ^(Note 2)	124.8	142.6
Amortisation of film rights, film and TV program products ^(Note 3)	1.5	6.6
Impairment on properties held by the Group ^(Note 4)	173.4	–
Impairment on properties held by the joint ventures ^(Note 4)	136.4	–
Gain on disposal of a subsidiary ^(Note 5)	–	(111.1)
Adjusted EBITDA of the Group (non-HKFRS measure)	407.2	519.8

Notes:

1. Given the sizeable investment properties portfolio held by the 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 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 on the properties held by the Group and the joint ventures, which are non-cash and non-recurring in nature.
5. The adjustment arises from the gain on disposal of a subsidiary, which is non-recurring in nature.

Excluding the net effect of property revaluations, other non-cash and non-recurring items, adjusted EBITDA of the Group was approximately HK\$407.2 million for the period under review (2025: HK\$519.8 million).

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

(HK\$ million)	For the six months ended	
	31 January 2026	2025
Net loss attributable to owners of the Company (HKFRS Accounting Standards measure)	(682.3)	(123.3)
Adjustments for:		
Fair value losses/(gains) on investment properties held by the Group ^(Note 1)	439.4	(98.0)
Fair value losses on investment properties held by the associates and the joint ventures ^(Note 1)	153.5	2.1
Deferred tax on fair value changes on investment properties held by the Group ^(Note 1)	(6.8)	(1.4)
Non-controlling interests' share of fair value changes on investment properties held by the Group less deferred tax ^(Note 1)	(249.0)	53.7
Impairment on properties held by the Group ^(Note 2)	173.4	–
Impairment on properties held by the joint ventures ^(Note 2)	136.4	–
Deferred tax on impairment ^(Note 2)	(10.6)	–
Gain on disposal of a subsidiary ^(Note 2)	–	(111.1)
Non-controlling interests' share of impairment less deferred tax and gain on disposal of a subsidiary ^(Note 2)	(173.5)	49.3
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)	(219.5)	(228.7)

Notes:

1. Given the sizeable investment properties portfolio held by the Group, the associates and the joint ventures, the adjustments relate to fair value changes on investment properties, related deferred tax, and impact on non-controlling interests' share, which are non-cash in nature.
2. The adjustments arise from impairment on properties held by the Group and the joint ventures, related deferred tax, the gain on disposal of a subsidiary, and impact on non-controlling interests' 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\$219.5 million for the period under review (2025: HK\$228.7 million). Net loss per share excluding the effect of property revaluations and other non-cash and non-recurring items was approximately HK\$0.248 (2025: HK\$0.259).

Equity attributable to owners of the Company as at 31 January 2026 amounted to HK\$13,904.9 million, as compared to HK\$14,386.4 million as at 31 July 2025. Net asset value per share attributable to owners of the Company dropped to HK\$15.741 per share as at 31 January 2026 from HK\$16.286 per share as at 31 July 2025.

PROPERTY PORTFOLIO COMPOSITION

The Group maintained a property portfolio with attributable GFA of approximately 4.6 million square feet as at 31 January 2026. All major properties of the Group in Chinese Mainland are held through Lai Fung Group, except Novotown Phase I which is 80% owned by Lai Fung Group and 20% owned by LSD Group, and all major properties in Hong Kong and overseas are held by the Group excluding eSun Group and Lai Fung Group.

Approximate attributable GFA (in '000 square feet) of the Group's major properties and number of car parking spaces as at 31 January 2026 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 basis¹)							
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	34	129	40	9	-	212	1,044
Subtotal	1,026	889	827	9	-	2,751	2,286
GFA of major properties and number of car parking spaces of LSD Group (excluding Lai Fung Group) (on attributable basis¹)							
Completed Properties Held for Rental ²	383	549	-	-	8	940	754
Completed Hotel Properties and Serviced Apartments ²	-	-	403	-	-	403	51
Properties under Development ³	-	-	-	149	-	149	76
Completed Properties Held for Sale	17	58	18	5	-	98	25
Subtotal	400	607	421	154	8	1,590	906
GFA of major properties and number of car parking spaces of the Group (excluding LSD Group) (on attributable basis)							
Completed Properties Held for Rental ²	91	-	-	-	160	251	37
Subtotal	91	-	-	-	160	251	37
Total GFA attributable to the Group	1,517	1,496	1,248	163	168	4,592	3,229

Notes:

1. As at 31 January 2026, 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 period under review, the Group's rental operations recorded a turnover of HK\$623.3 million (2025: HK\$671.3 million) comprising turnover of HK\$259.2 million, HK\$5.3 million and HK\$358.8 million from rental properties in Hong Kong, London and Chinese Mainland, respectively.

