



LAI FUNG HOLDINGS

Lai Fung Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1125)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 JULY 2026

Financial Summary

	Year ended 31 July		
	2026	2025	Change
	(HK\$ million)	(HK\$ million)	(%)
Turnover	1,508.3	1,291.3	16.8
Generated from:			
– Rental income	999.6	994.8	0.5
– Sale of properties	505.0	289.1	74.7
Administrative expenses	170.7	203.0	(15.9)
Finance costs (expensed and capitalised)	566.6	619.4	(8.5)
Adjusted EBITDA of the Group (non-HKFRS measure)	270.7	416.3	(35.0)
Net loss attributable to owners of the Company	591.6	419.4	41.1

Results Highlights

- During the year under review, despite a difficult operating environment, the income generated by Group's rental properties and hotel and serviced apartments remained relatively constant at HK\$999.6 million, compared with HK\$994.8 million for the last financial year. Although the performance of the Group's rental properties, particularly in Shanghai and Guangzhou, remained challenging, with rents generally declining, the two newer Grade A office towers, namely Shanghai Skyline Tower and Guangzhou Lai Fung International Center, continued to improve steadily and delivered incremental income compared with the last financial year.
- During the year under review, the Group made a major breakthrough and 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 year under review contributing to an increase of 74.7% in sale of properties. The Group will continue to seek en-bloc sales of additional accommodation towers in Hengqin.
- Adjusted earnings before interests, taxes, depreciation and amortisation ("adjusted EBITDA") (excluding impact of fair value changes on investment properties and other non-cash and non-recurring items) amounted to HK\$270.7 million, down by 35.0% compared to last financial year, due to the loss incurred on the sale of an accommodation tower (T1) as aforementioned during the year under review.
- Net loss attributable to owners of the Company was approximately HK\$591.6 million, versus net loss of HK\$419.4 million in last financial year, mainly attributable to the loss incurred on the sale of an accommodation tower (T1) as aforementioned and write-down of properties (mainly T3) in Hengqin Novotown Phase II during the year under review.
- As at 31 July 2026, the Group had cash and cash equivalents of HK\$762.2 million, pledged and restricted time deposits and bank balances of HK\$714.4 million, and undrawn banking facilities of approximately HK\$967.1 million. As at the date of this results announcement, the undrawn banking facilities increased to HK\$1,446.0 million.
- During the year under review, the Group successfully refinanced certain banking facilities. As at 31 July 2026, the outstanding balances of such refinanced banking facilities are amounting to HK\$3,586.4 million.
- The Group announced its intention to achieve a disposal of HK\$2,000 million over the next two years in its interim results for the six months ended 31 January 2025. Since then, the aggregate gross proceeds from the disposal reached approximately HK\$1,150 million. The Group is in discussions with potential buyers on the disposal of some of the assets to improve the Group's liquidity.

RESULTS

The board of directors (the “**Board**”) of Lai Fung Holdings Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 July 2026 together with the comparative figures for the previous year as follows:

Consolidated Income Statement

For the year ended 31 July 2026

	Notes	2026 HK\$'000	2025 HK\$'000
TURNOVER	3	1,508,345	1,291,326
Cost of sales		(1,154,969)	(766,155)
Gross profit		353,376	525,171
Other income and gains	3	91,322	94,454
Selling and marketing expenses		(49,134)	(65,572)
Administrative expenses		(170,701)	(202,993)
Other operating expenses, net		(194,920)	(86,189)
Fair value losses on investment properties		(5,271)	(37,819)
PROFIT FROM OPERATING ACTIVITIES	4	24,672	227,052
Finance costs	5	(511,969)	(521,860)
Share of profits/(losses) of joint ventures		(35)	868
Share of loss of an associate		(9)	(9)
LOSS BEFORE TAX		(487,341)	(293,949)
Tax	6	(122,636)	(187,538)
LOSS FOR THE YEAR		(609,977)	(481,487)
ATTRIBUTABLE TO:			
Owners of the Company		(591,630)	(419,422)
Non-controlling interests		(18,347)	(62,065)
		(609,977)	(481,487)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY:	8		
Basic and diluted		(HK\$1.787)	(HK\$1.267)

Consolidated Statement of Comprehensive Income

For the year ended 31 July 2026

	2026 HK\$'000	2025 HK\$'000
LOSS FOR THE YEAR	(609,977)	(481,487)
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income that may be reclassified to the income statement in subsequent periods, net of tax</i>		
Exchange differences:		
Exchange differences arising on translation to the presentation currency	1,059,596	132,472
Reclassification of reserve upon winding-up of joint ventures	1,953	—
	1,061,549	132,472
Share of other comprehensive income of an associate	1	1
	1,061,550	132,473
<i>Other comprehensive income that will not be reclassified to the income statement in subsequent periods, net of tax</i>		
Surplus on revaluation of properties upon reclassification to investment properties	26,417	—
OTHER COMPREHENSIVE INCOME FOR THE YEAR	1,087,967	132,473
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE YEAR	477,990	(349,014)
ATTRIBUTABLE TO:		
Owners of the Company	463,445	(290,173)
Non-controlling interests	14,545	(58,841)
	477,990	(349,014)

Consolidated Statement of Financial Position

As at 31 July 2026

	Notes	2026 HK\$'000	2025 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		1,767,775	2,060,344
Right-of-use assets		422,587	453,018
Investment properties		21,442,700	19,573,700
Investments in joint ventures		—	35
Investment in an associate		69	77
Debtors, deposits and prepayments	9	556,577	507,744
Total non-current assets		24,189,708	22,594,918
CURRENT ASSETS			
Properties under development		1,400,645	1,295,261
Completed properties for sale		1,781,924	2,310,650
Inventories		633	2,327
Debtors, deposits and prepayments	9	457,955	481,705
Prepaid tax		85,229	67,951
Pledged and restricted time deposits and bank balances		714,404	799,211
Cash and cash equivalents		762,164	1,041,635
Total current assets		5,202,954	5,998,740
CURRENT LIABILITIES			
Creditors, accruals and other payables	10	609,832	929,427
Contract liabilities and deposits received	11	160,110	148,137
Interest-bearing bank loans		4,059,669	4,266,276
Loans from a fellow subsidiary	12	915,877	565,000
Advances from a former substantial shareholder		54,269	50,859
Lease liabilities		1,451	753
Tax payable		727,845	671,349
Total current liabilities		6,529,053	6,631,801
NET CURRENT LIABILITIES		(1,326,099)	(633,061)
TOTAL ASSETS LESS CURRENT LIABILITIES		22,863,609	21,961,857

Consolidated Statement of Financial Position (continued)*As at 31 July 2026*

	Notes	2026 HK\$'000	2025 HK\$'000
TOTAL ASSETS LESS CURRENT LIABILITIES		22,863,609	21,961,857
NON-CURRENT LIABILITIES			
Lease liabilities		571	131
Other payables	10	959,337	899,059
Long-term deposits received	11	147,823	154,330
Interest-bearing bank loans		5,426,739	5,379,375
Loans from a fellow subsidiary	12	—	47,660
Deferred tax liabilities		3,387,839	3,127,092
Total non-current liabilities		9,922,309	9,607,647
		12,941,300	12,354,210
EQUITY			
Equity attributable to owners of the Company			
Issued capital		1,655,167	1,655,167
Reserves		10,837,261	10,373,816
		12,492,428	12,028,983
Non-controlling interests		448,872	325,227
		12,941,300	12,354,210

Notes to Consolidated Financial Statements

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern basis

The Group incurred a net loss of HK\$609,977,000 during the year ended 31 July 2026 and as at 31 July 2026, the Group’s current liabilities exceeded its current assets by HK\$1,326,099,000. The Group had cash and bank balances (including pledged and restricted time deposits and bank balances) of HK\$1,476,568,000 under current assets, while bank and other borrowings amounted to HK\$5,029,815,000 have been classified as current liabilities.

