







LAI SUN DEVELOPMENT

(Stock Code: 488)

Annual Report
Year ended 31 July 2026

LAI SUN DEVELOPMENT COMPANY LIMITED

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Corporate Information

Place of Incorporation

Hong Kong

Board of Directors

Executive Directors

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

Non-executive Director

U Po Chu

Independent Non-executive Directors

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

Audit Committee

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

Nomination Committee

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

Remuneration Committee

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

Authorised Representatives

Cheung Sum, Sam
Lam Hau Yin, Lester

Company Secretary

Cheung Sum, Sam

Registered Office/Principal Office

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

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

Share Registrar and Transfer Office

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

Independent Auditor

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance

Principal Bankers

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

Shares Information

Place of Listing

The Main Board of The Stock Exchange of Hong Kong Limited

Stock Code/Board Lot

488/300 Shares

Website

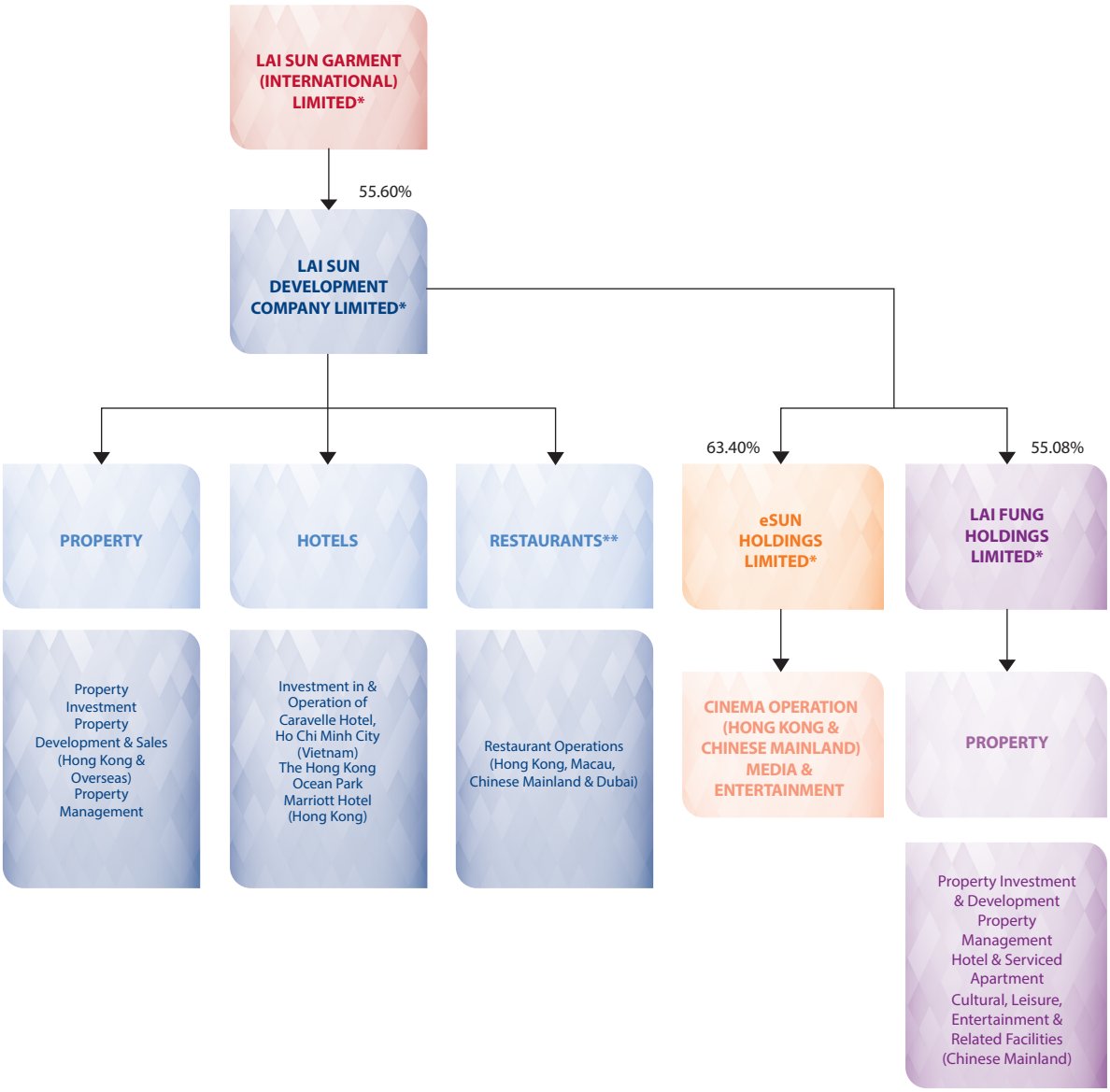
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Investor Relations

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Corporate Profile

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



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

** *Operated under various subsidiaries and associates*

Corporate structure as at 23 October 2026

Financial Highlights

		Year ended 31 July 2026	Year ended 31 July 2025
Turnover	(HK$M)	**5,066.7**	4,898.6
Gross profit	(HK$M)	**1,558.5**	990.2
Gross profit margin	(%)	**31%**	20%
Operating loss	(HK$M)	**(1,513.7)**	(834.9)
Operating loss margin	(%)	**-30%**	-17%
Loss attributable to owners of the Company	(HK$M)	**(2,396.6)**	(2,874.3)
Net loss margin	(%)	**-47%**	-59%
Loss per share *(Note 1)*	(HK$)	**(1.649)**	(1.978)
Equity attributable to owners of the Company	(HK$M)	**21,382.4**	23,119.8
Net borrowings	(HK$M)	**19,004.7**	21,039.4
Net asset value per share *(Note 2)*	(HK$)	**14.713**	15.908
Share price as at 31 July	(HK$)	**0.720**	0.730
Price earnings ratio	(times)	**N/A**	N/A
Market capitalisation as at 31 July	(HK$M)	**1,046.4**	1,060.9
Return on shareholders' equity	(%)	**-11%**	-12%
Dividend per share	(HK$)	**Nil**	Nil
Dividend yield	(%)	**N/A**	N/A
Gearing – net debt to equity	(%)	**89%**	91%
Current Ratio	(times)	**1.4**	0.8
Discount to net asset value	(%)	**95%**	95%

Notes:

1. *Calculated based on the loss attributable to owners of the Company and the weighted average number of ordinary shares in issue during the year.*

2. *Calculated based on the number of ordinary shares in issue as at the end of respective financial years.*

Financial Summary

	Year ended 31 July		
	2026 (HK$ million)	2025 (HK$ million)	Change (%)
Turnover	**5,066.7**	4,898.6	3.4
Generated from:			
– *Property development and sales*	**787.7**	885.0	(11.0)
– *Property investment*	**1,156.5**	1,201.2	(3.7)
– *Hotel operation*	**1,220.3**	1,243.8	(1.9)
Administrative expenses	**697.9**	770.0	(9.4)
Finance costs (expensed and capitalised)	**1,298.7**	1,448.8	(10.4)
Adjusted EBITDA of the Group (non-HKFRS measure)	**814.6**	870.7	(6.4)
Net loss attributable to owners of the Company	**2,396.6**	2,874.3	(16.6)

Results Highlights

- During the year under review, the Group recorded turnover of HK$5,066.7 million (2025: HK$4,898.6 million). The increase was primarily driven by the growth in eSun Group's revenue from film and TV program, media and entertainment and cinema operation.

- Although Lai Fung Group's successful 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. 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 year 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 year under review, the Group's commercial properties and hotels revenue decreased, while maintained relatively steady occupancy rates in Hong Kong and Chinese Mainland.

- Adjusted earnings before interests, taxes, depreciation and amortisation ("**adjusted EBITDA**") of the Group was approximately HK$814.6 million, versus adjusted EBITDA of approximately HK$870.7 million in last financial 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 year under review.

- Net loss attributable to owners of the Company was approximately HK$2,396.6 million, versus net loss of approximately HK$2,874.3 million in last financial year, mainly due to (i) the increase in the Group's revenue; (ii) the reversal of prior year write-down of property under development in Hong Kong; and (iii) the reduction in fair value losses and operating losses from the joint ventures properties. Nonetheless, the decrease in net loss was partially offset by 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, as well as the increase in fair value losses on the Group's investment properties and other operating expenses during the year 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$674.5 million, versus net loss of approximately HK$823.0 million in last financial year.

Financial Highlights

Capital Resources, Assets Disposal And Liquidity Management

	As at 31 July 2026 (HK$ million)
Net current assets	**3,484.0**
Total financial resources, *comprising:*	**5,905.9**
– *Cash and cash equivalents*	**2,799.7**
– *Pledged and restricted bank balances and time deposits*	**1,193.5**
– *Undrawn banking facilities*	**1,912.7**

- Substantially most of the Group's banking facilities are supported by the assets of the Group's investment properties and development projects. During the year under review, the Group continued to benefit from tremendous support and trust from banks on successful refinancing of its banking facilities.
- During the year under review, the Group successfully refinanced HK$3,457.0 million Cheung Sha Wan Plaza syndicated loan for 5 years. In addition, the Group successfully refinanced HK$1,474.5 million Causeway Bay Plaza 2 bilateral loan for 3 years. Subsequent to the end of the reporting period, in September 2026, the Group successfully refinanced HK$585.0 million Lai Sun Commercial Centre bilateral loan for 3 years.
- During the year under review, Lai Fung 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 has continued its proactive efforts in assets disposal and achieved encouraging progress. During the year under review, the 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. The Group is well positioned to launch new Hong Kong residential sales in the coming financial year while Lai Fung Group will continue to seek en-bloc sales of additional accommodation towers in Hengqin.
- On 30 June 2026, the Group completed the sale of its interest in Surearn Profits Limited which holds certain properties located at No. 3 Connaught Road Central, Hong Kong, with estimated net proceeds of HK$2,400 million.

- In addition to sales of properties, the Group has also thrived to dispose of its non-core assets to realise cash and strengthen its balance sheet. On 6 March 2026, the Group completed its sale of its interest in New Vision Fund, L.P. and realised net proceeds of HK$113.9 million. Furthermore, on 14 July 2026, the Group completed its sale of its interest in Camper & Nicholsons International S.A. and realised partial net proceeds of HK$277.0 million.

- The Group announced its intention to achieve a disposal of HK$8,000 million (including HK$2,000 million at Lai Fung Group) over the next two years in its interim 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$7,600 million (including approximately HK$1,150 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.

- On 28 July 2026, the Company successfully completed a comprehensive liability management exercise for its US$493 million 5.00% guaranteed notes due 2026, comprising an exchange offer and consent solicitation that offered holders US$300 in cash plus US$700 in new 8.00% three-year notes per US$1,000 principal, alongside a consent to extend the maturity by three years to 2029. The exercise garnered overwhelming support from over 96% of holders, with approximately US$476.97 million in principal tendered, resulting in the issuance of approximately US$333.88 million in new notes and a cash payout of approximately US$143.09 million, which ultimately reduced the Group's total debt by approximately HK$1.1 billion and significantly alleviated its short-term liquidity pressures.

- Due to the Group's successful refinancing and asset disposal efforts, the Group regained its net current assets position as at 31 July 2026. It underscores the Group's proven execution capabilities in asset realisation and deleveraging. With liquidity pressures significantly eased and its financial foundation more robust, the Group is well-positioned to advance its orderly deleveraging strategy while focusing on core business development.

- The Group's total borrowings reduced from approximately HK$25.4 billion as at 31 July 2025 to approximately HK$23.0 billion as at 31 July 2026.

- The auditor's report for the year ended 31 July 2026 was unqualified.

Chairman's Statement



Dr. Lam Kin Ngok, Peter
Chairman

I would like to present the audited consolidated results of Lai Sun Development Company Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") for the year ended 31 July 2026.

Overview of Final Results

For the year ended 31 July 2026, the Group recorded turnover of HK$5,066.7 million (2025: HK$4,898.6 million). The increase was primarily driven by the growth in eSun Group's revenue from film and TV program, media and entertainment and cinema operation. Due to the challenging operating environment, the revenue growth was hampered by a reduction in rental income as well as a marginal decline in revenue from hotel operation. Furthermore, although 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 year 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 year under review compared to last financial year.

Overview of Final Results (continued)

The gross profit increased by approximately 57.4% to HK$1,558.5 million from that of HK$990.2 million in last financial year, which was mainly due to the increase in revenue and reversal of prior year write-down of property under development in Hong Kong during the year under review, while partially offset by 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.

Breakdown of the Group's turnover is as follows:

	Year ended 31 July			
	2026 (HK$ million)	2025 (HK$ million)	Difference (HK$ million)	% change
Property investment	**1,156.5**	1,201.2	-44.7	-3.7
Property development and sales	**787.7**	885.0	-97.3	-11.0
Hotel operation	**1,220.3**	1,243.8	-23.5	-1.9
Restaurant and F&B product sales operations	**521.2**	479.1	+42.1	+8.8
Cinema operation	**470.5**	445.1	+25.4	+5.7
Media and entertainment	**342.2**	287.9	+54.3	+18.9
Film and TV program	**225.4**	46.6	+178.8	+383.7
Theme park operation	**3.7**	7.4	-3.7	-50.0
Others	**339.2**	302.5	+36.7	+12.1
Total	**5,066.7**	4,898.6	+168.1	+3.4

For the year ended 31 July 2026, net loss attributable to owners of the Company was approximately HK$2,396.6 million (2025: HK$2,874.3 million). The decreased loss was primarily attributed to the aforementioned increment in gross profit as well as the reduction in fair value losses and operating losses from the joint ventures properties, partially offset by the increase in fair value losses on the Group's investment properties and other operating expenses, during the year under review.

Net loss per share was HK$1.649 (2025: HK$1.978).

Overview of Final Results (continued)

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 year ended 31 July 2026	2025
Loss from operating activities of the Group (HKFRS Accounting Standards measure)	**(1,513.7)**	(834.9)
Adjustments for:		
Share of losses of joint ventures	**(52.0)**	(1,130.1)
Share of profits of associates	**6.7**	8.0
Fair value losses on investment properties held by the Group *(Note 1)*	**1,312.3**	457.6
Fair value losses on investment properties held by the joint ventures *(Note 1)*	**150.6**	750.0
Depreciation of property, plant and equipment *(Note 2)*	**282.9**	298.0
Depreciation of right-of-use assets *(Note 2)*	**253.8**	282.9
Amortisation of film rights, film and TV program products *(Note 3)*	**2.5**	8.5
Gains on disposal of subsidiaries, net *(Note 4)*	**(58.6)**	(168.7)
Loss on disposal of financial assets at fair value through profit or loss *(Note 4)*	**86.4**	—
Loss on modification of guaranteed notes *(Note 5)*	**209.9**	—
Impairment on properties held by the Group *(Note 6)*	**110.6**	754.2
Impairment on properties held by the joint ventures *(Note 6)*	**75.6**	410.0
(Reversal of impairment)/impairment on restaurant and F&B product sales, cinema and film and TV program operations *(Note 6)*	**(52.4)**	35.2
Adjusted EBITDA of the Group (non-HKFRS measure)	**814.6**	870.7

Non-HKFRS Financial Measures (continued)

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

Notes:

1. *Given the sizeable investment properties portfolio held by the Group and the joint ventures, the adjustments relate to fair value changes on investment properties, 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 the gains on disposal of subsidiaries, net and loss on disposal of financial assets at fair value through profit or loss, which are non-recurring in nature.*

5. *The adjustment arises from the loss on modification of guaranteed notes, which is non-cash and non-recurring in nature.*

6. *The adjustments arise from impairment/(reversal of impairment) on the properties held by the Group and the joint ventures, restaurant and F&B product sales, cinema and film and TV program operations, which are non-cash and non-recurring in nature.*

Excluding the net effect of property revaluations, other non-cash and non-recurring items, adjusted EBITDA of the Group was approximately HK$814.6 million for the year under review (2025: HK$870.7 million).

Overview of Final Results (continued)

Non-HKFRS Financial Measures (continued)

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

(HK$ million)	For the year ended 31 July 2026	2025
Net loss attributable to owners of the Company (HKFRS Accounting Standards measure)	**(2,396.6)**	(2,874.3)
Adjustments for:		
Fair value losses on investment properties held by the Group (Note 1)	**1,312.3**	457.6
Deferred tax on fair value changes on investment properties held by the Group (Note 1)	**(1.3)**	(9.5)
Non-controlling interests' share of fair value changes on investment properties held by the Group less deferred tax (Note 1)	**(6.9)**	(13.8)
Fair value losses on investment properties held by the joint ventures (Note 1)	**150.6**	750.0
Gains on disposal of subsidiaries, net (Note 2)	**(58.6)**	(168.7)
Loss on disposal of financial assets at fair value through profit or loss (Note 2)	**86.4**	—
Loss on modification of guaranteed notes (Note 3)	**209.9**	—
Impairment on properties held by the Group (Note 4)	**110.6**	754.2
(Reversal of impairment)/impairment on restaurant and F&B product sales, cinema and film and TV program operations (Note 4)	**(52.4)**	35.2
Impairment on properties held by the joint ventures (Note 4)	**75.6**	410.0
Deferred tax on impairment (Note 4)	**(36.0)**	(106.7)
Deferred tax assets written off (Note 4)	**—**	10.4
Non-controlling interests' share of the above non-recurring adjustments (Note 4)	**(68.1)**	(67.4)
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)	**(674.5)**	(823.0)

Overview of Final Results (continued)

Non-HKFRS Financial Measures (continued)

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

Notes:

1. *Given the sizeable investment properties portfolio held by the Group and the joint ventures, the adjustments relate to fair value changes on investment properties, related deferred tax, and impact on non-controlling interests' share, which are non-cash in nature.*

2. *The adjustments arise from the gains on disposal of subsidiaries, net and loss on disposal of financial assets at fair value through profit or loss, which are non-recurring in nature.*

3. *The adjustment arises from the loss on modification of guaranteed notes, which is non-cash and non-recurring in nature.*

4. *The adjustments arise from impairment/(reversal of impairment) on the properties held by the Group and the joint ventures, and the restaurant and F&B product sales, cinema and film and TV program operations and related deferred tax, deferred tax assets written off, and 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$674.5 million for the year under review (2025: HK$823.0 million). Net loss per share excluding the effect of property revaluations and other non-cash and non-recurring items was approximately HK$0.464 (2025: HK$0.566).

Equity attributable to owners of the Company as at 31 July 2026 amounted to HK$21,382.4 million, as compared to HK$23,119.8 million as at 31 July 2025. Net asset value per share attributable to owners of the Company dropped to HK$14.713 per share as at 31 July 2026 from HK$15.908 per share as at 31 July 2025.

Final Dividend

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

No interim dividend was declared during the year (2025: Nil).

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.

Hong Kong felt these conditions through two channels. As a net importer of energy and food, the territory absorbed higher landed costs, although headline inflation remained contained and the Government maintained its forecast for headline consumer price inflation in 2026 at 2.6%. Second, geopolitical fragmentation and the reallocation of capital across financial centres worked in Hong Kong's favour over the period, with a strong pipeline of initial public offerings and wealth inflows from Chinese Mainland supporting demand for professional services and for prime office space in the core business district. That benefit has been narrowly distributed. As set out below, it has not extended to the decentralised submarkets in which the Group's Hong Kong investment properties are located, nor to the retail, dining and leisure markets discussed below.

Global Economic and Geopolitical Landscape (continued)

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, this easing provided a measure of relief to the Group's finance costs during the year. The Group's borrowings are predominantly floating rate, with approximately 85% carrying interest on a floating rate basis at 31 July 2026. Part of that floating rate debt is denominated in Renminbi and priced by reference to Chinese Mainland benchmark rates, which have continued to ease; the balance is denominated in Hong Kong dollars and priced by reference to Hong Kong Interbank Offered Rates ("**HIBOR**"). The same easing reduced mortgage costs in Hong Kong, where most new mortgages are priced by reference to HIBOR rather than to banks' best lending rates, supporting the residential market described below. 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. The Hong Kong Monetary Authority raised its Base Rate the following day, by 25 basis points to 4.25%, as it is required to do under the linked exchange rate system. Major banks left their best lending rates unchanged, and the one-month HIBOR remained well below the Base Rate at around 2.9%, so the effect on borrowing costs has so far been limited. That buffer is finite. Should United States rates rise further, HIBOR would be expected to follow, and the Hong Kong dollar portion of the Group's finance costs, together with the affordability that has supported residential demand in Hong Kong, would come under pressure in the financial year ending 31 July 2027.

Hong Kong Property Market

Hong Kong's economy continued to grow at a healthy pace over the year under review, although momentum moderated as the period closed. Real GDP grew 5.9% year-on-year in the first quarter of 2026 and 4.3% in the second, bringing first-half growth to 5.1%, the strongest half-yearly performance in nearly five years. In light of that outturn, the Government revised its full-year growth forecast upward to a range of 3.5% to 4.5% on 14 August 2026, from 2.5% to 3.5% previously. The expansion was driven by external trade, which largely reflects goods passing through Hong Kong rather than goods produced here, and by resilient domestic demand. Private consumption expenditure grew 2.8% in the second quarter while residents' spending abroad declined, suggesting some reallocation of household spending back towards the domestic economy after several years in which northbound travel diverted local consumption. The tourism recovery also continued, with 26.71 million visitor arrivals in the first half of 2026, up 13% year-on-year. Arrivals continued to increase after the period end, reaching 36.67 million in the first eight months of 2026, up 11%, although short-haul arrivals declined over the same period.

Business Review And Outlook (continued)

Hong Kong Property Market (continued)

Hong Kong's office leasing market remained sharply polarised, although the market as a whole turned during the year under review. Overall Grade A vacancy fell to 13.1% at the end of June 2026 and to 12.8% at the end of July, the lowest level in 31 months, while overall Grade A rents rose 3.2% in the first half of 2026, the first meaningful half-yearly increase since the correction began in mid-2019. The recovery was, however, heavily concentrated. Leasing demand remained focused on prime Central space, where vacancy fell to 8.8% at the end of June, the lowest level in 43 months, and to 8.0% at the end of July, and where rents rose 7.3% in the first half, the strongest half-yearly growth in 15 years. That recovery is being driven primarily by a strong pipeline of initial public offerings and by wealth inflows from Chinese Mainland, generating demand from issuers, sponsors, law firms, private banks, family offices and asset managers. Submarkets outside the core continued to lag. Vacancy in Kowloon East stood at 19.8% at the end of July against 9.8% in Wanchai and Causeway Bay, and rents in fringe districts remained under downward pressure from already low levels, so landlords outside the core continued to compete on rent and incentives. The Group's Hong Kong investment properties, namely Cheung Sha Wan Plaza, Lai Sun Commercial Centre and Causeway Bay Plaza II, are located outside the core business district. The recovery in Central is accordingly not expected to extend to them to any material degree, and the Group's Hong Kong leasing performance is properly read against the decentralised submarkets rather than against the headline market. Against that backdrop, the Group has been securing renewals from existing tenants proactively and diversifying the tenant mix to maintain high occupancy rates for the properties. During the year under review, 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.

Hong Kong's consumer-facing sectors remained more difficult than the office market, and it is these sectors rather than the office recovery that bear most directly on the Group, given the substantial retail component of its Hong Kong investment properties. The rate of decline in retail rents moderated over the period, but operators continued to face a demanding trading environment, with restaurant receipts still below pre-pandemic levels and spending patterns shifting towards lighter and more casual formats. Visitor spending also continued to shift away from shopping towards culture and experiences. In hospitality, the recovery in visitor arrivals was concentrated in the traditional tourist districts, and demand at hotels outside those districts continued to depend more on local leisure and group business than on inbound visitors, with room rates across the market remaining below pre-2019 levels. Some support should come from the return of household spending noted above, but a rapid recovery in either sector is not anticipated.

Hong Kong Property Market (continued)

Hong Kong's residential property market staged a notable recovery. The Centa-City Leading Index stood between the 161 and 162 points in August 2026, hitting a near three-year high. Transaction volumes surged in the first half of 2026, with over 40,800 private residential deals, which is the highest half-yearly total since 2021. The secondary market alone recorded 26,813 transactions worth HK$212.24 billion in the first half of 2026, a five-year high in both volume and value. The recovery is underpinned by sustained demand from talent influx schemes. With over 270,000 approvals granted across various talent programmes since 2022, many holders have shifted from renting to homeownership. The "mortgage cheaper than rent" phenomenon has further encouraged this transition. That phenomenon is a direct consequence of the low interbank rates described above, since most new mortgages in Hong Kong are priced by reference to HIBOR. Demand from Chinese Mainland purchasers was a further significant contributor: registrations by such buyers are reported to have reached a record in the first half of 2026. However, headwinds remain. The principal risks to the market are the interest rate path described above, the pace at which developers release new supply at market-driven prices, and any tightening of capital outflow controls in Chinese Mainland, which would bear on a buyer group that has become a meaningful source of demand. Underlying demand supported by talent inflows remains firm, but the rate of appreciation recorded in the first half of 2026 should not be assumed to continue. The Group's own participation in the Hong Kong residential market during the year under review was limited to a minority interest in a single project.

The 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 the Group's joint venture project, namely "Deep Water Pavilia" in The Southside, commenced in June 2025 have garnered strong market interest. Around 791 units out of total 825 units have been presold for approximately HK$13.9 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. The Group will continue to monitor the market closely and assess the optimal time and pricing for launches of future projects.

Bal Residence has a total saleable area of approximately 62,148 square feet, including 7,506 square feet of commercial facilities and 54,642 square feet of residential spaces, offering 156 residential units. All residential units have been completely sold. Total proceeds for the sold residential units amounted to HK$830.2 million, of which HK$243.0 million is recognised in revenue during the year under review.

Business Review And Outlook (continued)

Hong Kong Property Market (continued)

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 the year under review.

Construction works of the residential project at Deep Water Pavilia were completed in June 2026, while fitting-out work is expected to be completed in December 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.

Construction works of Mount Broadcast in Kowloon Tong were completed in late July 2026, while fitting-out work is expected to be completed in the first quarter of 2027. 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 are completed and the construction is expected to be completed in the first quarter of 2028. The Group plans to redevelop the site into a luxury residential project with a total GFA of approximately 55,200 square feet, offering around 27 medium-large sized residential units.

Project design work of 116 Waterloo Road project in Ho Man Tin is in progress and is expected to be completed in the first quarter of 2030. The Group intends to redevelop the site into a residential project with total GFA of approximately 46,600 square feet, offering around 72 residential units.

Chinese Mainland 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.

Chinese Mainland Property Market (continued)

Property statistics published by the National Bureau of Statistics are compiled on a cumulative calendar-year basis and accordingly do not align with Lai Fung Holdings Limited ("**Lai Fung**") and its subsidiaries (together, "**Lai Fung 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 Lai Fung 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 2025, weakened through the first half of Lai Fung 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, Lai Fung 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.

Business Review And Outlook (continued)

Chinese Mainland Property Market (continued)

For Lai Fung 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 Lai Fung Group's retail portfolio, affecting tenant sales, the pace of leasing and the scope to secure rental growth on renewal.

While 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 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, Lai Fung Group proactively secured renewals from existing tenants at an early stage while actively pursuing new tenants to maintain high occupancy. Although the performance of Lai Fung 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.

Chinese Mainland Property Market (continued)

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, 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.

Business Review And Outlook (continued)

Chinese Mainland Property Market (continued)

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

Furthermore, Lai Fung 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 Annual Report, 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 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.

Chinese Mainland Property Market (continued)

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, 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 slowly. Apart from disposal of the two accommodation towers (T1 and T3) in Novotown Phase II of approximately HK$700.0 million (RMB625.7 million) as aforementioned, Lai Fung Group is in discussions with potential buyers on the disposal of some of the assets. 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

Although Hong Kong's overall economy has improved, the cinema exhibition industry has been hindered by weak consumer sentiment and a lack of strong blockbusters. Cinema operators are still burdened by high rents, labour costs and revenue-sharing terms, while streaming platforms and digital entertainment erode habitual cinema-going. As at 31 July 2026, eSun Holdings Limited ("**eSun**") and its subsidiaries (together, "**eSun Group**") operated a total of fifteen cinemas in Hong Kong and Chinese Mainland, offering total of 89 screens with 12,965 seats.

Nonetheless, there are some bright spots in local production. During the period from December 2025 to 2026 Lunar New Year, local films such as "*Back to the Past*" and "*Night King*" achieved strong box office results. While these performances have provided some momentum, the overall Hong Kong film market in 2026 remains fragile and heavily dependent on quality films. Government support is undergoing recalibration: the Film Development Fund is being reviewed to shift support toward projects with stronger commercial and market value, rather than simply providing production employment. Sustainable improvement requires a steadier pipeline of commercially viable films, lower production costs and renewed cinema-going habits.

Business Review And Outlook (continued)

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

During the year under review, eSun Group managed to achieve a moderate revenue increase in cinema operation despite the challenging operating environment. 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.

eSun Group invested in producing original, high-quality films centered on Chinese themes and targeted at Chinese-speaking audiences. During the year, eSun Group released "*It's My Time*", "*A Man and a Woman*", and "*The Volunteers: Peace at Last*". "*Twilight of the Warriors: The Final Chapter*", the highly anticipated sequel to "*Twilight of the Warriors: Walled In*", remained a key project within eSun Group's film production pipeline. The film is in the post-production stage and expected to be released in 2027. eSun Group anticipates that the film will further strengthen its film portfolio and contribute to the continuing development of its original Chinese-language film productions.

The drama series "*Case X Decoded*" streamlined on Alibaba's Youku and broadcasted on TVB during the year has generated satisfactory viewership. Building on this success, eSun Group will continue to produce high-quality drama series to meet the demand for premium content from television broadcasters and online video platforms in Chinese Mainland and Southeast Asia.

The recent concerts, namely "*Leon Lai ROBBABA Concert 2026*", "*Sammi You & Mi 2026 – Kuala Lumpur*" and "*Grasshopper Three In Love Concert 2026*", achieved good box office and public praises. eSun Group will continue to work with prominent local and Asian artistes for concert promotion. The upcoming events include concerts by Sammi Cheng in 2027 and Grasshopper in Macau, with several more in the pipeline.

The licencing of music content with Tencent Music Entertainment (Shenzhen) Co., Ltd. and Warner Music continue to provide stable income to eSun Group. In addition, eSun Group will re-issue a number of classic playlists from its music library in commemorative edition albums.

Looking ahead, we believe that eSun Group's integrated media platform comprising movies, TV programs, music, artiste management and live entertainment put 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 30 June 2026, the Group completed the sale of its interest in Surearn Profits Limited which holds certain properties located at No. 3 Connaught Road Central, Hong Kong, with estimated net proceeds of HK$2,400 million.

In addition to sales of properties, the Group has also thrived to dispose of its non-core assets to realise cash and strengthen its balance sheet. On 6 March 2026, the Group completed its sale of its interest in New Vision Fund, L.P. and realised net proceeds of HK$113.9 million. Furthermore, on 14 July 2026, the Group completed its sale of its interest in Camper & Nicholsons International S.A. and realised partial net proceeds of HK$277.0 million.

The Group announced its intention to achieve a disposal of HK$8,000 million (including HK$2,000 million at Lai Fung Group) over the next two years in its interim 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$7,600 million (including approximately HK$1,150 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.

On 28 July 2026, the Company successfully completed a comprehensive liability management exercise for its US$493 million 5.00% guaranteed notes due 2026, comprising an exchange offer and consent solicitation that offered holders US$300 in cash plus US$700 in new 8.00% three-year notes per US$1,000 principal, alongside a consent to extend the maturity by three years to 2029. The exercise garnered overwhelming support from over 96% of holders, with approximately US$476.97 million in principal tendered, resulting in the issuance of approximately US$333.88 million in new notes and a cash payout of approximately US$143.09 million, which ultimately reduced the Group's total debt by approximately HK$1.1 billion and significantly alleviated its short-term liquidity pressures.

Due to the Group's successful refinancing and asset disposal efforts, the Group regained its net current assets position as at 31 July 2026. It underscores the Group's proven execution capabilities in asset realisation and deleveraging. With liquidity pressures significantly eased and its financial foundation more robust, the Group is well-positioned to advance its orderly deleveraging strategy while focusing on core business development.

Chairman's Statement

Appreciation

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

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

Lam Kin Ngok, Peter
Chairman
Hong Kong
23 October 2026

Property Portfolio Composition

The Group maintained a property portfolio with attributable GFA of approximately 7.5 million square feet as at 31 July 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 the Group, and all major properties in Hong Kong and overseas are held by the Group excluding eSun Group and Lai Fung Group.