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

	Six months ended 31 January			Period end occupancy	
	2026 HK\$ million	2025 HK\$ million	% Change	2026 %	2025 %
Hong Kong					
Cheung Sha Wan Plaza	121.9	131.4	-7.2	93.2	92.1
Causeway Bay Plaza 2	59.8	62.3	-4.0	91.6	89.0
Lai Sun Commercial Centre	23.2	24.9	-6.8	91.8	96.3
Crocodile Center (commercial podium)*	41.2	40.5	+1.7	100.0	100.0
Por Yen Building*	6.8	7.6	-10.5	80.8	94.7
Others	6.3	5.9	+6.8		
Subtotal:	259.2	272.6	-4.9		
London, United Kingdom					
107 Leadenhall Street	5.3	6.2	-14.5	55.0	47.0
100 Leadenhall Street	-	26.6	-100.0	0.0	0.0
106 Leadenhall Street	-	-	0.0	0.0	0.0
Subtotal:	5.3	32.8	-83.8		
Chinese Mainland					
Shanghai					
Shanghai Hong Kong Plaza	118.6	130.2	-8.9	Retail: 96.0 Office: 84.9	Retail: 92.5 Office: 87.2
Shanghai May Flower Plaza	17.8	20.4	-12.7	Retail: 96.0	Retail: 98.2
Shanghai Regents Park	5.6	5.2	+7.7	100.0	100.0
Shanghai Skyline Tower	42.4	28.5	+48.8	Retail: 96.8 Office: 62.7	Retail: 89.0 Office: 48.1
Guangzhou					
Guangzhou May Flower Plaza	43.7	47.7	-8.4	Retail: 98.0 Office: 100.0	Retail: 94.2 Office: 100.0
Guangzhou West Point	10.7	10.7	0.0	99.0	96.0
Guangzhou Lai Fung Tower	50.5	61.3	-17.6	Retail: 100.0 Office: 88.0 ¹	Retail: 100.0 Office: 89.0 ¹
Guangzhou Lai Fung International Center	37.4	30.9	+21.0	Retail: 95.4 Office: 76.9	Retail: 99.0 Office: 64.3
Zhongshan					
Zhongshan Palm Spring Rainbow Mall	2.3	2.6	-11.5	Retail: 79.0 ¹	Retail: 94.5 ¹
Hengqin					
Hengqin Novotown Phase I	8.6	9.2	-6.5	Retail: 85.7 ²	Retail: 83.5 ²
Others	21.2	19.2	+10.4		
Subtotal:	358.8	365.9	-1.9		
Total:	623.3	671.3	-7.2		
Rental income from joint venture project					
Hong Kong					
CCB Tower ³ (50% basis)	52.2	57.2	-8.7	93.6	97.7
Total:	52.2	57.2	-8.7		

Notes:

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

1. Excluding self-use area.
2. Including the cultural attraction spaces.
3. CCB Tower is a joint venture project with China Construction Bank Corporation (“CCB”) in which each of LSD Group and CCB has an effective 50% interest. For the six months ended 31 January 2026, the joint venture recorded rental income of approximately HK\$104.4 million (2025: HK\$114.4 million).

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

	Six months ended 31 January 2026			Six months ended 31 January 2025		
	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)
Hong Kong						
Cheung Sha Wan Plaza	55.60%			55.60%		
Commercial		54.2	233,807		59.2	233,807
Office		58.7	409,896		62.5	409,896
Car Parking Spaces		9.0	N/A		9.7	N/A
Subtotal:		121.9	643,703		131.4	643,703
Causeway Bay Plaza 2	55.60%			55.60%		
Commercial		36.5	109,770		38.4	109,770
Office		20.4	96,268		21.0	96,268
Car Parking Spaces		2.9	N/A		2.9	N/A
Subtotal:		59.8	206,038		62.3	206,038
Lai Sun Commercial Centre	55.60%			55.60%		
Commercial		11.0	95,063		12.0	95,063
Office		1.9	74,181		2.7	74,181
Car Parking Spaces		10.3	N/A		10.2	N/A
Subtotal:		23.2	169,244		24.9	169,244
Crocodile Center*	100%			100%		
Commercial		41.2	91,201		40.5	91,201
Por Yen Building*	100%			100%		
Industrial		6.6	109,010		7.4	109,010
Car Parking Spaces		0.2	N/A		0.2	N/A
Subtotal:		6.8	109,010		7.6	109,010
Others		6.3	61,169		5.9	61,169
Subtotal:		259.2	1,280,365		272.6	1,280,365
London, United Kingdom						
107 Leadenhall Street	55.60%			55.60%		
Commercial		0.2	48,182		2.2	48,182
Office		5.1	98,424		4.0	98,424
Subtotal:		5.3	146,606		6.2	146,606
100 Leadenhall Street	55.60%			55.60%		
Office		-	177,700		26.6	177,700
106 Leadenhall Street	55.60%			55.60%		
Commercial		-	3,540		-	3,540
Office		-	16,384		-	16,384
Subtotal:		-	19,924		-	19,924
Subtotal:		5.3	344,230		32.8	344,230