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

- (i) The Group will accelerate the sale of properties and continue to actively execute its assets disposal plan including identifying potential buyers or seeking other opportunities for the realisation of assets to reduce its debts and finance costs;
- (ii) 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;
- (iii) The Group will continue to seek for other alternative financing and have active dialogues with existing lending banks and/or potential new lending banks for re-financing of the existing bank loans at costs acceptable to the Group to finance the settlement of its existing financial obligations and future operating and capital expenditures;
- (iv) The Group will continue to implement/contemplate various cost control strategies and resources improvement plans and measures; and
- (v) The Group will continue to be supported by advances from its holding companies as and when necessary if they are in such capacity to do so and in compliance with the Listing Rules.

The directors of the Company have reviewed the Group’s cash flow projections which cover a period of not less than twelve months from 31 July 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 as well as the reasonably possible downside changes to the cash flow assumptions in the cash flow projections, the Group will have sufficient working capital to finance its operation and to meet its financial obligations as and when they fall due within the next twelve months from 31 July 2026. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year’s financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

The adoption of this amended HKFRS Accounting Standards has had no significant financial effect on the financial statements.

3. TURNOVER, OTHER INCOME AND GAINS AND OPERATING SEGMENT INFORMATION

The Group's turnover represents revenue from the sale of properties, investment properties, hotel and serviced apartment operation, building management operation and theme park operation.

An analysis of the Group's turnover, other income and gains is as follows:

	2026 HK\$'000	2025 HK\$'000
Turnover	1,508,345	1,291,326
Other income and gains	91,322	94,454
Total turnover, other income and gains	<u>1,599,667</u>	<u>1,385,780</u>
	2026 HK\$'000	2025 HK\$'000
Turnover, other income and gains from contracts with customers		
Sale of properties	505,033	289,126
Hotel and serviced apartment operation	275,983	273,034
Building management operation	173,930	164,025
Theme park operation	3,650	7,422
	<u>958,596</u>	<u>733,607</u>
Turnover, other income and gains from other sources		
Rental income from investment properties	549,749	557,719
Interest income from bank deposits	11,535	22,856
Interest income from finance lease contract	18,658	19,848
Government grant*	7,097	1,384
Others	54,032	50,366
	<u>641,071</u>	<u>652,173</u>
Total turnover, other income and gains	<u>1,599,667</u>	<u>1,385,780</u>
Timing of recognition of turnover, other income and gains from contracts with customers		
At a point in time	505,033	289,126
Over time	453,563	444,481
Total	<u>958,596</u>	<u>733,607</u>

* There are no unfulfilled conditions or contingencies to this income.

3. TURNOVER, OTHER INCOME AND GAINS AND OPERATING SEGMENT INFORMATION (CONTINUED)

	Property development		Property investment		Hotel and serviced apartment operation		Consolidated	
	2026	2025	2026	2025	2026	2025	2026	2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
				(Restated)				
Segment revenue/results:								
Segment revenue								
Sales to external customers	505,033	289,126	727,329	729,166	275,983	273,034	1,508,345	1,291,326
Other revenue	41,143	39,908	27,176	18,815	—	85	68,319	58,808
Total	<u>546,176</u>	<u>329,034</u>	<u>754,505</u>	<u>747,981</u>	<u>275,983</u>	<u>273,119</u>	<u>1,576,664</u>	<u>1,350,134</u>
Segment results	<u>(149,561)</u>	<u>30,258</u>	<u>276,556</u>	<u>235,977</u>	<u>36,003</u>	<u>16,656</u>	<u>162,998</u>	<u>282,891</u>
Interest income from bank deposits							11,535	22,856
Unallocated gains							11,468	12,790
Unallocated expenses, net							<u>(161,329)</u>	<u>(91,485)</u>
Profit from operating activities							24,672	227,052
Finance costs							<u>(511,969)</u>	<u>(521,860)</u>
Share of profits/(losses) of joint ventures	—	868	(35)	—	—	—	(35)	868
Share of loss of an associate	—	—	(9)	(9)	—	—	<u>(9)</u>	<u>(9)</u>
Loss before tax							<u>(487,341)</u>	<u>(293,949)</u>
Tax							<u>(122,636)</u>	<u>(187,538)</u>
Loss for the year							<u><u>(609,977)</u></u>	<u><u>(481,487)</u></u>

3. TURNOVER, OTHER INCOME AND GAINS AND OPERATING SEGMENT INFORMATION (CONTINUED)

	Property development		Property investment		Hotel and serviced apartment operation		Consolidated	
	2026	2025	2026	2025	2026	2025	2026	2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
				(Restated)				
Segment assets/liabilities:								
Segment assets	3,820,518	4,194,513	22,090,334	20,600,916	1,664,826	1,628,214	27,575,678	26,423,643
Investments in joint ventures	—	1	—	34	—	—	—	35
Investment in an associate	—	—	69	77	—	—	69	77
Unallocated assets							1,816,915	2,169,903
Total assets							29,392,662	28,593,658
Segment liabilities	258,726	355,771	436,343	474,883	41,514	50,399	736,583	881,053
Unallocated liabilities							15,714,779	15,358,395
Total liabilities							16,451,362	16,239,448

During the year ended 31 July 2026, revenue of HK\$300,490,000 from property development was derived from a single customer. During the year ended 31 July 2025, no revenue from a single customer accounted for over 10% of the Group's total turnover.

The theme parks previously operated by the Group are under strategic review. The theme parks have been reclassified under property investment segment and are no longer presented as a separate operating segment for the year. The comparative segment information has been restated to conform with the current year's presentation.

3. TURNOVER, OTHER INCOME AND GAINS AND OPERATING SEGMENT INFORMATION (CONTINUED)

	Property development		Property investment		Hotel and serviced apartment operation		Consolidated	
	2026 HK\$'000	2025 HK\$'000	2026 HK\$'000	2025 HK\$'000 (Restated)	2026 HK\$'000	2025 HK\$'000	2026 HK\$'000	2025 HK\$'000
Other segment information:								
Depreciation	227	280	22,719	23,065	55,517	81,310	78,463	104,655
Corporate and other unallocated depreciation							5,020	5,151
							<u>83,483</u>	<u>109,806</u>
Capital expenditure, net	307	209	104,286	47,664	—	—	104,593	47,873
Corporate and other unallocated capital expenditure							2,868	3,176
							<u>107,461</u>	<u>51,049</u>
Fair value losses on investment properties	—	—	5,271	37,819	—	—	5,271	37,819
Gain/(loss) on disposal of investment properties	—	—	(1,394)	3,434	—	—	(1,394)	3,434
Write-down of properties under development to net realisable value	87,588	—	—	—	—	—	87,588	—
Write-down of completed properties for sale to net realisable value	42,246	40,740	—	—	—	—	42,246	40,740
Impairment of property, plant and equipment	—	—	27,362	—	—	—	27,362	—
Trade receivables written off as uncollectible	—	—	15,200	—	—	—	15,200	—
Loss on disposal of items of property, plant and equipment	47	18	135	80	—	—	182	98
Corporate and other unallocated loss on disposal of items of property, plant and equipment							138	1

4. PROFIT FROM OPERATING ACTIVITIES

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

	2026 HK\$'000	2025 HK\$'000
Cost of completed properties sold	531,607	230,262
Outgoings in respect of rental income, hotel and serviced apartment operation, theme park operation and building management operation	493,528	495,153
Depreciation of property, plant and equipment [#]	65,719	92,338
Depreciation of right-of-use assets [#]	17,764	17,468
Amortisation of prepaid land lease payments	9,550	9,418
Capitalised in properties under development	(9,550)	(9,418)
	—	—
Foreign exchange differences, net ^{**}	75,326	13,196
Loss/(gain) on disposal of investment properties ^{**}	1,394	(3,434)
Loss on disposal of items of property, plant and equipment ^{**}	320	99
Write down of properties under development to net realisable value [^]	87,588	—
Write-down of completed properties for sale to net realisable value [^]	42,246	40,740
Impairment of property, plant and equipment ^{**}	27,362	—
Write back of other payables ^{**}	—	(24,905)
Trade receivables written off as uncollectible ^{**}	15,200	—
Contingent rents ^{##}	(1,512)	(1,893)

[#] The depreciation charge for hotels and serviced apartments and related leasehold improvements is HK\$55,517,000 (2025: HK\$81,310,000). The depreciation charge for theme parks is HK\$18,368,000 (2025: HK\$17,751,000). These items are included in "Other operating expenses, net" on the face of the consolidated income statement.