Approximate attributable GFA (in '000 square feet) of the Group's major properties and number of car parking spaces as at 31 July 2026 are set out as follows:

	Commercial/ Retail	Office	Hotel/ Serviced Apartments	Residential	Industrial	Total (excluding car parking spaces & ancillary facilities)	No. of car parking spaces
GFA of major properties and number of car parking spaces of Lai Fung Group (on attributable basis[1])							
Completed Properties Held for Rental[2]	1,471	1,216	—	—	—	2,687	1,643
Completed Hotel Properties and Serviced Apartments[2]	—	—	545	—	—	545	—
Properties under Development[3]	348	148	871	—	—	1,367	588
Completed Properties Held for Sale	38	232	70	8	—	348	1,818
Subtotal	**1,857**	**1,596**	**1,486**	**8**	**—**	**4,947**	**4,049**
GFA of major properties and number of car parking spaces of the Group excluding Lai Fung Group (on attributable basis)							
Completed Properties Held for Rental[2]	688	873	—	—	4	1,565	1,334
Completed Hotel Properties and Serviced Apartments[2]	—	—	586	—	—	586	16
Properties under Development[3]	—	—	—	269	—	269	137
Completed Properties Held for Sale	24	105	32	5	—	166	45
Subtotal	**712**	**978**	**618**	**274**	**4**	**2,586**	**1,532**
Total GFA attributable to the Group	**2,569**	**2,574**	**2,104**	**282**	**4**	**7,533**	**5,581**

Notes:

1. *As at 31 July 2026, Lai Fung is a 55.08%-owned subsidiary of the Company.*
2. *Completed and rental generating properties.*
3. *All properties under construction.*

Property Investment

Rental Income

During the year under review, the Group's rental operations recorded a turnover of HK$1,156.5 million (2025: HK$1,201.2 million) comprising turnover of HK$425.2 million, HK$8.5 million and HK$722.8 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:

	Year ended 31 July			Year end occupancy	
	2026	2025	%	**2026**	2025
	HK$ million	HK$ million	Change	**%**	%
Hong Kong					
Cheung Sha Wan Plaza	**248.1**	259.6	-4.4	**91.3**	90.3
Causeway Bay Plaza 2	**120.6**	125.2	-3.7	**91.5**	89.5
Lai Sun Commercial Centre	**48.2**	49.2	-2.0	**96.0**	93.0
Others	**8.3**	7.1	+16.9	**N/A**	N/A
Subtotal:	**425.2**	441.1	-3.6		
London, United Kingdom					
107 Leadenhall Street	**8.5**	12.3	-30.9	**0.0**	54.7
100 Leadenhall Street	**—**	26.9	-100.0	**0.0**	0.0
106 Leadenhall Street	**—**	—	0.0	**0.0**	0.0
Subtotal:	**8.5**	39.2	-78.3		
Chinese Mainland					
Shanghai					
Shanghai Hong Kong Plaza	**232.4**	250.6	-7.3	**Retail: 96.2**	Retail: 94.8
				Office: 88.3	Office: 85.1
Shanghai May Flower Plaza	**35.3**	38.1	-7.3	**Retail: 92.4**	Retail: 98.2
Shanghai Regents Park	**12.7**	11.1	+14.4	**100.0**	100.0
Shanghai Skyline Tower	**81.0**	59.9	+35.2	**Retail: 100.0**	Retail: 94.3
				Office: 69.0	Office: 61.8
Guangzhou					
Guangzhou May Flower Plaza	**90.6**	92.7	-2.3	**Retail: 97.0**	Retail: 98.7
				Office: 100.0	Office: 100.0
Guangzhou West Point	**22.0**	21.4	+2.8	**99.0**	99.0
Guangzhou Lai Fung Tower	**103.7**	118.5	-12.5	**Retail: 100.0**	Retail: 100.0
				Office: 88.0[1]	Office: 88.0[1]
Guangzhou Lai Fung International Center	**79.4**	65.7	+20.9	**Retail: 100.0**	Retail: 99.0
				Office: 89.7	Office: 66.0

Rental Income (continued)

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

	Year ended 31 July			Year end occupancy	
	2026	2025	%	**2026**	2025
	HK$ million	HK$ million	Change	**%**	%
Zhongshan					
Zhongshan Palm Spring Rainbow Mall	**4.0**	4.5	-11.1	**Retail: 80.7**[1]	Retail: 82.3[1]
Hengqin					
Hengqin Novotown Phase I	**18.8**	19.8	-5.1	**Retail: 87.9**[2]	Retail: 85.1[2]
Others	**42.9**	38.6	+11.1	**N/A**	N/A
Subtotal:	**722.8**	720.9	+0.3		
Total:	**1,156.5**	1,201.2	-3.7		
Rental income from joint venture project					
Hong Kong					
CCB Tower[3] (50% basis)	**82.7**	114.5	-27.8	**N/A**	97.7
Total:	**82.7**	114.5	-27.8		

Notes:

1. *Excluding self-use area.*
2. *Including the cultural attraction spaces which are under strategic review.*
3. *CCB Tower was a joint venture project with China Construction Bank Corporation ("**CCB**") in which each of the Group and CCB had an effective 50% interest. For the year ended 31 July 2026, the joint venture recorded rental income of approximately HK$165.4 million (2025: HK$229.0 million). On 30 June 2026, the Group completed the sale of its interest in Surearn Profits Limited which holds certain properties in CCB Tower.*

Property Investment (continued)

Rental Income (continued)

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

	Year ended 31 July 2026			Year ended 31 July 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	**100%**			100%		
Commercial		**113.6**	**233,807**		119.0	233,807
Office		**117.0**	**409,896**		122.0	409,896
Car Parking Spaces		**17.5**	**N/A**		18.6	N/A
Subtotal:		**248.1**	**643,703**		259.6	643,703
Causeway Bay Plaza 2	**100%**			100%		
Commercial		**74.2**	**109,770**		81.2	109,770
Office		**40.7**	**96,268**		38.3	96,268
Car Parking Spaces		**5.7**	**N/A**		5.7	N/A
Subtotal:		**120.6**	**206,038**		125.2	206,038
Lai Sun Commercial Centre	**100%**			100%		
Commercial		**18.7**	**95,063**		23.6	95,063
Office		**8.3**	**74,181**		5.0	74,181
Car Parking Spaces		**21.2**	**N/A**		20.6	N/A
Subtotal:		**48.2**	**169,244**		49.2	169,244
Others		**8.3**	**4,581**		7.1	15,951
Subtotal:		**425.2**	**1,023,566**		441.1	1,034,936
London, United Kingdom						
107 Leadenhall Street	**100%**			100%		
Commercial		**0.3**	**48,182**		3.8	48,182
Office		**8.2**	**98,424**		8.5	98,424
Subtotal:		**8.5**	**146,606**		12.3	146,606
100 Leadenhall Street	**100%**			100%		
Office		**—**	**177,700**		26.9	177,700
106 Leadenhall Street	**100%**			100%		
Commercial		**—**	**3,540**		—	3,540
Office		**—**	**16,384**		—	16,384
Subtotal:		**—**	**19,924**		—	19,924
Subtotal:		**8.5**	**344,230**		39.2	344,230

Rental Income (continued)

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

	Year ended 31 July 2026			Year ended 31 July 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	**55.08%**			55.08%		
Retail		**147.2**	**468,434**		156.3	468,434
Office		**79.5**	**362,096**		88.4	362,096
Car Parking Spaces		**5.7**	**N/A**		5.9	N/A
Subtotal:		**232.4**	**830,530**		250.6	830,530
Shanghai May Flower Plaza	**55.08%**			55.08%		
Retail		**31.0**	**320,314**		33.7	320,314
Car Parking Spaces		**4.3**	**N/A**		4.4	N/A
Subtotal:		**35.3**	**320,314**		38.1	320,314
Shanghai Regents Park	**52.33%**			52.33%		
Retail		**11.0**	**82,062**		9.5	82,062
Car Parking Spaces		**1.7**	**N/A**		1.6	N/A
Subtotal:		**12.7**	**82,062**		11.1	82,062
Shanghai Skyline Tower	**55.08%**			55.08%		
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
Subtotal:		**81.0**	**727,065**		59.9	727,065

Property Investment (continued)

Rental Income (continued)

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

	Year ended 31 July 2026			Year ended 31 July 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)
Guangzhou						
Guangzhou May Flower Plaza	**55.08%**			55.08%		
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
Subtotal:		**90.6**	**436,855**		92.7	436,855
Guangzhou West Point	**55.08%**			55.08%		
Retail		**22.0**	**182,344**		21.4	182,344
Guangzhou Lai Fung Tower	**55.08%**			55.08%		
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
Subtotal:		**103.7**	**738,113**		118.5	738,113
Guangzhou Lai Fung International Center	**55.08%**			55.08%		
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
Subtotal:		**79.4**	**614,621**		65.7	614,621
Zhongshan						
Zhongshan Palm Spring Rainbow Mall	**55.08%**			55.08%		
Retail[1]		**4.0**	**160,647**		4.5	148,106
Hengqin						
Novotown Phase I[#]	**64.06%**[2]			64.06%[2]		
Commercial[3]		**18.8**	**986,163**[3]		19.8	997,085[3]
Others		**42.9**	**N/A**		38.6	N/A
Subtotal:		**722.8**	**5,078,714**		720.9	5,077,095
Total:		**1,156.5**	**6,446,510**		1,201.2	6,456,261

Rental Income (continued)

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

	Year ended 31 July 2026			Year ended 31 July 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[4] (50% basis)	**50%**			50%		
Office		**82.2**	**114,603[5]**		113.9	114,603[5]
Car Parking Spaces		**0.5**	**N/A**		0.6	N/A
Subtotal:		**82.7**	**114,603**		114.5	114,603
Total:		**82.7**	**114,603**		114.5	114,603

Notes:

 # Excluding office units and cultural workshop units. Office units with total GFA of 525,881 square feet and cultural workshop units with total GFA of 158,649 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 54,381 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 revenue and gains", respectively.

1. *Excluding self-use area.*
2. *Including the Company's 20% direct interest in Novotown Phase I and 44.06% attributable interest through Lai Fung. As at 31 July 2026, Novotown Phase I is 80% owned by Lai Fung and Lai Fung is a 55.08%-owned subsidiary of the Company.*
3. *Including the cultural attraction spaces which are under strategic review, the total GFA of which was approximately 384,759 square feet as at 31 July 2026. Revenue from the cultural attraction spaces is recognised under turnover from theme park operation of the Group.*
4. *CCB Tower was a joint venture project with CCB in which each of the Group and CCB had an effective 50% interest. For the year ended 31 July 2026, the joint venture recorded rental income of approximately HK$165.4 million (2025: HK$229.0 million). On 30 June 2026, the Group completed the sale of its interest in Surearn Profits Limited which holds certain properties in CCB Tower.*
5. *GFA attributable to the Group. The total GFA is 229,206 square feet.*

Property Investment (continued)

Rental Income (continued)

The average Sterling exchange rate for the year under review appreciated by approximately 3.0% compared with last financial year. Excluding the effect of currency translation, the Sterling denominated turnover from London properties decreased by approximately 78.9% during the year under review. Breakdown of rental turnover of London portfolio for the year ended 31 July 2026 is as follows:

	2026 HK$'000	2025 HK$'000	% Change	**2026 GBP'000**	2025 GBP'000	% Change
107 Leadenhall Street	**8,523**	12,256	-30.5	**809**	1,198	-32.5
100 Leadenhall Street	—	26,944	-100.0	—	2,634	-100.0
106 Leadenhall Street	—	—	0.0	—	—	0.0
Total:	**8,523**	39,200	-78.3	**809**	3,832	-78.9

Review of major investment properties

Hong Kong Properties (100% owned unless specified otherwise)

Cheung Sha Wan Plaza

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



• Cheung Sha Wan Plaza

Property Investment (continued)

Review of major investment properties (continued)

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

Causeway Bay Plaza 2

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

Lai Sun Commercial Centre

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



- Causeway Bay Plaza 2



- Lai Sun Commercial Centre

Property Investment (continued)

Review of major investment properties (continued)

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. As at the date of this Annual Report, 100, 106 and 107 have been stripped out and not leased.

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



- 100 Leadenhall Street, London



- 106 Leadenhall Street, London



- 107 Leadenhall Street, London

Property Investment (continued)

Review of major investment properties (continued)

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

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

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

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

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.

Property Investment (continued)

Review of major investment properties (continued)

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

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 Annual Report, 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.

Property Investment (continued)

Review of major investment properties (continued)

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

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 Annual Report, 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.

Property Investment (continued)

Review of major investment properties (continued)

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

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, 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.

Property Investment (continued)

Review of major investment properties (continued)

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

Hengqin Novotown (continued)

Phase I (continued)

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

Furthermore, Lai Fung 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 Annual Report, 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 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 the Group.



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

Property Development

Recognised Sales

For the year ended 31 July 2026, recognised turnover from sales of properties was HK$787.7 million (2025: HK$885.0 million). Breakdown of turnover for the year ended 31 July 2026 from sales of properties is as follows:

Hong Kong

Recognised basis	No. of Units	Approximate Saleable Area (Square feet)	Average Selling Price[1] (HK$/square foot)	Turnover (HK$ million)
Bal Residence				
Residential Units	42	15,762	15,416	243.0
Government accommodation	1	5,940	2,155	12.8
Car Parking Space	1			1.1
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				**282.7**

Chinese Mainland

Recognised basis	No. of Units	Approximate GFA (Square feet)	Average Selling Price[2] (HK$/square foot)	Turnover[3] (HK$ million)
Hengqin Novotown Phase I				
Cultural Studios	6	18,844	3,300	59.2
Cultural Workshop Units	20	14,624	1,776	23.8
Hengqin Novotown Phase II				
Accommodation Tower (T1)	418	249,280	1,314	300.5
Zhongshan Palm Spring				
Commercial Units	80	83,271	890	67.1
Residential High-rise Units	4	5,762	1,738	9.2
Residential House Units	4	8,433	2,485	20.0
Shanghai Regents Park				
Car Parking Spaces	2			1.3
Guangzhou Eastern Place				
Car Parking Space	1			0.5
Guangzhou West Point				
Car Parking Spaces	7			2.6
Zhongshan Palm Spring				
Car Parking Spaces	221			20.8
Subtotal				**505.0**
Total				**787.7**

Recognised Sales (continued)

Recognised sales from joint venture project

Hong Kong

Recognised basis	No. of Units	Approximate Saleable Area (Square feet)	Average Selling Price[1] (HK$/square foot)	Turnover (HK$ million)
Alto Residences (50% basis)				
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 the 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.*

Property Development (continued)

Contracted Sales

As at 31 July 2026, the Group's property development operation has contracted but not yet recognised sales of HK$560.3 million. Including the joint venture project of the Group, the total contracted but not yet recognised sales of the Group as at 31 July 2026 amounted to HK$561.2 million. Breakdown of contracted but not yet recognised sales as at 31 July 2026 is as follows:

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 II				
Accommodation Tower (T3)	361	285,204	1,314	374.7
Harrow LiDe School Hengqin Buildings [2]	N/A	149,078	1,115	166.2 [3]
Zhongshan Palm Spring				
Commercial Units	4	4,323	879	3.8
Residential High-rise Unit	1	1,244	1,527	1.9
Residential House Units	3	6,293	1,939	12.2
Zhongshan Palm Spring				
Car Parking Spaces	16			1.5
Total				**560.3**

Contracted sales from joint venture project

Hong Kong

Contracted basis	No. of Units	Approximate Saleable Area (Square feet)	Average Selling Price (HK$/square foot)	Turnover (HK$ million)
Alto Residences (50% basis)				
Car Parking Space [4]	1			0.9
Total				**0.9**

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 car parking space attributable to the Group. The total no. of car parking space recognised is 1.*

Review of major projects for sale and under development

Hong Kong Properties (100% owned unless specified otherwise)

Bal Residence

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

Bal Residence has a total saleable area of approximately 62,148 square feet, including 7,506 square feet of commercial facilities and 54,642 square feet of residential spaces, offering 156 residential units. All residential units have been completely sold. Total proceeds for the sold residential units amounted to HK$830.2 million, of which HK$243.0 million is recognised in revenue during the year under review.

The Parkland

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

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



- **Bal Residence**



- **The Parkland**

Property Development (continued)

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

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

Deep Water Pavilia

In January 2021, the consortium formed by the Group together with New World Development Company Limited, Empire Development Hong Kong (BVI) Limited and CSI Properties Limited successfully won the tender for the Wong Chuk Hang Station Package Five Property Development. This luxury residential development project sitting on top of the Wong Chuk Hang MTR station and "THE SOUTHSIDE", the largest shopping mall in the prominent Southern district of Hong Kong, covers a site area of approximately 95,600 square feet, with a total GFA of approximately 636,200 square feet and is expected to deliver two residential towers, offering around 825 residential units, with a total investment of approximately HK$18.0 billion. Construction works were completed in June 2026, while fitting-out work is expected to be completed in December 2026. Around 791 units out of total 825 units have been presold for approximately HK$13.9 billion as of the latest update.

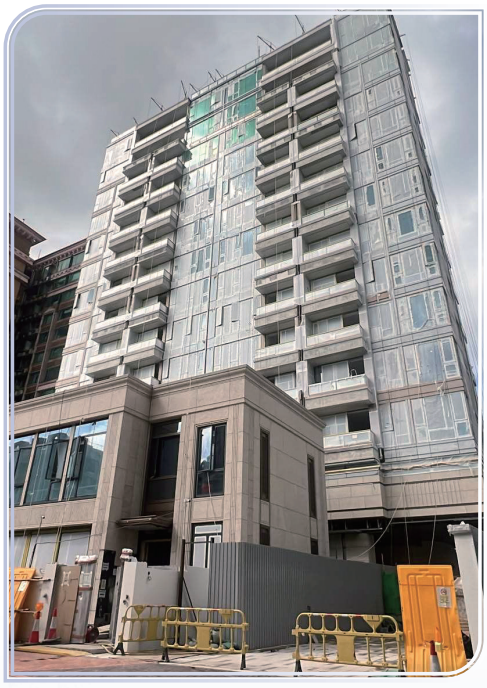
The Group owns 15% interest in this project.

Mount Broadcast

In October 2021, the Group successfully tendered for and secured a site at No. 71, 73 and 75 Broadcast Drive, Kowloon Tong, Hong Kong. The site with a site area of approximately 23,900 square feet used to be the Educational Television Centre of Radio Television Hong Kong and maximum permissible GFA is around 71,600 square feet. The Group plans to develop a high-quality luxury residential project offering around 46 medium-large sized units including 2 houses, with a total investment of approximately HK$2.3 billion. Construction works were completed in late July 2026, while fitting-out work is expected to be completed in the first quarter of 2027.



• Deep Water Pavilia



• Mount Broadcast

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

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

1 Kotewall Road project

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

116 Waterloo Road project

In September 2021, the Group acquired No. 116 Waterloo Road in Ho Man Tin, Kowloon, Hong Kong for redevelopment purpose. The Group has cleared the site and intends to redevelop the site into residential units with a total GFA of approximately 46,600 square feet, offering around 72 residential units, with a total investment of approximately HK$0.8 billion. Project design work is in progress and the construction is expected to be completed in the first quarter of 2030.



• 1 Kotewall Road project



• 116 Waterloo Road project

Property Development (continued)

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

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 the Group.

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 Lai Fung 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.

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

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

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

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

Hengqin Novotown (continued)

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 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 Lai Fung 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.

Property Development (continued)

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

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

Hengqin Novotown (continued)

Phase II (continued)
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, 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 July 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 crystalise 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.

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

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

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 Lai Fung Group's sales turnover. Also, the sales of 221 car parking spaces contributed approximately HK$20.8 million to Lai Fung Group's 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. 2,296 car parking spaces of this development remained unsold as at 31 July 2026.

Property Development (continued)

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 July 2026, all residential units and 30 car parking spaces have been sold. As at 31 July 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 July 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 year under review, the sales of two car parking spaces contributed HK$1.3 million to Lai Fung Group's turnover. As at 31 July 2026, 181 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 July 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. During the year under review, the sales of seven car parking spaces contributed HK$2.6 million to Lai Fung Group's turnover. As at 31 July 2026, 73 car parking spaces of this development remained unsold.

Hotel and Serviced Apartment Operations

The hotel and serviced apartment operation segment of the Group includes the Group's operation of the Ocean Park Marriott Hotel in Hong Kong and the Caravelle Hotel in Ho Chi Minh City, Vietnam, as well as Lai Fung Group's hotel and serviced apartment operation in Shanghai and Hengqin, Chinese Mainland. The Group has a 50% joint venture interest in Fairmont St. Andrews Resort, which has recently entered into a financing arrangement with a third party lender. As part of the financing arrangement, an affiliate of the Group has entered into options with the lender pursuant to which the lender may require such affiliate of the Group to sell to it, and such affiliate of the Group may require the lender to acquire from it, the shares which such affiliate of the Group holds in the joint venture. The Group continues to hold, through such affiliate, an indirect interest in the joint venture until such time as the option(s) are exercised. If the option(s) are exercised (and subject to the terms of the relevant agreements), the Group expects to receive aggregate proceeds of approximately GBP18 million in aggregate in due course. The hotel project in Phuket, Thailand that the Group invested in June 2017 is still at the planning stage. The Group is closely monitoring the tourism market in Thailand and will provide updates on this project as and when there is material progress.

For the year ended 31 July 2026, the hotel and serviced apartment operations contributed HK$1,220.3 million to the Group's turnover (2025: HK$1,243.8 million), representing a slight decrease of approximately 1.9%. The decline in revenue was mainly driven by the lower non-hotel revenue generated from Caravelle Hotel.



• Ocean Park Marriott Hotel



• Ocean Park Marriott Hotel
Whiskers Submarine Room



• Ocean Park Marriott Hotel – Kids pool

Hotel and Serviced Apartment Operations (continued)

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

	Location	Attributable interest to the Group	No. of Rooms [1]	Total GFA (square feet)	Turnover (HK$ million)	Year end occupancy rate (%)	Average occupancy rate (%)
Hotel and serviced apartment							
Ocean Park Marriott Hotel	Hong Kong	100%	471	365,974	428.1	86.2	79.4
Ascott Huaihai Road Shanghai	Shanghai	55.08%	307	356,260	104.6	85.5	80.6
STARR Hotel Shanghai	Shanghai	55.08%	239	143,846	24.7	70.5	67.8
Hyatt Regency Hengqin	Hengqin	64.06%	493	610,540	146.7	69.8	72.3
Caravelle Hotel	Ho Chi Minh City	26.01%	335	378,225	515.9	64.6	74.2
Subtotal:			**1,845**	**1,854,845**	**1,220.0**		
Hotel management fee					0.3		
Total:					**1,220.3**		
Joint Venture Project							
Fairmont St. Andrews resort (50% basis)	Scotland	50%	106 [2]	138,241 [2]	112.9	83.5	58.4

Notes:

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

Hotel and Serviced Apartment Operations (continued)

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

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

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

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

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

Restaurant and F&B Product Sales Operations

For the year ended 31 July 2026, restaurant and F&B product sales operations contributed HK$521.2 million to the Group's turnover, representing an increase of approximately 8.8% from that of HK$479.1 million in last financial year. The increase was mainly attributed to the resurgence in visitor arrivals as well as some reallocation of household spending back towards the domestic economy after several years in which northbound travel diverted local consumption. Furthermore, the Group has closed certain non-performing restaurants and implemented cost control measures, a reduction in segment losses was recorded during the year under review.



• Plaisance by Mauro Colagreco



• Beefbar



• SĒP



• QUAN



• China Tang Landmark



• Prohibition

Restaurant and F&B Product Sales Operations (continued)

Up to the date of this Annual Report, restaurant operations include the Group's interests in 20 restaurants in Hong Kong and Chinese Mainland, 1 restaurant in Dubai and 1 restaurant in Macau under management. Details of each existing restaurant of the Group are as follows:

Cuisine	Restaurant	Location	Attributable interest to the Group	Award
Owned restaurants				
Western/	8½ Otto e Mezzo BOMBANA Hong Kong	Hong Kong	38%	Three Michelin stars (2012-2026)
International Cuisine	8½ Otto e Mezzo BOMBANA Shanghai	Shanghai	13%	Two Michelin stars (2017-2026)
	Beefbar	Hong Kong	63%	One Michelin star (2017-2026)
	Prohibition *(Note)*	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)
	QUAN	Hong Kong	51%	
	Chiu Tang Central	Hong Kong	68%	
	Canton Bistro *(Note)*	Hong Kong	100%	
	KiKi Noodle Bar IFC	Hong Kong	83%	
	KiKi Noodle Bar Hysan Place	Hong Kong	83%	
	Academia	Hong Kong	83%	
	OH! MY BREAD	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%	
Managed restaurant				
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 year ended 31 July 2026, this segment recorded a turnover of HK$470.5 million (2025: HK$445.1 million) and segment results of a profit of HK$133.2 million (2025: a profit of HK$116.4 million). Driven by the growth in revenue and the operational cost control measures implemented by eSun Group, segment profits increased during the year under review. As at the date of this Annual Report, eSun Group operates fourteen cinemas in Hong Kong and one cinema in Chinese Mainland. Details on the number of screens and seats of each existing cinema are disclosed in below table. Besides, eSun Group has extended its cinema network through two 50%-owned joint ventures with Emperor Cinemas Group, namely Emperor Cinemas Plus+ (The Wai) 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 (including IMAX theatre)	12	1,708
Movie Town (including MX4D theatre)	7	1,702
Festival Grand Cinema	8	1,196
MCL AIRSIDE Cinema	7	944
MCL The ONE Cinema	6	831
MCL Cyberport Cinema	4	818
MCL Telford Cinema (including MX4D theatre)	6	789
MCL Metro City Cinema	6	690
MCL Citygate Cinema	4	673
STAR Cinema	6	622
MCL Amoy Cinema	3	603
MCL Cheung Sha Wan Cinema	4	418
MCL Green Code Cinema	3	285
Grand Windsor Cinema	3	246
Subtotal	**79**	**11,525**
Total	**89**	**12,965**

Media and Entertainment

The media and entertainment businesses are operated by eSun Group. For the year ended 31 July 2026, this segment recorded a turnover of HK$342.2 million (2025: HK$287.9 million) and segment results of an increased profit to HK$60.4 million from that of HK$42.5 million in last financial year.

Events Management

During the year under review, eSun Group organised and invested in 49 (2025: 45) shows by popular local and Asian renowned artistes, including Leon Lai, Sammi Cheng, Grasshopper, Ekin Cheng, Jay Fung, Stephy Tang, Cloud Wan, On Chan, Big Four, Mayday, Tsai Chin and Crowd Lu.

Music Production, Distribution and Publishing

During the year under review, eSun Group released 25 (2025: 19) albums, including titles by Anita Mui, Leslie Cheung, Eason Chan, Sammi Cheng, Miriam Yeung, Grasshopper, Jay Fung, Cloud Wan, On Chan, Big Four, Amy Lo, Feanna Wong 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, as well as black vinyl collector's editions.

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 17 artistes under its management.

Film and TV Program Production and Distribution

The film and TV program production and distribution businesses are operated by eSun Group. For the year ended 31 July 2026, this segment recorded a turnover of HK$225.4 million (2025: HK$46.6 million) and segment results of a loss of HK$93.7 million (2025: loss of HK$52.0 million).

During the year under review, a total of 4 (2025: 7) films and 2 (2025: nil) TV programs produced/invested by eSun Group were theatrically released, namely "*The Volunteers: Peace at Last*", "*A Man and A Woman*", "*It's My Time*", "*Dream Demon Spirit Snake Record*", "*About Love*" and "*Case X Decoded*". eSun Group also distributed 44 (2025: 46) films with high profile titles including "*Back To The Past*", "*Dear You*", "*Colony*" and "*The Snowball on a Sunny Day*".

Interests in Joint Ventures

For the year ended 31 July 2026, share of losses from joint ventures of the Group significantly decreased to HK$52.0 million from HK$1,130.1 million in last financial year. The decreased losses were primarily due to the reduction in fair value losses and operating losses from the joint ventures properties during the year under review.

	Year ended 31 July	
	2026	2025
	(HK$ million)	(HK$ million)
Revaluation losses	**(150.6)**	(750.0)
Operating profits/(losses)	**98.6**	(380.1)
Losses from joint ventures	**(52.0)**	(1,130.1)

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

As at 31 July 2026	The Group (HK$ million)	The Group (excluding Lai Fung Group and eSun Group) (HK$ million)
Total financial resources	**5,905.9**	**2,841.0**
Breakdown:		
— Cash and cash equivalents	2,799.7	1,416.3
— Pledged and restricted bank balances and time deposits	1,193.5	479.1
— Undrawn banking facilities *(Note 1)*	1,912.7	945.6
Total borrowings	**22,997.9**	**13,205.7**
Breakdown:		
— Bank borrowings		
— Repayable within one year	6,111.9	2,052.2
— Repayable in the second year	4,754.2	3,623.6
— Repayable in the third to fifth years	5,874.1	4,284.0
— Repayable beyond the fifth year	2,706.0	—
Total bank borrowings	19,446.2	9,959.8
— Guaranteed notes		
— Due 10 November 2026 *(Note 2)*	179.9	179.9
— Due 9 February 2029 *(Note 3)*	203.5	203.5
— Due 28 July 2029 *(Note 4)*	125.7	125.7
— Due 28 July 2029 *(Note 5)*	2,736.8	2,736.8
Total guaranteed notes	3,245.9	3,245.9
— Other borrowings	305.8	—

The Group's total borrowings reduced from HK$25,377.7 million as at 31 July 2025 to HK$22,997.9 million as at 31 July 2026.

Liquidity and Financial Resources (continued)

Notes:

1. *As at the date of this Annual Report, undrawn facilities held by the Group increased to HK$2,391.6 million, mainly due to the successful extension of Lai Fung Group's project loan available period.*

2. *Such notes are issued by Lai Sun MTN Limited, a wholly-owned subsidiary of the Company, and guaranteed by the Company 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.*

3. *Such notes are issued by Lai Sun MTN Limited and guaranteed by the Company 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.*

4. *Such notes are issued by Lai Sun MTN Limited and guaranteed by the Company and have an outstanding principal amount of US$16 million and bear interest at a fixed interest rate of 5% per annum payable semi-annually in arrears.*

5. *Such notes are issued by Lai Sun (2026) Limited, a wholly-owned subsidiary of the Company, and guaranteed by the Company and have an outstanding principal amount of US$334 million and bear interest at a fixed interest rate of 8% per annum payable semi-annually in arrears and listed on The Stock Exchange of Hong Kong Limited.*

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 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 85% and 14% of the Group's total borrowings carried interest on a floating rate basis and fixed rate basis, respectively, and the remaining 1% of the Group's borrowings were interest-free.

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

Liquidity and Financial Resources (continued)

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 89% (2025: 91%). Excluding the net debt of eSun Group and Lai Fung Group, the Group's gearing ratio was approximately 53% (2025: 58%).

Pledge of Assets

As at 31 July 2026, certain investment properties with carrying amounts of HK$33,299.5 million, certain property, plant and equipment and the related right-of-use assets with carrying amounts of HK$7,086.6 million, certain completed properties for sale with carrying amounts of HK$1,486.9 million, certain properties under development with carrying amounts of HK$5,012.1 million, and certain bank balances and time deposits with banks of HK$711.8 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.

Subsequent to the end of the reporting period, the Group successfully refinanced a bilaterial loan of HK$585 million with a tenor of 3 years.

Contingent Liabilities

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

Employees and Remuneration Policies

As at 31 July 2026, the Group employed a total of approximately 3,200 full-time employees (31 July 2025: 3,600) and approximately 370 part-time employees (31 July 2025: 460). The Group recognises the importance of maintaining a stable staff force in its continued success. Under the Group's existing policies, employee pay rates are maintained at competitive levels whilst promotion and salary increments are assessed on a performance-related basis. Discretionary bonuses are granted to employees based on their merit and in accordance with industry practice. Other benefits including share option scheme, mandatory provident fund scheme, free hospitalisation insurance plan, subsidised medical care and sponsorship for external education and training programmes are offered to eligible employees.