	Six months ended 31 January 2026			Six months ended 31 January 2025		
	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)
Chinese Mainland						
Shanghai						
Shanghai Hong Kong Plaza	30.62%			30.62%		
Retail		75.4	468,434		83.2	468,434
Office		40.2	362,096		44.0	362,096
Car Parking Spaces		3.0	N/A		3.0	N/A
Subtotal:		118.6	830,530		130.2	830,530
Shanghai May Flower Plaza	30.62%			30.62%		
Retail		15.7	320,314		18.2	320,314
Car Parking Spaces		2.1	N/A		2.2	N/A
Subtotal:		17.8	320,314		20.4	320,314
Shanghai Regents Park	29.10%			29.10%		
Retail		4.8	82,062		4.5	82,062
Car Parking Spaces		0.8	N/A		0.7	N/A
Subtotal:		5.6	82,062		5.2	82,062
Shanghai Skyline Tower	30.62%			30.62%		
Retail		4.1	92,226		3.8	92,226
Office		36.9	634,839		23.5	634,839
Car Parking Spaces		1.4	N/A		1.2	N/A
Subtotal:		42.4	727,065		28.5	727,065
Guangzhou						
Guangzhou May Flower Plaza	30.62%			30.62%		
Retail		37.8	357,424		41.2	357,424
Office		4.9	79,431		4.9	79,431
Car Parking Spaces		1.0	N/A		1.6	N/A
Subtotal:		43.7	436,855		47.7	436,855
Guangzhou West Point	30.62%			30.62%		
Retail		10.7	182,344		10.7	182,344
Guangzhou Lai Fung Tower	30.62%			30.62%		
Retail		7.6	112,292		8.6	112,292
Office		41.1	625,821		49.5	625,821
Car Parking Spaces		1.8	N/A		3.2	N/A
Subtotal:		50.5	738,113		61.3	738,113
Guangzhou Lai Fung International Center	30.62%			30.62%		
Retail		7.5	109,320		6.4	109,320
Office		27.5	505,301		22.5	505,301
Car Parking Spaces		2.4	N/A		2.0	N/A
Subtotal:		37.4	614,621		30.9	614,621
Zhongshan						
Zhongshan Palm Spring Rainbow Mall	30.62%			30.62%		
Retail ¹		2.3	148,106		2.6	148,106
Hengqin						
Novotown Phase I [#]	35.62%			35.62%		
Commercial ²		8.6	996,538 ²		9.2	998,730 ²
Others		21.2	N/A		19.2	N/A
Subtotal:		358.8	5,076,548		365.9	5,078,740
Total:		623.3	6,701,143		671.3	6,703,335

	Six months ended 31 January 2026			Six months ended 31 January 2025		
	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)
Rental income from joint venture project						
Hong Kong						
CCB Tower ³ (50% basis)	27.80%			27.80%		
Office		51.9	114,603 ⁴		56.9	114,603 ⁴
Car Parking Spaces		0.3	N/A		0.3	N/A
Subtotal:		52.2	114,603		57.2	114,603
Total:		52.2	114,603		57.2	114,603

Notes:

* The property is held by the Group (excluding LSD 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 162,543 square feet of Hengqin Novotown Phase I under “Completed properties for sale” have been leased substantially during the six months ended 31 January 2026. Excluding the total GFA for self-use units and units with buyers’ deposits in cultural workshop of approximately 23,415 square feet, the occupancy rate was approximately 97% and 95%, respectively, achieving a total of approximately HK\$6.8 million and HK\$1.8 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 January 2026. Revenue from the cultural attraction spaces is recognised under turnover from theme park operation of LSD Group.
3. CCB Tower is a joint venture project with CCB in which each of LSD Group and CCB has an effective 50% interest. For the six months ended 31 January 2026, the joint venture recorded rental income of approximately HK\$104.4 million (2025: HK\$114.4 million).
4. GFA attributable to LSD Group. The total GFA is 229,206 square feet.

The average Sterling exchange rate for the period under review appreciated by approximately 4.3% compared with the same period last year. Excluding the effect of currency translation, the Sterling denominated turnover from London properties decreased by approximately 84.6% during the period under review. Breakdown of rental turnover of London portfolio for the six months ended 31 January 2026 is as follows:

	2026 HK\$'000	2025 HK\$'000	% Change	2026 GBP'000	2025 GBP'000	% Change
107 Leadenhall Street	5,274	6,213	-15.1	502	616	-18.5
100 Leadenhall Street	–	26,548	-100.0	–	2,634	-100.0
106 Leadenhall Street	–	–	0.0	–	–	0.0
Total:	5,274	32,761	-83.9	502	3,250	-84.6

Review of major investment properties

Hong Kong Properties (100% owned unless specified otherwise)

Crocodile Center

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

Por Yen Building

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

Cheung Sha Wan Plaza

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

Causeway Bay Plaza 2

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

Lai Sun Commercial Centre

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

Overseas Properties (100% owned unless specified otherwise)

The Leadenhall project

This comprises of three addresses: 100, 106 and 107 Leadenhall Street, London EC3, United Kingdom.

The assets are surrounded by 30 St Mary Axe (commonly known as the Gherkin), Lloyd's of London and The Scalpel at 52 Lime Street. They are freehold commercial properties with commercial and offices spaces. The buildings comprise a total of 344,230 square feet gross internal area. 100 and 106 have been stripped out and not leased. The occupancy rate for 107 at the end of January 2026 was approximately 55.0%.

LSD Group has secured approval to redevelop the project into an office tower. LSD Group is considering different options currently to optimise its value to LSD Group, which may include complete disposal or partial ownership for future redevelopment.