^{##} The contingent rents are included in "Turnover" on the face of the consolidated income statement.

^{**} These items of expenses/(income) are included in "Other operating expenses, net" on the face of the consolidated income statement.

[^] These items of expenses are included in "Cost of sales" on the face of the consolidated income statement.

5. FINANCE COSTS

	2026 HK\$'000	2025 HK\$'000
Interest on bank loans	467,100	531,731
Interest on loans from a fellow subsidiary	40,058	18,011
Interest on put option liabilities	4,634	4,466
Interest on other payables	5,168	8,056
Interest on lease liabilities	90	71
Amortisation of transaction fees for bank loans	19,032	19,328
Bank financing charges and direct costs	30,557	37,781
	566,639	619,444
Less: Capitalised in properties under development	(38,267)	(66,803)
Capitalised in investment properties under construction	(12,966)	(26,572)
Capitalised in construction in progress	(3,437)	(4,209)
	(54,670)	(97,584)
Total finance costs	511,969	521,860

6. TAX

The statutory rate of Hong Kong profits tax is 16.5% (2025: 16.5%). No provision for Hong Kong profits tax had been made as the Group had no estimated assessable profits arising in Hong Kong during the year (2025: Nil). Taxes on profits assessable elsewhere had been calculated at the tax rates prevailing in the jurisdictions in which the Group operates.

	2026 HK\$'000	2025 HK\$'000
Current — Chinese Mainland		
Corporate income tax	44,057	36,606
Land appreciation tax	26,482	80,715
Deferred	52,097	70,217
Total tax charge for the year	122,636	187,538

7. DIVIDEND

No final dividend was declared for the years ended 31 July 2026 and 31 July 2025.

8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic loss per share amount was based on the loss for the year attributable to owners of the Company of HK\$591,630,000 (2025: HK\$419,422,000), and the weighted average number of ordinary shares of 331,033,443 (2025: 331,033,443) outstanding during the year.

As the exercise prices of the share options were higher than the average market price of the shares during the year, the Group had no potentially dilutive ordinary shares outstanding during the years ended 31 July 2026 and 31 July 2025.

9. DEBTORS, DEPOSITS AND PREPAYMENTS

The 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 serviced apartment charges are mainly settled by customers on a cash basis except for those corporate clients who maintain credit accounts with the Group, 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 were interest-free. The Group's finance lease receivables related to a creditworthy third party.

The Group did not hold any collateral or other credit enhancements over these balances.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the payment due date, is as follows:

	2026 HK\$'000	2025 HK\$'000
Trade receivables, net		
Within one month	126,166	128,879
One to three months	9,164	7,871
Over three months	12,408	24,095
	<u>147,738</u>	<u>160,845</u>
Finance lease receivables, not yet due	562,226	513,640
Other receivables, deposits and prepayments	<u>304,568</u>	<u>314,964</u>
	1,014,532	989,449
Amounts classified as current assets	<u>(457,955)</u>	<u>(481,705)</u>
Non-current portion	<u>556,577</u>	<u>507,744</u>

10. CREDITORS, ACCRUALS AND OTHER PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on payment due date, is as follows:

	2026 HK\$'000	2025 HK\$'000
Trade payables		
Within one month	131,333	118,694
One to three months	5,145	18,698
Over three months	10,020	49,463
	<u>146,498</u>	<u>186,855</u>
Accruals and other payables	463,334	742,572
Put option liabilities	<u>959,337</u>	<u>899,059</u>
	1,569,169	1,828,486
Amounts classified as current liabilities	<u>(609,832)</u>	<u>(929,427)</u>
Non-current portion	<u>959,337</u>	<u>899,059</u>

11. CONTRACT LIABILITIES AND DEPOSITS RECEIVED

An analysis of the contract liabilities and deposits received as at the end of the reporting period is as follows:

	2026 HK\$'000	2025 HK\$'000
Contract liabilities	33,781	36,695
Deposits received	<u>274,152</u>	<u>265,772</u>
	307,933	302,467
Amounts classified as current liabilities	<u>(160,110)</u>	<u>(148,137)</u>
Non-current portion	<u>147,823</u>	<u>154,330</u>

12. LOANS FROM A FELLOW SUBSIDIARY

Loans from a fellow subsidiary represent:

- (i) Interest-free loans from a fellow subsidiary (as a non-controlling shareholder of a subsidiary (the “**Subsidiary**”) of the Company) according to its percentage of interest in the Subsidiary and the aforesaid loans have been fully capitalised during the year.

As at 31 July 2025, the aggregate amount of such loans was HK\$47,660,000.

- (ii) Interest-bearing loans of HK\$915,877,000 (2025: HK\$565,000,000) from a fellow subsidiary, which is a wholly-owned subsidiary of Lai Sun Development Company Limited (a subsidiary of Lai Sun Garment (International) Limited (the ultimate holding company of the Company)).

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 July 2026 (2025: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Global Economic and Geopolitical Landscape

The global economic outlook deteriorated over the course of the year under review. The International Monetary Fund progressively lowered its projection for global growth in 2026 from 3.3% in January to 3.1% in April and 3.0% in its July update, while raising its forecast for global headline inflation to 4.7%. The conflict involving the United States, Israel and Iran, which erupted in February 2026, disrupted the Strait of Hormuz, curtailing oil supply and driving crude prices sharply higher. The International Monetary Fund attributed the bulk of its upward revision to inflation to higher energy and food costs, with the global petroleum price index averaging approximately US\$89 per barrel over the period. Persistent geopolitical tensions, geoeconomic fragmentation and the risk of a technology sector market correction continued to fuel volatility and policy uncertainty throughout the year.

For Chinese Mainland, which imports the substantial majority of its crude oil requirements, the principal channel of transmission was cost rather than trade. Higher imported energy prices fed through into producer and consumer costs, compressed household purchasing power and reinforced an already cautious approach to discretionary spending, while corporate occupiers remained reluctant to commit to expansion. Chinese Mainland exports, by contrast, proved comparatively resilient over the period, supported by demand associated with artificial intelligence and related hardware.

Monetary policy moved in the Group's favour during the year under review before reversing shortly after its close. The Federal Reserve reduced its policy rate on three occasions between September and December 2025, bringing the target range to 3.50% to 3.75%, and held it at that level through to the end of July 2026. As the Hong Kong dollar is linked to the United States dollar, and a portion of the Group's bank borrowings is offshore and priced by reference to Hong Kong interbank rates, this easing provided a measure of relief to the Group's finance costs during the year. Subsequent to the reporting period, however, the Federal Reserve raised the target range by 25 basis points to 3.75% to 4.00% on 16 September 2026, its first increase since 2023, and its updated projections indicate a further increase before the end of 2026 with the policy rate expected to remain elevated into 2027. Should that path be followed, the Group's offshore borrowing costs would be expected to rise in the financial year ending 31 July 2027.