Summary of Financial Information

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

Results

	Year ended 31 July				
	2026	2025	2024	2023	2022
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Turnover	**5,066,683**	4,898,615	5,998,861	4,901,537	5,093,703
Loss before tax	**(2,592,710)**	(3,081,996)	(3,728,347)	(3,493,939)	(2,060,754)
Tax	**(61,885)**	(47,351)	(396,271)	59,227	(262,831)
Loss for the year	**(2,654,595)**	(3,129,347)	(4,124,618)	(3,434,712)	(2,323,585)
Attributable to:					
Owners of the Company	**(2,396,614)**	(2,874,333)	(3,674,693)	(2,965,960)	(1,966,921)
Non-controlling interests	**(257,981)**	(255,014)	(449,925)	(468,752)	(356,664)
	(2,654,595)	(3,129,347)	(4,124,618)	(3,434,712)	(2,323,585)

Assets, Liabilities and Non-Controlling Interests

	As at 31 July				
	2026	2025	2024	2023	2022
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Property, plant and equipment	**4,795,146**	5,236,910	5,489,953	5,987,057	6,645,739
Right-of-use assets	**3,337,692**	3,578,075	3,807,084	4,501,872	4,922,940
Investment properties	**35,035,210**	34,315,212	34,677,018	35,751,721	37,168,222
Film rights	**16,699**	19,144	22,092	24,366	19,162
Film and TV program products	**60,584**	60,784	61,431	61,059	61,174
Music Catalogs	**—**	—	—	—	663
Goodwill	**3,842**	232,961	219,792	221,977	207,792
Other intangible assets	**—**	114,340	108,146	109,630	132,883
Interests in associates	**417,900**	396,712	365,467	323,694	236,613
Interests in joint ventures	**1,283,612**	4,804,796	6,131,952	6,807,047	6,826,143
Financial assets at fair value through other comprehensive income	**107,405**	114,038	105,248	1,690,582	1,710,095
Financial assets at fair value through profit or loss (classified as non-current assets)	**471,955**	690,108	861,169	895,902	906,513
Derivative financial instruments (classified as non-current assets)	**12,997**	—	6,537	—	—
Debtors (classified as non-current assets)	**556,577**	507,744	489,237	477,974	493,643
Deposits, prepayments, other receivables and other assets (classified as non-current assets)	**195,202**	159,665	216,428	595,936	721,772
Deferred tax assets	**7,664**	241	1,945	1,858	2,118
Pledged and restricted bank balances and time deposits (classified as non-current assets)	**66,150**	101,922	88,326	109,247	79,305
Current assets	**13,383,981**	13,895,649	14,769,745	16,410,094	20,760,857
TOTAL ASSETS	**59,752,616**	64,228,301	67,421,570	73,970,016	80,895,634
Current liabilities	**(9,900,021)**	(18,401,884)	(6,538,849)	(11,120,774)	(12,498,726)
Lease liabilities (classified as non-current liabilities)	**(316,136)**	(524,346)	(643,278)	(838,618)	(974,959)
Bank borrowings (classified as non-current liabilities)	**(13,334,339)**	(10,437,690)	(18,228,586)	(15,343,543)	(15,836,626)
Other borrowings (classified as non-current liabilities)	**—**	—	(290,055)	(284,006)	(281,152)
Guarantee notes (classified as non-current liabilities)	**(3,066,004)**	(382,438)	(4,232,145)	(4,263,654)	(4,281,877)
Derivative financial instruments (classified as non-current liabilities)	**—**	(17,802)	—	—	—
Deferred tax liabilities	**(4,109,921)**	(3,958,713)	(4,059,607)	(4,152,881)	(4,865,562)
Other payables and accruals (classified as non-current liabilities)	**(968,067)**	(907,350)	(899,114)	(909,044)	(967,835)
Long term deposits received	**(210,298)**	(211,641)	(222,356)	(195,670)	(201,397)
TOTAL LIABILITIES	**(31,904,786)**	(34,841,864)	(35,113,990)	(37,108,190)	(39,908,134)
NON-CONTROLLING INTERESTS	**(6,465,423)**	(6,266,622)	(6,497,453)	(7,078,232)	(8,193,203)
NET ASSETS ATTRIBUTABLE TO OWNERS OF THE COMPANY	**21,382,407**	23,119,815	25,810,127	29,783,594	32,794,297

Particulars of Major Properties

Completed Properties Held for Rental

As at 31 July 2026

Property Name	Location	Attributable Interest to the Group	Tenure	Approximate Attributable GFA (square feet)				No. of car parking spaces attributable to the Group
				Commercial/ Retail	Office	Industrial	Total (excluding car parking spaces & ancillary facilities)	
Hong Kong								
Cheung Sha Wan Plaza	833 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong (New Kowloon Inland Lot No. 5955)	100%	The property is held for a term expiring on 30 June 2047	233,807	409,896	–	643,703	355
Causeway Bay Plaza 2	463-483 Lockhart Road, Causeway Bay, Hong Kong (Section J and the Remaining Portions of Sections D,E,G,H,K,L,M and O, Subsection 4 of Section H and the Remaining Portion of Inland Lot No. 2833)	100%	The property is held for a term of 99 years commencing on 15 April 1929 and renewable for a further term of 99 years	109,770	96,268	–	206,038	57
Lai Sun Commercial Centre	680 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong (New Kowloon Inland Lot No. 5984)	100%	The property is held for a term of which expired on 27 June 1997 and has been extended upon expiry until 30 June 2047	95,063	74,181	–	169,244	538
Luen Fat Loong Factory Building (4/F)	19 Cheung Lee Street, Chai Wan, Hong Kong	100%	The property is held for a term of 75 years commencing on 4 November 1963 renewable for a further term of 75 years	–	–	4,290	4,290	–
Subtotal of major completed properties held for rental in Hong Kong:				**438,640**	**580,345**	**4,290**	**1,023,275**	**950**

Completed Properties Held for Rental (continued)

As at 31 July 2026

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

Particulars of Major Properties

Completed Properties Held for Rental (continued)

As at 31 July 2026

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

Completed Properties Held for Rental (continued)

As at 31 July 2026

Property Name	Location	Attributable Interest to the Group	Tenure	Approximate Attributable GFA (square feet)				No. of car parking spaces attributable to the Group
				Commercial/ Retail	Office	Industrial	Total (excluding car parking spaces & ancillary facilities)	
Zhongshan								
Palm Spring Rainbow Mall	Caihong Planning Area, Western District	55.08%	The property is held for a term expiring on 30 March 2075 for commercial/residential uses	88,484	-	-	88,484	-
Subtotal of major completed property held for rental in Zhongshan:				**88,484**	**-**	**-**	**88,484**	**-**
Hengqin								
Novotown Phase I[2]	East side of Yiwener Road, south side of Caihong Road, west side of Tianyu Road and north side of Hengqin Road, Hengqin New Area, Zhuhai City	64.06%	The property is held for a term of 40 years for office, commercial and serviced apartment and hotel uses and 50 years for other uses commencing on 31 December 2013	631,776[3]	-	-	631,776[3]	1,181
Subtotal of major completed property held for rental in Hengqin:				**631,776**	**-**	**-**	**631,776**	**1,181**
Subtotal of major completed properties held for rental in Chinese Mainland:				**1,667,807**	**1,215,884**	**-**	**2,883,691**	**2,012**
Total of major completed properties held for rental:				**2,158,169**	**2,088,737**	**4,290**	**4,251,196**	**2,977**

Notes:

1. *Gross internal area.*
2. *As at 31 July 2026, Novotown Phase I was 80% owned by Lai Fung Group and 20% owned by the Group.*
3. *Including cultural attraction spaces, which are under strategic review.*

Particulars of Major Properties

Completed Hotel Properties And Serviced Apartments

As at 31 July 2026

Property Name	Location	Attributable Interest to the Group	Tenure	No. of rooms	Approximate Attributable GFA (square feet)	No. of car parking spaces attributable to the Group
Hong Kong						
Hong Kong Ocean Park Marriott Hotel	180 Wong Chuk Hang Road, Ocean Park, Hong Kong	100%	The property is held for a term of 75 years commencing from 22 December 1972	471	365,974	16
Vietnam						
Caravelle Hotel	19 Lam Son Square, District 1, Ho Chi Minh City, Vietnam	26.01%	The property is held under a land use right due to expire on 8 October 2040	335	98,376	–
Chinese Mainland						
Shanghai						
Ascott Huaihai Road Shanghai	282 Huaihaizhong Road, Huangpu District	55.08%	The property is held for a term of 50 years commencing on 16 September 1992	302	197,191	–
STARR Hotel Shanghai	The junction of Da Tong Road and Zhi Jiang Xi Road, Sujiaxiang, Jing'an District	55.08%	The property is held for a term of 50 years for commercial use commencing on 5 February 2007	239	79,230	–
Hengqin						
Hyatt Regency Hengqin	1295 Qisecaihong Road, Hengqin New Area, Zhuhai City	64.06%	The property is held for a term of 40 years commencing on 31 December 2013	493	391,136	–
Subtotal of major completed hotel properties and serviced apartments in Chinese Mainland:				**1,034**	**667,557**	–
Total of major completed hotel properties and serviced apartments:				**1,840**	**1,131,907**	**16**

Properties Under Development

As at 31 July 2026

Property Name	Location	Attributable Interest to the Group	Stage of construction	Expected completion date #	Approximate Site Area (square feet)	Approximate Attributable GFA (square feet)					No. of car parking spaces attributable to the Group
						Commercial/ Retail	Office	Serviced Apartments	Residential	Total (excluding car parking spaces & ancillary facilities)	
Hong Kong											
Deep Water Pavilia	Site E of Aberdeen Inland Lot No. 467	15%	Fitting-out work in progress	Q2 2026	95,560	-	-	-	95,423	95,423	26
Mount Broadcast	No. 71, 73 and 75 Broadcast Drive, Kowloon Tong, Hong Kong	100%	Fitting-out work in progress	Q3 2026	23,864	-	-	-	71,566	71,566	60
1 Kotewall Road Project	No. 1 Kotewall Road, Mid-Levels, Hong Kong	100%	Construction works in progress	Q1 2028	11,044	-	-	-	55,216	55,216	30
116 Waterloo Road Project	No. 116 Waterloo Road, Ho Man Tin, Hong Kong	100%	Project design in progress	Q1 2030	9,323 [1]	-	-	-	46,608 [1]	46,608 [1]	21 [1]
Subtotal of major properties under development in Hong Kong:						**-**	**-**	**-**	**268,813**	**268,813**	**137**

Particulars of Major Properties

Properties Under Development (continued)

As at 31 July 2026

Property Name	Location	Attributable Interest to the Group	Stage of construction	Approximate Site Area (square feet)	Approximate Attributable GFA (square feet)					No. of car parking spaces attributable to the Group
					Commercial/ Retail	Office	Serviced Apartments	Residential	Total (excluding car parking spaces & ancillary facilities)	
Chinese Mainland										
Hengqin										
Novotown Phase II	East side of Yiwener Road, south side of Xiangjiang Road, west side of Yiwenyi Road and north side of Zhishui Road, Hengqin New Area, Zhuhai City	55.08%	Construction works in progress	1,547,523	348,190[2]	147,758	870,628	-	1,366,576	588
Subtotal of major property under development in Chinese Mainland:					**348,190**	**147,758**	**870,628**	**-**	**1,366,576**	**588**
Total of major properties under development:					**348,190**	**147,758**	**870,628**	**268,813**	**1,635,389**	**725**

Notes:

* *Expected date which occupation permit is received.*

1. *Subject to negotiation with Lands Department.*

2. *Including 91,977 square feet spaces to be occupied by Harrow LiDe School Hengqin upon completion.*

Completed Properties Held for Sale

As at 31 July 2026

Property Name	Location	Attributable Interest to the Group	Approximate Attributable GFA (square feet)					No. of car parking spaces attributable to the Group
			Commercial/ Retail	Office	Serviced Apartments	Residential	Total (excluding car parking spaces & ancillary facilities)	
Hong Kong								
Ocean One	6 Shung Shun Street, Yau Tong, Kowloon, Hong Kong	100%	17,749	–	–	–	17,749	7
339 Tai Hang Road	339 Tai Hang Road, Hong Kong	100%	–	–	–	5,046	5,046	3
Alto Residences	29 Tong Yin Street, Tseung Kwan O, New Territories, Hong Kong	50%	–	–	–	–	–	17
93 Pau Chung Street	20-32 San Shan Road and 93 Pau Chung Street, Ma Tau Kok, Kowloon, Hong Kong	100%	–	–	–	–	–	11
Novi	50 Ki Lung Street, Kowloon, Hong Kong	100%	4,688	–	–	–	4,688	–
Bal Residence	No. 18 Hang On Street, Kwun Tong, Hong Kong	100%	1,566	–	–	–	1,566	7
Subtotal of major completed properties held for sale in Hong Kong:			**24,003**	**–**	**–**	**5,046**	**29,049**	**45**

Particulars of Major Properties

Completed Properties Held for Sale (continued)

As at 31 July 2026

Property Name	Location	Attributable Interest to the Group	Approximate Attributable GFA (square feet)					No. of car parking spaces attributable to the Group
			Commercial/ Retail	Office	Serviced Apartments	Residential	Total (excluding car parking spaces & ancillary facilities)	
Chinese Mainland								
Shanghai								
Wuli Bridge Project	Wuliqiao Road, 104 Jie Fang, Huangpu District	55.08%	-	-	-	-	-	7
May Flower Plaza	The junction of Da Tong Road and Zhi Jiang Xi Road, Sujiaxiang, Jing'an District	55.08%	-	-	-	-	-	252
Regents Park	88 Huichuan Road, Changning District	52.33%	-	-	-	-	-	95
Subtotal of major completed properties held for sale in Shanghai:			**-**	**-**	**-**	**-**	**-**	**354**
Guangzhou								
Eastern Place Phase V	787 Dongfeng East Road, Yuexiu District	55.08%	-	-	-	-	-	1
King's Park	Donghua Dong Road, Yuexiu District	55.08%	-	-	-	-	-	1
West Point	The junction of Zhongshan Qi Road and Guangfu Road, Liwan District	55.08%	-	-	-	-	-	40
Subtotal of major completed properties held for sale in Guangzhou:			**-**	**-**	**-**	**-**	**-**	**42**
Zhongshan								
Palm Spring	Caihong Planning Area, Western District	55.08%	37,757	-	-	8,020	45,777	1,265
Subtotal of major completed property held for sale in Zhongshan:			**37,757**	**-**	**-**	**8,020**	**45,777**	**1,265**
Hengqin								
Novotown Phase I	East side of Yiwener Road, south side of Caihong Road, west side of Tianyu Road and north side of Hengqin Road, Hengqin New Area, Zhuhai City	64.06%	-	336,900	101,637	-	438,537	-
Novotown Phase II	East side of Yiwener Road, south side of Xiangjiang Road, west side of Yiwenyi Road and north side of Zhishui Road, Hengqin New Area, Zhuhai City	55.08%	-	-	-	-	-	157
Subtotal of major completed property held for sale in Hengqin:			**-**	**336,900**	**101,637**	**-**	**438,537**	**157**
Subtotal of major completed properties held for sale in Chinese Mainland:			**37,757**	**336,900**	**101,637**	**8,020**	**484,314**	**1,818**
Total of major completed properties held for sale:			**61,760**	**336,900**	**101,637**	**13,066**	**513,363**	**1,863**

Environmental, Social and Governance Report

About This Report

The annual Environmental, Social and Governance ("**ESG**") Report summarises the ESG management approach, strategies and performance of the Company and its subsidiaries (together, "**Group**") in accordance with the ESG Reporting Code ("**HKEX ESG Reporting Code**") set out in Appendix C2 to the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**"). This report also considers the climate-related disclosure requirements set out in Part D: Climate-related Disclosures of the HKEX ESG Reporting Code. It follows the four reporting principles set out in the HKEX ESG Reporting Code – materiality, quantitative, balance and consistency – to support transparent disclosure and comparison with historical data. We have also mapped our strategies and initiatives to the United Nations Sustainable Development Goals ("**SDGs**"). 9 of the 17 SDGs most relevant to our business profile are addressed in the respective chapters of this report.

Unless otherwise specified, this report covers the Group's ESG management and performance from 1 August 2025 to 31 July 2026. The reporting boundary comprises properties under the Group's property investment and property development businesses, as well as its investments in, and operation of, hotel, restaurant, cinema, media and entertainment businesses in Hong Kong and the Chinese Mainland. For details of the properties included in the reporting scope, please refer to the "Summary of Environmental Performance" section. This report has been approved by the management team and the board of directors of the Company (the "**Management**" and the "**Board**", respectively).

ESG Governance

Board Statement

The Group recognises that addressing material ESG issues is essential to long-term business success. The Board is responsible for approving the ESG report, prioritising material ESG matters and overseeing related risks arising from business operations. This includes ensuring that these matters are effectively integrated into the Group's ESG strategies, policies, procedures and initiatives.

To support this oversight, the Executive Committee of the Company ("**Committee**") is appointed by the Board to evaluate the effectiveness of the management and implementation of relevant ESG matters, including progress towards goals and targets.

The Committee also facilitates regular briefing sessions for the Board, enabling it to monitor and assess progress on material ESG issues, associated business risks, and the implementation of ESG policies, procedures and initiatives. The Group's environmental targets approved by the Board are reviewed annually by the Committee. Given the Group's diversified business portfolio, each business unit is responsible for regularly reporting its performance and material ESG issues to the Committee. Material ESG issues, including climate-related risks, have been incorporated into the Group's enterprise risk management ("**ERM**") framework. The Group systematically identifies ESG-related risks, develops risk mitigation plans and provides regular updates to the Audit Committee and the Board as part of the broader ERM process, thereby strengthening the resilience of its ESG management. For further details of risk management, please refer to the "Risk Management and Internal Control" section of the Corporate Governance Report in this Annual Report.

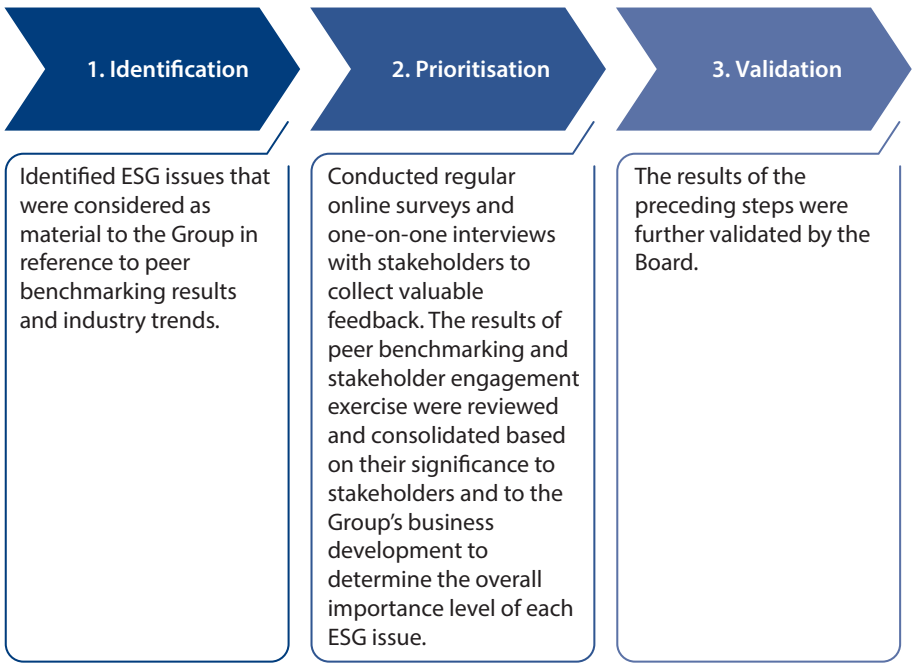
ESG Governance (continued)

Stakeholder Engagement

The Group is committed to fostering deep-rooted relationships with stakeholders and maximising value creation by refining its sustainability programmes based on views gathered through various engagement channels. Our objective is to identify and assess the materiality of diverse ESG issues, ensuring that their prioritisation aligns with stakeholders' expectations. To achieve this, the Group conducted a comprehensive materiality assessment and stakeholder engagement exercise. This process involved interviews with senior management and an online survey of both internal and external stakeholders to identify material ESG issues. The identified material ESG issues are subsequently consolidated, reviewed annually and approved by the Board before being integrated into the Group's ESG management approach to strengthen the overall strategic framework.

Materiality Analysis

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



Materiality Analysis (continued)

The ESG issues regarded as material to our stakeholders and the Group are presented below. During the reporting year, the Group refined the categorisation and naming of certain material ESG issues to align with evolving market practice, including Climate Resilience, Greenhouse Gas ("**GHG**"), Energy Management, and Employee Attraction and Retention. The overall prioritisation of material ESG issues remained broadly consistent with the previous year. The material ESG issues located in the upper-right quadrant of the matrix are recognised as the most important to both the Group's business development and its stakeholders, reflecting their respective perspectives. These issues should therefore be prioritised in decision-making to align with stakeholders' expectations and enhance overall business performance.

Materiality Matrix

Importance to Stakeholders	Low		High
High	② Equal opportunities ② Forced and child labour ③ Customer/tenant privacy and cybersecurity ⑤ Anti-corruption ⑤ Corporate governance	③ Supply chain management ③ Product/service quality and safety	② Wellbeing, occupational health and safety ② Training and development ② Employee attraction and retention ③ Customer satisfaction
	④ Community investment	① Waste management	① Green building
Low	① Packaging materials ① Water resources		① Climate resilience ① Energy management ① Greenhouse gas

Importance to Business Development

① Environmental ② People ③ Operating practices ④ Community ⑤ Governance

ESG Governance (continued)

Integrity and Discipline



The Group is committed to upholding absolute integrity, fairness and discipline in its business operations. It expects employees to comply strictly with all rules and procedures in accordance with applicable laws and regulations. Fraud and corruption are not tolerated under any circumstances, regardless of the business segment, and the Group strives to prevent them at all costs.

Our Employee Handbook explicitly defines "advantages" and outlines the procedures employees must follow to prevent bribery, corruption and conflicts of interest. Our Anti-Fraud and Anti-Corruption Policy ensures that the Group operates to high standards of integrity, openness and discipline. Employees are also required to declare or disclose to management any presents or gifts they handle, as such transactions could be considered suspicious or unethical. If misconduct is discovered, the person responsible may be subject to termination and legal consequences. Regular anti-fraud and anti-corruption training is provided to all employees, including the Board. During the reporting year, the Human Resources Department partnered with the Independent Commission Against Corruption ("**ICAC**") to organise an "Integrity Training Workshop" for all Executive Directors and employees. In our food and beverage operations, we have introduced anti-corruption requirements for suppliers. Suppliers are required to sign a Declaration of Interest, confirming their commitment to anti-corruption practices.

The Group has established dedicated training programmes across its businesses, including anti-corruption training within its Chinese Mainland property operations. All new employees receive anti-corruption training as part of their induction. In addition to internal training, we have collaborated with government authorities to promote anti-corruption practices and integrity through materials including posters and educational films displayed on project bulletin boards and screens. We have also arranged lectures for staff on the Anti-Corruption Law of the People's Republic of China ("**PRC**").

In addition, the Group has a Whistleblowing Policy that serves as a monitoring and control mechanism, allowing employees and relevant third parties, such as customers, suppliers, creditors and debtors, to report concerns. The policy sets out how reports of inappropriate conduct may be submitted, reviewed and investigated. The Group handles all whistleblowing reports responsibly and treats whistleblowers' concerns fairly and appropriately. During the reporting year, the Group complied with the relevant laws and regulations concerning bribery and anti-corruption, and there were no material breaches of the relevant laws and regulations concerning bribery, extortion, fraud or money laundering in Hong Kong or the Chinese Mainland. There were also no legal cases concerning corrupt practices brought against the Group or its employees.

Intellectual Property Rights

To safeguard intellectual property rights, the Group has implemented appropriate security measures and confidentiality agreements. Collaboration agreements with third parties across all business segments, as well as agreements within the Group, are reviewed by the Group's legal team to prevent infringement and breaches.

Entertainment Operations

The Group recognises the importance of intellectual property to the development of its entertainment business. The Group is committed to complying with all relevant intellectual property laws and regulations, including, but not limited to, Chapter 559 Trade Marks Ordinance, Chapter 528 Copyright Ordinance and Chapter 544 Prevention of Copyright Piracy Ordinance. Before using or referencing any third-party creative work, the Group ensures that the producers and production teams of films, TV programmes and music productions understand the relevant rights and have obtained the necessary licences or permissions. If any regulatory violation or infringement is identified, immediate action will be taken to address such issue. During the reporting year, there were no material breaches of the aforementioned laws and regulations.

Environmental, Social and Governance Report

Environment



Integrating Environmental Sustainability into Our Operations

The Group is dedicated to operating our businesses with a strong emphasis on environmental sustainability and minimising our environmental footprint. We have established comprehensive strategies to address climate change, manage carbon emissions, optimise energy consumption, control waste and conserve water, ensuring these factors are integral to our decision-making and daily operations. This year, we reviewed and evaluated our environmental performance and established several quantitative targets to demonstrate the Group's commitment to environmental protection. These objectives include specific milestones for lowering energy consumption and GHG emissions in property investment businesses.

Our environmental initiatives and performance are reviewed regularly to ensure compliance with all relevant laws and regulations. We comply strictly with applicable international and local environmental legislation. During the reporting year, the Group was not aware of any instances of non-compliance with environmental legislation.

Climate Resilience and Greenhouse Gas ("GHG") Emissions

To strengthen our approach to climate change and comply with the new disclosure requirements, we follow the HKEX ESG Reporting Code, including Part D: Climate-related Disclosures. During the reporting year, the Group continued to engage an external consultant to conduct a comprehensive climate risk assessment and scenario analysis. This process was undertaken to identify potential climate-related risks and opportunities and evaluate their impacts on the Group's operations.

Governance

The Board is responsible for overseeing the Group's climate-related strategy, monitoring and evaluating progress in managing climate-related risks and opportunities, and ensuring alignment between corporate strategies and sustainability goals. ESG-related topics, including climate-related risks and opportunities, are annually discussed at Board meetings to keep the Board informed of relevant developments and support effective oversight. The Committee is responsible for identifying and assessing climate-related risks to which the Group's operations are exposed and updating the Board on developments in climate regulations and industry benchmarks.

Climate Resilience and Greenhouse Gas ("GHG") Emissions (continued)

Strategy and Risk Management

During the reporting year, the Group broadened its scope of its climate scenario assessment beyond its nine property investment assets to include six operations from hotel, cinemas and food and beverage, enhancing its understanding of climate-related risks and opportunities across the portfolio. The results were subsequently consolidated with those of the climate risk assessment conducted for the Group's key property assets and presented at city level to provide a portfolio-wide view of potential climate impacts. Where different risk levels were identified among assets within the same city, the highest assessed risk level was adopted to represent that city, ensuring a comprehensive evaluation of potential climate impacts. The assessment continued to use the Turquoise and Brown Scenarios, with reference to the Intergovernmental Panel on Climate Change ("**IPCC**") Sixth Assessment Report and the Network for Greening the Financial System ("**NGFS**"), to evaluate a range of plausible future climate pathways.

	Physical Risk	**Transition Risk**
Turquoise Scenario	SSP1-2.6 *Global carbon dioxide ("**CO_2**") emissions are strongly reduced but less rapidly. The objective of zero emissions is reached after 2050. The global temperature stabilises at around 1.8°C by the end of the century, aligning with the Paris Agreement.*	NGFS Net Zero 2050 *Limits global warming to 1.5°C through stringent climate policies and innovation, with global net-zero CO_2 emissions achieved around 2050.*
Brown Scenario	SSP5-8.5 *Current levels of CO_2 emissions almost double by 2050. The global economy grows rapidly, but this growth is driven by fossil fuel exploitation and highly energy-intensive lifestyles. By 2100, the average global temperature rises by a catastrophic 4.4°C.*	NGFS Current Policies *Only currently implemented policies are maintained, leading to high physical risks. Emissions continue to grow until 2080, resulting in approximately 3°C of warming and severe physical risks.*

The assessment is subject to inherent uncertainties associated with projecting climate-related risks over the short-term (2021–2040), medium-term (2041–2070) and long-term (2071–2100) horizons. These uncertainties mainly arise from climate models, which incorporate assumptions about the frequency, intensity and geographical distribution of climate hazards when estimating future climate conditions and their potential impacts.

Environment (continued)

Climate Resilience and Greenhouse Gas ("GHG") Emissions (continued)

Strategy and Risk Management (continued)

Physical Risks

Our assets face various physical risks, including typhoons, extreme precipitation and flooding, extreme heat and rising temperatures, and drought/water scarcity. Acute physical risks refer to the immediate impacts of sudden climate-related events, while chronic physical risks stem from gradual, long-term changes in climatic conditions. These extreme weather events may cause catastrophic property damage and economic losses. The detailed assessment results are presented below.

Risks		Potential Impacts	Business operations potentially impacted
Acute	Extreme Precipitation and Flooding; Typhoon	• Damage to physical infrastructure, such as shattered windows	• All
		• Impairment of production capabilities and disruption to supply chain continuity	• All
		• Disruption to building access, such as blocked entrances or flooded car parks	• All
		• Power outages affecting entire building operations	• All
Chronic	Extreme Heat and Rising Temperature	• Increased operational demand on cooling systems during periods of extreme heat	• All
		• Decline in employee efficiency as workplace temperatures exceed safe thresholds	• Property
		• Deterioration in air quality, leading to health risks from elevated dust and particulate levels	• Property
		• Increase in food storage challenge, resulting in heightened food safety risks	• Hotel • Food and Beverage
	Drought/ Water Scarcity	• Increased costs of alternative water sources, resulting in higher operating expenses	• Property • Food and Beverage

Climate Resilience and Greenhouse Gas ("GHG") Emissions (continued)

Strategy and Risk Management (continued)

Physical Risks Assessment Results

	Extreme Precipitation and Flooding						Extreme Heat and Rising Temperature						Drought / Water Scarcity						Typhoon *Note 1*
	SSP1–2.6			SSP5–8.5			SSP1–2.6			SSP5–8.5			SSP1–2.6			SSP5–8.5			
Time Horizons / Locations	S	M	L	S	M	L	S	M	L	S	M	L	S	M	L	S	M	L	
Shanghai																			
Hengqin																			
Guangzhou																			
Hong Kong																			

Time Horizons

S	M	L
Short	Medium	Long

Exposure Level

Low	Medium	High

Note 1: Due to the complexity and unpredictable nature of typhoon events, a historical approach is adopted.

ENVIRONMENT (CONTINUED)

Climate Resilience and Greenhouse Gas ("GHG") Emissions (continued)

Strategy and Risk Management (continued)

Transition Risks and Opportunities

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

Type	Description	Potential Impacts	Business Operations Potentially Impacted
Policy and Legal	Regulatory requirements	• Increased compliance risks arising from regulatory violations or failure to meet evolving standards, such as carbon pricing mechanisms, under which emissions trading schemes ("**ETS**") may raise costs for carbon-intensive activities	• All
Technology	Capital investment in energy efficient enhancement works / low-carbon technologies	• Market shifts towards advanced and low-carbon technologies, including smart building management systems, may disrupt existing business models and assets and affect competitiveness	• Property • Hotel • Media and Entertainment
		• Increased capital expenditure to replace outdated equipment, such as replacing lighting or refrigeration equipment with higher-efficiency alternatives	• All
Market and Reputation	Demand for green buildings / facilities	• Increased market expectations for retrofitting building energy systems with green technologies, such as smart building management systems and light-emitting diode ("**LED**") lighting, to meet green building standards and obtain green building certifications	• Property • Hotel
	Fluctuating cost of raw materials, utility supplies and services	• Increased raw material costs for construction materials and power costs, along with additional ventilation or cooling expenses	• All
	Shifts in consumer preferences	• Loss of customers, investors or brand value due to shifts in consumer preferences, competitive pressures or public perceptions as the economy moves towards sustainability	• Property • Hotel • Food and Beverage
		• Reduction of service demand and erosion of stakeholder trust due to reputational harm from fines, legal judgments, or unintentional greenwashing, which may also trigger increased regulatory scrutiny	• Property • Hospitality
		• Strengthening stakeholder relationships through active and sustained climate action	• Property • Hotel • Food and Beverage

Climate Resilience and Greenhouse Gas ("GHG") Emissions (continued)

Strategy and Risk Management (continued)

Financial Impact Assessment

During the reporting year, the Group conducted a climate-related financial impact assessment covering nine key property assets in Hong Kong and the Chinese Mainland to evaluate potential exposure to climate-related risks and the associated financial implications. The assessment considered both physical and transition risks and applied climate modelling to estimate potential financial impacts over the short, medium and long-term horizons. Typhoons, extreme precipitation and flooding were assessed as key physical risks. The Group also assessed transition risks associated with evolving climate-related regulations and market changes, including policy and legal risks arising from increasing carbon costs and market risks related to fluctuations in electricity prices.