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

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

Shanghai Hong Kong Plaza

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

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

Shanghai May Flower Plaza

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

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

Shanghai Regents Park

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

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

Shanghai Skyline Tower

Shanghai Skyline Tower is a mixed-use redevelopment project of Shanghai Northgate Plaza I, Northgate Plaza II and the Hui Gong Building, located at Tian Mu Road West in the Jing'an District of Shanghai near the Shanghai Railway Terminal. This 30-storey office tower, erected upon a 3-level shopping mall and car-parking basement, has a total GFA of approximately 727,100 square feet excluding 443 car parking spaces. The construction was completed in September 2022. This property has been awarded the Leadership in Energy and Environmental Design ("LEED") v4 Gold Certification in October 2023. As at the date of this results announcement, approximately 96% of commercial and 63% of office areas have been secured, respectively.

Guangzhou May Flower Plaza

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

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

Guangzhou West Point

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

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

Guangzhou Lai Fung Tower

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

Guangzhou Lai Fung International Center

Guangzhou Lai Fung International Center, formerly known as Guangzhou Haizhu Plaza, is located at 33 Jiefang South Road in Yuexiu District, Guangzhou along the Pearl River. Guangzhou Lai Fung International Center, comprising an 18-storey office tower, erected upon a 4-level commercial facility, has a total GFA of approximately 614,600 square feet excluding 267 car parking spaces. The construction was completed in November 2022. This property has been awarded the LEED v4 Gold Certification in February 2023. As at the date of this results announcement, approximately 95% of commercial and 77% of office areas have been secured, respectively.

Zhongshan Palm Spring Rainbow Mall

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

Hengqin Novotown

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

Lai Fung Group’s Hengqin Novotown project has been established successfully 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

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

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

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

Notably, one of the key tenants being a leading domestic enterprise which has leased six floors of office space in Novotown Phase I to establish its global cross-border e-commerce headquarters. The enterprise currently employs 1,500 staff. It is expected to expand to over 3,000 employees when fully occupied, thereby creating a nucleus for its ecosystem to locate in Novotown. As at the date of this results announcement, approximately 99% 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 results announcement, commercial area of Novotown Phase I with approximately 86% has been 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 their purchase 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 since the end of 2024.

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

PROPERTY DEVELOPMENT

Recognised Sales

For the six months ended 31 January 2026, recognised turnover from sales of properties was HK\$667.8 million (2025: HK\$617.2 million). Breakdown of turnover for the six months ended 31 January 2026 from sales of properties is as follows:

Hong Kong				
Recognised basis	No. of Units	Approximate Saleable Area (Square feet)	Average Selling Price¹ (HK\$/square foot)	Turnover (HK\$ million)
Bal Residence Residential Units	40	14,176	15,279	216.6
Motor Cycle Parking Space	1			0.1
The Parkland Residential Units	5	2,407	10,019	24.1
93 Pau Chung Street Car Parking Spaces	2			1.6
Subtotal				242.4
Chinese Mainland				
Recognised basis	No. of Units	Approximate GFA (Square feet)	Average Selling Price² (HK\$/square foot)	Turnover³ (HK\$ million)
Hengqin Novotown Phase I Cultural Studios	2	6,231	3,794	22.5
Cultural Workshop Units	14	10,731	1,741	17.1
Hengqin Novotown Phase II Accommodation Tower (T1)	418	249,280	1,287	294.4
Zhongshan Palm Spring Commercial Units	51	51,929	1,276	60.8
Residential High-rise Units	4	5,762	1,702	9.0
Residential House Units	2	4,183	2,430	9.7
Shanghai Regents Park Car Parking Space	1			0.6
Guangzhou Eastern Place Car Parking Space	1			0.5
Zhongshan Palm Spring Car Parking Spaces	121			10.8
Subtotal				425.4
Total				667.8
Recognised sales from joint venture project				
Hong Kong				
Recognised basis	No. of Units	Approximate Saleable Area (Square feet)	Average Selling Price¹ (HK\$/square foot)	Turnover (HK\$ million)
Alto Residences (50% basis) Residential Unit ⁴	1	1,055	22,859	24.1 ⁵
Total				24.1

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 residential unit(s) and saleable area attributable to LSD Group. The total no. of residential units recognised and total saleable area are 2 and 2,109 square feet, respectively.
5. Representing property sales proceeds of HK\$42.3 million and rental income of HK\$5.9 million in relation to certain residential unit offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.

Contracted Sales

As at 31 January 2026, the Group’s property development operation has contracted but not yet recognised sales of HK\$585.0 million. Including the joint venture project of the Group, the total contracted but not yet recognised sales of the Group as at 31 January 2026 amounted to HK\$606.6 million. Breakdown of contracted but not yet recognised sales as at 31 January 2026 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	2	1,586	16,646	26.4
Car Parking Space	1			1.0
Subtotal				27.4
Chinese Mainland				
Contracted basis	No. of Units	Approximate GFA (Square feet)	Average Selling Price ¹ (HK\$/square foot)	Turnover ¹ (HK\$ million)
Hengqin Novotown Phase I Cultural Workshop Unit	1	654	1,835	1.2
Hengqin Novotown Phase II Accommodation Tower (T3)	361	285,204	1,287	367.2
Harrow LiDe School Hengqin Buildings ²	N/A	149,078	1,093	162.9 ³
Zhongshan Palm Spring Commercial Units	8	9,059	1,247	11.3
Residential High-rise Unit	1	1,244	1,447	1.8
Residential House Units	2	4,250	2,447	10.4
Zhongshan Palm Spring Car Parking Spaces	30			2.8
Subtotal				557.6
Total				585.0
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) House ⁴	1	1,122	19,229	21.6 ⁵
Total				21.6

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 house(s) and saleable area attributable to LSD Group. The total no. of house contracted and total saleable area are 1 and 19,229 square feet, respectively.
5. Representing property sales proceeds of HK\$43.2 million.