Chinese Mainland Economy and Property Market

Chinese Mainland economy was navigating a complex landscape of structural divergence throughout the year under review. Gross domestic product grew 5.0% year-on-year in the first quarter of 2026 before slowing to 4.3% in the second quarter, bringing first-half expansion to 4.7% and leaving growth within the government's annual target range of 4.5% to 5.0%. Growth was markedly uneven. Industrial output and exports held up, while domestic demand remained subdued: fixed asset investment contracted 5.7% in the first half and retail sales growth remained weak. The property sector remained the single largest drag.

Property statistics published by the National Bureau of Statistics are compiled on a cumulative calendar-year basis and accordingly do not align with the Group's financial year. On that basis, real estate development investment fell 19.2% year-on-year in the first seven months of 2026, deepening from a decline of 18.0% in the first half. The development pipeline continued to contract sharply, with new construction starts down 24.0% and housing completions down 23.2%. Primary residential sales area fell 11.8% year-on-year and sales value declined 13.1%. Price trends over the Group's financial year showed both a continuing national downtrend and pronounced divergence between cities. Nationally, new home prices across 70 large and medium-sized cities declined 2.5% year-on-year in August 2026, weakened through the first half of the Group's financial year to a decline of 3.2% in February 2026, and remained 3.2% lower year-on-year in July 2026 at the close of the year under review. First-tier city new home prices were in year-on-year decline throughout the period, falling 1.1% in July 2026, although month-on-month movements had flattened by that point. Within the first tier, the Group's two principal markets diverged materially: Shanghai new home prices rose 3.0% year-on-year in July 2026, the only first-tier city in positive territory, while Guangzhou recorded a decline of 2.2%, having narrowed from a trough of approximately 5.3% in January 2026.

Subsequent to the reporting period, the direction of travel improved modestly. In August 2026 national new home prices fell 3.0% year-on-year, the mildest contraction since December 2025; first-tier prices declined 0.9% year-on-year; Shanghai maintained a 3.0% year-on-year gain while the decline in Guangzhou narrowed further to 1.9%. The floor area of unsold new residential stock fell 1.1% year-on-year at the end of August 2026, a sixth consecutive monthly decline, and second-hand transaction area rose 10.6% year-on-year in the first eight months of 2026, indicating that destocking measures have begun to take effect and that transaction volumes are migrating towards the secondary market.

Policy efforts intensified over the period. The March 2026 government work report marked a strategic pivot from "stabilising the downturn" to "actively stabilising" the residential property market. It revived the "destocking" directive, calling for city-specific policies to reduce inventory. It also encouraged local governments to acquire unsold residential stock for conversion into affordable housing. The Central Government further strengthened the "white list" financing mechanism to support project delivery and promoted a transition towards the sale of completed units. Despite these efforts, the recovery remains fragile and uneven. Core cities have shown tentative signs of stabilisation, while lower-tier cities continue to struggle with elevated inventory and weak demand. The bottoming-out process is expected to be gradual and protracted.

For the Group, the significance of the residential market lies less in direct exposure than in what it indicates about household sentiment. Falling home prices erode perceived household wealth and, together with the cost pressures described above, have restrained discretionary consumption. That is the principal channel through which the residential downturn reaches the Group's retail portfolio, affecting tenant sales, the pace of leasing and the scope to secure rental growth on renewal.

Portfolio Performance and Strategy

While 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.

The Group's rental portfolio comprises approximately 5.9 million square feet in Shanghai, Guangzhou, Zhongshan, and Hengqin. The office leasing market in Chinese Mainland continued to face significant headwinds throughout the year under review. Vacancy rates remained elevated across the major Greater China cities and Grade A rents remained under pressure, with a substantial volume of new supply continuing to enter the market and intensifying competition for tenants. Shanghai and Guangzhou in particular continued to contend with high vacancy, and rents showed only fleeting signs of recovery; the downward cycle is expected to persist. Tenants increasingly prioritised high-quality, well-located assets, sustaining demand for prime office space in core urban precincts at the expense of older and peripheral stock.

The retail leasing market was similarly subdued. Weak consumer confidence, the wealth effect of falling residential prices and continued trading down in discretionary categories weighed on tenant sales and on retailers' willingness to commit to new space or to accept rental increases on renewal. Landlords across the market have generally prioritised occupancy and tenant mix over headline rent.

During the year under review, the Group proactively secured renewals from existing tenants at an early stage while actively pursuing new tenants to maintain high occupancy. Although the performance of the Group's rental properties, particularly in Shanghai and Guangzhou, remained challenging, with rents generally declining, the two newer Grade A office towers, namely Shanghai Skyline Tower and Guangzhou Lai Fung International Center, continued to improve steadily and delivered incremental income compared with the last financial year.

The 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, 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, Keiz Group and Anjun Logistics;
- "High-End Technology Production" represented by Lingyange, Bambu Lab, Amicro Technology, Li Auto, Xwan Test, and several renowned chip design and development companies;
- "Wellness and Health" represented by UNITED LIFE SCIENCE and Zhuhai Health Come Medical Management; and
- "Cross-border Financial Services and Innovation" represented by Industrial and Commercial Bank of China Limited ("**ICBC**") 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 96% of the office units have been leased with approximately 2,800 people working there. The 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.

Furthermore, the Group supports the deepening strategic partnership between Keiz Group, a premier Macao-invested enterprise in Novotown Phase I, and Wushang Group. Together, they are forging a new vision for cross-border commerce within the GBA, promoting multi-regional coordination across Hubei, Hong Kong, Macao, and Hengqin, while enabling streamlined direct-to-consumer e-commerce channels that link production origins directly to the Hong Kong and Macao markets.

As at the date of this results announcement, commercial area of Novotown Phase I with approximately 89% has been leased and key tenants include 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 the 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**”). The 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 gross floor area (“**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 quality tenants, including cross-border e-commerce and high-end technology tenants. In addition, the 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 Group stated its intention to dispose assets amounting to approximately HK\$2,000 million over the next two years in the interim results for the six months ended 31 January 2025. 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 slowly. Apart from projects for sale in the ordinary course of business of approximately HK\$450.0 million achieved since the interim results for the six months ended 31 January 2025 up to 31 August 2026, as well as the disposal of the two accommodation towers (T1 and T3) in Novotown Phase II of approximately HK\$700.0 million (RMB625.7 million) as aforementioned, the Group is in discussions with potential buyers on the disposal of some of the assets. These will contribute towards the stated disposal targets and the Group will continue to seek out appropriate assets for disposal to improve its financial position.

As at 31 July 2026, the Group has approximately HK\$1,476.6 million of cash on hand (2025: HK\$1,840.8 million) and undrawn banking facilities of approximately HK\$967.1 million (2025: HK\$2,591.8 million). As at the date of this results announcement, the undrawn banking facilities increased to HK\$1,446.0 million. Net debt to equity ratio was approximately 72% as at 31 July 2026 (2025: 70%). Repayment obligations in the next twelve months amount to HK\$5,029.8 million. The Group will continue its prudent and flexible approach in managing its operations and financial position.

The Group continues to review opportunities to reduce gearing through the disposal of selected assets with near-term priorities remain the protection of occupancy and recurrent rental income, disciplined control of capital expenditure and operating costs, and active management of its debt maturity profile in light of the interest rate outlook described above.