Based on the assessment results, the identified physical and transition climate risks were not considered financially material to the Group. The estimated expenditures associated with these risks are not expected to have a significant impact on the Group's financial performance or cash flows. Nevertheless, the Group remains committed to strengthening its resilience to climate-related risks through proactive adaptation and mitigation measures.

The Group seeks to strengthen the climate resilience of its operations and properties through the proactive management of physical climate risks. Standardised operating procedures and emergency response arrangements, such as work arrangement standards for extreme weather conditions, have been established to guide operations during tropical cyclone alerts and other adverse weather events. Regular inspections and maintenance of critical machinery and equipment also help safeguard operational continuity during extreme weather events. To enhance preparedness, property management teams conduct comprehensive inspections and implement preventive measures ahead of severe weather events. These include securing gondolas, checking roof drainage outlets and other surface channels, and verifying the stability of external bamboo scaffolding. Such measures support effective stormwater management and reduce the risks of flooding, water ingress and infrastructure damage associated with heavy rainfall and extreme weather. In addition, regular maintenance of building systems helps improve resilience to prolonged periods of extreme temperatures, while effective water management practices enhance preparedness for both excessive precipitation and drought. Property management teams also ensure that curtain walls, windows and other external building components are properly secured to minimise the risk of damage from strong winds and severe storms, thereby enhancing the overall resilience of the Group's properties to a range of climate-related hazards.

During the reporting year, the Group implemented a range of measures, including operational enhancements and equipment upgrades to improve cooling efficiency and indoor thermal comfort, as well as structural reinforcement and waterproofing works to enhance building resilience. In addition, the Group has planned further short-term investments in climate adaptation measures, including enhancements to flood and typhoon prevention facilities, upgrades to critical utilities, monitoring and emergency response systems, and regular inspections and maintenance of key infrastructure. These initiatives are expected to further enhance asset resilience, reduce vulnerability to climate-related hazards and support long-term operational continuity under evolving climate conditions.

Environment (continued)

Climate Resilience and Greenhouse Gas ("GHG") Emissions (continued)

Strategy and Risk Management (continued)

Financial Impact Assessment (continued)

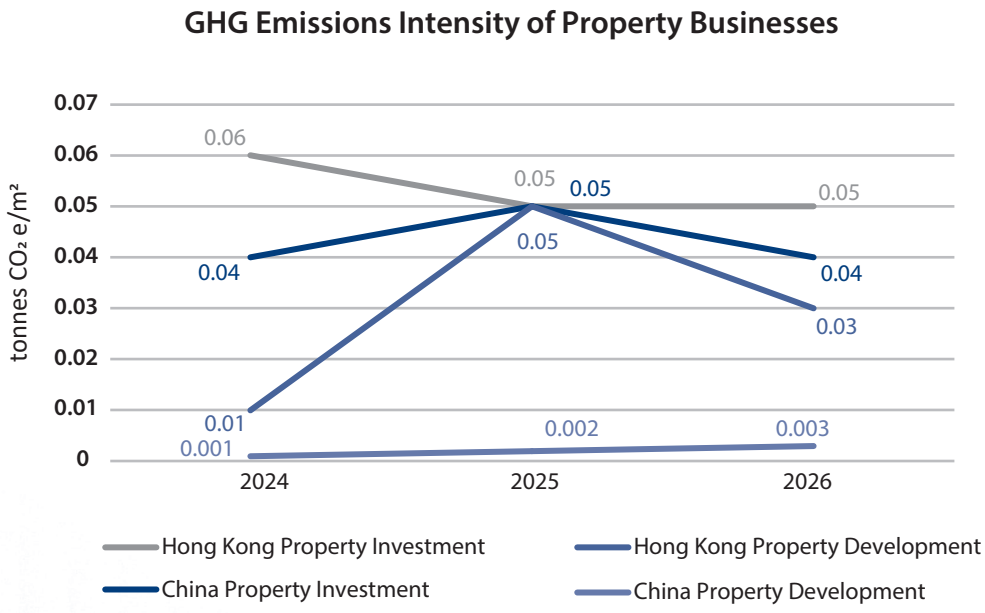
Looking ahead, the Group will continue to use insights from its financial impact assessment to prioritise resilience-building investments and support the development of targeted risk mitigation strategies. As climate-related data, technologies and regulatory requirements continue to evolve, the Group will regularly review and enhance its approach to climate risk management to strengthen the long-term resilience of its portfolio.

Metrics and Targets

During the reporting year, the Group continued to review its environmental performance and maintained internal qualitative and quantitative climate-related targets aimed at reducing GHG emissions intensity and energy consumption intensity across its portfolio. The Group will continue to review and monitor progress towards these targets.

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

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



Notes:

- *GHG emissions intensity = The total tonnes of (Scope 1 & 2) GHG emissions of the year / gross floor area (Tonnes of Co_2e/m^2)*
- *Hotel operation is excluded since the Group does not have its operational control*

For further details of green building and energy initiatives to reduce GHG emissions, please refer to the "Green Building Development and Operations" and "Energy" sections, respectively.

Climate Resilience and Greenhouse Gas ("GHG") Emissions (continued)

Property Development Operations

The Group implements a range of measures to manage air emissions arising from its construction and property operations. At construction sites, contractors are required to adopt dust-suppression measures during activities such as vehicle movements and material handling to minimise dust generation. The Group also promotes the use of ultra-low-sulphur diesel across its development projects to reduce airborne pollutants and emissions from fuel combustion. In addition, the Group prioritises the procurement of building materials with low volatile organic compound ("**VOC**") content and ensures compliance with the Air Pollution Control (Volatile Organic Compounds) Regulation to mitigate impacts on air quality. Beyond construction activities, the Group continues to enhance air quality management within its properties.

Green Building Development and Operations

The Group is committed to integrating sustainability considerations throughout the planning, design, construction and operation of its projects. Compliance with applicable requirements relating to air emissions, noise, wastewater and waste management is closely monitored. To enhance environmental performance, the Group engages green building specialists and consultants where necessary to support sustainable building design, emissions control and compliance with relevant environmental permit requirements.

The Group promotes environmental protection throughout the construction process by requiring contractors to implement Environmental Management Plans that identify environmental risks and establish mitigation measures. To ensure the effective implementation of these measures, the Group regularly monitors and reviews on-site environmental performance. In addition, we encourage tenants to adopt environmentally friendly materials and practices in their fit-out and renovation projects, as well as low-VOC materials, supporting environmental stewardship across our properties.

Novotown Phase I in Hengqin is currently applying for One-Star Green Building Certification, while Shanghai Hong Kong Plaza is pursuing LEED certification and ISO 50001 Energy Management System certification, reflecting the Group's commitment to sustainable building performance and internationally recognised green building standards. During the reporting year, the Group also completed the implementation of an Energy Management System ("**EnMS**") and conducted an energy audit for Shanghai Hong Kong Plaza. The audit identified opportunities to further enhance energy efficiency and highlighted the need to progress from operational optimisation to targeted building system upgrades and retrofits.

Environment (continued)

Green Building Development and Operations (continued)

The Group is committed to continuously improving the environmental performance of its managed properties through the adoption of internationally recognised environmental management systems and green building standards. As a result of these efforts, a number of properties within our portfolio have obtained ISO and green building certifications recognising their sustainability performance:

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

Moreover, CCB Tower has received several awards for its environmental initiatives, including the Excellent Level Wastewi$e Certificate issued by the Environmental Campaign Committee, the Green Office Award Labelling Scheme Certificate issued by the World Green Organisation and the Indoor Air Quality Certificate (Excellent Class) issued by the Environmental Protection Department ("**EPD**").

Sustainability remains a key focus of the Group's hotel operations. For example, Hyatt Regency Hengqin supports Hyatt's 2030 environmental goals, which target reductions in GHG emissions and food waste and promote responsible sourcing. The hotel has established a Green Committee and regularly monitors and reports on energy consumption to track progress. Its environmental action plans address energy efficiency, water conservation and waste management, supporting continuous improvement and the Group's broader sustainability objectives.

Green Building Development and Operations (continued)

The Group leverages green financing to support the achievement of its sustainability objectives and create long-term value for stakeholders. For example, the Hong Kong Ocean Park Marriott Hotel utilised a green loan to implement sustainable design features such as a green roof, environmentally friendly construction materials and a rainwater harvesting system. The Group continues to integrate sustainability considerations into its asset management and development practices by securing green finance and attaining green building certifications.

Further details of the Group's energy, water and waste management initiatives are provided in the respective environmental subchapters: "Energy", "Water" and "Waste".

Energy

Driven by our commitment to sustainability and operational efficiency, the Group recognises the importance of effective energy management. We actively promote green policies and environmental initiatives designed to reduce energy consumption across all operations. Furthermore, we continue to develop and invest in advanced energy-saving technologies and adopt locally and internationally recognised standards for building design and construction. These measures guide our efforts towards achieving low-carbon operations.

Property Operations

The Group is committed to enhancing energy efficiency through proactive energy management and regular performance reviews. Through monthly reviews of energy consumption conducted by our property management team, we identify opportunities to improve efficiency, prevent excessive energy use and optimise resource utilisation. These initiatives support our commitment to minimising environmental impacts and promoting sustainable property operations.

Lighting Efficiency

Most properties in Hong Kong and the Chinese Mainland have installed LED lighting and upgraded ageing lighting systems. During the reporting year, our Shanghai properties completed a basement car park lighting retrofit and entered into a smart LED energy management contract. These initiatives are expected to reduce electricity consumption by 77%, generating annual savings of approximately 83,519 kWh.

In Hong Kong, motion-sensor LED lighting was installed in common corridors, lobbies and stairwells, while microwave-sensor LED tubes were introduced in back-of-house areas. Causeway Bay Plaza 2 also replaced neon façade signage with LED sign boxes, which are expected to save approximately 36,000 kWh of electricity annually. In addition, off-peak electricity controls were introduced at Lai Sun Commercial Centre and Cheung Sha Wan Plaza to optimise energy use and reduce operating costs. Landlord electricity consumption at Lai Sun Commercial Centre decreased by 4.84% compared with the previous year.

Environment (continued)

Energy (continued)

Property Operations (continued)

HVAC and Building Systems

Beyond lighting upgrades, the Group focused on improving the efficiency of cooling systems, which represents a significant source of building energy consumption. Chiller and HVAC system tuning – including deep cleaning, system balancing and the recalibration of controls – was carried out at selected Hong Kong properties to enhance efficiency without requiring full equipment replacement.

At CCB Tower, the Group continued to optimise the chiller plant through PlantPro and variable-speed drives. These measures are expected to generate combined annual electricity savings of approximately 251,000 kWh. Lai Sun Commercial Centre replaced its chillers and upgraded its chilled-water and condenser-water pumps. Causeway Bay Plaza 2 also optimised its chiller plant and cooling tower system to improve air-conditioning efficiency.

Additional building measures included installing UV solar films at CCB Tower, with estimated annual electricity savings of approximately 8,000 kWh, and adjusting lift operations during periods of low occupancy. Cheung Sha Wan Plaza also completed a lift modernisation project to reduce operational electricity consumption and associated GHG emissions.

As part of our efforts to promote responsible energy use, CCB Tower has adopted an Energy Saving Plan and pledged its commitment to the Energy Saving Charter issued by the Environment and Ecology Bureau and the Electrical and Mechanical Services Department, reinforcing the continuous implementation and monitoring of energy-efficiency measures. CCB Tower was also honoured with the Platinum Award under the Charter on External Lighting issued by the Environment and Ecology Bureau, recognising its sustained efforts in energy conservation and responsible lighting management.

The Group's Chinese Mainland property operations implement a Resource and Energy Management Plan to guide energy conservation. In 2025, Guangzhou May Flower Plaza replaced three central air-conditioning units with higher-capacity models, reducing electricity consumption by approximately 252,000 kWh compared with the previous reporting year.

The Group also continues to assess initiatives eligible for support under the Energy Saving Renovation Subsidy Policy introduced by the Hengqin Government. As part of these efforts, 100 remote fan coil unit control panels were installed in office buildings to enable real-time monitoring of cooling consumption, support after-hours air-conditioning billing and reduce energy losses.

Energy (continued)

Property Operations (continued)

HVAC and Building Systems (continued)

Integration of Renewable Energy and EV Charging Infrastructure in Hong Kong Properties	
Renewable Energy Generation: • Lai Sun Commercial Centre installed solar panels and continues to contribute clean energy to the feed-in tariff scheme. • Solar panels installed at Towers 1 and 2 of Cheung Sha Wan Plaza continue to contribute clean energy to the feed-in tariff scheme.	EV Charging Infrastructure: • Lai Sun Commercial Centre and Cheung Sha Wan Plaza facilitate EV adoption by providing EV charging stations.
Results: • Lai Sun Commercial Centre generated 170,224 kWh of renewable energy in FY2025/26. • Cheung Sha Wan Plaza generated approximately 414,959 kWh of renewable energy annually.	Results: • Approximately 79 chargers have been installed, including 10 new chargers installed during the reporting year.

Hotel Operations

During the reporting year, the Group continued to advance resource conservation across its hotel operations in Hong Kong and the Chinese Mainland. For example, Hong Kong Ocean Park Marriott Hotel reaffirmed its commitment to sustainable operations by participating in the Government's Charter on External Lighting and Energy Saving Charter. To further improve energy performance, the hotel features an aluminium alloy coating on its exterior that enhances solar shading and supports indoor temperature regulation. Furthermore, the installation of LED lighting is expected to save approximately 43,200 kWh of electricity annually.

In the Chinese Mainland, Ascott Huaihai Road Shanghai oversees energy performance through its Energy Conservation Committee, which regularly monitors energy use and promotes energy-saving practices across its operations. Measures include ensuring that air-conditioning systems, lighting and office equipment are switched off in unoccupied areas to minimise energy consumption. Furthermore, energy price cap mechanisms in long-term accommodation agreements encourage responsible energy use by guests and are expected to contribute to an annual reduction of approximately 5% in overall electricity consumption. All ventilation units are equipped with timers that automatically shut them down for 12 hours after every 12 hours of operation, ensuring adequate ventilation in guest rooms while optimising energy consumption. This measure has reduced annual electricity consumption by approximately 144,540 kWh. Hyatt Regency Hengqin continues to use smart technologies to optimise energy performance. Guest rooms are fitted with an intelligent management system that uses infrared sensors to monitor occupancy and automatically switches off lighting when rooms remain unoccupied for 30 minutes, improving energy efficiency and generating estimated annual electricity savings of 220,000 kWh. Additionally, STARR Hotel Shanghai conducted a biannual cleaning and maintenance programme for in-room water heaters, washing machines and air-conditioning units in 2026, including internal cleaning and descaling work, to improve equipment efficiency and enhance energy performance. The management of corridor air-conditioning systems was strengthened by using natural ventilation for temperature regulation where feasible, thereby extending equipment service life.

Environment (continued)

Energy (continued)

Food and Beverage Operations

To enhance energy efficiency, all air-conditioning units undergo regular cleaning and maintenance and are required to be switched off during idle periods to prevent energy wastage. The Group also continues to install energy-efficient equipment progressively, such as LED lighting fixtures, across its restaurants to further optimise energy performance.

Cinema Operations

We actively manage energy consumption across our cinema operations through regular monitoring of electricity use. To further enhance energy efficiency, selected cinemas have implemented energy-saving measures, including energy-efficient lighting and automated sensor systems. We also plan to retrofit existing lighting systems with energy-efficient LED technology to further reduce energy consumption and improve operational efficiency.

Waste

The Group recognises the environmental impacts of its operations and is committed to minimising waste generation. To demonstrate this commitment, we have established specific waste-reduction targets and continue to implement sustainable practices that reduce our environmental footprint.

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

The Group adopts a comprehensive waste management framework comprising both Group-wide policies and business unit-specific controls to minimise waste generation and promote responsible disposal practices. Established procedures ensure the proper handling and disposal of non-hazardous waste across all operations. During the reporting year, the Group complied with applicable regulations governing single-use plastics and waste management in the jurisdictions in which it operates, reinforcing its commitment to regulatory compliance and environmental stewardship.

Guided by the 3R principles (reduce, reuse and recycle), the Group actively promotes resource circularity and waste reduction initiatives across its properties and projects. The Group maximises opportunities to reuse construction materials and segregates inert construction and demolition materials for beneficial reuse, including road sub-base and backfilling applications. Recycling facilities are also provided at construction sites and properties to facilitate waste sorting and recycling by occupants and visitors. In recognition of these efforts, Shanghai Hong Kong Plaza continued to receive the "Zero Waste Cell" designation from Huangpu District, Shanghai. Guangzhou West Point also received the Outstanding Waste Reduction Enterprise Award from the Longjin Sub-district Office for its exemplary performance in municipal solid waste classification and waste reduction in 2025.

Waste (continued)

Property Operations

Construction Waste

- Required contractors to submit a mandatory Waste Disposal Plan outlining comprehensive waste management procedures
- Engaged licensed contractors to handle construction waste disposal and dispose of non-recyclable construction waste at landfills operated by the EPD, using a registered billing account or the necessary waste disposal licence
- Collaborated with local governments and transport contractors to handle and transport segregated chemical waste and other hazardous waste identified in the "Directory of National hazardous Wastes" in the Chinese Mainland

General Waste and Food Waste

- Ensured advertising and information provision on waste disposal for Guangzhou properties
- Ensured that grease and oil are handled by certified environmental contractors for proper sorting, and renovated oil separators to improve the treatment efficiency of oily waste and reduce waste generation
- Enhanced the collection and disclosure of recycling data for hazardous and non-hazardous waste across all operations in the Chinese Mainland
- Enhanced waste compactor systems across Shanghai properties to improve waste management efficiency through the compression of general waste, resulting in annual cost savings of approximately RMB300,000

Food and Beverage Operations

- Stored perishable food properly to reduce wastage
- Maximised the usage of all raw materials in food processing
- Donated non-perishable food in good condition to charitable organisations
- Ceased providing plastic utensils for all takeaway orders and switched to recyclable packaging materials

Environment (continued)

Waste (continued)

Hotel Operations

Common Measures

- Ceased the provision of single-use plastic products including plastic toothbrushes, toothpaste and shower caps in accordance with legislation
- Installed large-format hand soap dispensers in all guest rooms to replace individual soap bars
- Monitored waste generated from guest rooms to reduce waste disposal to landfill
- Promoted paperless operations, resulting in an estimated reduction of 900 kg in paper consumption

STARR Hotel Shanghai

- Provided dedicated collection bins for electronic waste, including batteries and toner cartridges, and ensured daily centralised handling by designated staff
- Reassessed and optimised the selection of hotel guest amenities by adopting environmentally friendly materials, reducing resource consumption and operating costs while supporting more sustainable hotel operations

Hong Kong Ocean Park Marriott Hotel

- Collaborated with local non-governmental organisations such as Foodlink and Food Angel to donate excess food like bread, pastries and desserts from buffets and cafeterias to people in need
- Provided drinking water dispensers in all guest rooms to avoid the use of bottled water, which is estimated to eliminate more than 250,000 plastic bottles

Media and Entertainment Operations

- Promoted eco-friendly practices such as cloud-sharing of work documents, using environmentally friendly paper and adopting double-sided printing
- Implemented new policies on reusing envelopes for internal mailing

Water

Property Operations

The Group continues to enhance water efficiency across its property portfolio through infrastructure upgrades, proactive maintenance and operational optimisation. At our Hong Kong properties, automatic sensor-operated urinals and water taps have been installed at Causeway Bay Plaza 2, Lai Sun Commercial Centre and Cheung Sha Wan Plaza to minimise unnecessary water consumption. In Hengqin, regular inspections and maintenance of domestic and firefighting water distribution networks, together with the installation of remote metering devices for real-time flow monitoring, have helped reduce water losses and achieve estimated annual water savings of approximately 200 tonnes. The Group has also implemented operational measures to optimise water use in its landscaping and water features. At Guangzhou Lai Fung Tower, timers were installed and weekend water supply interruptions were scheduled for fountains to reduce overall water consumption. Similarly, Zhongshan Palm Spring Rainbow Mall optimised the operation of selected fountains and streams through seasonal shutdowns, routine inspections and timely leak repairs, reducing annual water consumption by approximately 6,000 m^3 compared with the previous year.

Hotel Operations

To reduce water consumption in hotel operations, the Group continues to enhance water efficiency by implementing water conservation targets, upgrading water-saving infrastructure and optimising operational practices. Hong Kong Ocean Park Marriott Hotel operates a rainwater harvesting system for landscape irrigation, which is expected to save approximately 4,450 m^3 of water each year. In the Chinese Mainland, Ascott Huaihai Road Shanghai and Hyatt Regency Hengqin have upgraded water closets to high-efficiency models, achieving estimated annual water savings of approximately 700 tonnes and 800 tonnes, respectively. Meanwhile, STARR Hotel Shanghai is progressively replacing shower fixtures with water-saving, pressure-enhancing models to further improve water-use efficiency and reduce overall water consumption.

Food and Beverage Operations

To enhance water efficiency across its food and beverage operations, the Group has implemented a range of water conservation measures, including eliminating the practice of defrosting food under running water and upgrading dishwashing equipment to high-efficiency, water-saving models.

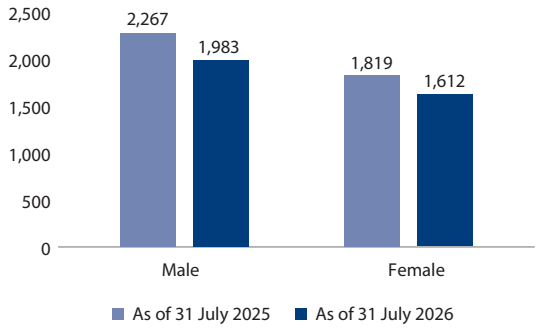
Environmental, Social and Governance Report

People

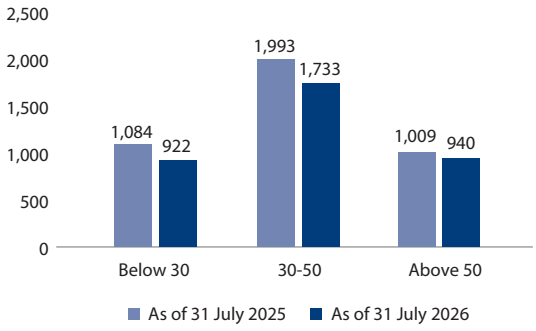


Employment Practices

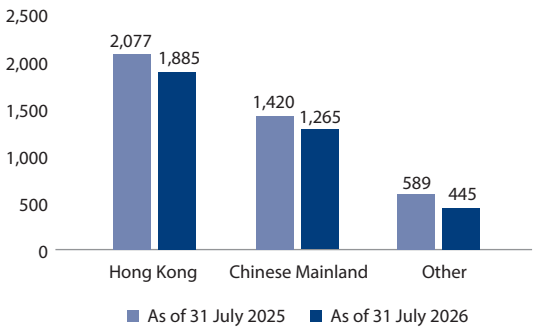
Number of Employees by Gender



Number of Employees by Age Group



Number of Employees by Geographical Region



Gender ratio:
Male: Female = 1:0.8

Turnover rate:
33%

Employment Practices (continued)

The Group recognises that cultivating an employee-centric workplace to attract, develop and retain talent is key to building a sustainable and successful business. We provide a supportive environment in which employees can excel. We maintain comprehensive policies on employment practices to ensure compliance with all applicable laws and regulations in Hong Kong and the Chinese Mainland. Our Employee Handbook outlines all relevant terms and conditions, including employee benefits, compensation, dismissal procedures, working hours, leave entitlements, anti-discrimination measures and the Group's standards for employee behaviour and conduct.

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

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

Labour Standards

Guided by the policies outlined in the Employee Handbook, the Group is committed to upholding international labour standards and respecting and protecting the recognised human rights and dignity of our employees. Our Human Resources Department is responsible for overseeing employment-related matters and monitoring compliance with applicable laws. As part of the recruitment process, all potential candidates undergo thorough screening to ensure their backgrounds and relevant information meet legal requirements. Emerging employment-related laws and regulations are proactively monitored to ensure the Group adopts the latest legal frameworks.

Our operations adhere strictly to laws and regulations relating to forced and child labour. The Group provides clear and well-defined employment and labour terms in its employment contracts and prohibits child labour in accordance with applicable laws and regulations in the jurisdictions where it operates. Furthermore, in the Chinese Mainland, employees are compensated for overtime in accordance with relevant legal requirements.

Beyond direct employment, the Group requires all contractors to comply with the provisions set out in our Code of Conduct, extending our rigorous labour standards throughout the value chain.

During the reporting year, the Group was not aware of any cases of non-compliance with relevant laws and regulations concerning forced and child labour.

People (continued)

Employee Welfare

The Group is committed to creating a holistic workplace in which employees can grow professionally and personally and benefit from care, appropriate benefits and work-life balance. To reinforce this commitment, the Group has signed the Labour Department's Good Employer Charter and complies with all relevant local laws and regulations.

To support employee retention and engagement, the Group provides competitive remuneration packages. We regularly review salaries to maintain market competitiveness, attract talent and motivate employees to perform at their best. In addition to standardised welfare packages, we provide benefits including medical or commercial insurance, social security and housing benefits to address the diverse needs of our workforce in each region.

We foster a vibrant work environment by offering diverse well-being programmes and value-added benefits to our employees. These include non-wage benefits such as additional holidays, annual health check-ups and free access to clubhouse facilities for employees working at properties in the Chinese Mainland. In Hong Kong, we arrange integrity training, crisis response courses, local tours and annual departmental gatherings to strengthen team cohesion. We also celebrate traditional festivals, birthdays and team milestones to enhance employees' sense of belonging and team morale. To promote a balanced lifestyle, apart from offering flexible working arrangements, we also offer welfare to our full-time cinema employees, including overtime allowance, travel allowance, typhoon or rainstorm allowance, and attendance bonus. We also organise workshops and events to promote healthy lifestyles.

Health and Safety

We are committed to safeguarding the health and safety of our employees and minimising potential occupational health and safety risks. We achieve this by adhering strictly to the occupational health and safety guidelines and information issued by the Labour Department. The management teams of individual business units are responsible for implementing health and safety measures and providing regular safety training to all staff. Employees in designated roles are required to obtain relevant certifications to ensure that they possess the knowledge and skills necessary to perform their duties safely and effectively. In addition to mandatory training programmes, we organise regular workshops and events focused on employee health and safety to foster a strong safety culture throughout the Group.

Through comprehensive and rigorous occupational health and safety management measures, the Group recorded zero work-related fatalities over the past three years. During the reporting year, the Group was not aware of any cases of non-compliance with relevant health and safety laws and regulations.

Health and Safety (continued)

Property Operations

The Group is meticulous about addressing potential occupational health and safety risks at construction sites. In addition to complying with the Occupational Safety and Health Ordinance (Chapter 509) and ensuring that our contractors comply with the Factories and Industrial Undertakings Ordinance (Chapter 59) in Hong Kong, we actively devise and implement measures to foster a safe working environment.

To ensure effective oversight of occupational health and safety, each project has at least one safety officer responsible for overseeing health and safety matters and preparing the on-site management plan. Fortnightly meetings with these officers are arranged to identify safety hazards and discuss appropriate measures. Safety guidelines and crisis management protocols are in place to standardise safety practices and enhance emergency preparedness. Staff at all premises are provided with personal protective equipment. In Hong Kong, all traditional A-frame ladders used by technical teams have been replaced with platform ladders to reduce the risk of overreaching while working at height. Training on fire hazards, electrical safety, safe production practices, confined-space safety, proper equipment use, emergency drills and first aid is provided in Hong Kong and the Chinese Mainland to equip staff with the knowledge and skills required to respond to emergencies.

We enforce rigorous safety protocols at all residential and commercial properties under our management. Our property management teams have access to a safety handbook for reference. The table below summarises the health and safety-related certifications held by our properties.

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

Hotel Operations

In our hospitality operations, the Safety Committees at Hong Kong Ocean Park Marriott Hotel and Ascott Huaihai Road Shanghai manage and monitor health and safety matters. All hotel operations have also implemented measures to minimise occupational health and safety risks and enhance employees' mental well-being. Employees receive tailored training on emergency response, fire hazards and first aid, and participate in regular fire drills.

People (continued)

Health and Safety (continued)

Food and Beverage Operations

For food and beverage operations, a dedicated safety officer is appointed to inspect high-risk operational areas, identify potential hazards and implement corrective actions. Health and safety training is included in induction programmes. We also provide protective equipment, such as anti-fatigue mats and cut-resistant gloves for kitchen staff, and slip-resistant shoes and specialised outerwear for waiting staff. Occupational health and safety training, together with courses under the Food and Environmental Hygiene Department's Hygiene Manager and Hygiene Supervisor Scheme, is arranged for staff. Successful completion of the relevant course is required to obtain the qualification.

Training and Development

Recognising the evolving nature of the business landscape, the Group promotes a culture of continuous learning and development to support employees' professional growth and enhance their capabilities in line with emerging industry trends and market requirements. Our Employee Handbook outlines the Group's progressive approach to employee development and training programmes.

A wide range of on-the-job learning programmes is offered to office-based and frontline employees to strengthen their practical skills and experience. Staff at officer grade and above can access the e-learning platform to develop problem-solving skills and gain insights into personality profiles, which help improve teamwork and communication. To support professional advancement, we offer mentorship programmes and leadership development initiatives designed to nurture growth at all levels.

Beyond internal programmes, we provide financial support to employees who wish to obtain professional qualifications or attend external programmes, recognising that pursuing career interests is vital to professional development. Structured career progression frameworks, including promotion pathways and formal recognition initiatives such as the Long Service Award, enable employees to build enduring careers within our organisation. We also conduct annual performance assessments and provide performance-related bonuses linked to Key Performance Indicators to support strategic development planning. In addition to supporting employees' professional advancement at all levels, our government-collaborated internship programme helps identify and develop emerging industry talent. These measures are designed to create a supportive and growth-oriented workplace in which employees can thrive and achieve long-term success.

Total Training Hours:
>92,000 hours

Percentage of Long Tenure Employees (over 15 Years) in the Group: 12%

Training and Development (continued)

Property Operations

We place great emphasis on enhancing the performance of our property management teams throughout the business cycle. New employees are welcomed through structured induction sessions to familiarise them with the organisation's policies, people and culture. To strengthen employees' capabilities, we provide a range of learning programmes tailored to different roles and career stages. Training covers both professional and ESG-related topics, including property safety management, sales knowledge, technology, etiquette and team management. Meanwhile, in the Chinese Mainland, site visits to Grade A office buildings are organised to provide employees with first-hand exposure to industry best practices in property management and real estate market trends.

Hotel Operations

The Group is firmly committed to employee development and nurturing talent within its hotel and cinema operations.

Regardless of location, general training in areas such as first-aid, fire safety, emergency management and etiquette is mandatory to support workplace safety. Hong Kong Ocean Park Marriott Hotel continued its sustainability commitments by providing awareness training on Green Key certification implementation and delivering the Foundations of Leadership programme to all employees to strengthen their social responsibility awareness.

In the Chinese Mainland, Ascott Huaihai Road Shanghai, Hyatt Regency Hengqin and STARR Hotel Shanghai delivered various training initiatives to maintain high levels of customer satisfaction. These included role-specific skills development, communication and customer-handling training. Hyatt Regency Hengqin also implemented leadership programmes and continued its Management Trainee Programme to foster a well-rounded workforce.

Cinema Operations

Given the customer-centric nature of the cinema business, all employees receive training on service etiquette, communication techniques and emotional management. Role-specific training is also provided to enhance job-related competencies. For example, projectionists receive training on projector maintenance and lighting control systems, while customer-facing staff participate in service enhancement programmes developed in response to customer feedback. These designated trainings equip employees with the knowledge and skills required to ensure the smooth and reliable operation of cinema facilities.