Review of major projects for sale and under development

Hong Kong Properties (100% owned unless specified otherwise)

Bal Residence

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

Bal Residence has a total saleable area of approximately 62,148 square feet, including 7,506 square feet of commercial facilities and 54,642 square feet of residential spaces, offering 156 residential units. Up to 28 February 2026, LSD Group has sold all residential units in Bal Residence at an average selling price of approximately HK\$15,193 per square foot. Total proceeds for this sold residential units are estimated to be HK\$830.2 million. During the period under review, 40 residential units were sold, amounting to HK\$216.6 million recognised in revenue. Since 1 February 2026 to 28 February 2026, the remaining 2 units have been sold.

The Parkland

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

The Parkland has a total saleable area of approximately 36,720 square feet, offering 112 residential units. All residential units have been completely sold and substantially recognised in revenue during the prior year under review. Total proceeds amounted to HK\$346.8 million, of which HK\$24.1 million is recognised in revenue during this financial period.

Deep Water Pavilia

In January 2021, the consortium formed by LSD Group together with New World Development Company Limited, Empire Development Hong Kong (BVI) Limited and CSI Properties Limited successfully won the tender for the Wong Chuk Hang Station Package Five Property Development. This luxury residential development project sitting on top of the Wong Chuk Hang MTR station and “THE SOUTHSIDE”, the largest shopping mall in the prominent Southern district of Hong Kong, covers a site area of approximately 95,600 square feet, with a total GFA of approximately 636,200 square feet and is expected to deliver two residential towers, offering around 825 residential units, with a total investment of approximately HK\$18.0 billion. Construction works is in progress and is expected to be completed in the second quarter of 2026. Around 780 units out of total 825 units have been presold for approximately HK\$13.7 billion as of the latest update.

LSD Group owns 15% interest in this project.

79 Broadcast Drive project

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

1 Kotewall Road project

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

116 Waterloo Road project

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

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

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

Hengqin Novotown

Phase I

Sales of the cultural studios and cultural workshop units of Hengqin Novotown Phase I are in progress. During the period under review, sales of 6,231 square feet of cultural studios and 10,731 square feet of cultural workshop units were recognised at an average selling price of HK\$3,794 per square foot and HK\$1,741 per square foot, respectively, which contributed a total of HK\$39.6 million to Lai Fung Group's turnover.

As at 31 January 2026, contracted but not yet recognised sales for cultural workshop unit amounted to approximately HK\$1.2 million, at an average selling price of HK\$1,835 per square foot.

As at 31 January 2026, completed properties held for sale in Novotown Phase I, including cultural studios, cultural workshop units and office units, amounted to approximately 701,000 square feet.

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

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

Phase II

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

Significant progress has been made on Novotown Phase II. Lai Fung Group completed the signing of the agreement for the sale of the two accommodation towers (T1 and T3) in Novotown Phase II in late November 2025. The total consideration for the transaction was RMB625.7 million, covering a combined GFA of approximately 49,655 square metre, and comprising around 780 residential units. These apartments will provide accommodation options for talents working in Novotown Phase I and Novotown Phase II, as well as the wider Hengqin Island.

During the period under review, the sale of one of the towers (T1) was recognised at an average selling price of HK\$1,287 per square foot, which contributed a total of HK\$294.4 million to Lai Fung Group's turnover. Revenue from the sale of the other tower (T3), amounting to approximately HK\$367.2 million at an average selling price of HK\$1,287 per square foot, is expected to be recognised in the next financial year and has been recorded in contracted but not yet recognised sales as at 31 January 2026.

Tower two of Novotown Phase II, which is designated for office use, is scheduled for commencing operation in November 2026 and is expected to attract more cross-border e-commerce tenants. In addition, Lai Fung Group received approval from the local government to develop towers four to eleven of Novotown Phase II as accommodation for rental purpose, becoming the first project to be awarded the "Hengqin Guangdong-Macao In-Depth Cooperation Zone Rental Accommodation Project Certificate". This initiative is designed to meet the growing rental accommodation demand from the commercial ecosystem of Hengqin, and provide essential supporting facilities for the area.

As at 31 January 2026, completed properties held for sale in Novotown Phase II comprise 285 car parking spaces remained unsold.

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

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

Zhongshan Palm Spring

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

During the period under review, 51,929 square feet of commercial units, 5,762 square feet of residential high-rise units and 4,183 square feet of residential house units were recognised at an average selling price of HK\$1,276 per square foot, HK\$1,702 per square foot and HK\$2,430 per square foot, respectively, which contributed a total of approximately HK\$79.5 million to Lai Fung Group’s sales turnover. Also, the sales of 121 car parking spaces contributed approximately HK\$10.8 million to Lai Fung Group’s sales turnover.

As at 31 January 2026, contracted but not yet recognised sales for commercial units, residential high-rise unit and residential house units amounted to approximately HK\$11.3 million, HK\$1.8 million and HK\$10.4 million, respectively, at an average selling price of HK\$1,247 per square foot, HK\$1,447 per square foot and HK\$2,447 per square foot, respectively.