OVERVIEW OF FINAL RESULTS

For the year ended 31 July 2026, the Group recorded a turnover of HK\$1,508.3 million (2025: HK\$1,291.3 million), representing a significant increase of approximately 16.8% over last financial year. The average Renminbi (“RMB”) exchange rate appreciated by approximately 3.8% over last financial year. Excluding the effect of currency translation, the increase in RMB denominated turnover was approximately 12.6%. The increase was primarily driven by the 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 year under review. Revenue from the sale of the other tower (T3) is expected to be recognised in the next financial year.

The gross profit significantly decreased by approximately 32.7% to HK\$353.4 million from that of HK\$525.2 million in last financial year, which was mainly due to the 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.

Breakdown of the Group’s turnover is as follows:

	For the year ended 31 July			For the year ended 31 July		
	2026 ¹	2025 ¹		2026	2025	
	(HK\$ million)	(HK\$ million)	% change	(RMB million)	(RMB million)	% change
Rental income ²						
– properties held for rental	723.6	721.8	+0.2%	644.7	667.2	-3.4%
– hotel and serviced apartments	276.0	273.0	+1.1%	245.9	252.4	-2.6%
	999.6	994.8	+0.5%	890.6	919.6	-3.2%
Sale of properties	505.0	289.1	+74.7%	449.9	267.2	+68.4%
Theme park operation	3.7	7.4	-50.0%	3.3	6.8	-51.5%
Total	1,508.3	1,291.3	+16.8%	1,343.8	1,193.6	+12.6%

1. The exchange rates adopted for the years ended 31 July 2026 and 2025 are 0.8909 and 0.9244, respectively
2. Including rental turnover from properties held for rental, turnover from hotel and serviced apartment operation and property management income

Net loss attributable to owners of the Company was approximately HK\$591.6 million, as compared to net loss attributable to owners of the Company of HK\$419.4 million for the last corresponding year under review. The increase in loss was primarily attributed to the aforementioned loss incurred on the sale of an accommodation tower (T1) and write-down of properties (mainly T3) in Hengqin Novotown Phase II during the year under review.

Net loss per share was HK\$1.787 (2025: HK\$1.267 per share).

Non-HKFRS Financial Measures

To supplement the Group's consolidated financial statements which are presented under HKFRS Accounting Standards, the Group also use (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 year ended 31 July	
	2026	2025
Profit from operating activities of the Group		
(HKFRS Accounting Standards measure)	24.7	227.1
Adjustments for:		
Share of profits of joint ventures	—	0.9
Fair value losses on investment properties <i>(Note 1)</i>	5.3	37.8
Depreciation of property, plant and equipment and right-of-use assets <i>(Note 2)</i>	83.5	109.8
Impairment of property, plant and equipment <i>(Note 3)</i>	27.4	—
Write-down of properties under development to net realisable value <i>(Note 3)</i>	87.6	—
Write-down of completed properties for sale to net realisable value <i>(Note 3)</i>	42.2	40.7
Adjusted EBITDA of the Group (non-HKFRS measure)	270.7	416.3

Notes:

1. Given the sizeable investment properties portfolio held by the Group, the adjustment relates to fair value losses on investment properties, which are non-cash in nature
2. The adjustment arises from depreciation of the Group's property, plant and equipment and right-of-use assets, which is non-cash in nature
3. The adjustments arise from impairment of the Group's property, plant and equipment and write-down of the Group's properties under development and completed properties for sale to net realisable value, which are non-cash and non-recurring in nature

Excluding the net effect of property revaluations and other non-cash and non-recurring items, adjusted EBITDA of the Group was approximately HK\$270.7 million for the year under review (2025: HK\$416.3 million).

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

(HK\$ million)	For the year ended 31 July	
	2026	2025
Net loss attributable to owners of the Company		
(HKFRS Accounting Standards measure)	(591.6)	(419.4)
Adjustments for:		
Fair value losses on investment properties <i>(Note 1)</i>	5.3	37.8
Deferred tax on fair value losses on investment properties <i>(Note 1)</i>	(1.3)	(9.5)
Non-controlling interests' share of fair value gains less deferred tax <i>(Note 1)</i>	11.1	1.1
Impairment of property, plant and equipment <i>(Note 2)</i>	27.4	—
Non-controlling interests' share of impairment of property, plant and equipment <i>(Note 2)</i>	(5.5)	—
Write-down of properties under development to net realisable value <i>(Note 3)</i>	87.6	—
Write-down of completed properties for sale to net realisable value <i>(Note 4)</i>	42.2	40.7
Non-controlling interests' share of write-down of completed properties for sale to net realisable value <i>(Note 4)</i>	—	(8.1)
Deferred tax assets written off <i>(Note 5)</i>	—	10.4
Non-controlling interests' share of deferred tax assets written off <i>(Note 5)</i>	—	(2.0)
Adjusted net loss attributable to owners of the Company excluding fair value losses on investment properties and other non-cash and non-recurring items		
(non-HKFRS measure)	(424.8)	(349.0)

Notes:

1. Given the sizeable investment properties portfolio held by the Group, the adjustments relate to fair value losses 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 of property, plant and equipment and related impact on non-controlling interests' share, which are non-cash and non-recurring in nature
3. The adjustment arises from write-down of the Group's properties under development to net realisable value, which is non-cash and non-recurring in nature
4. The adjustments arise from write-down of the Group's completed properties for sale to net realisable value and impact on non-controlling interests' share, which is non-cash and non-recurring in nature
5. The adjustments arise from deferred tax assets written off and related impact on non-controlling interests' share, which are non-cash and non-recurring in nature

Excluding the net effect of property revaluations and other non-cash and non-recurring items, adjusted net loss attributable to owners of the Company was approximately HK\$424.8 million for the year under review (2025: HK\$349.0 million). Net loss per share excluding the effect of property revaluations and other non-cash and non-recurring items was approximately HK\$1.283 (2025: HK\$1.054).

Net assets attributable to owners of the Company as at 31 July 2026 amounted to HK\$12,492.4 million (2025: HK\$12,029.0 million). Net asset value per share attributable to owners of the Company increased to HK\$37.74 per share as at 31 July 2026 from HK\$36.34 per share as at 31 July 2025.

PROPERTY PORTFOLIO COMPOSITION

Approximate GFA (in '000 square feet) and number of car parking spaces as at 31 July 2026:

	Commercial/ Retail	Office	Hotel and Serviced Apartment	Residential	Total (excluding car parking spaces & ancillary facilities)	No. of Car Parking Spaces
Completed Properties						
Held for Rental ¹	2,670 ²	2,207	—	—	4,877 ²	2,984
Completed Hotel Properties and Serviced Apartments ¹	—	—	990	—	990	—
Subtotal	2,670	2,207	990	—	5,867	2,984
Properties under Development ³	632	268	1,581	—	2,481	1,067
Completed Properties Held for Sale	68 ⁴	421	127	15	631	3,299
Total GFA of major properties of the Group	3,370	2,896	2,698	15	8,979	7,350

1. Completed and rental generating properties
2. Including cultural attraction spaces in Novotown Phase I with approximately 307,807 square feet attributable to the Group, which are under strategic review
3. All properties under construction
4. Including 20,460 square feet of commercial space in Zhongshan Palm Spring which is currently for self-use

PROPERTY INVESTMENT

Revenue from Properties Held for Rental

During the year under review, the Group proactively secured renewals from existing tenants at an early stage while actively pursuing new tenants to maintain high occupancy. Although the performance of the Group's rental properties, particularly in Shanghai and Guangzhou, remained challenging, with rents generally declining, the two newer Grade A office towers, namely Shanghai Skyline Tower and Guangzhou Lai Fung International Center, continued to improve steadily and delivered incremental income compared with the last financial year.