Operating Practices



Responsible and Ethical Practices

Property Operations

The Group has established measures to prevent inaccurate information from being communicated to customers. All sales brochures, price lists, show flats, advertisements and sales arrangements are prepared in accordance with Chapter 621 Residential Properties (First-Hand Sales) Ordinance in Hong Kong. To minimise the risk of misrepresentation in marketing and promotional materials, all relevant materials must be reviewed by external and internal solicitors and qualified checkers. The Sales Management team holds regular meetings and reviews all advertising materials to ensure strict compliance with the Ordinance before approving them for publication.

All Hong Kong property sales staff are required to hold a valid salesperson's or estate agent's licence and comply with the Estate Agents Ordinance and its subsidiary legislation, the Code of Ethics and any other applicable guidelines issued by the Estate Agents Authority in the course of their work. In addition, the Sales Team is required to follow the best-practice guidelines set out in the Practice Notes issued periodically by the Sales of First-hand Residential Properties Authority. Before the public sale of first-hand residential properties, the Group obtains official sales consent from the Legal Advisory and Conveyancing Office ("**LACO**") of the Lands Department in compliance with local laws and regulations. In the Chinese Mainland, the Group also complies with relevant real estate market laws and regulations, including the Urban Real Estate Administration Law of the People's Republic of China, to protect consumer rights.

When preparing marketing materials, cross-functional departments, including finance, project management, and sales and marketing, collaborate to ensure that project information is accurate, complete and appropriately presented. To ensure the accuracy of our external communications, we also review our marketing materials in consultation with the legal and management teams to prevent exaggeration, false claims, and misleading information in external promotions.

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

Responsible and Ethical Practices (continued)

Food and Beverage Operations

By upholding responsible and ethical principles across our businesses, the Group takes specific measures to cater to the diverse needs of our customers. To accommodate customers' specific dietary requirements, a reminder is included on menus encouraging customers to inform serving staff of any food allergies. Upon receiving such information, the restaurant in-charge will coordinate with chefs to meet customers' needs, minimising the risk of potential allergen exposure. The Group also complies with applicable legal requirements in Hong Kong to ensure clear trade descriptions. During the reporting year, there were no material breaches with relevant laws and regulations regarding our marketing practices in food and beverage operations.

Service Excellence

Property Operations

The Group strives to maintain high-quality services and deliver a positive customer experience across the property management operations. To better understand customers' needs and evaluate service performance, we conduct regular customer satisfaction surveys to gather feedback on our services, including customer service, security service, environmental greening and construction management. Various properties have obtained quality management and service-related certifications, ensuring that their standards are aligned with the industry-leading practice:

ISO and Other Certifications	Properties
ISO 9001:2015 Quality management systems	Shanghai Hong Kong Plaza Guangzhou May Flower Plaza Guangzhou West Point Hengqin Novotown Phase I Cheung Sha Wan Plaza CCB Tower

During the reporting year, we maintained a high level of customer satisfaction across our properties. Notably, the surveyed properties in Shanghai, Guangzhou, Zhongshan and Hong Kong received an average customer satisfaction score of more than 97%.

To further enhance employee performance, the Guangzhou, Shanghai, Zhongshan and Hengqin operations provided employees with customer service training. In Hong Kong, the Group continues to recognise outstanding frontline employees through Seasonal Star Award to maintain excellent work performance. Award-winning employees will receive bonuses and certificates issued by senior management. During the reporting year, the Group's security was recognised through the Kowloon West Best Security Services Awards organised by the Hong Kong Police Force, reflecting the professionalism and dedication of our frontline security personnel in delivering quality services for our tenants and visitors.

Operating Practices (continued)

Service Excellence (continued)

Property Operations (continued)

The Group has established a comprehensive complaint handling guidelines and procedures to guide the frontline staff in professionally handling complaints from customers and tenants. The Hong Kong complaint management policies are aligned with the guidelines issued by the Property Management Services Authority. A person-in-charge is designated to formally record complaints to a complaint register and supervise their handling and follow-up actions. All complaint records and supporting documentation are retained for at least 3 years from the date of receipt.

To ensure the effective handling of customer feedback, Hengqin Novotown Phase I categorises complaints according to their severity and promptly assigns them to relevant departments for investigation and follow-up actions. Major complaints are escalated to the General Manager for resolution and improvement. The team compiles a monthly summary of customer complaints, which is then submitted to the customer service manager and General Manager for analysis and future improvement purposes.

We value customers' feedback on our customer service, so we have set up a customer complaint box and customer service hotline to understand their opinions and expectations on our services. During the reporting year, our properties in the Chinese Mainland and Hong Kong received a total of 55 complaints. Our property management teams followed up on all complaints received and took appropriate and detailed actions. For instance, housekeeping services were enhanced through optimised staff deployment and cleaning frequency, while smoking control measures were strengthened through enhanced inspections, additional no-smoking signage and awareness initiatives. In response to concerns regarding parking layout constraints, the Group upgraded parking bay markings, wayfinding signage and safety features to improve the overall parking experience.

The Group maintains direct communication with the complainants to facilitate timely follow-up and resolution of complaints. All complaints will be duly filed to ensure future improvements of the Group.

Hotel and Food and Beverage Operations

For hotel and restaurant operations, we uphold a customer-first principle by providing personalised service while safeguarding the health, safety and well-being of customers and employees. The Group takes a proactive approach to identifying potential complaints and implementing timely corrective actions. Management team members receive training to handle complaints in different scenarios and support effective resolution. Under the Group's management policy, designated employees are required to submit daily incident reports to headquarters to ensure that all matters are properly recorded, escalated where necessary and followed up.

To deliver high service standards and maintain customer satisfaction at our restaurants, our restaurant in-charge will engage with dine-in customers to gather feedback and address concerns in a timely manner. In addition, customers can leave comments, suggestions and complaints through a separate email address provided on the Company's website. All feedback received is forwarded to the department head for follow-up.

Service Excellence (continued)

Hotel and Food and Beverage Operations (continued)

We actively collect customer feedback through multiple channels to monitor service quality and identify opportunities for improvement across our hotel operations. For example, Ascott Huaihai Road Shanghai distributes post-stay satisfaction surveys to guests via email, achieving a customer satisfaction score of 84. All service quality-related complaints are recorded by our front desk team, and the team manager promptly notifies the operations team and initiates discussions on appropriate remedial measures and improvement suggestions. Similarly, Hong Kong Ocean Park Marriott Hotel utilises the "Guest Voice" online platform system to gather guest feedback following their stays. Follow-up actions are initiated within 24 hours upon receipt to ensure feedback is appropriately responded.

In addition, Hong Kong Ocean Park Marriott Hotel has received several accolades, including Meituan's 2025 Excellent Business Travel Hotel of the Year, U Travel Awards 2025 – My Favourite Local Resort Hotel, Trip.com's Emerging Star 2025 award, and many more. Hyatt Regency Hengqin was listed in the 2025 Ctrip Popularity Rankings for Hotels and was also recognised as one of Trip.com's 2025 Best Luxury Hotels. These recognitions demonstrate the Group's unwavering commitment to service excellence and customer satisfaction.

To encourage high-quality service delivery, our hotels regularly evaluate employee performance and recognise outstanding contributions. Ascott Huaihai Road Shanghai conducts biannual performance evaluations to strengthen employees' service awareness, while Hyatt Regency Hengqin operates the Hyatt Star Awards, through which outstanding employees can redeem points for complimentary meals and services. At STARR Hotel Shanghai, employees who receive positive guest feedback through the hotel's official website or online platforms are also eligible for quarterly performance-based recognition and rewards.

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

Cinema and Entertainment Operations

The Group gathers feedback from customers of its cinema and entertainment businesses through various channels, such as hotlines, emails, and social media platforms. All comments, enquiries and complaints are handled by dedicated customer service representatives and addressed within established response timeframes. The management team oversees the communications process to ensure concerns are addressed timely and appropriately.

In Hong Kong, the Group strictly adhere to the Standard Operating Procedure to maintain high service quality. All employees receive regular customer service training, including reviews of monthly complaint cases and service guidelines, while operation managers conduct weekly site visits. In addition to a centralised hotline, customer feedback is promptly addressed by our operation managers on site, and escalated to headquarters for further follow-up where necessary. We also perform regular checks on audio-visual equipment, including projectors and speakers, to maintain high service quality. During the reporting year, the Group abided by the relevant laws and regulation regarding film censorship and there were no major complaint cases in the entertainment business received by the Group.

Operating Practices (continued)

Customer Health and Safety

The Group places strong emphasis on safeguarding health and safety, and implements a range of preventive measures to maintain a safe environment for tenants, customers and employees. For instance, potable water tanks and ventilation systems are cleaned regularly and are subject to independent third-party inspections to help maintain high standards of hygiene, air quality and water safety.

Property Operations

In our managed properties, we have implemented strict measures to ensure the health and safety of our customers and staff. In Hong Kong, we obtained the IAQ Excellent Class Certificate at CCB Tower, demonstrating our commitment to maintaining superior indoor air quality and providing a healthy, comfortable and safe environment for our customers. In addition, air purifiers have been installed in all shopping mall bathrooms and selected public corridors at Cheung Sha Wan Plaza to further enhance indoor air quality. Complementing these air quality initiatives, CCB Tower has also conducted assessments of its electrical, drainage and HVAC systems to support the safe, reliable and efficient operation of its facilities.

Furthermore, the preventive measures in our Chinese Mainland properties focused on four key areas: fire and life safety, indoor environmental quality, water quality management, and preventive facility maintenance. We conduct routine inspections, risk assessments, professional maintenance of fire systems, and regular fire drills and training for tenants and staff in Guangzhou. To foster a healthy indoor environment, the properties have implemented comprehensive monitoring of air and water quality while ensuring the regular cleaning and maintenance of ventilation, air-conditioning, water tanks, and kitchen exhaust ducts. During the reporting year, Guangzhou West Point completed a rectification project for the public exhaust duct system in its retail mall, improving the cooking fume emissions management for food and beverage tenants and enhancing the overall environmental quality of the mall. Additionally, preventive testing and maintenance of lightning protection systems and generators were conducted to ensure operational safety and reliability across all properties.

Hotel Operations

Our staff are trained to handle theft, violent incidents, and hazardous materials. At Hyatt Regency Hengqin, we passed the annual system certification audit of ISO 22000:2018 required by the Hyatt Group and underwent a professional inspection by the authoritative organisation – Intertek. As part of the Marriott International corporate standard, employees in Hong Kong Ocean Park Marriott Hotel are required to undergo various training programmes, including fire safety, first aid and emergency plan training, to ensure a safe environment for our guests. In addition, we successfully passed the annual third-party food safety audit conducted by Ecolab, reflecting our high food safety and hygiene standards.

Customer Health and Safety (continued)

Cinema Operations

Food safety is a key priority in the Group's food and beverage and cinema operations. To uphold high food hygiene standards, the management staff are appointed as hygiene supervisors in accordance with the Hygiene Manager and Hygiene Supervisor Scheme by the Food and Environmental Hygiene Department. The Group maintains a robust food safety management system through regular internal audits to monitor the quality of the food being served to customers while providing staff with checklists on proper food handling procedures. The Group primarily purchases food from authorised suppliers to enhance source traceability and control. The Group closely monitors the latest government regulations and announcements, including the notice of the Centre for Food Safety, and acts promptly to address relevant issues.

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

Data Protection and Privacy

The Group endeavours to build a trusting relationship with its customers by protecting their privacy. In handling personal data and confidential data, the Group complies with applicable data protection regulations, including Chapter 486 Personal Data (Privacy) Ordinance in Hong Kong and Cybersecurity Law of the People's Republic of China strictly. Personal and confidential data are managed with caution, and the Group only collects personal data from its employees, suppliers or customers. Data providers are well-informed about the collection and use of their personal information and required to sign a Personal Information Collection Statement before or when their personal information is collected. The practice is also communicated to our business partners and clients to avoid confusion. During the reporting year, there were no confirmed incidents concerning breaches with data privacy.

Property Operations

The Group maintains a comprehensive framework of policies and procedures to protect customer data, including the Group's updated Information Security Policy (2026 edition), the existing Group Information Technology ("**GIT**") Operation Manual and the Lai Fung Holdings (Guangzhou) Information Management System Policy. In addition, written procedures have been established to guide property sales and management in the collection and handling of personal data.

All information collected is kept strictly confidential and used solely for sales purposes. Data obtained during the sales process, including Personal Information Collection Statement, all personal data and sales records, are stored within the internal system of the Group, with access restricted to management-level employees. Other staff accessing to customer information must obtain prior approval from management. Terms relating to employee personal data privacy and information protection awareness for employees engaging with operations data and technology, are outlined in our Employee Handbook.

Operating Practices (continued)

Data Protection and Privacy (continued)

Food and Beverage Operations

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

Hotel and Cinema Operations

While the Group provides personalised and superior services to customers, information security remains a top priority. Various handling procedures and policies are in place to standardise data collection practices across our hotel operations. For example, we respect the confidentiality of customers' personal data and only store information under their discretion. Other policies and procedures include adherence to the Information Protection and Cyber Security Policy, the Information Protection Awareness Guide and compliance with the Payment Card Industry Data Security Standard. Additionally, the Group provides regular training on these requirements to employees to ensure they are aware of the guidelines.

In the Group's cinema operations, customers' personal data, including names, birth dates, emails and telephone numbers, are collected solely for the administration of customer memberships. Customers are required to acknowledge the Personal Information Collection Statement and Privacy Policy Statement prior to enrolling in the loyalty programme. The statements set out the procedures and requirements in data use and disposal for relevant employees. Marketing materials are only sent to individuals who have subscribed with permission. For our online ticketing system, access rights are strictly monitored and reviewed regularly, to ensure that only authorised personnel have access to the database. All information in the online ticketing system is stored in the head office database to minimise access points. The Group collects only minimal customer data for ticket redemption and potential refunds. Upon completion of service, all personally identifiable information is securely destroyed.

Supply Chain Management

To maintain the quality of our products and services, the Group upholds the principles of transparency and fairness throughout our tendering, procurement and supply chain management processes. We work closely with all our business partners and select suppliers based on various attributes, such as their quality, capabilities and experience.

Property Operations

The Group has established a structured tendering procedure with quotation requirements tailored to construction projects of different scales. Contractors are required to comply with the Group's standards and local regulations. For instance, construction contractors in Hengqin are required to obtain all necessary legal permits and licences for their operations.

Operating Practices (continued)

Supply Chain Management (continued)

Property Operations (continued)

We have adopted a collaborative supply chain system to enhance transparency among internal companies and departments. During the reporting year, the Hengqin operation introduced an updated Supply Chain and Procurement Management Operational Guideline, which incorporates environmental and safety considerations into tendering and contractor selection processes while strengthening supplier management across the lifecycle of the supply chain. Suppliers are subject to a cross-functional due diligence process during onboarding, involving reviews of their qualifications, compliance status and business operations by relevant departments. The Group prioritises the procurement of certified remanufactured toner cartridges with recognised quality and environmental credentials over single-use products.

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

To minimise adverse environmental impacts, contractors must follow mitigation measures outlined in the Environmental and Safety Management Plan and Environmental Impact Assessment. The management team conducts regular site inspections to discuss project quality and environmental, health and safety conditions in collaboration with the building services inspectors, project supervisors, resident site engineers, and other members of the site management team as well as authorised third-party consultants. In addition, contractors are evaluated on their professional and technical capabilities to undertake construction works in accordance with the Group's standards as stipulated in the signed letter of commitment.

Hotel Operations

The Group has established standardised procurement procedures for hotel supplier selection. For example, at Ascott Huaihai Road Shanghai, suppliers must meet the requirements for waste management, material usage, and safety equipment as mentioned in the hotel's Sustainable Building Guideline and Occupational Health and Safety Plan. At Hong Kong Ocean Park Marriott Hotel, briefings, interviews, and other procedures are performed before tendering and bidding. Hyatt Regency Hengqin evaluates suppliers against the Hyatt Group's Supplier Code of Conduct, while taking recognised certifications and sustainability credentials into account during supplier selection and procurement activities to support alignment with Hyatt's ESG commitments. Prior to the bidding process, hotel partners are required to obtain suppliers' acknowledgement of the Company's Code of Conduct and verify all tendering documents to ensure suppliers understand and agree to comply with the relevant requirements.

Operating Practices (continued)

Supply Chain Management (continued)

Food and Beverage Operations

To enhance procurement efficiency, we have developed an e-procurement system. All suppliers are required to declare their compliance with Hong Kong laws and regulations during the registration process and adhere to our Group-wide Supply Chain Management Policy which sets clear standards for ethical conduct, environmental stewardship, and social responsibility across all business sectors. It is supported by our Supplier Code of Conduct, and the requirements are fully integrated into our procurement processes. The Group also maintains a structured due diligence framework, featuring supplier onboarding evaluations and ongoing monitoring to systematically identify and address risks, with a particular focus on high-risk suppliers and geographies where we implement corrective actions when needed.

We carefully select responsible sources of food for our restaurants and conduct regular inspections. The Group places strong emphasis on responsible sourcing and animal welfare by procuring sustainable seafood and using cage-free eggs in selected restaurant outlets and supporting environmentally conscious suppliers. To support sustainable procurement practices within our food and beverage operations, the Group monitors suppliers through self-assessments, third-party certifications, and internal approval workflows. During onboarding and through periodic audits, we verify compliance with our ethical sourcing standards, including documentation of relevant certification.

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

Furthermore, the Group prioritises suppliers that hold recognised certifications such as Aquaculture Stewardship Council ("**ASC**"), Marine Stewardship Council ("**MSC**") or organic-certified food with ISO or Hazard Analysis Critical Control Points ("**HACCP**") certification for food procurement, to support responsible food sourcing. Our existing suppliers are also subject to periodic on-site visits to monitor their environmental and social compliances and evaluate any relevant initiatives.

Community



As a responsible corporate, the Group recognises the close connection between our long-term success and the well-being of the communities in which we operate. We remain committed to fostering an inclusive and thriving community through meaningful stakeholder engagement initiatives. Throughout the reporting year, we have undertaken a variety of initiatives aimed at assisting underprivileged groups, supporting local community development through donations and partnering with charitable organisations on volunteer initiatives. Guided by our belief that sustainable development and community development are mutually reinforcing, we are dedicated to creating positive values for the communities we serve.

In the Chinese Mainland, the Group has actively participated in various community outreach events aimed at making positive contributions to society. The Group also encourages our employees to dedicate their time to charities. For example, we organised visits and festive outreach activities for the vulnerable groups through donations of clothing and daily necessities. The Group also participated in volunteer activities for vulnerable groups, blood donation campaigns and street cleaning activity. Furthermore, our employees took part in a tree planting activity in Hengqin National Wetland Park, contributing to ecological conservation.

In Hong Kong, the Group is committed to encouraging our employees to engage in a variety of impactful community initiatives. During the World Cup 2026, the Group's Hong Kong properties, including Cheung Sha Wan Plaza, Lai Sun Commercial Centre provided live daily match updates for the public. The initiative fostered community engagement and social connection while reinforcing the properties' role as community hubs. This year, our employees participated in a flag selling activity for Christian New Life Association. We also organised a fortune pastry charity sale for fundraising purposes with Chi Lin Nunnery to promote traditional culinary arts. Alongside these initiatives, we continued the Serve360 Sustainability Program to provide aid and support to those in need, and participated in food donation projects. Our food and beverage operations also donated food products to the disadvantaged and underprivileged through charitable organisations.

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

Summary of Environmental Performance[Note 2, 3]

Reporting Scope

Hong Kong Property Investment

- CCB Tower [Note 4]
- Cheung Sha Wan Plaza
- Causeway Bay Plaza 2
- Lai Sun Commercial Centre (LSCC)

Food and Beverage

- Beefbar
- China Tang Landmark
- Howard's Gourmet
- Chiu Tang Central
- KiKi Noodle Bar IFC
- KiKi Noodle Bar K11 MUSEA
- Canton Bistro
- Chiu Bistro
- Academia
- HANU
- bibigo bapsang
- OH! MY BREAD*
- Prohibition
- MOSU Hong Kong
- Yamato
- Akatsuki
- SẾP
- KiKi Noodle Bar Hysan Place
- Kanesaka Hong Kong
- Plaisance by Mauro Colagreco

Hong Kong Property Development

- 116 Waterloo Road project
- Mount Broadcast
- 1 Kotewall Road project

Chinese Mainland Property Investment

- Shanghai Hong Kong Plaza
- Shanghai May Flower Plaza
- Shanghai Regents Park
- Shanghai Skyline Tower
- Guangzhou May Flower Plaza
- Guangzhou West Point
- Guangzhou Lai Fung Tower
- Guangzhou Lai Fung International Center
- Zhongshan Palm Spring Rainbow Mall
- Hengqin Novotown Phase I

Cinema

- Movie Town
- Festival Grand Cinema
- MCL Metro City Cinema
- MCL Telford Cinema
- STAR Cinema
- MCL Green Code Cinema
- Grand Windsor Cinema
- MCL Cheung Sha Wan Cinema
- MCL Cyberport Cinema
- K11 Art House
- MCL Citygate Cinema
- MCL Amoy Cinema
- MCL The ONE Cinema
- MCL AIRSIDE Cinema

Chinese Mainland Property Development

- Hengqin Novotown Phase II

Media & Entertainment

- Included in Cheung Sha Wan Plaza and Lai Sun Commercial Centre

* *Newly added assets in FY25/26*

Note 2: *Calculations are based on method and conversion factor mentioned in "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs (version updated on 31 Dec 2024)" by the Stock Exchange and "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2026 edition)", unless otherwise specified.*

Note 3: *Compared with the year ended 31 July 2025, KiKi Noodle Bar OP Mall, Grand Kornhill Cinema, and MCL Cinemas Plus+ Plaza Hollywood were removed from the reporting scope.*

Note 4: *CCB Tower has been disposed on 30 June 2026.*

Summary of Environmental Performance[Note 2, 3] (continued)

	Unit	Total [Note 5]		Hong Kong Property Investment		Hong Kong Property Development [Note 6]		Chinese Mainland Property Investment		Chinese Mainland Property Development [Note 7]		Food & Beverage [Note 8]		Cinema		Entertainment	
		2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
A1.1 The types of air emissions and respective emissions data																	
Nitrogen oxides ("**NOx**") emissions	kg	1,331.48	1,572	0	0	0.04	196	1,280	1,322	0	0	51	52	0	0	0.44	2
Sulphur oxides ("**SOx**") emissions	kg	0.43	0.89	0	0	0	0.21	0.14	0.34	0	0	0.26	0.26	0	0	0.03	0.08
Particulate matter ("**PM**") emissions	kg	1.033	15.14	0	0	0.003	14	1	1	0	0	0	0	0	0	0.03	0.14
Total air emissions	**kg**	**1,332.943**	**1,588.03**	**0**	**0**	**0.043**	**210.21**	**1,281.14**	**1,323.34**	**0**	**0**	**51.26**	**52.26**	**0**	**0**	**0.50**	**2.22**
GHG emissions in total and intensity [Note 9]																	
Direct GHG emissions (Scope 1)	tonnes CO_2e	2,455	2,580	2	2	457	499	1,307	1,378	0	0	684	686	0	0	5	15
Indirect GHG emissions (Scope 2)	tonnes CO_2e	78,924	83,514	7,628	8,471	104	96	65,563	69,696	803	624	2,034	2,281	2,764	2,324	28	22
Total GHG emissions	**tonnes CO_2e**	**81,379**	**86,094**	**7,630**	**8,473**	**561**	**595**	**66,870**	**71,074**	**803**	**624**	**2,718**	**2,967**	**2,764**	**2,324**	**33**	**37**
GHG emissions intensity	**tonnes CO_2e/m^2**	**-**	**-**	**0.05**	**0.05**	**0.05**	**0.05**	**0.04**	**0.05**	**0.003**	**0.002** [Note 10]	**7.22** [Note 11]	**8.37** [Note 10, 11]	**0.07**	**0.05**	**0.02**	**0.03**

Note 5: *Hotel operation is excluded since the Group does not have its operational control.*

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

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

Note 8: *Revenue from Canton Bistro and Prohibition has been excluded from the intensity calculation because they are included in the hotel operation segment for segment reporting purposes.*

Note 9: *Natural gas is calculated with reference to "Emission Factors for Greenhouse Gas Inventories" by US EPA.*

Note 10: *Data was restated to reflect actual situation.*

Note 11: *The unit of intensity is calculated in millions of revenues.*

Summary of Environmental Performance[Note 2, 3] (continued)

	Unit	Total [Note 5]		Hong Kong Property Investment		Hong Kong Property Development [Note 6]		Chinese Mainland Property Investment		Chinese Mainland Property Development [Note 7]		Food & Beverage [Note 8]		Cinema		Entertainment	
		2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
A1.3 Total hazardous waste produced																	
Total hazardous waste produced [Note 12]	**kg**	**1,244**	**1,542**	**539**	**830**	**3**	**7**	**590**	**590**	**0**	**0**	**0**	**0**	**105**	**108**	**7**	**7**
Percentage of hazardous waste recycled	**%**	**17**	**34**	**35**	**59**	**100**	**100**	**3**	**4**	**0**	**0**	**0**	**0**	**0**	**0**	**52**	**52**
A1.4 Total non-hazardous waste produced																	
Construction waste disposed [Note 13]	tonnes	13,037	9,413	N/A	N/A	7,541 [Note 14]	4,135	5,496	5,275	N/A	N/A	N/A	N/A	N/A	N/A	0	3
Food waste disposed [Note 15]	tonnes	5,546	5,254	N/A	N/A	N/A	N/A	5,545	5,252	N/A	N/A	1	2	N/A	N/A	N/A	N/A
General waste disposed	tonnes	20,834	19,054	7,388	7,150	N/A	N/A	13,393	11,843	N/A	N/A	0	0	51	60	2	1
Total non-hazardous waste produced (including recycling waste)	**tonnes**	**39,790**	**34,919**	**7,407**	**7,170**	**7,884**	**5,303**	**24,434**	**22,370**	**N/A**	**N/A**	**12**	**12**	**51**	**60**	**2**	**4**
Percentage of non-hazardous waste recycled	**%**	**0.94**	**3.43**	**0.26**	**0.28**	**4**	**22**	**0**	**0**	**N/A**	**N/A**	**89**	**85**	**0**	**0**	**0**	**0**

Note 12: Hazardous waste produced includes fluorescent lamps, chemicals, and toner cartridge waste disposed.

Note 13: Construction waste includes renovation waste, general construction waste, soil excavation, concrete, bricks, timber and steel.

Note 14: The fluctuation is due to the commencement of foundation works in the Hong Kong Property Development, including bored piles and socketed H-piles, which resulted in higher volumes of construction waste being generated.

Note 15: Food waste includes grease oil and waste oil.

Summary of Environmental Performance[Note 2, 3] (continued)

	Unit	Total [Note 5]		Hong Kong Property Investment		Hong Kong Property Development [Note 6]		Chinese Mainland Property Investment		Chinese Mainland Property Development [Note 7]		Food & Beverage [Note 8]		Cinema		Entertainment	
		2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
A2.1 Direct and/or indirect energy consumption by type in total and intensity																	
Electricity consumption	mWh	151,153	148,385 [Note 10]	17,339	17,535 [Note 10]	306	259	123,069	119,959	1,513	1,075	3,398	3,743	5,446	5,754	82	61
Gas consumption [Note 16]	mWh	10,638	10,839	N/A	N/A	N/A	N/A	7,064	7,257	N/A	N/A	3,574	3,582	N/A	N/A	N/A	N/A
Diesel oil consumption	mWh	1,858	2,196	8	8	1,843	2,181	7	7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gasoline consumption	mWh	110	278	N/A	N/A	N/A	N/A	90 [Note 17]	223	N/A	N/A	N/A	N/A	N/A	N/A	20	55
Total energy consumption	**mWh**	**163,759**	**161,698** [Note 10]	**17,347**	**17,543** [Note 10]	**2,149**	**2,440**	**130,230**	**127,446**	**1,513**	**1,075**	**6,972**	**7,325**	**5,446**	**5,754**	**102**	**116**
Energy consumption intensity	**kWh/m²**	**-**	**-**	**112**	**117**	**182**	**207**	**87**	**86**	**5.26**	**3.74** [Note 10]	**18,508** [Note 11]	**20,673** [Note 10,11]	**143**	**132**	**65**	**79**
A2.2 Water consumption in total and intensity																	
Water consumption in total [Note 18]	**m³**	**1,547,613**	**1,505,775**	**102,582**	**101,380**	**13,868** [Note 19]	**3,682**	**1,298,448**	**1,246,972**	**52,574** [Note 20]	**84,206**	**74,424**	**62,308**	**5,623**	**7,192**	**94** [Note 21]	**35**
Water consumption intensity	**m³/m²**	**-**	**-**	**0.66**	**0.66**	**1.18**	**0.31**	**0.87**	**0.84**	**0.18**	**0.29** [Note 10]	**198** [Note 11]	**176** [Note 10, 11]	**0.15**	**0.20**	**0.06**	**0.02**

Note 16: Gas consumption includes natural gas and towngas.

Note 17: The fluctuation is due to the decrease in the number of company vehicles, which contributes to the reduction in gasoline consumption.

Note 18: MCL Cyberport Cinema is excluded from the scope of both financial years as their water consumption is managed by the central management of the property and there is no separate water meter for the cinemas. Grand Kornhill Cinema was excluded from the scope in 2025 due to the same reason.

Note 19: The fluctuation is due to the commencement of foundation works in the Hong Kong Property Development, which contributed to higher water consumption in 2026.

Note 20: The fluctuation is due to the completion of various construction stages at Hengqin Novotown Phase II, which contributed to the decrease of water consumption.

Note 21: The fluctuation is due to the introduction of pantry facilities at Cheung Sha Wan Plaza from January 2025 onwards, which contributed to higher water consumption in 2026.

Summary of Social Performance

The Group [Note 22]	Unit	2026	2025
B1.1 Total workforce by gender, employment type, age group and geographical region (excluding contractors and subcontractors)			
Number of employees	No. of employees	3,595	4,086
By gender			
Male	No. of employees	1,983	2,267
Female	No. of employees	1,612	1,819
By age group			
Below 30	No. of employees	922	1,084
30-50	No. of employees	1,733	1,993
Above 50	No. of employees	940	1,009
By employment type			
Full time – Male	No. of employees	1,819	2,041 [Note 10]
Full time – Female	No. of employees	1,406	1,587 [Note 10]
Part time – Male	No. of employees	164	226
Part time – Female	No. of employees	206	232
By geographical region			
Hong Kong	No. of employees	1,885	2,077
Chinese Mainland	No. of employees	1,265	1,420
Other	No. of employees	445	589
B1.2 Employee turnover rate by gender, age group and geographical region [Note 23]			
Total employee turnover rate	%	33	38
By gender			
Male	%	33	38
Female	%	33	37
By age group			
Below 30	%	52	64
30-50	%	25	28
Above 50	%	27	28
By geographical region			
Hong Kong	%	34	47
Chinese Mainland	%	35	33
Other	%	20	19
Employee retention			
Long tenure employees (over 15 years)	%	12	11

Note 22: The reporting scope Summary of Social Performance includes Lai Sun Garment and its subsidiaries, namely Lai Sun Development, Lai Fung Holdings and eSun Holdings.

Note 23: Turnover rate (in percentage) = Total number of employees leaving employment in the category / Total number of employees in the category × 100%, which includes all full-time and part-time employees.

Summary of Social Performance (continued)

The Group [Note 22]	Unit	2026	2025
B2.1 Number and rate of work-related fatalities [Note 24]			
Number of work-related fatalities	No. of fatalities	0	0
Rate of work-related fatalities	%	0	0
B2.2 Lost days due to work injury			
Number of lost days	No. of lost days	1,694	1,867
Number of attendees training by gender and employee category			
By employee category [Note 25]			
Senior management	No. of attendance	89	177
Middle management	No. of attendance	635	1,205
General staff	No. of attendance	8,448	11,511
By gender			
Male	No. of attendance	6,299	7,485
Female	No. of attendance	2,873	5,408
B3.2 The average training hours completed per employee by gender and employee category [Note 26]			
By employee category			
Senior management	No. of hours	17	14
Middle management	No. of hours	24	26
General staff	No. of hours	26	24
By gender			
Male	No. of hours	26	25
Female	No. of hours	25	23
B5.1 Number of suppliers by geographical region			
Hong Kong	No. of suppliers	1,038	877
Chinese Mainland	No. of suppliers	838	770
Other	No. of suppliers	45	52
B8.2 Resources contributed to community investment			
Cash donations and sponsorships	HKD	1,356,964	4,368,808
Volunteering hours	Hours	115	697

Note 24: Number and rate of work-related fatalities occurred in each of the past three years including the reporting year was 0.