As at 31 January 2026, completed units held for sale in this development, including commercial units and residential units, amounted to approximately 98,200 square feet. 2,396 car parking spaces of this development remained unsold as at 31 January 2026.

Review of Other Properties Completed for Sale (100% owned by Lai Fung Group unless specified otherwise)

Shanghai Wuli Bridge Project

Shanghai Wuli Bridge Project is a high-end luxury residential project located by Huangpu River in Huangpu District in Shanghai. This project providing 28 residential units with an attributable GFA of approximately 77,900 square feet and 43 car parking spaces was launched for sale in September 2020 and has received an enthusiastic response from the market. As at 31 January 2026, all residential units and 30 car parking spaces have been sold. As at 31 January 2026, 13 car parking spaces of this development remained unsold.

Shanghai May Flower Plaza

Shanghai May Flower Plaza is a completed mixed-use project located at the junction of Da Tong Road and Zhi Jiang Xi Road in Sujiaxiang in the Jing’an District in Shanghai and situated near the Zhongshan Road North Metro Station. As at 31 January 2026, 458 car parking spaces of this development remained unsold.

Shanghai Regents Park

Shanghai Regents Park is a large-scale residential/commercial composite development located in the Zhongshan Park Commercial Area at the Changning District, Shanghai. It is situated within walking distance of the Zhongshan Park Metro Station. During the period under review, the sales of one car parking space contributed HK\$0.6 million to Lai Fung Group's turnover. As at 31 January 2026, 182 car parking spaces of this development remained unsold.

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

Guangzhou King's Park

This is a high-end residential development located on Donghua Dong Road in Yuexiu District. The attributable GFA is approximately 98,300 square feet excluding 57 car parking spaces and ancillary facilities. As at 31 January 2026, one car parking space of this development remained unsold.

Guangzhou West Point

Guangzhou West Point is located on Zhongshan Qi Road and is within walking distance from the Ximenkou Subway Station. This is a mixed-use property where Lai Fung Group has sold all the residential and office units. As at 31 January 2026, 80 car parking spaces of this development remained unsold.

HOTEL AND SERVICED APARTMENT OPERATIONS

The hotel and serviced apartment operation segment of the Group includes LSD 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 Group further expanded its hotel portfolio with the acquisition of a 50% interest in Fairmont St. Andrews resort in Fife, Scotland, United Kingdom. Performance of the 50:50 joint venture of Fairmont St. Andrews resort is recognised as "Share of profits and losses of joint ventures" in the consolidated income statement of the Group. The hotel project in Phuket, Thailand that LSD Group invested in June 2017 is still at the planning stage. LSD 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 six months ended 31 January 2026, the hotel and serviced apartment operations contributed HK\$637.8 million to the Group's turnover (2025: HK\$647.3 million), representing a slight decrease of approximately 1.5%. The decline in revenue was mainly driven by (i) lower revenue from Hyatt Regency Hengqin, primarily attributable to the Chinese New Year holiday occurring in the prior period under review but not in the current period under review; and (ii) a decline in non-room revenue at the Ocean Park Marriott Hotel, attributable to lower banquet sales, which was partially offset by higher room revenue at the hotel.

Breakdown of turnover from hotel and serviced apartment operations for the six months ended 31 January 2026 is as follows:

	Location	Attributable interest to LSD Group	No. of Rooms ¹	Total GFA (square feet)	Turnover (HK\$ million)	Period end occupancy rate (%)	Average occupancy rate (%)
Hotel and serviced apartment							
Ocean Park Marriott Hotel	Hong Kong	100%	471	365,974	225.6	73.2	78.5
Ascott Huaihai Road Shanghai	Shanghai	55.08%	307	356,260	52.7	68.6	82.8
STARR Hotel Shanghai	Shanghai	55.08%	239	143,846	12.9	60.0	70.9
Hyatt Regency Hengqin	Hengqin	64.06%	493	610,540	75.1	80.0	75.0
Caravelle Hotel	Ho Chi Minh City	26.01%	335	378,225	271.2	89.5	78.6
Subtotal:			1,845	1,854,845	637.5		
Hotel management fee					0.3		
Total:					637.8		
Joint Venture Project							
Fairmont St. Andrews resort (50% basis)	Scotland	50%	106 ²	138,241 ²	52.4	35.5	54.5

Notes:

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

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

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

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

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

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

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

RESTAURANT AND F&B PRODUCT SALES OPERATIONS

For the six months ended 31 January 2026, restaurant and F&B product sales operations contributed HK\$234.0 million to the Group's turnover, representing an increase of approximately 7.4% from that of HK\$217.8 million in the same period last year. The increase was mainly attributed to the resurgence in visitor arrivals. Furthermore, LSD Group has closed certain non-performing restaurants, a turnaround of segment losses to segment profits were recorded during the period under review.