For the year ended 31 July 2026, revenue from the Group's properties held for rental remained relatively constant at HK\$723.6 million, compared with HK\$721.8 million for the last financial year. The average RMB exchange rate for the year under review appreciated by approximately 3.8% compared to last financial year. Excluding the effect of currency translation, the RMB denominated revenue from lease of properties slightly decreased by 3.4% to RMB644.7 million.

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

	For the year ended 31 July 2026 [#]			For the year ended 31 July 2026			Year end occupancy (%)	
	(HK\$ million)	(HK\$ million)	% change	(RMB million)	(RMB million)	% change	2026	2025
Shanghai								
Shanghai Hong Kong Plaza	233.2	251.3	-7.2	207.8	232.3	-10.5	Retail: 96.2 Office: 88.3	Retail: 94.8 Office: 85.1
Shanghai May Flower Plaza	35.3	38.2	-7.6	31.4	35.3	-11.0	Retail: 92.4	Retail: 98.2
Shanghai Regents Park	12.7	11.1	+14.4	11.3	10.3	+9.7	100.0	100.0
Shanghai Skyline Tower	81.0	59.9	+35.2	72.2	55.4	+30.3	Retail: 100.0 Office: 69.0	Retail: 94.3 Office: 61.8
Guangzhou								
Guangzhou May Flower Plaza	90.6	92.7	-2.3	80.7	85.7	-5.8	Retail: 97.0 Office: 100.0	Retail: 98.7 Office: 100.0
Guangzhou West Point	22.0	21.4	+2.8	19.6	19.8	-1.0	99.0	99.0
Guangzhou Lai Fung Tower	103.7	118.5	-12.5	92.4	109.5	-15.6	Retail: 100.0 Office: 88.0 [*]	Retail: 100.0 Office: 88.0 [*]
Guangzhou Lai Fung International Center	79.4	65.7	+20.9	70.7	60.7	+16.5	Retail: 100.0 Office: 89.7	Retail: 99.0 Office: 66.0
Zhongshan								
Zhongshan Palm Spring Rainbow Mall	4.0	4.5	-11.1	3.6	4.2	-14.3	Retail: 80.7 [*]	Retail: 82.3 [*]
Hengqin								
Hengqin Novotown Phase I	18.8	19.8	-5.1	16.7	18.3	-8.7	Retail: 87.9 ^{**}	Retail: 85.1 ^{**}
Others	42.9	38.7	+10.9	38.3	35.7	+7.3	N/A	N/A
Total	723.6	721.8	+0.2	644.7	667.2	-3.4		

[#] The exchange rates adopted for the years ended 31 July 2026 and 2025 are 0.8909 and 0.9244, respectively

^{*} Excluding self-use area

^{**} Including the cultural attraction spaces which are under strategic review

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

	For the year ended 31 July 2026			For the year ended 31 July 2025		
	Group interest	Turnover (HK\$ million)	Attributable GFA (square feet)	Group interest	Turnover (HK\$ million)	Attributable GFA (square feet)
Shanghai						
Shanghai Hong Kong Plaza	100%			100%		
Retail		147.2	468,434		156.3	468,434
Office		80.3	362,096		89.1	362,096
Car Parking Spaces		5.7	N/A		5.9	N/A
		233.2	830,530		251.3	830,530
Shanghai May Flower Plaza	100%			100%		
Retail		31.0	320,314		33.8	320,314
Car Parking Spaces		4.3	N/A		4.4	N/A
		35.3	320,314		38.2	320,314
Shanghai Regents Park	95%			95%		
Retail		11.0	77,959		9.5	77,959
Car Parking Spaces		1.7	N/A		1.6	N/A
		12.7	77,959		11.1	77,959
Shanghai Skyline Tower	100%			100%		
Retail		5.7	92,226		8.1	92,226
Office		72.4	634,839		49.4	634,839
Car Parking Spaces		2.9	N/A		2.4	N/A
		81.0	727,065		59.9	727,065
Guangzhou						
Guangzhou May Flower Plaza	100%			100%		
Retail		77.6	357,424		79.0	357,424
Office		10.1	79,431		10.5	79,431
Car Parking Spaces		2.9	N/A		3.2	N/A
		90.6	436,855		92.7	436,855
Guangzhou West Point	100%			100%		
Retail		22.0	182,344		21.4	182,344
Guangzhou Lai Fung Tower	100%			100%		
Retail		16.3	112,292		17.3	112,292
Office		81.7	625,821		95.1	625,821
Car Parking Spaces		5.7	N/A		6.1	N/A
		103.7	738,113		118.5	738,113
Guangzhou Lai Fung International Center	100%			100%		
Retail		14.3	109,320		16.2	109,320
Office		60.1	505,301		45.2	505,301
Car Parking Spaces		5.0	N/A		4.3	N/A
		79.4	614,621		65.7	614,621
Zhongshan						
Zhongshan Palm Spring Rainbow Mall	100%			100%		
Retail*		4.0	160,647		4.5	148,106
Hengqin						
Novotown Phase I#	80% **			80% **		
Commercial***		18.8	788,930		19.8	797,668
Others		42.9	N/A		38.7	N/A
Total		723.6	4,877,378		721.8	4,873,575

* Excluding self-use area

** The remaining 20% interest owned by Lai Sun Development Company Limited (“LSD”), the intermediate holding company of the Company

*** Including the cultural attraction spaces which are under strategic review, the attributable GFA of which was approximately 307,807 square feet as at 31 July 2026. Revenue from the cultural attraction spaces is recognised under turnover from theme park operation of the Group

Excluding office units and cultural workshop units. Office units with total attributable GFA of 420,705 square feet and cultural workshop units with total attributable GFA of 126,919 square feet of Hengqin Novotown Phase I under “Completed properties for sale” have been leased substantially during the year ended 31 July 2026. Excluding the attributable GFA for self-use units, units reserved for sale, and units with buyers’ deposits in cultural workshop of approximately 43,505 square feet, the occupancy rate of office units and cultural workshop units was 99% and 100%, respectively, achieving a total of approximately HK\$17.4 million and HK\$3.4 million to “Other income and gains”, respectively

Review of Major Rental Properties (100% owned unless specified otherwise)

Shanghai Hong Kong Plaza

Being the 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, Massimo Dutti, 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.

The 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.

The Group retains a 95% interest in the commercial portion which has a total GFA of approximately 82,100 square feet (GFA attributable to the 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 97% of commercial and 69% 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 the Group has sold all the residential and office units.

The 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 100% of commercial and 96% 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.

The 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, 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, Keiz Group and Anjun Logistics;
- “High-End Technology Production” represented by Lingyange, Bambu Lab, Amicro Technology, Li Auto, Xwan Test, and several renowned chip design and development companies;
- “Wellness and Health” represented by UNITED LIFE SCIENCE and Zhuhai Health Come Medical Management; and
- “Cross-border Financial Services and Innovation” represented by ICBC 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 96% of the office units have been leased with approximately 2,800 people working there. The 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.

Furthermore, the Group supports the deepening strategic partnership between Keiz Group, a premier Macao-invested enterprise in Novotown Phase I, and Wushang Group. Together, they are forging a new vision for cross-border commerce within the GBA, promoting multi-regional coordination across Hubei, Hong Kong, Macao, and Hengqin, while enabling streamlined direct-to-consumer e-commerce channels that link production origins directly to the Hong Kong and Macao markets.

As at the date of this results announcement, commercial area of Novotown Phase I with approximately 89% has been leased and key tenants include 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 the Group in August 2024. Furthermore, four additional retail units in Novotown Phase I were sold to independent third parties since the end of 2024.