Note 25: The decrease in the number of attendees trained attributable to the changes in training structure.

Note 26: Average number of training hours per employee = Total training hours in the category / Total workforce in the category.

References to HKEX ESG Reporting Code

Part C: "Comply or explain" Provisions

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

References to HKEX ESG Reporting Code (continued)

Subject Areas, Aspects, General Disclosure and KPIs		Sections/Remarks
A. Environmental		
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Integrating Environmental Sustainability into Our Operations
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Integrating Environmental Sustainability into Our Operations; Climate Resilience and GHG Emissions; Energy; Waste; Water
Aspect A4: Climate Change		
General Disclosure	*Repealed 1 January 2025*	—
A4.1	*Repealed 1 January 2025*	—
B. Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment Practices; Employee Welfare
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Summary of Social Performance
B1.2	Employee turnover rate by gender, age group and geographical region.	Summary of Social Performance
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Summary of Social Performance
B2.2	Lost days due to work injury.	Summary of Social Performance
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety

References to HKEX ESG Reporting Code (continued)

Subject Areas, Aspects, General Disclosure and KPIs		Sections/Remarks
B. Social		
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Training and Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	During the reporting year, only the number of training attendees are being recorded and disclosed.
B3.2	The average training hours completed per employee by gender and employee category.	Summary of Social Performance
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
B4.2	Description of steps taken to eliminate such practices when discovered.	The Group does not tolerate any use of child or forced labour and has established procedures to ensure that no child or forced labour is engaged.
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
B5.1	Number of suppliers by geographical region.	Summary of Social Performance
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

References to HKEX ESG Reporting Code (continued)

Subject Areas, Aspects, General Disclosure and KPIs		Sections/Remarks
B. Social		
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Responsible and Ethical Practices; Service Excellence; Customer Health and Safety; Data Protection and Privacy; Intellectual Property Rights
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to the Group's business.
B6.2	Number of products and service related complaints received and how they are dealt with.	Service Excellence
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Rights
B6.4	Description of quality assurance process and recall procedures.	Service Excellence
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Data Protection and Privacy
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Integrity and Discipline
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Integrity and Discipline
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Integrity and Discipline
B7.3	Description of anti-corruption training provided to directors and staff.	Integrity and Discipline
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community
B8.2	Resources contributed (e.g. money or time) to the focus area.	Summary of Social Performance

References to HKEX ESG Reporting Code (continued)

Part D: Climate-related Disclosures

Disclosure Description	Sections/Remarks
Governance	
(19) An issuer shall disclose information about:	
(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	
(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Climate Resilience and GHG Emissions
(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Board Statement; Climate Resilience and GHG Emissions
(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	Board Statement; Climate Resilience and GHG Emissions
(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	Board Statement; Metrics and Targets
(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	
(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Board Statement
(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Board Statement; Climate Resilience and GHG Emissions
Strategy	
Climate-related risks and opportunities	
(20) An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	Climate Resilience and GHG Emissions
(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	
(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	
(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	

References to HKEX ESG Reporting Code (continued)

Disclosure Description	Sections/Remarks
Strategy	
Business model and value chain	
(21) An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	
(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	Climate Resilience and GHG Emissions
(b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	
Strategy and decision-making	
(22) An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	
(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	Climate Resilience and GHG Emissions; Green Building Development and Operations; Energy
(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	
(iii) any climate-related transition plans the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan;	
(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	
(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	
(23) An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Climate Resilience and GHG Emissions; Green Building Development and Operations; Energy
Financial position, financial performance and cash flows	
(24) An issuer shall disclose qualitative and quantitative information about:	
(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	Climate Resilience and GHG Emissions
(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	

References to HKEX ESG Reporting Code (continued)

Disclosure Description	Sections/Remarks
Strategy	
Financial position, financial performance and cash flows	
(25) The issuer shall provide qualitative and quantitative disclosures about:	
(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	
(i) its investment and disposal plans; and	Climate Resilience and GHG Emissions
(ii) its planned sources of funding to implement its strategy; and	
(b) How the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	
Climate resilience	
(26) An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	
(a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	
(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	Climate Resilience and GHG Emissions
(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	
(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	
(b) how and when the climate-related scenario analysis was carried out, including:	
(i) information about the inputs used, including:	
(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;	Climate Resilience and GHG Emissions
(2) whether the analysis included a diverse range of climate-related scenarios;	
(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	
(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	
(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	
(6) time horizons the issuer used in the analysis; and	
(7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	
(ii) the key assumptions the issuer made in the analysis; and	
(iii) the reporting period in which the climate-related scenario analysis was carried out.	

References to HKEX ESG Reporting Code (continued)

Disclosure Description	Sections/Remarks
Risk management	
(27) An issuer shall disclose information about:	
(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	Climate Resilience and GHG Emissions
(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	Climate Resilience and GHG Emissions
(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	Climate Resilience and GHG Emissions
(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;	Board Statement; Climate Resilience and GHG Emissions
(v) how the issuer monitors climate-related risks; and	Board Statement; Climate Resilience and GHG Emissions
(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	Climate Resilience and GHG Emissions
(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	Board Statement; Climate Resilience and GHG Emissions
(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	
Metrics and targets	
Greenhouse gas emissions	
(28) An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as:	
(a) Scope 1 greenhouse gas emissions;	Summary of Environmental Performance
(b) Scope 2 greenhouse gas emissions; and	Summary of Environmental Performance
(c) Scope 3 greenhouse gas emissions.	The Group will continue to evaluate the availability of Scope 3 data and enhance its data collection processes progressively, with a view to improving Scope 3 emissions disclosure in future reporting periods.

References to HKEX ESG Reporting Code (continued)

Disclosure Description	Sections/Remarks
Metrics and targets	
Greenhouse gas emissions	
(29) An issuer shall:	
(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	Summary of Environmental Performance
(b) disclose the approach it uses to measure its greenhouse gas emissions including:	
(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	Summary of Environmental Performance
(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	
(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	
(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	
(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	The Group will continue to evaluate the availability of Scope 3 data and enhance its data collection processes progressively, with a view to improving Scope 3 emissions disclosure in future reporting periods.
Climate-related transition risks	
(30) An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	The Group has undertaken an assessment of the current and anticipated financial effects of climate-related risks and opportunities. Detailed information has not been disclosed due to commercial sensitivity considerations.
Climate-related physical risks	
(31) An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	The Group has undertaken an assessment of the current and anticipated financial effects of climate-related risks and opportunities. Detailed information has not been disclosed due to commercial sensitivity considerations.
Climate-related opportunities	
(32) An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	The Group has undertaken an assessment of the current and anticipated financial effects of climate-related risks and opportunities. Detailed information has not been disclosed due to commercial sensitivity considerations.
Capital deployment	
(33) An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	The Group tracks capital expenditure, financing and investment deployment. Detailed information has not been disclosed due to commercial sensitivity considerations.

References to HKEX ESG Reporting Code (continued)

Disclosure Description	Sections/Remarks
Metrics and targets	
Internal carbon prices	
(34) An issuer shall disclose:	
(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	Carbon price is not applied in decision-making currently.
(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	
Remuneration	
(35) An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Climate-related considerations have not been factored into the remuneration policy.
Industry-based metrics	
(36) An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	The Group currently does not disclose industry-based metrics. We will continue to monitor relevant reporting developments and assess the applicability of industry-based metrics to its business.
Climate-related targets	
(37) An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
(a) the metric used to set the target;	Metrics and Targets
(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	
(d) the period over which the target applies;	
(e) the base period from which progress is measured;	
(f) milestones or interim targets (if any);	The Group currently monitors progress against its climate-related targets at the overall target level and has not established specific interim targets or milestones. The Group will continue to review its target-setting approach as its climate management practices evolve.
(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	Metrics and Targets
(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	The Group's climate-related target was developed based on its operational profile and business objectives. We will continue to monitor relevant developments and review its target-setting approach as appropriate.

References to HKEX ESG Reporting Code (continued)

Disclosure Description	Sections/Remarks
Metrics and targets	
(38) An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
(a) whether the target and the methodology for setting the target has been validated by a third party;	The Group's climate-related target was developed based on its operational profile and business objectives. We will continue to monitor relevant developments and review its target-setting approach as appropriate.
(b) the issuer's processes for reviewing the target;	Metrics and Targets
(c) the metrics used to monitor progress towards reaching the target; and	
(d) any revisions to the target and an explanation for those revisions.	
(39) An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Metrics and Targets
(40) For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
(a) which greenhouse gases are covered by the target;	Our GHG emissions include CO_2, methane ("**CH_4**"), and nitrous oxide ("**N_2O**") and are converted to reflect the CO_2 equivalent.
(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	Our target covers Scope 1 and Scope 2 GHG emissions.
(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	Our target is a gross GHG emissions target.
(d) whether the target was derived using a sectoral decarbonisation approach; and	Currently we have not considered sectoral decarbonisation approach.
(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	Currently we have no plan in using carbon credits to help realise our decarbonisation targets.
(ii) which third-party scheme(s) will verify or certify the carbon credits;	
(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	
Applicability of cross-industry metrics and industry-based metrics	
(41) In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	We will consider disclosing industry-based metrics in the future when our internal capabilities are sufficiently developed to ensure accurate and reliable disclosures.

Corporate Governance Report

The Company is committed to achieving and maintaining high standards of corporate governance and has established policies and procedures for compliance with the principles and code provisions set out from time to time in the Corporate Governance Code ("**CG Code**") contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**" and "**Stock Exchange**", respectively).

(1) Corporate Governance Practices

The Company has complied with all the code provisions set out in the CG Code for the year ended 31 July 2026 ("**Year**") save for the deviation from code provision F.1.3.

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

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

(2) Corporate Culture And Strategy

The Company (together with its subsidiaries, "**Group**") is a member of the Lai Sun Group. The principal activities include property investment and development in Hong Kong, Chinese Mainland and overseas as well as investment in and operation of hotels and restaurants, production and distribution of films and TV programs, music production and publishing, management and production of concerts, artiste management, cinema operation, development and operation of and investment in cultural, leisure, entertainment and related facilities and investment holding.

(2.1) The Board's Role

The board of directors of the Company ("**Board**" and "**Directors**", respectively) believes that sound corporate governance is the cornerstone of the Group's sustainable development and long-term success. The Board is responsible for establishing the Group's purpose, values and strategy, and for satisfying itself that these are aligned with the Group's culture. All Directors act with integrity, lead by example, and promote the desired culture, ensuring that values of acting lawfully, ethically and responsibly are instilled and continuously reinforced throughout the Group.

Through setting and overseeing the Group's long-term strategic objectives, risk management framework and corporate governance policies, the Board ensures that the Group's business operations are consistent with its core values and culture, thereby creating sustainable long-term value for the Shareholders and other stakeholders.

(2) Corporate Culture And Strategy (Continued)

(2.2) Corporate Culture and Values

As a diversified group, our Group's businesses encompass property investment, property development, investment in and operation of hotels and restaurants, production and distribution of films and TV programs, music production and publishing, management and production of concerts, artiste management, cinema operation, development and operation of and investment in cultural, leisure, entertainment and related facilities, and investment holding. The Group recognises the importance of stakeholders at the Board level and throughout the organisation, and strives to provide high-quality and reliable products and services, creating value for stakeholders through sustainable growth and continuous development.

The Board has established the following core values to guide employees' conduct and behaviours, as well as business activities, and to ensure that these values are embedded throughout the Company's vision, mission, policies and business strategies:

Value	What we expect in practice
Integrity	We strive to do what is right. We comply with the law and applicable regulations, act honestly and fairly with those we deal with, and speak up when something is wrong.
Excellence	We aim to deliver excellence. We set high standards for the quality of our properties, our guest experience and our productions, and we seek to improve on them.
Collaboration	We are always better together. We work across business units and with our partners, share knowledge and expertise, and resist working in silos.
Accountability	We are accountable for delivering on our commitments. We take ownership of decisions and their consequences, and are transparent about outcomes, including where we fall short.
Empathy	We care about our stakeholders — employees, customers, supply chain partners and the communities in which we operate. We listen to their concerns and respond to them.
Sustainability	We are committed to a sustainable future. We weigh the environmental and social consequences of our decisions and take a long-term view of the interests of the Group.

(2) Corporate Culture And Strategy (Continued)

(2.2) Corporate Culture and Values (continued)

These core values form the foundation of the Group's corporate culture. The Board ensures that such values are reinforced and embedded across all levels of the Group through the following mechanisms:

- **Tone from the Top** — The Board and senior management of the Company ("**Senior Management**") lead by example, demonstrating the desired culture and values through their own conduct and decision-making.

- **Effective Communication and Engagement** — The Group regularly communicates its corporate culture and core values to all employees through meetings, internal communications and training activities, ensuring a consistent understanding of the Group's expectations at all levels.

- **Accountability Mechanisms** — The Group maintains a clear accountability framework, whereby employees at every level are held responsible for their actions. The Board regularly reviews the implementation of the culture to ensure that it remains aligned with the Group's strategy and operational practices.

- **Incentive Alignment** — The Group's performance management and reward systems incorporate cultural elements, with behavioural performance (e.g., leadership, teamwork and professionalism) evaluated alongside business results, incentivising employees to embody the Group's core values in their daily work.

- **Ongoing Monitoring and Assessment** — The Board assesses whether the corporate culture remains aligned with the Group's purpose, values and strategy. Monitoring indicators include staff turnover rates, whistleblowing data, breaches of the code of conduct, and regulatory compliance records, helping to identify potential cultural weaknesses.

(2) Corporate Culture And Strategy (Continued)

(2.3) Business Model and Value Creation

The Group's core business is property investment and development, while its diversified portfolio (including hotel and restaurant operations, cultural and leisure facilities, cinema operation, and film and music production) generates synergies and creates long-term value.

The basis on which the Group generates or preserves value over the longer term is underpinned by the following business model:

(i) **Property Investment and Development** — derives stable rental income and capital appreciation through holding and managing a high-quality property portfolio. It continuously reviews market conditions and adjusts its investment strategy and asset mix in a timely manner to maintain the competitiveness and resilience of its portfolio.

(ii) **Synergies from Diversified Businesses** — diversified operations (including hotels, restaurants, cinemas, cultural and leisure facilities, and film and music production) complement each other, creating synergies that broaden revenue sources and enhance the Group's ability to withstand market volatility.

(iii) **Brand and Intangible Assets** — having built competitive advantages through its long-standing brand reputation, industry networks and professional expertise. Investments in the cultural, entertainment and film production sectors help enhance brand value and market influence.

(iv) **Prudent Capital Management** — adheres to prudent financial management principles, optimising its capital structure and exercising rigorous cost control to safeguard financial health and long-term sustainability.

The Board believes that long-term financial performance, rather than short-term gains, is a core corporate governance objective. The Group should not take undue risks to make short-term profits at the expense of its long-term objectives.

The discussion and analysis of the Group's performance for the Year is set out in the Chairman's Statement and the Management Discussion and Analysis sections of this Annual Report.

(2) Corporate Culture And Strategy (Continued)

(2.4) Strategic Priorities

To achieve sustainable growth and long-term goals, the Group has established the following strategic priorities:

(i) **Continuous Optimisation of Core Business** — continuously enhances its property investment portfolio through asset enhancement initiatives, tenant mix optimisation and operational efficiency improvements, reinforcing the competitiveness and profitability of its core businesses.

(ii) **Synergistic Development of Diversified Businesses** — actively drives synergies between its cultural, entertainment, food and beverage, film production and other businesses with its core property operations, creating cross-sector value and strengthening overall competitiveness.

(iii) **Timely Capture of Market Opportunities** — closely monitors changes in the market environment (including consumer trends, technological developments and regulatory policies) and adjusts its business strategies promptly, taking proactive measures to respond to changes and meet market demands.

(iv) **Long-term Commitment to Sustainability** — integrates sustainability principles into its business strategy and daily operations, striving to achieve a balance among economic, social and environmental objectives, thereby creating long-term value for stakeholders.

The Board will continue to review and, where necessary, adjust the Group's business strategies to ensure they remain aligned with the Group's purpose, values and culture, and to maintain agility in a rapidly changing market environment, fostering the sustainability of the Group.

(3) Board Of Directors

(3.1) Responsibilities and Delegation

The Board oversees the overall management of the Company's business and affairs. The Board's primary duty is to ensure the viability of the Company and to ascertain that it is managed in the best interests of its Shareholders as a whole while taking into account the interests of other stakeholders.

The Board has established specific committees with written terms of reference to assist it in the efficient implementation of its functions, namely the Executive Committee, the Audit Committee, the Nomination Committee and the Remuneration Committee. Specific responsibilities have been delegated to the above committees.

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

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

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

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

(3) Board Of Directors (Continued)

(3.2) Composition of the Board

The Board currently comprises nine members, of whom four are EDs, one is non-executive Director ("**NED**") and the remaining four are INEDs, in compliance with the minimum number of INEDs required under Rule 3.10(1) of the Listing Rules. The Company has also complied with Rule 3.10A of the Listing Rules, with INEDs representing at least one-third of the Board.

The Directors who served on the Board during the Year and up to the date of this Annual Report, together with their respective length of tenure and current period of appointment since their last re-election, are set out below:

Directors	Length of Tenure (Year)	Current Period of Appointment since Last Re-election (Year)
Executive Directors		
Lam Kin Ngok, Peter, GBM, GBS *(Chairman)*	49	2
Cheung Sum, Sam *(Group Chief Financial Officer)*	3	3
Lam Hau Yin, Lester *(also alternate director to U Po Chu)*	13	2
Lee Tze Yan, Ernest	4	1
Non-executive Director		
U Po Chu	32	1
Independent Non-executive Directors		
Ip Shu Kwan, Stephen, GBS, JP	16	1
Lam Bing Kwan	24	3
Leung Shu Yin, William	22	3
Luk Hon Man	3	3

The brief biographical particulars of the current Directors are set out in the section headed "Biographical Details of Directors" of this Annual Report on pages 169 to 173.

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

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

(3) Board Of Directors (Continued)

(3.3) Board Performance

A formal board performance review was conducted during the reporting period. An external consultant firm which is independent of the Company and its Directors was engaged to evaluate the performance of the Board and Board Committees of the Company. The evaluation focused on the following areas:

- Board composition and skills
- Board culture and dynamics
- Board practices
- Information to the board
- Board meetings
- Compliance and training
- Risk management and internal controls
- Stakeholder engagement

The board evaluation was performed through questionnaires completed by the Directors, review of Board and Board Committees' documentation, discussions with selected Directors and Senior Management, and presentation of the evaluation results to the Board.

The evaluation report concluded that the Board is effective with the following action plans to further strengthen its performance:

- Enhance training by external experts on the latest Hong Kong and Chinese Mainland market, industry updates and trends;
- Strengthen the Board and management succession planning considering the skills and experiences; and
- Enhance the interaction between Board members and the management by arranging site-visits and presentation by the middle management to the Board.

The Board will monitor the implementation of the above measures and will report on progress achieved in the next annual report.

(3) Board Of Directors (Continued)

(3.4) Board Skills Matrix

The skills matrix below sets out the skills and expertise of the Board that are most relevant to the Company's strategy, governance and business and to enabling the Board to effectively discharge its duties and responsibilities:

Skills area	Description	Importance	Adequacy	Plans to address gaps/ expand skills
Business strategy	Ability to identify strategic opportunities and threats, whilst developing and implementing plans to achieve corporate objectives	E	Adequate	Provide market updates and trainings, including seminars, webcasts, and relevant reading materials to the Directors
Industry knowledge and experience	An understanding of the Company's business daily operations, market development, competitors, technology and innovation	E	Adequate	Attend industry events and participate in industry organisations to acquire industry knowledge and connections
Financial literacy/ business acumen	Ability to read and comprehend corporate accounts, financial materials and financial reporting requirements	E	Adequate	Arrange external consultants to provide regular updates and distribute materials on financial reporting requirements
Legal and regulatory	Ability and experience in overseeing risk management and internal control systems for legal and regulatory compliance	E	Adequate	Engage external legal advisor to provide regular training and sharing of insights to the Board on insights on latest regulatory requirements and enforcement cases
Diversity	Contribution to Board diversity in terms of age, gender, and cultural background, etc.	E	Adequate	Identify suitable candidates to enhance the Board's diversity on a continuous basis

- *"E" = essential skills that should currently be in the Board's possession*
- *"F" = skills that should be acquired for future purposes/in light of anticipated emerging needs*
- *"A/D" = skills that are not necessary but desirable or aspirational in nature*

(3) Board Of Directors (Continued)

(3.5) Board Independence

The Board has established mechanisms to ensure independent views and input are available to the Board and such mechanisms will be reviewed annually by the Board. On 23 October 2026, the Board has reviewed the implementation and effectiveness of the following mechanisms at the Board meeting:

(a) Four out of the nine Directors are INEDs which meets the requirement of the Listing Rules that at least one-third of the Board are independent non-executive directors.

(b) The Nomination Committee will assess the independence of a candidate who is nominated to be a new INED before appointment and the continued independence of the current long-serving INEDs on an annual basis. All INEDs are required to submit a written confirmation to the Company annually to confirm the independence of each of them and their immediate family members, and their compliance with the requirements as set out in the Rule 3.13 of the Listing Rules.

(c) All Directors are entitled to retain independent professional advisors as and when it is required.

(d) All Directors are encouraged to express their views in an open and candid manner during the Board/Board Committees meetings.

(e) The Chairman of the Board will meet with the INEDs at least annually without the presence of the EDs.

(f) A Director (including INED) who has material interest in any contract, transaction or arrangement shall abstain from voting and not be counted in the quorum on any Board resolution approving the same.

(g) No equity-based remuneration with performance-related elements will be granted to INEDs.

In compliance with Rule 3.13A of the Listing Rules, the Company will commence succession planning to ensure the orderly transition and phased retirement of long-serving INEDs. This proactive approach aims to prevent abrupt changes to the Board's composition while maintaining continuity, experience, and sound governance.

(3) Board Of Directors (Continued)

(3.6) Attendance Record at Board meetings

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

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

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

(3.7) NEDs

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

(3) Board Of Directors (Continued)

(3.8) Appointment and Re-election of Directors

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

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

Mr. Cheung Sum, Sam, Mr. Lam Bing Kwan, Mr. Leung Shu Yin, William and Mr. Luk Hon Man will retire from office as Directors by rotation at the forthcoming AGM to be held on Friday, 18 December 2026 ("**2026 AGM**") and, being eligible, will offer themselves for re-election. Details of the above retiring Directors proposed for re-election at the 2026 AGM, as required to be disclosed under Rule 13.51(2) of the Listing Rules, are set out in the Company's circular dated 19 November 2026.

(3.9) INEDs

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

All INEDs except Mr. Luk Hon Man, have been serving more than 9 years on the Board. The length of tenure of Messrs. Lam Bing Kwan, Leung Shu Yin, William and Ip Shu Kwan, Stephen with the Company as at the date of this Annual Report was more than 24 years, 22 years and 16 years, respectively. Mr. Luk Hon Man has served on the Board for more than 3 years. Notwithstanding their long-term services, given their extensive experience as professional accountant or seasoned business leader would significantly contribute to the strategy development and continuous improvement on internal controls and other relevant financial and corporate governance matters of the Company, the Nomination Committee is satisfied that they demonstrate complete independence in character and judgement to fulfil their designated roles, and the Board is of the opinion that they continue to bring independent and objective perspectives to the Company's affairs.

(3) Board Of Directors (Continued)

(3.9) INEDs (continued)

Mr. Lam Bing Kwan ("**Mr. Lam**"), Mr. Leung Shu Yin, William ("**Mr. Leung**") and Mr. Luk Hon Man ("**Mr. Luk**"), being INEDs will retire by rotation as Directors at the forthcoming AGM and, being eligible, offer themselves for re-election. Mr. Lam and Mr. Leung have served on the Board for over 9 years while Mr. Luk has served on the Board for over 3 years. The Board has received from Mr. Lam, Mr. Leung and Mr. Luk written annual confirmations of their independence every year and taking into account the various factors as set out in Rule 3.13 of the Listing Rules and their actual contributions, their impartiality and independent judgements on various issues that they bring to the discussions during Board and Board Committees meetings, both the Nomination Committee and the Board are satisfied that Mr. Lam, Mr. Leung and Mr. Luk will continue to have the required character and experience to fulfill the role of an INED and consider that the re-election of Mr. Lam, Mr. Leung and Mr. Luk as an INED at the forthcoming AGM is in the best interest of the Company and its Shareholders as a whole. The appointment of Mr. Lam, Mr. Leung and Mr. Luk will each be subject to a separate resolution to be approved by Shareholders.

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

(3.10) Directors' and Officers' Liabilities Insurance

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

(4) Directors' Induction And Continuous Professional Development

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

The Directors update their skills and knowledge and familiarise themselves with the Group through participation in meetings of the Board and Board Committees. The Directors are regularly briefed on the amendments to, and updates on, relevant laws, rules and regulations. In addition, the Company has been encouraging the Directors and Senior Management to enrol in a wide range of professional development courses and seminars relating to the Listing Rules, Companies Ordinance/act and corporate governance practices organised by professional bodies, independent auditor and/or law firms in Hong Kong, so that they can continuously update and further enhance their relevant knowledge and skills.

From time to time, Directors are provided with written training materials by the Company to develop and refresh their knowledge and professional skills; seminars/webinars on the latest development of applicable laws, rules and regulations will be organised and arranged for the Directors to assist them in discharging their duties.

(4) Directors' Induction And Continuous Professional Development (Continued)

All Directors are required to provide the company secretary of the Company ("**Company Secretary**") with records of their training. Based on the details so provided, the Directors participated in continuous professional development ("**CPD**") during the Year covering all five topics prescribed under Rule 3.09G of the Listing Rules and thereby satisfied the requirements of Rule 3.09F of the Listing Rules. Details of the CPD undertaken by the Directors during the Year are summarised as follows:

Directors	Modes of Participation[Note 1]	Topics Covered[Note 2]	Hours Completed	Total Training Hours
Executive Directors				
Lam Kin Ngok, Peter, *GBM, GBS*	Internal Training	T1, T2, T3, T4, T5	8 hours	20 hours
	Self-study	T1, T2, T3, T4, T5	12 hours	
Cheung Sum, Sam	External Training	T1, T2, T3, T4	21 hours	41 hours
	Internal Training	T1, T2, T3, T4, T5	8 hours	
	Self-study	T1, T2, T3, T4, T5	12 hours	
Lam Hau Yin, Lester *(also alternate director to U Po Chu)*	Internal Training	T1, T2, T3, T4, T5	8 hours	20 hours
	Self-study	T1, T2, T3, T4, T5	12 hours	
Lee Tze Yan, Ernest	External Training	T1, T3, T4, T5	24.5 hours	32.5 hours
	Internal Training	T2	4 hours	
	Self-study	T2	4 hours	
Non-executive Director				
U Po Chu	Internal Training	T1, T2, T3, T4, T5	8 hours	20 hours
	Self-study	T1, T2, T3, T4, T5	12 hours	
Independent Non-executive Directors				
Ip Shu Kwan, Stephen, *GBS, JP*	Internal Training	T1, T2, T3, T4, T5	8 hours	20 hours
	Self-study	T1, T2, T3, T4, T5	12 hours	
Lam Bing Kwan	Internal Training	T1, T2, T3, T4, T5	8 hours	20 hours
	Self-study	T1, T2, T3, T4, T5	12 hours	
Leung Shu Yin, William	External Training	T1, T2, T3, T4	7 hours	38.5 hours
	Internal Training	T1, T2, T3	6.5 hours	
	Self-study	T1, T2, T3, T4, T5	25 hours	
Luk Hon Man	Internal Training	T1, T2, T3, T4, T5	8 hours	20 hours
	Self-study	T1, T2, T3, T4, T5	12 hours	

(4) Directors' Induction And Continuous Professional Development (Continued)

Notes:

1. *Modes of participation*

External Training:	*Training courses, seminars, workshops and other similar activities organised by external parties, such as regulatory bodies, industry associations and professional bodies.*
Internal Training:	*Training sessions, briefings, workshops and other similar activities delivered by the Group.*
Self-study:	*Self-directed learning, including the reading of relevant publications, online materials and industry and market updates.*

2. *Topics*

T1:	*The roles, functions and responsibilities of the Board, its committees and its Directors, and Board effectiveness.*
T2:	*The Company's obligations and Directors' duties under Hong Kong law and the Listing Rules, and key legal and regulatory developments (including Listing Rule updates) relevant to the discharge of such obligations and duties.*
T3:	*Corporate governance and environmental, social, and governance matters (including developments on sustainability or climate-related risks and opportunities relevant to the Company and its business).*
T4:	*Risk management and internal controls.*
T5:	*Updates on industry-specific developments, business trends and strategies relevant to the Company.*

(5) Board Committees

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

(5.1) Audit Committee

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

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

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

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

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

(5) Board Committees (Continued)

(5.1) Audit Committee (continued)

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

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

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

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

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

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

(5) Board Committees (Continued)

(5.1) Audit Committee (continued)

(b) Work performed by the Audit Committee

The Audit Committee held three meetings during the Year. It has reviewed the audited results of the Company for the year ended 31 July 2025, the unaudited interim results of the Company for the six months ended 31 January 2026 and other matters related to the financial and accounting policies and practices of the Company as well as the nature and scope of the audit for the Year. It has also reviewed the Company's compliance with the CG Code and disclosure in this Corporate Governance Report. Further, it has reviewed the budget for the ensuing year. It has also reviewed and accepted to provide pre-concurrence for the provision of non-assurance services provided by the independent auditor of the Company ("**Independent Auditor**"). During the Year, the Audit Committee has also reviewed the Company's internal control review reports and put forward relevant recommendations to the Board for approval. In addition, the Audit Committee held private session with the Independent Auditor separately without the presence of management.

On 22 October 2026, the Audit Committee reviewed the draft audited consolidated financial statements of the Company as well as the accounting principles and policies for the Year with the Company's management in the presence of the representatives of the Independent Auditor. It also reviewed this Corporate Governance Report, internal control review reports and enterprise risk management report of the Company prepared by the Independent Advisor and the usage of annual caps on certain continuing connected transactions of the Company. In addition, the Audit Committee has assessed the effectiveness of the Group's systems of risk management and internal control as well as the implementation and effectiveness of the Company's Shareholders' Communication Policy during the Year. Further, it has reviewed and approved the proposal for internal audit services for the three financial years ending 31 July 2029.

(5) Board Committees (Continued)

(5.1) Audit Committee (continued)

(c) Attendance record at the Audit Committee meetings

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

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

(5.2) Nomination Committee

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

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

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

(5) Board Committees (Continued)

(5.2) Nomination Committee (continued)

(a) Duties of the Nomination Committee

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

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

(i) Nomination Policy for the Directors

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

The Nomination Policy was last reviewed by the Nomination Committee on 22 October 2026.

(5) Board Committees (Continued)

(5.2) Nomination Committee (continued)

(a) Duties of the Nomination Committee (continued)

(ii) Board Diversity Policy

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

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

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

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

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

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

(5) Board Committees (Continued)

(5.2) Nomination Committee (continued)

(a) Duties of the Nomination Committee (continued)

(ii) Board Diversity Policy (continued)

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

The Board Diversity Policy was last reviewed by the Nomination Committee on 22 October 2026 and considered effective.

(iii) Workforce Diversity Policy

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

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

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

(5) Board Committees (Continued)

(5.2) Nomination Committee (continued)

(a) Duties of the Nomination Committee (continued)

(iii) Workforce Diversity Policy (continued)

The following action plan/initiative and measurable objectives have been set by the Company for achieving gender diversity, and progress tracking against them will be monitored on an ongoing basis:

Focus Areas	Plan/Initiative	Measurable Objectives	Timeline	Progress Tracking
Workforce Gender Balance	Strengthen hiring practices to ensure balance gender representation across functions and levels	Ensure at least one qualified female candidate is shortlisted for every management or professional role	For the financial year ending 31 July 2027	Quarterly hiring analytics
Recruitment Processes	Eliminate the bias during hiring assessment	Train hiring managers on inclusive recruitment practices	For the financial year ending 31 July 2027	Human resources training completion rate
Pay Equity and Fair Compensation	Review salary structures during annual compensation cycles	Ensure all pay decisions are supported by objective and documented rationale	Annual	Human resources compensation review documentation

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

The Board places emphasis on diversity (including gender diversity) across all levels of the Company. As at 31 July 2026, we had 11% female representation on the Board and a 0.8:1 female-to-male ratio in the overall workforce (excluding Senior Management). Details on the gender ratio of the Group together with relevant data can be found in the ESG Report on pages 96 and 116 of this Annual Report.