Up to the date of this results announcement, restaurant operations include LSD Group's interests in 21 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 Group are as follows:

Cuisine	Restaurant	Location	Attributable interest to LSD Group	Award
<i>Owned restaurants</i>				
Western/ International Cuisine	8½ Otto e Mezzo BOMBANA Hong Kong	Hong Kong	38%	Three Michelin stars (2012-2026)
	8½ Otto e Mezzo BOMBANA Shanghai	Shanghai	13%	Two Michelin stars (2017-2026)
	Beefbar	Hong Kong	63%	One Michelin star (2017-2026)
	Prohibition <i>(Note)</i>	Hong Kong	100%	
	Cipriani	Hong Kong	44%	
	Plaisance by Mauro Colagreco	Hong Kong	48%	One Michelin star (2025-2026)
Asian Cuisine	China Tang Landmark	Hong Kong	51%	The Plate Michelin (2019-2021) One Michelin star (2026)
	Howard's Gourmet	Hong Kong	51%	
	Chiu Tang Central	Hong Kong	68%	
	Canton Bistro <i>(Note)</i>	Hong Kong	100%	
	KiKi Noodle Bar IFC	Hong Kong	83%	
	KiKi Noodle Bar K11 MUSEA	Hong Kong	83%	
	KiKi Noodle Bar Hysan Place	Hong Kong	83%	
	Academia	Hong Kong	83%	
	OH! MY BREAD (includes OH! MY NOODLE)	Hong Kong	83%	
	MOSU Hong Kong	Hong Kong	68%	
	SÉP	Hong Kong	68%	
	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%	
<i>Managed restaurant</i>				
Western Cuisine	8½ Otto e Mezzo BOMBANA, Macau	Macau	N/A	One Michelin star (2016-2026)

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 six months ended 31 January 2026, this segment recorded a turnover of HK\$221.4 million (2025: HK\$220.2 million) and segment results of a profit of HK\$12.9 million (2025: a loss of HK\$16.6 million). Driven by the operational and administrative cost control measures implemented by eSun Group, segment profits were recorded during the period under review. As at the date of this results announcement, eSun Group operates fourteen cinemas in Hong Kong and one cinema in Chinese Mainland. Details on the number of screens and seats of each existing cinema are disclosed in below table. Besides, eSun Group has extended its cinema network through two 50%-owned joint ventures with Emperor Cinemas Group, namely Emperor Cinemas Plus+ (The Wai) and Emperor Cinemas Plus+ (The Southside), 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 six months ended 31 January 2026, this segment recorded a turnover of HK\$104.0 million (2025: HK\$103.4 million) and segment results of an increased profit to HK\$58.5 million from that of HK\$18.5 million in the same period last year.

Events Management

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

Music Production, Distribution and Publishing

During the period under review, eSun Group released 10 (2025: 6) albums, including titles by Anita Mui, Leslie Cheung, Sammi Cheng, Miriam Yeung, Jay Fung, On Chan, Big Four and Nowhere Boys. 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 its growing TV drama production and film production businesses. eSun Group currently has 14 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 six months ended 31 January 2026, this segment recorded a turnover of HK\$29.0 million (2025: HK\$31.8 million) and segment results of a loss of HK\$13.1 million (2025: profit of HK\$15.3 million).

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

INTERESTS IN JOINT VENTURES

For the six months ended 31 January 2026, share of losses from joint ventures of the Group amounted to HK\$272.7 million, as compared to share of profits from joint ventures of HK\$22.0 million in the same period last year. The turnaround from profits to losses was primarily due to the fair value losses and impairment losses on joint ventures properties during the period under review.

	Six months ended 31 January	
	2026 (HK\$ million)	2025 (HK\$ million)
Revaluation losses	(150.6)	–
Operating (losses)/profits	(122.1)	22.0
(Losses)/profits from joint ventures	(272.7)	22.0

LIQUIDITY AND FINANCIAL RESOURCES

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

As at 31 January 2026, the Group's financial resources were summarised below:

As at 31 January 2026	The Group (HK\$ million)	The Group (excluding LSD Group) (HK\$ million)
Total financial resources	5,414.4	494.0
<i>Breakdown:</i>		
– Cash and cash equivalents	3,050.0	106.4
– Pledged and restricted bank balances and time deposits (including the balances classified as assets held for sale)	1,164.9	67.6
– Undrawn banking facilities <i>(Note 1)</i>	1,199.5	320.0
Total borrowings	26,923.5	1,078.2
<i>Breakdown:</i>		
– Bank borrowings		
– Repayable within one year	7,801.6	13.7
– Repayable in the second year	5,363.8	13.7
– Repayable in the third to fifth years	5,881.6	565.7
– Repayable beyond the fifth year	2,845.3	–
Total bank borrowings	21,892.3	593.1
– Guaranteed notes		
– Due 28 July 2026 <i>(Note 2)</i>	3,862.0	–
– Due 10 November 2026 <i>(Note 3)</i>	179.7	–
– Due 9 February 2029 <i>(Note 4)</i>	203.2	–
Total guaranteed notes	4,244.9	–
– Other borrowings	786.3	485.1

Notes:

- As at the date of this results announcement, undrawn banking facilities held by the Group increased to HK\$2,137.5 million, mainly due to the successful extension of a project loan availability period by Lai Fung Group.
- Such notes are issued by Lai Sun MTN Limited, a wholly-owned subsidiary of LSD, and guaranteed by LSD and have an outstanding principal amount of US\$493 million and bear interest at a fixed interest rate of 5% per annum payable semi-annually in arrears and listed on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”).
- Such notes are issued by Lai Sun MTN Limited and guaranteed by LSD and have an outstanding principal amount of HK\$180 million and bear interest at a fixed interest rate of 4.9% per annum payable quarterly in arrears.
- Such notes are issued by Lai Sun MTN Limited and guaranteed by LSD and have an outstanding principal amount of HK\$205 million and bear interest at a fixed interest rate of 5.25% per annum payable semi-annually in arrears.