The Group owns 80% of Novotown Phase I. The remaining 20% is owned by LSD, the intermediate holding company of the Company.

HOTEL AND SERVICED APARTMENT OPERATION

For the year ended 31 July 2026, revenue from the Group's hotel and serviced apartment operation remained relatively constant at HK\$276.0 million, compared with HK\$273.0 million for the last financial year.

Breakdown of turnover from hotel and serviced apartment operation for the year ended 31 July 2026 is as follows:

	Location	No. of Rooms ¹	Total GFA (square feet)	Turnover (HK\$ million)	Year end occupancy rate (%)	Average occupancy rate (%)
Hotel and serviced apartment						
Ascott Huaihai Road Shanghai	Shanghai	307	356,260	104.6	85.5	80.6
STARR Hotel Shanghai	Shanghai	239	143,846	24.7	70.5	67.8
Hyatt Regency Hengqin	Hengqin	493	610,540	146.7	69.8	72.3
Total				276.0		

Note 1: On 100% basis

Ascott Huaihai Road Shanghai

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). An average occupancy rate of 80.6% was achieved during the year under review and the average room tariff was approximately HK\$1,133.

STARR Hotel Shanghai

STARR Hotel Shanghai is a 17-storey hotel located in the Mayflower Lifestyle complex in Jing'an District, within walking distance to Lines 1, 3 and 4 of the Shanghai Metro Station with easy access to major motorways. There are 239 fully furnished and equipped hotel units with stylish separate living room, bedroom, fully-equipped kitchenette and luxurious bathroom amenities for short or extended stays to meet the needs of the business travellers from around the world and the total GFA is approximately 143,800 square feet. An average occupancy rate of 67.8% was achieved during the year under review and the average room tariff was approximately HK\$415.

Hyatt Regency Hengqin

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 the 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. An average occupancy rate of 72.3% was achieved during the year under review and the average room tariff was approximately HK\$754.

The Group owns 80% interest in Hyatt Regency Hengqin. The remaining 20% is owned by LSD, the intermediate holding company of the Company.

PROPERTY DEVELOPMENT

Recognised Sales

For the year ended 31 July 2026, the Group's property development operations recorded a turnover of HK\$505.0 million (2025: HK\$289.1 million) from sale of properties, representing a significant increase of 74.7% compared to last financial year. The average RMB exchange rate appreciated by approximately 3.8% compared to last financial year. Excluding the effect of currency translation, the RMB denominated property sales revenue was RMB449.9 million (2025: RMB267.2 million). The increase in recognised sales during the year under review was primarily driven by the 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 year under review. Revenue from the sale of the other tower (T3) is expected to be recognised in the next financial year.

Breakdown of turnover for the year ended 31 July 2026 from properties sales is as follows:

Recognised Basis	No. of Units	Approximate GFA (square feet)	Average Selling Price [#] (HK\$/square foot)	Turnover ^{##} (HK\$ million [*]) (RMB million)	
Hengqin Novotown Phase I					
Cultural Studios	6	18,844	3,300	59.2	52.8
Cultural Workshop Units	20	14,624	1,776	23.8	21.2
Hengqin Novotown Phase II					
Accommodation Tower (T1)	418	249,280	1,314	300.5	267.7
Zhongshan Palm Spring					
Commercial Units	80	83,271	890	67.1	59.8
Residential High-rise Units	4	5,762	1,738	9.2	8.2
Residential House Units	4	8,433	2,485	20.0	17.8
Subtotal	532	380,214	1,370	479.8	427.5
Shanghai Regents Park					
Car Parking Spaces	2			1.3	1.1
Guangzhou Eastern Place					
Car Parking Space	1			0.5	0.5
Guangzhou West Point					
Car Parking Spaces	7			2.6	2.3
Zhongshan Palm Spring					
Car Parking Spaces	221			20.8	18.5
Subtotal	231			25.2	22.4
Total				505.0	449.9

[#] Value-added tax inclusive

^{##} Value-added tax exclusive

^{*} The exchange rate adopted for the year ended 31 July 2026 is 0.8909

Contracted Sales

As at 31 July 2026, the Group's property development operations have contracted but not yet recognised sales of HK\$560.3 million, primarily driven by the sale of an accommodation tower (T3) in Hengqin Novotown Phase II, which is expected to be recognised in the next financial year, as well as the sale of properties being occupied by Harrow LiDe School Hengqin in Novotown Phase II. Excluding the effect of currency translation, the RMB denominated contracted but not yet recognised sales as at 31 July 2026 amounted to RMB499.2 million (2025: RMB156.6 million).

Breakdown of contracted but not yet recognised sales as at 31 July 2026 is as follows:

Contracted Basis	No. of Units	Approximate GFA (square feet)	Average Selling Price [#] (HK\$/square foot)	Turnover [#] (HK\$ million ^{##}) (RMB million)	
Hengqin Novotown Phase II					
Accommodation Tower (T3)	361	285,204	1,314	374.7	333.9
Harrow LiDe School Hengqin Buildings [*]	N/A	149,078	1,115	166.2 ^{**}	148.1
Zhongshan Palm Spring					
Commercial Units	4	4,323	879	3.8	3.4
Residential High-rise Unit	1	1,244	1,527	1.9	1.7
Residential House Units	3	6,293	1,939	12.2	10.8
Subtotal	369	446,142	1,253	558.8	497.9
Zhongshan Palm Spring					
Car Parking Spaces	16			1.5	1.3
Subtotal	16			1.5	1.3
Total				560.3	499.2

[#] Value-added tax inclusive

^{##} The exchange rate adopted for the year ended 31 July 2026 is 0.8909

^{*} Will be recognised as income from finance lease under turnover

^{**} 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

Review of Major Properties Completed for Sale and under Development (100% owned unless specified otherwise)

Hengqin Novotown

Phase I

Sales of the cultural studios and cultural workshop units of Novotown Phase I are in progress. During the year under review, sales of 18,844 square feet of cultural studios and 14,624 square feet of cultural workshop units were recognised at an average selling price of HK\$3,300 per square foot and HK\$1,776 per square foot, respectively, which contributed a total of HK\$83.0 million to the Group's turnover.

As at 31 July 2026, completed properties held for sale in Novotown Phase I, including cultural workshop units and office units, amounted to approximately 684,500 square feet with a total carrying amount of approximately HK\$1,300.3 million.

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

The Group owns 80% of Novotown Phase I. The remaining 20% is owned by LSD, the intermediate holding company of the Company.

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. The 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. The 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 year under review, the sale of one of the towers (T1) was recognised at an average selling price of HK\$1,314 per square foot, which contributed a total of HK\$300.5 million to the Group's turnover. Revenue from the sale of the other tower (T3), amounting to approximately HK\$374.7 million at an average selling price of HK\$1,314 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 July 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 quality tenants, including cross-border e-commerce and high-end technology tenants. In addition, the 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 July 2026, completed properties held for sale in Novotown Phase II comprise 285 car parking spaces, which remained unsold with a carrying amount of approximately HK\$60.1 million.

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 the Group to crystallise the value of its investment in Novotown Phase II and gradually recoup funding to improve the project’s working capital position.

The 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 year under review, 83,271 square feet of commercial units, 5,762 square feet of residential high-rise units and 8,433 square feet of residential house units were recognised at an average selling price of HK\$890 per square foot, HK\$1,738 per square foot and HK\$2,485 per square foot, respectively, which contributed a total of approximately HK\$96.3 million to the sales turnover. Also, the sales of 221 car parking spaces contributed approximately HK\$20.8 million to the sales turnover.