The Workforce Diversity Policy was last reviewed by the Nomination Committee on 22 October 2026.

(5) Board Committees (Continued)

(5.2) Nomination Committee (continued)

(b) Work performed by the Nomination Committee

The Nomination Committee held one meeting during the Year. It has reviewed the Nomination Policy, the Board Diversity Policy and the Workforce Diversity Policy, and the structure, size and composition of the Board (including the gender, skills, knowledge and experience). In addition, it assessed the independence of all INEDs taking into account their written annual confirmation as well as the factors relevant to assessing independence as set out in Rule 3.13 of the Listing Rules and was of the view that the long service of the INEDs will not affect their exercise of independent judgement and they will remain committed to their role as INEDs. Further, the Nomination Committee recommended to the Board for considering the re-election of the retiring Directors, namely Mr. Lee Tze Yan, Ernest, Madam U Po Chu and Mr. Ip Shu Kwan, Stephen at the AGM held on 19 December 2025, after considering their respective experience, contributions and devoted efforts as well as the continued independence of the retiring INEDs. The Nomination Committee was of the view that the current composition of the Board was suitable to the operations of the Company and appropriate to the requirements of the Board Diversity Policy and therefore the current structure, size and composition of the Board should be maintained.

On 22 October 2026, the Nomination Committee reviewed the Nomination Policy, the Board Diversity Policy and the Workforce Diversity Policy, and considered that the said policies were appropriate and effective. Apart from the review on the structure, size and composition of the Board (including the gender, skills, knowledge and experience), it also reviewed and assessed the time commitment and contribution to the Board by each Director and was satisfied that each Director has devoted sufficient time to the Company and discharge his/her responsibilities effectively during the Year. Further, it also reviewed the Board Performance Review Report, biographies of the Directors, assessed the continued independence of each INED and recommended Mr. Cheung Sum, Sam, Mr. Lam Bing Kwan, Mr. Leung Shu Yin, William and Mr. Luk Hon Man (collectively, "**Retiring Directors**") to the Board for considering their re-election at the forthcoming AGM based on the Nomination Policy and the Board Diversity Policy. The Nomination Committee believed that the Retiring Directors will continue to contribute to the Board with their skills, experience and knowledge.

(5) Board Committees (Continued)

(5.2) Nomination Committee (continued)

(c) Attendance record at the Nomination Committee meeting

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

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

(5.3) Remuneration Committee

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

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

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

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

(5) Board Committees (Continued)

(5.3) Remuneration Committee (continued)

(a) Duties of the Remuneration Committee

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

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

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

(b) Work performed by the Remuneration Committee

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

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

(5) Board Committees (Continued)

(5.3) Remuneration Committee (continued)

(c) Attendance record at the Remuneration Committee meeting

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

Committee Members	Number of Meeting Attended/ Number of Meeting Held
Executive Director	
Cheung Sum, Sam	1/1
Independent Non-executive Directors	
Leung Shu Yin, William	1/1
Lam Bing Kwan	1/1

(6) Chairman And Chief Executive

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

During the Year and up to the date of this Annual Report, Dr. Lam Kin Ngok, Peter was the Chairman of the Board and the Company did not officially have a Chief Executive Officer. The responsibilities of the Chief Executive Officer and the day-to-day management of business are undertaken by other EDs. This segregation ensures a clear distinction between the Chairman's responsibilities to manage the Board and other EDs take up the responsibilities of the Chief Executive Officer to manage the Company's business. The division of responsibilities between the Chairman and the Chief Executive Officer is clearly defined and set out in writing.

(7) Dividend Policy

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

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

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

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

The Board has the sole discretion to declare and distribute dividends to the Shareholders, subject to all applicable requirements (including without limitation restrictions on dividend declaration and payment) under the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) ("**Companies Ordinance**") and the Articles of Association. It is confirmed that all dividend decisions made by the Board were made in accordance with the Dividend Policy.

In view of the Company's performance for the Year and its financial position as at 31 July 2026, no interim dividend for the six months ended 31 January 2026 was declared and the Directors do not recommend the payment of a final dividend for the Year. The Company will actively explore new business opportunities and optimise cost control measures with an aim to enhance investors' returns.

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

(8) Securities Transactions By Directors And Designated Employees

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

(9) Whistleblowing Policy

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

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

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

(10) Anti-Fraud And Anti-Corruption Policy

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

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

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

(11) Independent Auditor's Remuneration

The fees in respect of the audit and non-audit services provided to the Group by the Independent Auditor, Messrs. Ernst & Young, Certified Public Accountants, Hong Kong ("**Ernst & Young**") for the Year amounted to HK$12,031,000 and HK$6,475,000, respectively. The non-audit services mainly consist of advisory, review, tax compliance service and other reporting services. An analysis of such fees is set out below:

	Audit service HK$'000	**Non-audit service** HK$'000
The Group (excluding eSun Holdings Limited ("**eSun**"), Lai Fung Holdings Limited ("**Lai Fung**") and their respective subsidiaries)	5,557	4,648
eSun and its subsidiaries	3,100	1,279
Lai Fung and its subsidiaries	3,374	548
Total	**12,031**	**6,475**

(12) Directors' Responsibility For Preparing Financial Statements

The Directors acknowledge that they are responsible for overseeing the preparation of the financial statements which give a true and fair view of the financial position of the Group and of the financial performance and cash flows for such reporting period. In doing so, the Directors select suitable accounting policies and apply them consistently and make accounting estimates that are appropriate in the circumstances. With the assistance of the accounting and finance staff, the Directors ensure that the financial statements of the Group are prepared in accordance with statutory requirements and appropriate financial reporting standards.

(13) Independent Auditor's Reporting Responsibility

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

(14) Risk Management And Internal Control

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

The Group has established a risk management framework, which consists of the Board, the Audit Committee and the Risk Management Taskforce. The Board determines the nature and extent of risks that shall be taken in achieving the Group's strategic objectives, and has the overall responsibility for monitoring the design, implementation and the overall effectiveness of risk management and internal control systems. The Board confirms that the Group's risk management and internal control systems are appropriate and effective for the purposes set out in Principle D.2 of the CG Code.

The Group has formulated and adopted Risk Management Policy in providing direction in identifying, evaluating and managing significant risks. At least on an annual basis, the Risk Management Taskforce identifies risks that would adversely affect the achievement of the Group's objectives, and assesses and prioritises the identified risks according to a set of standard criteria. In addition, the procedures on disclosure of inside information were in place to ensure that all relevant facts and circumstances that may have material effect on the share price of the Company are promptly assessed and that any material information which comes to the knowledge of any officers of the Group is promptly identified, assessed and escalated for the attention of the Senior Management and the Board to determine whether a disclosure is required. These procedures are designed to ensure the timely, accurate and complete disclosure of inside information and any other information required to prevent a false market in the Company's securities. During the Year, a risk management framework has been implemented that provides a structured basis in which all key risks (including but not limited to governance and strategy, regulatory compliance, operations, financial, legal and ESG) are identified, analysed and evaluated. Risk mitigation plans and risk owners are then established for those risks considered to be significant. There were no significant change to the Group's risk management and internal control systems or to the risks (including ESG-related risks) faced by the Group during the Year.

With a view to manage the Group's business and operational risks and to ensure smooth operation, the Group has outsourced the internal audit function to the Independent Advisor during the Year to assist the Board and the Audit Committee in ongoing monitoring of the risk management and internal control systems of the Group. The design and implementation of internal controls are to identify weakness for improvement. The scope of the annual review covered the significant business processes of the Group on a rotational basis, in accordance with the relative significance of risks. The Independent Advisor reports to the Audit Committee for identified weakness and proposed recommendation on an annual basis to ensure prompt remediation actions are taken. The Independent Advisor identified no high-risk findings nor significant control failings or weaknesses for the Year; and no unresolved issues and no remedial steps are required.

(14) Risk Management And Internal Control (Continued)

The enterprise risk management report and internal control review report are prepared by the Independent Advisor and submitted to the Audit Committee and the Board at least once a year. The Board had performed annual review on the effectiveness of the Group's risk management and internal control systems, including but not limited to the Group's ability to cope with its business transformation and changing external environment; the scope and quality of management's review of the risk management and internal control systems; results of internal audit work; the extent and frequency of communication with the Board in relation to result of risk and internal control review; significant failures or weaknesses identified and their related implications; and the status of compliance with the Listing Rules. The Board and the Audit Committee considered that the Group's risk management and internal control systems in place for the Year and up to the date of this Annual Report are effective and adequate for the purposes set out in Principle D.2 of the CG Code. In reaching this conclusion, the Board received confirmations from management, the Audit Committee and the Independent Advisor.

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

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

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

Based on the Company's internal control review report and enterprise risk management report prepared by the Independent Advisor for the Year and the subsequent assessment of the Audit Committee, no significant irregularity or deficiency in the risk management and internal control systems has drawn to the attention of the Audit Committee. The Board acknowledges its responsibility for these systems and is satisfied that the Group has maintained appropriate and effective risk management and internal control systems for the Year.

(15) Company Secretary

During the Year, the Company Secretary has complied with the relevant training requirement under Rule 3.29 of the Listing Rules.

(16) Shareholders' Rights

(16.1) Procedures for Shareholders to convene a general meeting

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

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

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

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

(16) Shareholders' Rights (Continued)

(16.2) Procedures for putting forward proposals at general meeting

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

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

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

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

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

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

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

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

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

(17) Communication With Shareholders

(17.1) Shareholders' Communication Policy

The Board recognises the importance of maintaining clear, timely and effective communication with Shareholders and fostering constructive engagement with the investment community. The Shareholders' Communication Policy, which was adopted on 29 March 2012 and last updated on 22 July 2022, establishes a framework for facilitating effective communication between the Company and its Shareholders through various channels, with a view to enhancing investor relations and investors' understanding of the Company. The Policy seeks to ensure that Shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company, enabling them to exercise their rights in an informed manner and engage actively with the Company.

The Board reviews the Shareholders' Communication Policy regularly to ensure its effectiveness and compliance with applicable regulatory requirements. A copy of the Policy has been published on the Company's website for public information.

During the Year, the Company communicated and engaged effectively with Shareholders and potential investors through various channels, including but not limited to the following:

Channels	Highlights for the Year
Corporate Communications	• Shareholders could elect their preferred language (either English and Chinese, or both) or means of receipt of corporate communications (either in printed form or in electronic form). • Approximately 84 corporate communications (including the 2025 annual report, the 2026 interim report, and various circulars, announcements and notices) were published on the respective websites of HKEX and the Company.
General Meeting	• The 2025 AGM and the GMs provided a forum for Shareholders to speak and exchange views with the Directors and Senior Management on the Company's affairs. • Shareholders could attend the 2025 AGM and the GMs in person. • Directors (including chairman of various Board Committees), Senior Management and the external auditor attended the 2025 AGM and/or the GMs and were available to answer questions from Shareholders.
Media and Analyst Briefings	• Financial highlights, press releases and results presentations were posted on the Company's website.

(17) Communication With Shareholders (Continued)

(17.1) Shareholders' Communication Policy (continued)

Channels	Highlights for the Year
Investor Meetings	• The Group's Executive Directors and Investor Relations Department communicate with research analysts and institutional investors regularly. • Communicated with over 200 stakeholders via physical/online meetings and conference calls. • Attended seminars organised by the investment community.
Company's Website	• The Company's website was updated regularly, enabling Shareholders to access timely and updated information about the Company, including but not limited to all corporate communications (e.g. financial reports and circulars); and other corporate information (e.g. announcements, key corporate governance policies, terms of reference of the Board Committees, constitutional document and press release).
Dedicated Contacts	• Dedicated communication channels remained available for Shareholders to submit enquiries and concerns to the Company Secretary by writing to the Company's Registered Office, by fax at (852) 2743 8459, or by email at lscomsec@laisun.com. • Shareholders were provided with assistance in contacting the Registrar regarding share registration, change of Shareholders' particulars and related matters. • Dedicated communication channels remained available for institutional investors and stakeholders to contact the Investor Relations Department by phone on (852) 2853 6106, by fax at (852) 2853 6651, or by email at ir@laisun.com.

Having considered the multiple communication and engagement channels in place, the Board is satisfied that the Shareholders' Communication Policy was properly implemented and remained effective during the Year. The Company will continue to review and enhance its communication and engagement practices with a view to promoting effective dialogue with Shareholders and investors and facilitating their understanding of the Group's mission, strategy, business development and performance.

(17) Communication With Shareholders (Continued)

(17.2) Attendance Record at general meeting

During the Year, the Company held three general meetings (including the 2025 AGM) and the attendance record of individual Directors at these meetings is set out below:

Directors	Number of Meetings Attended/ Number of Meetings Held
Executive Directors	
Lam Kin Ngok, Peter, GBM, GBS *(Chairman)*	0/3
Cheung Sum, Sam *(Group Chief Financial Officer)*	3/3
Lam Hau Yin, Lester *(also alternate director to U Po Chu)*	0/3
Lee Tze Yan, Ernest	3/3
Non-executive Director	
U Po Chu	0/3
Independent Non-executive Directors	
Ip Shu Kwan, Stephen, GBS, JP	3/3
Lam Bing Kwan	3/3
Leung Shu Yin, William	3/3
Luk Hon Man	2/3

(17) Communication With Shareholders (Continued)

(17.3) Details of the last general meeting

The last AGM was held at 9:50 a.m. on 19 December 2025 at Grand Ballrooms 1 and 2, Level B, Hong Kong Ocean Park Marriott Hotel, 180 Wong Chuk Hang Road, Aberdeen, Hong Kong ("**2025 AGM**"). At the 2025 AGM, Shareholders approved by a vast majority of votes (i) the adoption of the audited financial statements of the Company for the year ended 31 July 2025 and the reports of the directors and the independent auditor thereon; (ii) the re-election of Mr. Lee Tze Yan, Ernest as ED, Madam U Po Chu as NED and Mr. Ip Shu Kwan, Stephen as INED and the authorisation for the Board to fix the remuneration of the Directors; (iii) the re-appointment of Ernst & Young as the Independent Auditor for the Year and the authorisation for the Board to fix their remuneration; (iv) the granting to the Directors a general mandate to buy back the Company's shares not exceeding 10% of the aggregate number of the issued shares of the Company; (v) the granting to the Directors a general mandate to issue, allot and deal with additional shares of the Company of not exceeding 20% of the aggregate number of the issued shares of the Company; (vi) the extension to the general mandate granted to the Directors to issue shares of the Company by adding the number of shares bought back. The notice of the 2025 AGM and the poll results announcement in respect of the 2025 AGM were published on the websites of both HKEX and the Company on 19 November 2025 and 19 December 2025, respectively.

The last general meeting of the Company was held at 10:00 a.m. on 31 December 2025 at Grand Ballroom 5, Level B, Hong Kong Ocean Park Marriott Hotel, 180 Wong Chuk Hang Road, Aberdeen, Hong Kong ("**2025 GM**"). At the 2025 GM, Shareholders approved, confirmed and ratified the entering into of the Sale and Purchase Agreement (as defined in the circular of the Company dated 16 December 2025, "**Circular**"); to approve the Disposal (as defined in the Circular); and to authorise the Directors to implement the Sale and Purchase Agreement and all matters incidental thereto as set out in the notice of the 2025 GM. Further details of the 2025 GM were contained in the Company's circular dated 16 December 2025. The notice of 2025 GM and the poll results announcement in respect of the 2025 GM were published on the websites of both HKEX and the Company on 15 December 2025 and 31 December 2025, respectively.

(18) Investor Relations

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

The Group maintains dialogues with the investment community and provides them with updates on the Group's operations, financial performance and outlook. During the year 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 email at ir@laisun.com.

(19) Constitutional Documents

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

Subsequent to the financial year end and as announced in the Company's announcement dated 23 October 2026, the Company proposed to seek the approval of the Shareholders at the forthcoming AGM for certain amendments to the existing articles of association of the Company ("**Existing Articles of Association**") by way of adopting a new set of articles of association of the Company in substitution for and to the exclusion of the Existing Articles of Association for the purposes of, among others things, (i) allowing the Company to hold repurchased shares in treasury; (ii) facilitating the implementation of the uncertificated securities market regime; (iii) bringing the Existing Articles of Association in line with the amendments made to the Listing Rules with regard to the expanded paperless listing regime, including the electronic dissemination of corporate communications to Shareholders, and the provision of options for Shareholders to receive electronic payment of corporate action proceeds; and (iv) making certain housekeeping amendments to the Existing Articles of Association, details of which will be disclosed in the Company's circular dated 19 November 2026.

Biographical Details of Directors

Executive Directors

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

Dr. Lam Kin Ngok, Peter, Chairman, aged 69, has been an Executive Director of the Company since June 1977. He is currently a member of the Executive Committee of the Company and the chairman of the Nomination Committee of the Company. Dr. Lam is also the chairman and an executive director of each of LSG and Lai Fung, and the chairman and a director of Media Asia Group Holdings Limited (a wholly-owned subsidiary of eSun). He was an executive director of eSun from 15 October 1996 to 13 February 2014 and was an executive director of Lai Fung from 28 November 1997 to 31 October 2012. Dr. Lam was an executive director of Crocodile Garments Limited ("**CGL**") (a company listed on the Main Board of the Stock Exchange).

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

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

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

Biographical Details of Directors

Executive Directors (continued)

Mr. Cheung Sum, Sam, aged 62, was appointed an Executive Director of the Company in August 2023. He is currently a member of each of the Executive Committee and Remuneration Committee of the Company and an alternate to Dr. Lam Kin Ngok, Peter, the chairman of the Nomination Committee of the Company. He is also the Company Secretary of the Company. Mr. Cheung joined the Company as Group Chief Financial Officer in July 2023. He is also an executive director of each of LSG, eSun and Lai Fung.

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

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

Mr. Lam Hau Yin, Lester, aged 45, was appointed an Executive Director and a member of the Executive Committee of the Company in November 2012. He is also an alternate director to Madam U Po Chu, a Non-Executive Director of the Company. Mr. Lam is an executive director of LSG and eSun as well as an executive director and the chief executive officer of Lai Fung. Further, he is an alternate director to Madam U Po Chu in her capacity as an executive director of LSG and Lai Fung as well as a non-executive director of eSun. Mr. Lam is presently the chief executive officer of Media Asia Group Holdings Limited (a wholly-owned subsidiary of eSun). He is also the founder and chairman of Por Yen Charitable Foundation Limited.

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

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

Executive Directors (continued)

Mr. Lee Tze Yan, Ernest, aged 62, was appointed an Executive Director of the Company in January 2022. He is currently a member of the Executive Committee of the Company. He is also an executive director of Lai Fung.

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

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

Non-Executive Director

Madam U Po Chu, aged 101, has been a Non-executive Director of the Company since December 1993. She is currently a member of the Nomination Committee of the Company. She is also a non-executive director of eSun and an executive director of LSG and Lai Fung. The issued shares of LSG, eSun, and Lai Fung are listed and traded on the Main Board of the Stock Exchange. LSG is the ultimate holding company of the Company which in turn is the intermediate holding company of eSun and Lai Fung.

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

Madam U is the mother of Dr. Lam Kin Ngok, Peter (Chairman and an Executive Director of the Company) and the grandmother of Mr. Lam Hau Yin, Lester (an Executive Director of the Company).

Biographical Details of Directors

Independent Non-Executive Directors

Mr. Lam Bing Kwan, aged 76, was appointed an Independent Non-Executive Director of the Company in July 2002 and is currently a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company.

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

Mr. Leung Shu Yin, William, aged 77, was appointed an Independent Non-Executive Director in September 2004 and is currently the chairman of both the Remuneration Committee and the Audit Committee of the Company. He is also a member of the Nomination Committee of the Company. Mr. Leung is also an independent non-executive director of LSG and the Deputy Chairman and an independent non-executive director of CGL. The issued shares of all the aforesaid companies are listed and traded on the Main Board of the Stock Exchange. LSG is the ultimate holding company of the Company which in turn is the intermediate holding company of eSun and Lai Fung.

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

Independent Non-Executive Directors (continued)

Mr. Ip Shu Kwan, Stephen, aged 75, was appointed an Independent Non-Executive Director of the Company in December 2009. He is currently a member of the Audit Committee of the Company. Mr. Ip graduated from the University of Hong Kong with a Bachelor degree in Social Sciences in 1973. He joined the Hong Kong Government in November 1973 and was promoted to the rank of Director of Bureau in April 1997. He worked in the Government of the HKSAR as a Principal Official from July 1997 to June 2007. Senior positions held by Mr. Ip in the past included Commissioner of Insurance, Commissioner for Labour, Secretary for Economic Services and Secretary for Financial Services. Mr. Ip took up the position of Secretary for Economic Development and Labour on 1 July 2002. His portfolio in respect of economic development covered air and sea transport, logistics development, tourism, energy, postal services, meteorological services, competition and consumer protection. He was also responsible for labour policies including matters relating to employment services, labour relations and employees' rights. Mr. Ip retired from the Government of the HKSAR in July 2007. Mr. Ip received the Gold Bauhinia Star awarded from the Government of the HKSAR in 2001 and is an unofficial Justice of the Peace.

Mr. Ip is currently an independent non-executive director of four other publicly-listed companies, namely Luk Fook Holdings (International) Limited, Nameson Holdings Limited, Million Cities Holdings Limited and C-MER Medical Holdings Limited (formerly known as C-MER EYE CARE HOLDINGS LIMITED). Mr. Ip was an independent non-executive director of Kingboard Laminates Holdings Limited. The issued shares of all the aforesaid companies are listed and traded on the Main Board of the Stock Exchange.

Mr. Luk Hon Man, aged 42, was appointed an Independent Non-Executive Director of the Company in August 2023. He is currently a member of the Nomination Committee of the Company. Mr. Luk is a seasoned strategic advisor with twenty years of experience spanning across the public affairs and business sectors. He was also the Chief Strategy Officer of the Chairman's Office of Lai Sun Group and a Member of the Legislative Council of the HKSAR.

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

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

Report of the Directors

The directors of the Company ("**Directors**") present their report and the audited consolidated financial statements of the Company and its subsidiaries ("**Group**") for the year ended 31 July 2026 ("**Year**").

Principal Activities

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

Results and Dividends

Details of the results of the Group for the Year and the Group's financial position as at 31 July 2026 are set out in the consolidated financial statements and their accompanying notes on pages 207 to 388.

The board of Directors ("**Board**") does not recommend the payment of a final dividend for the Year (2025: Nil). No interim dividend was paid or declared in respect of the Year (2025: Nil).

Business Review

A review of the business of the Group during the Year and a discussion on the Group's future business development, possible risks and uncertainties that the Group may be facing are provided in the Chairman's Statement and the Management Discussion and Analysis on pages 8 to 26 and pages 27 to 63 of this Annual Report, respectively.

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

An analysis of the Group's performance during the Year using financial key performance indicators is provided in the Chairman's Statement on pages 8 to 26 and Financial Highlights on pages 4 to 7 of this Annual Report.

Discussions on the Group's environmental policies, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group are contained in the Environmental, Social and Governance Report and Corporate Governance Report on pages 75 to 128 and pages 129 to 168 of this Annual Report, respectively.

Distributable Reserves

The Company's reserves available for distribution to shareholders of the Company ("**Shareholders**") as at 31 July 2026 were approximately HK$5,328,598,000.

Shares Issued in the Year

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

Permitted Indemnity Provision

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

Directors

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

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

Non-executive Director ("NED")
U Po Chu

Independent Non-executive Directors ("INEDs")
Ip Shu Kwan, Stephen, GBS, JP
Lam Bing Kwan ("**Mr. BK Lam**")
Leung Shu Yin, William ("**Mr. William Leung**")
Luk Hon Man ("**Mr. HM Luk**")

In accordance with Article 102 of the Articles of Association, Mr. Sam Cheung, Mr. BK Lam, Mr. William Leung and Mr. HM Luk (collectively, "**Retiring Directors**") will retire from office by rotation at the forthcoming annual general meeting of the Company ("**AGM**"). Being eligible, they offer themselves for re-election.

Details of the Retiring Directors proposed for re-election at the forthcoming AGM, required to be disclosed under Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**" and "**Stock Exchange**", respectively), are set out in the Company's circular dated 19 November 2026.

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

Biographical Details of Directors

Brief biographical particulars of the existing Directors are set out on pages 169 to 173 of this Annual Report. Directors' other particulars are contained in this Report and elsewhere in this Annual Report.

Report of the Directors

Directors' Service Contracts

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

Directors' Remuneration

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

Directors' Interests in Transactions, Arrangements or Contracts

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

Controlling Shareholder's Interests in Significant Contracts

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

Continuing Connected Transactions

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

1. Ascott Management Agreement

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

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

For the year ended 31 July 2026, the management and other service fees paid or payable by the Group to Ascott amounted to RMB5,289,000 (equivalent to approximately HK$5,936,000).

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

Continuing Connected Transactions (continued)

2. Financial Assistance Framework Agreements

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

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

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

(i) the LSD-eSun Annual Cap for the LSD-eSun Loan Transactions contemplated under the LSD-eSun Framework Agreement was HK$485,000,000 for the financial year ended 31 July 2026; and

(ii) the LSD-LF Annual Cap for the LSD-LF Loan Transactions contemplated under the LSD-LF Framework Agreement was HK$3,000,000,000 for the financial year ended 31 July 2026.

As announced by the Company and LSG on 28 November 2025, the Company and Lai Fung agreed to renew the LSD-LF Framework Agreement upon the expiry of the initial term on 31 December 2025 for a further term of three years, i.e. up to and including 31 December 2028. There has been no change to the terms of the LSD-LF Framework Agreement since it was entered into on 9 September 2022.

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

Pursuant to the announcement made by the Company and LSG on 28 November 2025, the Company had set the following annual caps under the Renewed Term:

The LSD-LF Annual Caps for the LSD-LF Loan Transactions contemplated under the LSD-LF Framework Agreement are HK$1,500,000,000 for the financial year ended 31 July 2026, HK$1,500,000,000, HK$1,500,000,000 and HK$1,500,000,000 for the respective financial years ending 31 July 2027, 2028 and 2029.

For the period from 1 August 2025 to 31 December 2025, the amounts in respect of the financial assistance for the LSD-eSun Framework Agreement and the LSD-LF Framework Agreement are HK$30,000,000 and HK$745,877,000, respectively. The financial assistance for the LSD-eSun Framework Agreement have been fully repaid during the year ended 31 July 2026.

For the period from 1 January 2026 to 31 July 2026, the amount in respect of the financial assistance for the LSD-LF Framework Agreement is HK$915,877,000.

2. Financial Assistance Framework Agreements (continued)

Details of the Financial Assistance Framework Agreements are set out in the announcements dated 9 September 2022 and 28 November 2025 jointly published by the Company and LSG.

3. 2023 Commercial Letting Framework Agreement

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

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

As lessee:

(i) the annual cap for the total value of the right-of-use assets in respect of the Transactions is HK$14,000,000 for the financial year ended 31 July 2026; and

(ii) the annual cap for licensing and other fees other than the fixed rental payments in respect of the Transactions is HK$5,000,000 for the financial year ended 31 July 2026.

As lessor:

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

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

For the financial year ended 31 July 2026, in respect of the Transactions:

(i) total value of the right-of-use assets amounted to HK$2,905,000;

(ii) licensing and other fees other than the fixed rental payments paid or payable by the Group amounted to HK$678,000; and

(iii) annual rental, licensing fees and/or other fees received or receivable by the Group amounted to HK$3,107,000.

Continuing Connected Transactions (continued)

4. 2026 Commercial Letting Framework Agreement

As announced on 7 July 2026, Lai Sun Group entered into the commercial letting framework agreement dated 7 July 2026 ("**2026 Commercial Letting Framework Agreement**") for the Transaction and the Transactions constituting their respective CCTs for a period of three years commencing on 1 August 2026 and expiring on 31 July 2029.

Pursuant to the announcement made by the Lai Sun Group on 7 July 2026, the Company had set the following annual caps:

As lessee:

(i) the annual caps for the total value of the right-of-use assets in respect of the Transactions are HK$16,000,000 for each of the three financial years ending 31 July 2027, 2028 and 2029; and

(ii) the annual caps for licensing and other fees other than the fixed rental payments in respect of the Transactions are HK$5,000,000 for each of the three financial years ending 31 July 2027, 2028 and 2029.

As lessor:

The annual caps for the annual rental, licensing fees and/or other fees receivable by the Group in respect of the Transactions are HK$23,000,000 for the financial year ending 31 July 2027, HK$24,000,000 for the financial year ending 31 July 2028 and HK$25,000,000 for the financial year ending 31 July 2029.

Details of the 2026 Commercial Letting Framework Agreement are set out in the announcement dated 7 July 2026 published by the Lai Sun Group.

The Company will comply with the requirements under the connected transactions of the Listing Rules if any cap is exceeded, or when the 2026 Commercial Letting Framework Agreement is renewed or there are material changes to the provisions of the 2026 Commercial Letting Framework Agreement.

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

(a) in the ordinary and usual course of business of the Group;

(b) on normal commercial terms or better; and

(c) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Continuing Connected Transactions (continued)

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

(i) have not been approved by the Board;

(ii) were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group;

(iii) were not entered into, all material respects, in accordance with the relevant agreements governing such transactions; and

(iv) have exceeded the annual cap as set by the Company.

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

Directors' Interests in Competing Businesses

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

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

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

Directors' Interests in Competing Businesses (continued)

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

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

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

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

Share Option Schemes

(1) The Company

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

The purpose of the 2022 Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants (as defined in the 2022 Share Option Scheme) for their contribution to the Group by granting share options to them as incentives or rewards and to attract, retain and motivate high-calibre Eligible Participants in line with the performance goals of the Group and the Related Entities (as defined in the 2022 Share Option Scheme). Eligible Participants include but not limited to the directors, chief executive, employees of the Group and related entities and the service providers of the Group. Unless otherwise cancelled or amended, the 2022 Share Option Scheme will remain in force for 10 years from the Effective Date.

The principal terms of the 2022 Share Option Scheme are set out in the circular of the Company dated 17 November 2022. The number of shares available for grant under the 2022 Share Option Scheme at the beginning and the end of the financial year ended 31 July 2026 was 96,888,588 Shares (representing approximately 6.67% of the Company's issued shares (excluding treasury shares, if any) as at 31 July 2026). The service provider sublimit at the beginning and the end of the financial year ended 31 July 2026 was 9,688,858 Shares (representing approximately 0.67% of the Company's issued shares (excluding treasury shares, if any) as at 31 July 2026).

Share Option Schemes (continued)

(1) The Company (continued)

During the Year, a share option comprising 69,652 underlying Shares granted to certain eligible participants under the 2015 Share Option Scheme expired on 21 January 2026.

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

As at 31 July 2026, share options comprising a total of 255,395 underlying Shares granted under the 2015 Share Option Scheme were outstanding, representing approximately 0.02% of the shares of the Company currently in issue.

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

		Number of underlying Shares comprised in share options						
Category of participants	**Date of grant of options** *(Note 1)*	**As at 01/08/2025**	**Granted during the Year**	**Exercised during the Year**	**Lapsed during the Year**	**As at 31/07/2026**	**Exercise period of share options**	**Exercise price per Share** (HK$) *(Note 2)*
Employee participants *(Note 4)*	22/01/2016	69,652	—	—	(69,652) *(Note 3)*	—	22/01/2016 – 21/01/2026	4.048
	26/01/2021	255,395	—	—	—	255,395	26/01/2021 – 25/01/2031	5.476
Total:		**325,047**	**—**	**—**	**(69,652)**	**255,395**		

Notes:

1. *The share options were vested on the date of grant.*

2. *The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.*

3. *A share option comprising a total of 69,652 underlying Shares was expired on 21 January 2026 under the 2015 Share Option Scheme.*

4. *Employee participants including the employees of the Group.*

Share Option Schemes (continued)

(1) The Company (continued)

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

As at the Report Date, (i) no further options could be granted under the 2015 Share Option Scheme, and a maximum number of 255,395 Shares are available for issue in relation to the underlying Shares comprised in the subsisting option granted under the 2015 Share Option Scheme and remained outstanding, representing approximately 0.02% of the Shares in issue (excluding treasury shares, if any) as at the Report Date; and (ii) no share options have been granted under the 2022 Share Option Scheme since Effective Date, therefore, a maximum number of 96,888,588 Shares are available for grant and issue under the 2022 Share Option Scheme, representing approximately 6.67% of the Shares in issue (excluding treasury shares, if any) as at the Report Date.