Currency denomination, interest rates and hedging arrangements

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

Approximately 83% and 16% of the Group's total borrowings carried interest on a floating rate basis and fixed rate basis, respectively, and the remaining 1% of the Group's borrowings were interest-free.

LSD Group entered into cross currency swap agreements with financial institutions for hedging the foreign currency risk of certain guaranteed notes. LSD Group has also entered into interest rate swap agreements with financial institutions for hedging the interest rate risk of certain bank borrowings.

Gearing ratio

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 163% (31 July 2025: 152%). Excluding the net debt of LSD Group, the Group's gearing ratio was approximately 7% (31 July 2025: 6%).

Pledge of assets

As at 31 January 2026, certain investment properties with carrying amounts of HK\$35,098.6 million, certain property, plant and equipment and the related right-of-use assets with carrying amounts of HK\$7,518.3 million, certain completed properties for sale with carrying amounts of HK\$1,512.6 million, certain properties under development with carrying amounts of HK\$4,491.9 million, and certain bank balances and time deposits with banks of HK\$692.7 million were pledged to banks to secure banking facilities granted to the Group. In addition, shares in certain subsidiaries were pledged to banks to secure banking facilities granted to the Group. Shares in certain joint ventures were pledged to banks to secure banking facilities granted to the respective joint ventures of the Group. The Group's secured bank borrowings were also secured by floating charges over certain assets held by the Group.

Liquidity and maturity management

Substantially most of the Group's banking facilities are supported by the assets of the Group's investment properties and development projects. Due to the Group's proactive efforts in liquidity management and asset sale, the management of the Company believes that the Group will be able to refinance most of its bank borrowings when they become due and obtain new bank facilities as needed based on the Group's relationship with the banks and its historical record of successfully refinancing loans.

On 8 December 2025, the Group successfully refinanced a syndicated loan of HK\$924.0 million secured by Por Yen Building and G/F to 9/F of Crocodile Center for 5 years. On 30 September 2025, LSD Group successfully refinanced HK\$3,457.0 million Cheung Sha Wan Plaza syndicated loan for 5 years. Subsequent to the end of the reporting period, on 12 March 2026, Lai Fung Group successfully refinanced one of its banking facilities with the refinanced amount of HK\$3,049.3 million equivalent with a tenor of one year with an extension of another year subject to satisfaction of certain conditions.

LSD Group will consider its options with regards to the maturity of its guaranteed notes, including but not limited to a potential liability management exercise to extend the maturity profile of its guaranteed notes.

Completion of the refinancing and asset sales will contribute to the Group's deleveraging and improve the Group's financial position in the second half of the financial year.

CONTINGENT LIABILITIES

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 31 January 2026, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any).

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the Corporate Governance Code contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange throughout the six months ended 31 January 2026 save for the deviation from code provision F.1.3.

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

Due to other pre-arranged business commitments which must be attended to by Dr. Lam Kin Ngok, Peter, the Chairman, he was not present at the annual general meeting of the Company ("AGM") held on 19 December 2025. Mr. Cheung Sum, Sam, an executive director of the Company ("Executive Director") and the Group Chief Financial Officer, who was present at that AGM, was elected chairman of that AGM pursuant to Article 71 of the articles of association of the Company to ensure effective communication with the shareholders of the Company thereat.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 January 2026, the Group employed a total of approximately 3,480 full-time employees and approximately 380 part-time employees. The Group recognises the importance of maintaining a stable staff force in its continued success. Under the Group's existing policies, employee pay rates are maintained at competitive levels whilst promotion and salary increments are assessed on a performance-related basis. Discretionary bonuses are granted to employees based on their merit and in accordance with industry practice. Other benefits including share option scheme, mandatory provident fund scheme, free hospitalisation insurance plan, subsidised medical care and sponsorship for external education and training programmes are offered to eligible employees.

INVESTOR RELATIONS

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

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

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

REVIEW OF INTERIM RESULTS

The audit committee of the Company (“**Audit Committee**”) currently comprises three independent non-executive directors, namely Messrs. Leung Shu Yin, William, Lam Bing Kwan and Chow Bing Chiu. The Audit Committee has reviewed the unaudited interim results (including the unaudited condensed consolidated financial statements) of the Company for the six months ended 31 January 2026.

By Order of the Board
Lam Kin Ngok, Peter
Chairman

Hong Kong, 27 March 2026

As at the date of this announcement, the Board comprises six Executive Directors, namely Dr. Lam Kin Ngok, Peter (Chairman), Mr. Yang Yiu Chong, Ronald Jeffrey, Mr. Cheung Sum, Sam, Madam U Po Chu, Mr. Lam Kin Hong, Matthew and Mr. Lam Hau Yin, Lester (also alternate to Madam U Po Chu); and four Independent Non-executive Directors, namely Messrs. Leung Shu Yin, William, Lam Bing Kwan, Chow Bing Chiu and Ng Chi Ho, Dennis.