As at 31 July 2026, contracted but not yet recognised sales for commercial units, residential high-rise unit and residential house units amounted to approximately HK\$3.8 million, HK\$1.9 million and HK\$12.2 million, respectively, at an average selling price of HK\$879 per square foot, HK\$1,527 per square foot and HK\$1,939 per square foot, respectively. Also, the contracted but not yet recognised sales for 16 car parking spaces amounted to approximately HK\$1.5 million.

As at 31 July 2026, completed units held for sale in this development, including commercial units and residential units, amounted to approximately 62,700 square feet with a total carrying amount of approximately HK\$44.9 million. The carrying amount of the 2,296 unsold car parking spaces of this development as at 31 July 2026 was approximately HK\$193.3 million.

Review of Other Properties Completed for Sale (100% owned 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 July 2026, all residential units and 30 car parking spaces have been sold. The total carrying amount of remaining 13 unsold car parking spaces of this development was approximately HK\$9.1 million as at 31 July 2026.

Shanghai May Flower Plaza

Shanghai May Flower Plaza is a completed mixed-use project located at the junction of Da Tong Road and Zhi Jiang Xi Road in Sujiaxiang in the Jing’an District in Shanghai and situated near the Zhongshan Road North Metro Station. As at 31 July 2026, 458 car parking spaces of this development remained unsold with a carrying amount of approximately HK\$104.3 million.

Shanghai Regents Park

Shanghai Regents Park is a large-scale residential/commercial composite development located in the Zhongshan Park Commercial Area at the Changning District, Shanghai. It is situated within walking distance of the Zhongshan Park Metro Station. During the year under review, the sales of two car parking spaces contributed HK\$1.3 million to the turnover. As at 31 July 2026, a total of 181 car parking spaces of this development remained unsold with a carrying amount of approximately HK\$44.7 million.

The 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 July 2026, one unsold car parking space had a total carrying amount of approximately HK\$0.3 million.

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 the Group has sold all the residential and office units. During the year under review, the sales of seven car parking spaces contributed HK\$2.6 million to the turnover. As at 31 July 2026, 73 unsold car parking spaces had a total carrying amount of approximately HK\$7.6 million.

CAPITAL STRUCTURE, LIQUIDITY AND DEBT MATURITY PROFILE

LIQUIDITY AND FINANCIAL RESOURCES

The Group's sources of funding comprise mainly internal funds generated from the Group's business operations and loan facilities provided by banks.

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

	As at 31 July 2026 (HK\$ million)
Total financial resources	2,443.7
<i>Breakdown:</i>	
— Cash and cash equivalents	762.2
— Pledged and restricted time deposits and bank balances	714.4
— Undrawn banking facilities <i>(Note 1)</i>	967.1
Total borrowings	10,456.5
<i>Breakdown:</i>	
— Repayable within one year	5,029.8
— Repayable in the second year	1,130.6
— Repayable in the third to fifth years	1,590.1
— Repayable beyond the fifth year	2,706.0

Note 1: As at the date of this results announcement, the undrawn banking facilities increased to HK\$1,446.0 million. The increase was mainly due to the successful extension of a project loan's availability period.

Currency denomination, interest rates and hedging arrangements

The Group's monetary assets, liabilities and transactions are principally denominated in Renminbi ("RMB") and Hong Kong dollars ("HKD"). The Group, with HKD as its presentation currency, is exposed to foreign currency risk arising from the exposure of HKD against RMB. The Group has a net exchange exposure to RMB as the Group's assets are principally located in Chinese Mainland and the revenues are predominantly in RMB.

The Group's total borrowings of HK\$10,456.5 million were 69% denominated in RMB and 31% in HKD. Approximately 99% and 1% of the Group's borrowings were interest bearing on a floating rate basis and interest-free, respectively.

The Group's total cash and bank balances of HK\$1,476.6 million were 86% denominated in RMB, 12% in HKD and 2% in USD.

The Group does not have any derivative financial instruments or hedging instruments outstanding.

Gearing ratio

The gearing ratio, expressed as a percentage of the consolidated net debt (being the total outstanding borrowings less cash and bank balances) to consolidated net assets attributable to owners of the Company, was approximately 72% (2025: 70%).

Pledge of assets

As at 31 July 2026, certain assets of the Group have been pledged to secure borrowings and bank facilities of the Group, including investment properties with a total carrying amount of approximately HK\$19,726.1 million, properties under development with a total carrying amount of approximately HK\$1,377.8 million, property, plant and equipment and the related right-of-use assets with a total carrying amount of approximately HK\$2,123.0 million, completed properties for sale with a total carrying amount of approximately HK\$1,150.7 million and time deposits and bank balances of approximately HK\$232.7 million.

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.

Taking into account the amount of cash being held as at the end of the reporting period, the available banking facilities and the recurring cash flows from the Group's operating activities, the Group believes that it would have sufficient liquidity to finance its existing property development and investment projects. Proceeds achieved from any disposals will improve the Group's financial position further.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 July 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 is committed to achieving and maintaining high standards of corporate governance and has established policies and procedures for compliance with the principles and code provisions set out from time to time in the Corporate Governance Code (“**CG Code**”) contained in Part 2 of Appendix C1 to the Listing Rules.

The Company has complied with all the code provisions set out in the CG Code throughout the year ended 31 July 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 the AGM pursuant to Article 78 of the second amended and restated articles of association of the Company to ensure effective communication with the Shareholders thereat.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 July 2026, the Group employed a total of around 1,300 full-time employees (31 July 2025: 1,400) and around 10 part-time employees (31 July 2025: 20). 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 in a proactive investor relations programme. Our Executive Directors and Investor Relations Department communicate with research analysts and institutional investors regularly.

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

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

REVIEW OF FINAL RESULTS

The audit committee of the Company (“**Audit Committee**”) currently comprises four independent non-executive directors, namely Messrs. Law Kin Ho, Lam Bing Kwan, Ku Moon Lun, and Mak Wing Sum, Alvin. The Audit Committee has reviewed the consolidated results (including the consolidated financial statements) of the Company for the year ended 31 July 2026.

REVIEW OF PRELIMINARY ANNOUNCEMENT OF RESULTS BY THE INDEPENDENT AUDITOR

The figures in respect of the Group’s consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 July 2026 as set out in the preliminary announcement have been agreed by the Company’s auditor to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by the Company’s auditor, Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

ANNUAL GENERAL MEETING

The forthcoming AGM (“**2026 AGM**”) will be held on Friday, 18 December 2026. Notice of the 2026 AGM together with the Company’s Annual Report for the year ended 31 July 2026 will be published on the respective websites of the Hong Kong Exchanges and Clearing Limited and the Company and despatched to the Shareholders in mid-November 2026.

RECORD DATE FOR ATTENDING AND VOTING AT THE 2026 AGM

To ascertain the entitlements to attend, speak and vote at the 2026 AGM, all relevant transfer document(s) and share certificate(s) must be lodged with the office of the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Monday, 14 December 2026 for registration. The record date for attending, speaking and voting at the 2026 AGM is Monday, 14 December 2026.

By order of the Board
Lam Kin Ngok, Peter
Chairman

Hong Kong, 20 October 2026

As at the date of this announcement, the Board comprises seven Executive Directors, namely Dr. Lam Kin Ngok, Peter (Chairman), Mr. Lam Kin Hong, Matthew (Executive Deputy Chairman), Mr. Lam Hau Yin, Lester (Chief Executive Officer) (also alternate to Madam U Po Chu), Madam U Po Chu and Messrs. Cheng Shin How, Lee Tze Yan, Ernest and Cheung Sum, Sam; and six Independent Non-executive Directors, namely Messrs. Lam Bing Kwan, Ku Moon Lun, Law Kin Ho, Mak Wing Sum, Alvin, Shek Lai Him, Abraham and Au Hoi Fung.