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

(2) eSun

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

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

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

Share Option Schemes (continued)

(2) eSun (continued)

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

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

The purpose of the 2022 eSun Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants (as defined in the 2022 eSun Share Option Scheme including but not limited to the directors, chief executives, employees and service providers of the eSun Group as well as the related entity participants) to the eSun Group by granting share options to them as incentives or rewards and to attract, retain and motivate high-calibre Eligible Participants in line with the performance goals of the eSun Group and the related entities. The 2022 eSun Share Option Scheme shall strengthen the many long-term relationships that the Eligible Participants may have with the eSun Group.

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

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

Share Option Schemes (continued)

(2) eSun (continued)

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

Category of grantees	Number of underlying eSun Shares comprised in eSun share options							
	Date of grant *(Note 1)*	As at 01/08/2025	Granted during the Year	Exercised during the Year	Cancelled/ Lapsed during the Year	As at 31/07/2026	Exercise period	Exercise price per eSun Share (HK$) *(Note 2)*
Eligible participant								
Employee	21/01/2022	400,000	—	—	—	400,000	21/01/2022 – 20/01/2032	0.50
Total:		**400,000**	**—**	**—**	**—**	**400,000**		

Notes:

1. *The eSun share options were vested on the date of grant.*

2. *The exercise price of the eSun share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in eSun's share capital.*

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

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

Share Option Schemes (continued)

(3) Lai Fung

The share option scheme adopted by Lai Fung on 18 December 2012 ("**2012 Lai Fung Share Option Scheme**") expired on 17 December 2022 ("**Expiration Date**"). Following the Expiration Date, no further share options shall be granted under the 2012 Lai Fung Share Option Scheme but the outstanding share options granted thereunder shall continue to be valid and exercisable in accordance with its terms. A total of 470,000 underlying shares of Lai Fung ("**Lai Fung Shares**") comprised in Lai Fung share options granted under the 2012 Lai Fung Share Option Scheme lapsed during the Year. As at 31 July 2026, share options comprising a total of 60,000 underlying Lai Fung Shares granted under the 2012 Lai Fung Share Option Scheme were outstanding.

At the annual general meeting of Lai Fung held on 16 December 2022, a new share option scheme ("**2022 Lai Fung Share Option Scheme**") was adopted for the purpose of recognising the contribution or future contribution of the Eligible Participants (as defined in the 2022 Lai Fung Share Option Scheme) to the Lai Fung Group by granting options to them as incentives or rewards and to attract, retain and motivate high-calibre Eligible Participants in line with performance goals of the Lai Fung Group and the related entities. Eligible Participants include, but are not limited to, the directors, chief executive and employees of the Lai Fung Group and related entities, and service providers of the Lai Fung Group. The 2022 Lai Fung Share Option Scheme was also approved by the shareholders of the Company and LSG at their respective annual general meetings and became effective on 19 December 2022 ("**Lai Fung Effective Date**"). Unless otherwise cancelled or amended, the 2022 Lai Fung Share Option Scheme will remain in force for 10 years from the Lai Fung Effective Date. The principal terms of the 2022 Lai Fung Share Option Scheme are set out in the circular of Lai Fung dated 17 November 2022. The number of shares available for grant under the 2022 Lai Fung Share Option Scheme at the beginning and the end of the financial year ended 31 July 2026 was 33,103,344 Lai Fung Shares, representing 10% of Lai Fung's issued shares (excluding treasury shares, if any) as at 31 July 2026. The service provider sublimit at the beginning and the end of the financial year ended 31 July 2026 was 3,310,334 Lai Fung Shares, representing 1% of Lai Fung's issued shares (excluding treasury shares, if any) as at 31 July 2026.

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

Share Option Schemes (continued)

(3) Lai Fung (continued)

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

	Number of underlying Lai Fung Shares comprised in Lai Fung share options							
Category of grantees	Date of grant *(Note 1)*	As at 01/08/2025	Granted during the Year	Exercised during the Year	Lapsed during the Year	As at 31/07/2026	Exercise period	Exercise price per Lai Fung Share (HK$) *(Note 2)*
Employee participants	19/01/2018	150,000	—	—	(150,000)	—	19/01/2018 – 18/01/2028	13.52
	22/01/2019	260,000	—	—	(260,000)	—	22/01/2019 – 21/01/2029	10.18
	22/01/2021	60,000	—	—	(60,000)	—	22/01/2021 – 21/01/2031	7.364
	21/01/2022	60,000	—	—	—	60,000	21/01/2022 – 20/01/2032	5.75
Total:		**530,000**	**—**	**—**	**(470,000)**	**60,000**		

Notes:

1. *The Lai Fung share options were vested on the date of grant.*

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

Save as disclosed above, no Lai Fung share options were granted, vested, exercised, cancelled, or lapsed in accordance with the terms of the 2012 Lai Fung Share Option Scheme and the 2022 Lai Fung Share Option Scheme during the Year.

As at the Report Date, (i) no further options could be granted under the 2012 Lai Fung Share Option Scheme, and a maximum number of 60,000 Lai Fung Shares are available for issue in relation to the underlying Lai Fung Shares comprised in the subsisting options granted under the 2012 Lai Fung Share Option Scheme and remained outstanding, representing approximately 0.02% of the Lai Fung Shares in issue (excluding treasury shares, if any) as at the Report Date; and (ii) options to subscribe for a maximum of 33,103,344 Lai Fung Shares could be granted under the 2022 Lai Fung Share Option Scheme, representing approximately 10% of the Lai Fung Shares in issue (excluding treasury shares, if any) as at the Report Date.

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

Directors' Interests

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

(1) The Company

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

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

Notes:

(1) The percentage has been compiled based on the total number of issued Shares as at 31 July 2026 (i.e. 1,453,328,830 Shares).

*(2) As at 31 July 2026, Lai Sun Garment (International) Limited ("**LSG**") and two of its wholly-owned subsidiaries, namely Zimba International Limited ("**Zimba International**") and Joy Mind Limited ("**Joy Mind**"), beneficially owned in aggregate 808,084,296 Shares, representing approximately 55.60% of the issued share capital of the Company. As such, Dr. Lam Kin Ngok, Peter was deemed to be interested in the same 808,084,296 Shares by virtue of, in aggregate, his personal (excluding underlying shares) and deemed interests of approximately 43.85% in the issued share capital of LSG. LSG is approximately 14.62% owned by Dr. Lam Kin Ngok, Peter and is approximately 29.23% owned by Wisdoman Limited which in turn is 100% beneficially owned by Dr. Lam Kin Ngok, Peter.*

LSG pledged approximately 208,513,987 Shares held by LSG, Zimba International and Joy Mind as security pursuant to its 7.70% secured guaranteed notes due 2018 under a Share Charge dated 24 July 2014. The amount has been repaid in full.

(3) The late Mr. Lim Por Yen whose estate includes an interest of 8,718,829 Shares, representing approximately 0.60% of the issued share capital of the Company.

Directors' Interests (continued)

(2) Associated Corporations

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

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

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

Notes:

(1) The percentage has been compiled based on the total number of issued LSG Shares as at 31 July 2026 (i.e. 883,373,901 LSG Shares).

(2) Share options were granted by LSG to Dr. Lam Kin Ngok, Peter and Mr. Lam Hau Yin, Lester, the particulars of which are set out below:

Name of Director	*Date of grant*	*Number of underlying LSG Shares comprised in share options*	*Exercise period*	*Exercise price* *HK$ per LSG Share*
Lam Kin Ngok, Peter	*19/06/2017*	*448,197*	*19/06/2017 – 18/06/2027*	*11.155*
	25/01/2022	*1,383,820*	*25/01/2022 – 24/01/2032*	*3.673*
Lam Hau Yin, Lester	*19/06/2017*	*5,135,275*	*19/06/2017 – 18/06/2027*	*11.155*
	25/01/2022	*1,383,820*	*25/01/2022 – 24/01/2032*	*3.673*

(2) Associated Corporations (continued)

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

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

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

Notes:

(1) The percentage has been compiled based on the total number of issued eSun Shares as at 31 July 2026 (i.e. 1,755,876,866 eSun Shares).

*(2) As at 31 July 2026, LSG was interested in 808,084,296 Shares in the Company, representing approximately 55.60% of the issued share capital of the Company. Transtrend Holdings Limited ("**Transtrend**"), a wholly-owned subsidiary of the Company, was interested in 1,113,260,072 eSun Shares, representing approximately 63.40% of the issued share capital of eSun. As such, Dr. Lam Kin Ngok, Peter was deemed to be interested in the same 1,113,260,072 eSun Shares by virtue of, in aggregate, his personal (excluding underlying shares) and deemed interests of approximately 43.85% and 55.67% in the issued share capital of LSG and the Company, respectively.*

Directors' Interests (continued)

(2) Associated Corporations (continued)

(iii) Lai Fung Holdings Limited ("**Lai Fung**") — a subsidiary of the Company

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

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

Notes:

(1) The percentage has been compiled based on the total number of issued Lai Fung Shares as at 31 July 2026 (i.e. 331,033,443 Lai Fung Shares).

(2) As at 31 July 2026, the Company was interested or deemed to be interested in 182,318,266 Lai Fung Shares, of which 180,600,756 Lai Fung Shares were beneficially owned by Holy Unicorn Limited, a wholly-owned subsidiary of the Company and 1,717,510 Lai Fung Shares were beneficially owned by Transtrend. As such, Dr. Lam Kin Ngok, Peter was deemed to be interested in the same 182,318,266 Lai Fung Shares (representing approximately 55.08% of the issued share capital of Lai Fung) by virtue of, in aggregate, his personal (excluding underlying shares) and deemed interests approximate 43.85% and 55.67% in the issued share capital of LSG and the Company, respectively.

Directors' Interests (continued)

(2) Associated Corporations (continued)

(iv) Lai Sun (2026) Limited — a subsidiary of the Company

Long positions in the 8% guaranteed notes due 2029

Name of Director	Capacity	Nature of Interests	Principal amount
Lam Kin Ngok, Peter	Beneficial owner	Personal	USD9,450,000

Save as disclosed above, as at 31 July 2026, none of the Directors and the chief executive of the Company and their respective close associates was interested or was deemed to be interested in the long and short positions in the shares, underlying shares and/or debentures of the Company or any of its associated corporations, which were required to be notified to the Company and the Stock Exchange, recorded in the Register of Directors and Chief Executive, notified under the Securities Code or otherwise known by the Directors.

Directors' Rights to Acquire Shares or Debentures

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

Substantial Shareholders' and Other Persons' Interests

As at 31 July 2026, so far as was known by or otherwise notified by any Director or the chief executive of the Company, the particulars of the corporations or individuals, who had 5% or more interests in the following long positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept under section 336 of the SFO ("**Register of Shareholders**") or were entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company ("**Voting Entitlements**") (i.e. within the meaning of Substantial Shareholders of the Listing Rules) were as follows:

Long positions in the Shares and the underlying Shares of the Company

Name	Capacity	Nature of interests	Number of Shares and underlying Shares	Approximate % of issued Shares *(Note 1)*
Substantial Shareholders				
Lai Sun Garment (International) Limited	Beneficial owner/ Owner of controlled corporations	Corporate	808,084,296 *(Note 2)*	55.60%
Lam Kin Ngok, Peter	Beneficial owner/ Owner of controlled corporations	Personal and corporate	809,060,203 *(Note 2)*	55.67%
Yu Cheuk Yi	Beneficial owner	Personal	350,552,400 *(Note 3)*	24.12%
Yu Siu Yuk	Beneficial owner	Personal	350,552,400 *(Note 3)*	24.12%
Other persons				
Chan Kin	Interest of controlled corporation	Corporate	145,187,400 *(Note 4)*	9.99%
Argyle Street Management Holdings Limited ("**ASMH**")	Interest of controlled corporation	Corporate	145,187,400 *(Note 4)*	9.99%

Substantial Shareholders' and Other Persons' Interests (continued)

Notes:

(1) The percentage has been compiled based on the total number of issued Shares as at 31 July 2026 (i.e. 1,453,328,830 Shares).

(2) LSG and two of its wholly-owned subsidiaries, namely Zimba International and Joy Mind beneficially owned 808,084,296 Shares, representing approximately 55.60% of the issued share capital of the Company. Dr. Lam Kin Ngok, Peter was deemed to be interested in the same 808,084,296 Shares by virtue of, in aggregate, his personal and deemed interests of approximately 43.85% (excluding underlying shares) in the issued share capital of LSG.

(3) Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk jointly held 350,552,400 Shares (24.12%), based on the total number of issued Shares (i.e. 1,453,328,830 Shares) according to shareholding shown in last Individual Substantial Shareholder Notice (Form 1) filed for an event on 14 January 2026.

(4) ASM Connaught House (Master) Fund III LP, ASM Co-Investment Term Trust I, Marzan Street Limited and Jinlong Road Limited holds 573,075 Shares, 10,800 Shares, 68,475,000 Shares and 76,128,525 Shares, respectively, which are held indirectly by ASMH through a number of controlled corporations. Mr. Chan Kin has over 50% controlling interests in ASMH. Therefore, Mr. Chan Kin and ASMH are respectively deemed to have an interest in the said shares in which ASM Connaught House (Master) Fund III LP, ASM Co-Investment Term Trust I, Marzan Street Limited and Jinlong Road Limited are interested.

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

Purchase, Sale or Redemption of Listed Securities

On 15 June 2026, the Group launched an exchange offer and consent solicitation in respect of the US$493,000,000 5.00% guaranteed notes due 2026 issued by Lai Sun MTN Limited (a wholly-owned subsidiary of the Company) ("**LSD 2021 Notes**"). Under the transaction, participating noteholders agreed to extend the maturity date of the LSD 2021 Notes from 28 July 2026 to 28 July 2029 and received a combination of cash consideration and new 8.00% guaranteed notes due 2029 issued by Lai Sun (2026) Limited (a wholly-owned subsidiary of the Company). Further details of the transaction are set out in the announcements of the Company dated 15 June 2026, 10 July 2026 and 29 July 2026 and the offering circular dated 10 July 2026 ("**Exchange Offer**").

On 28 July 2026, the Exchange Offer was completed. Holders of US$476,970,000 principal amount of the existing LSD 2021 Notes participated in the Exchange Offer and received cash consideration of US$143,091,000 and US$333,879,000 principal amount of the new 8.00% guaranteed notes due 2029 issued by Lai Sun (2026) Limited. Following completion of the Exchange Offer, US$16,030,000 principal amount of the existing LSD 2021 Notes remained outstanding and will mature on 28 July 2029.

Save as disclosed above, 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) during the Year.

Property, Plant and Equipment, Investment Properties and Properties Under Development

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

Sufficiency of Public Float

The applicable public float threshold for the Company is the initial prescribed threshold of at least 25% of the total number of issued shares of the Company (excluding treasury shares, if any) held by the public ("**Initial Prescribed Threshold**").

As at 31 July 2026, the Company had 1,453,328,830 ordinary shares. Details of the share capital are set out in note 40 to the financial statements. The Company has one class of shares in issue, which rank *pari passu* in all respects.

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the Report Date, the Company's public float was below the Initial Prescribed Threshold under Rule 13.32B(1) of the Listing Rules as at 31 July 2026. For the purposes of the disclosure in this section, the terms "public", "core connected persons", "substantial shareholders" and "close associates" shall have the meanings ascribed to them under the Listing Rules.

As at 31 July 2026, the public float of the Company was 19.60%. The table below sets out the Company's share ownership composition as at that date:

Group of shareholders		Names	Number of shares held	Approximate percentage of shareholding *(Note 1)*
(a)	**Non-public shareholders**			
(i)	Substantial shareholders of the Company and their close associates	Lai Sun Garment (International) Limited	808,084,296 *(Note 2)*	55.60%
		Lam Kin Ngok, Peter	975,907 *(Note 2 & 4)*	0.07%
		Yu Cheuk Yi and Yu Siu Yuk	350,552,400 *(Note 3)*	24.12%
(ii)	Directors and their close associates	U Po Chu	60,567 *(Note 4)*	0.00%
		Luk Hon Man	3,300 *(Note 4)*	0.00%
(iii)	Any other persons excluded from the definition of the public		8,873,204 *(Note 5)*	0.61%

Sufficiency of Public Float (continued)

Group of shareholders		Names	Number of shares held	Approximate percentage of shareholding *(Note 1)*
(b)	**Public shareholders**			
	(i) Persons who have disclosed their interests pursuant to Part XV of the SFO	Chan Kin and Argyle Street Management Holdings Limited	145,187,400	9.99%
	(ii) Other members of the public		139,591,756	9.61%
Total:			**1,453,328,830**	**100%**

Notes:

1. *The breakdown of shareholding information has been compiled based on the relevant Disclosure of Interests filings made pursuant to the SFO and information received by the Company. The Company has not independently verified such information.*

2. *For further details, please refer to the section headed "Substantial Shareholders' and Other Persons' Interests".*

3. *Based on the disclosure of interests notices received by the Company, as at 14 January 2026, Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk were both taken to be interested in the same 350,552,400 Shares (approximately 24.12% of the total issued Shares), which were held jointly by them.*

4. *For further details, please refer to the section headed "Directors' Interests".*

5. *This comprises 154,375 Shares held by core connected persons of the Company, whose connection is at the Company's subsidiary level only, and 8,718,829 Shares were the estate held by the late Mr. Lim Por Yen.*

6. *Numbers may not add up to 100% due to rounding.*

As at the Report Date, the public float of the Company remained below the Initial Prescribed Threshold. The Company will continue to explore all available options to restore the public float including but not limited to discussing with the Company's connected persons to dispose some of their respective holdings in the Shares.

For more details of the status of the public float, please refer to the Company's announcement dated 15 January 2026 and the subsequent announcements published since 4 February 2026 relating to updates on the status of the public float of the Company.

Report of the Directors

Principal Subsidiaries

Particulars of the Company's principal subsidiaries as at 31 July 2026 are set out in note 50 to the financial statements.

Charitable Contributions

During the Year, the Group made charitable contributions totalling approximately HK$1,181,000.

Major Customers and Suppliers

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

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

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

Summary of Financial Information

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years is set out in the "Summary of Financial Information" of this Annual Report on pages 64 and 65.

Corporate Governance

Particulars of the Company's corporate governance practices are set out in the Corporate Governance Report of this Annual Report on pages 129 to 168.

Independence of Independent Non-Executive Directors

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

Equity-Linked Agreements

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

Review by Audit Committee

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

Independent Auditor

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

On behalf of the Board

Lam Kin Ngok, Peter
Chairman
Hong Kong
23 October 2026

Shareholders' Information

Key Dates

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

	For Financial Year 2025/2026
Annual results announcement	23 October 2026
Latest time and date for lodging transfer documents with the share registrar to ascertain entitlement to attend, speak and vote at the 2026 annual general meeting ("**AGM**")	4:30 p.m. on 14 December 2026
Record date for entitlement to attend, speak and vote at the 2026 AGM	14 December 2026
2026 AGM	18 December 2026

	For Financial Year 2026/2027
Interim results announcement	on or before 31 March 2027
Annual results announcement	on or before 31 October 2027

Annual Report

To ensure that all shareholders have equal and timely access to important corporate information, the Company makes extensive use of its website to deliver up-to-date information. This 2025-2026 Annual Report is printed in both English and Chinese and is available on the Company's website at www.laisun.com.

AGM

The AGM will be held on 18 December 2026. Details of the AGM are set out in the notice of the AGM which constitutes part of the circular of the Company dated 19 November 2026. Notice of the AGM and the proxy form are also available on the Company's website.

Independent Auditor's Report

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

Opinion

We have audited the consolidated financial statements of Lai Sun Development Company Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 207 to 388, which comprise the consolidated statement of financial position as at 31 July 2026, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 July 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis For Opinion

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

Independent Auditor's Report

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matter	How our audit addressed the key audit matter
Impairment of a hotel property located in Hong Kong	
Included in property, plant and equipment is a hotel property (the "**HK Hotel**") located in Hong Kong, which is stated at cost less accumulated depreciation and impairment losses, if any. The carrying amounts of the HK Hotel and the related right-of-use assets as at 31 July 2026 were approximately HK$2,475 million and HK$1,210 million, respectively. Significant judgements and assumptions, including those related to cash flow projections, such as the estimated average daily room rates, estimated occupancy rates and discount rate, are required to assess whether a provision for impairment is required. To support management's impairment assessment, the Group engaged an external valuer to perform a valuation using the cash flow projections to determine the recoverable amount of the HK Hotel. Related disclosures are disclosed in notes 3, 14 and 16 to the consolidated financial statements.	Our audit procedures included, among others, involving our internal valuation specialists to assist us to evaluate (i) the methodologies used in the valuation, and (ii) the key assumptions used in the valuation, including the estimated average daily room rates, estimated occupancy rates and discount rate, by comparing with the Group's historical data and future plans, market data of comparable companies and other industry specific statistics. We performed sensitivity analyses on certain key assumptions to assess whether impairment would have been required. We also evaluated the objectivity, independence and competency of the valuer.

Key audit matter	How our audit addressed the key audit matter
Estimation of fair values of investment properties	
Investment properties are stated at fair value. The carrying amount of investment properties as at 31 July 2026 was approximately HK$35,035 million. Significant judgements and assumptions are required to determine the fair values of the investment properties. To support management's determination of the fair values, the Group engaged external valuers to perform valuations on the investment properties at the end of the reporting period. Related disclosures are disclosed in notes 3 and 15 to the consolidated financial statements.	Our audit procedures included, among others, involving our internal valuation specialists to assist us to evaluate the assumptions and methodologies used in the valuations, on a sample basis. We also evaluated the objectivity, independence and competency of the valuers. We then assessed the Group's disclosures of investment properties.
Net realisable value assessment of properties under development and completed properties for sale	
The Group's properties under development and completed properties for sale are stated at the lower of cost and net realisable value. As at 31 July 2026, the carrying amounts of these properties under development and completed properties for sale were approximately HK$5,522 million and HK$2,388 million, respectively. During the year, reversal of write-down to net realisable value of approximately HK$40 million and write-down to net realisable value of approximately HK$123 million were recognised in income statement against properties under development and completed properties for sale, respectively. Management's assessment of the net realisable value of these properties is based on the estimated selling prices and costs necessary to complete the development, if any, and to sell these properties. The assessment of certain properties has also made reference to the valuations carried out by the external valuers engaged by the Group. Significant judgements and assumptions are required to determine the net realisable value of the properties under development and completed properties for sale. Related disclosures are disclosed in notes 3, 17 and 30 to the consolidated financial statements.	Our audit procedures included, among others, (i) obtaining and reviewing management's assessments and/or the valuation reports prepared by the external valuers on which the management's assessment of the net realisable value of properties under development and completed properties for sale was based, on a sample basis; (ii) evaluating the external valuers' objectivity, independence and competency; (iii) involving our internal valuation specialists to assist us in the assessment of the valuation methodologies applied and the key assumptions adopted in the valuations, including the estimated selling prices by comparing with market available data, on a sample basis; and (iv) assessing the reasonableness of the estimated costs necessary to complete the development by comparing with management's latest development budget, on a sample basis.

Independent Auditor's Report

Other Information Included in the Annual Report

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

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

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

Responsibilities of the Directors for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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

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

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

23 October 2026

Consolidated Income Statement

Year ended 31 July 2026

	Notes	2026 HK$'000	2025 HK$'000
TURNOVER	6	**5,066,683**	4,898,615
Cost of sales		**(3,508,135)**	(3,908,438)
Gross profit		**1,558,548**	990,177
Other revenue and gains	6	**442,883**	619,198
Selling and marketing expenses		**(171,753)**	(191,447)
Administrative expenses		**(697,882)**	(770,039)
Other operating expenses		**(1,333,224)**	(1,025,251)
Fair value losses on investment properties, net	15	**(1,312,283)**	(457,569)
LOSS FROM OPERATING ACTIVITIES	7	**(1,513,711)**	(834,931)
Finance costs	8	**(1,033,612)**	(1,124,901)
Share of profits and losses of associates		**6,658**	7,956
Share of profits and losses of joint ventures		**(52,045)**	(1,130,120)
LOSS BEFORE TAX		**(2,592,710)**	(3,081,996)
Tax	11	**(61,885)**	(47,351)
LOSS FOR THE YEAR		**(2,654,595)**	(3,129,347)
Attributable to:			
Owners of the Company		**(2,396,614)**	(2,874,333)
Non-controlling interests		**(257,981)**	(255,014)
		(2,654,595)	(3,129,347)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	13		
Basic and diluted		**(HK$1.649)**	(HK$1.978)

Consolidated Statement of Comprehensive Income

Year ended 31 July 2026

	2026 HK$'000	2025 HK$'000
LOSS FOR THE YEAR	**(2,654,595)**	(3,129,347)
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods:		
Exchange realignments	**1,122,340**	243,212
Share of other comprehensive (expense)/income of associates	**(3,367)**	6,215
Share of other comprehensive income of joint ventures	**2,520**	1,630
Reclassification of reserve upon winding-up of joint ventures	**1,953**	—
Release of exchange reserve upon disposal of subsidiaries	**(231)**	—
Release of exchange reserve upon deregistration of subsidiaries	**(3,065)**	2,719
	1,120,150	253,776
Other comprehensive income/(expense) that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair values of financial assets at fair value through other comprehensive income	**(6,711)**	(2,383)
Surplus on revaluation of properties upon reclassification to investment properties, net of tax	**37,896**	20,952
	31,185	18,569
OTHER COMPREHENSIVE INCOME FOR THE YEAR	**1,151,335**	272,345
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	**(1,503,260)**	(2,857,002)
Attributable to:		
Owners of the Company	**(1,738,214)**	(2,666,286)
Non-controlling interests	**234,954**	(190,716)
	(1,503,260)	(2,857,002)

Consolidated Statement of Financial Position

31 July 2026

	Notes	2026 HK$'000	2025 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	**4,795,146**	5,236,910
Right-of-use assets	16(a)	**3,337,692**	3,578,075
Investment properties	15	**35,035,210**	34,315,212
Film rights	18	**16,699**	19,144
Film and TV program products	19	**60,584**	60,784
Music catalogs	20	**—**	—
Goodwill	21	**3,842**	232,961
Other intangible assets	22	**—**	114,340
Investments in associates	23	**417,900**	396,712
Investments in joint ventures	24	**1,283,612**	4,804,796
Financial assets at fair value through other comprehensive income	25	**107,405**	114,038
Financial assets at fair value through profit or loss	26	**471,955**	690,108
Derivative financial instruments	27	**12,997**	—
Debtors	33	**556,577**	507,744
Deposits, prepayments, other receivables and other assets	28	**195,202**	159,665
Deferred tax assets	39	**7,664**	241
Pledged and restricted bank balances and time deposits	29	**66,150**	101,922
Total non-current assets		**46,368,635**	50,332,652
CURRENT ASSETS			
Properties under development	17	**5,522,254**	4,538,897
Completed properties for sale	30	**2,388,211**	3,374,197
Films and TV programs under production and film investments	31	**104,760**	344,024
Inventories		**28,509**	40,904
Financial assets at fair value through profit or loss	26	**105,037**	174,822
Derivative financial instruments	27	**1,972**	—
Debtors	33	**296,483**	371,253
Deposits, prepayments, other receivables and other assets	28	**924,449**	747,143
Prepaid tax		**85,229**	67,972
Pledged and restricted bank balances and time deposits	29	**1,127,357**	1,224,452
Cash and cash equivalents	29	**2,799,720**	3,011,985
Total current assets		**13,383,981**	13,895,649

Consolidated Statement of Financial Position

31 July 2026

	Notes	2026 HK$'000	2025 HK$'000
CURRENT LIABILITIES			
Creditors, other payables and accruals	34	**1,778,588**	2,356,564
Deposits received, deferred income and contract liabilities	35	**524,938**	533,232
Lease liabilities	16(b)	**223,583**	215,394
Tax payable		**775,303**	731,362
Bank borrowings	37	**6,111,899**	10,383,749
Other borrowings	38	**305,799**	296,688
Guaranteed notes	36	**179,911**	3,877,188
Derivative financial instruments	27	**—**	7,707
Total current liabilities		**9,900,021**	18,401,884
NET CURRENT ASSETS/(LIABILITIES)		**3,483,960**	(4,506,235)
TOTAL ASSETS LESS CURRENT LIABILITIES		**49,852,595**	45,826,417
NON-CURRENT LIABILITIES			
Lease liabilities	16(b)	**316,136**	524,346
Bank borrowings	37	**13,334,339**	10,437,690
Guaranteed notes	36	**3,066,004**	382,438
Derivative financial instruments	27	**—**	17,802
Deferred tax liabilities	39	**4,109,921**	3,958,713
Other payables and accruals	34	**968,067**	907,350
Long-term deposits received	35	**210,298**	211,641
Total non-current liabilities		**22,004,765**	16,439,980
		27,847,830	29,386,437
EQUITY			
Equity attributable to owners of the Company			
Share capital	40	**6,240,082**	6,240,082
Reserves	42	**15,142,325**	16,879,733
		21,382,407	23,119,815
Non-controlling interests		**6,465,423**	6,266,622
		27,847,830	29,386,437

Lam Kin Ngok, Peter
Director

Cheung Sum, Sam
Director

Consolidated Statement of Changes in Equity

Year ended 31 July 2026

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

Consolidated Statement of Changes in Equity

Year ended 31 July 2026

	Attributable to owners of the Company												
	Share capital HK$'000	Fair value reserve — financial assets HK$'000	Share option reserve HK$'000	Capital reduction reserve HK$'000	Property revaluation reserve HK$'000	General reserve HK$'000	Other reserve HK$'000	Statutory reserve HK$'000	Exchange fluctuation reserve HK$'000	Retained profits HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 August 2025	6,240,082	(141,025)	688	4,692	24,928	646,700	2,250,310	112,854	(763,014)	14,743,600	23,119,815	6,266,622	29,386,437
Loss for the year	—	—	—	—	—	—	—	—	—	(2,396,614)	(2,396,614)	(257,981)	(2,654,595)
Other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods:													
Exchange realignments	—	—	—	—	—	—	—	—	635,962	—	635,962	486,378	1,122,340
Share of other comprehensive expense of associates	—	—	—	—	—	—	—	—	(2,650)	—	(2,650)	(717)	(3,367)
Share of other comprehensive income of joint ventures	—	—	—	—	—	—	—	—	2,455	—	2,455	65	2,520
Reclassification of reserve upon winding-up of joint ventures	—	—	—	—	—	—	—	—	1,076	—	1,076	877	1,953
Release of exchange reserve upon disposal of subsidiaries	—	—	—	—	—	—	—	—	(231)	—	(231)	—	(231)
Release of exchange reserve upon deregistration of subsidiaries	—	—	—	—	—	—	—	—	(1,943)	—	(1,943)	(1,122)	(3,065)
Other comprehensive (expense)/income that will not be reclassified to profit or loss in subsequent periods:													
Changes in fair values of financial assets at fair value through other comprehensive income	—	(6,711)	—	—	—	—	—	—	—	—	(6,711)	—	(6,711)
Surplus on revaluation of properties upon reclassification to investment properties, net of tax (note 14)	—	—	—	—	30,442	—	—	—	—	—	30,442	7,454	37,896
Total comprehensive (expense)/income for the year	—	(6,711)	—	—	30,442	—	—	—	634,669	(2,396,614)	(1,738,214)	234,954	(1,503,260)
Dividends paid to non-controlling interests of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	(90,086)	(90,086)
Release of reserve upon lapse of share options	—	—	(115)	—	—	—	—	—	—	115	—	—	—
Release of reserve upon lapse of share options of a subsidiary	—	—	—	—	—	—	—	—	—	1,065	1,065	(1,065)	—
Acquisition of additional interests in subsidiaries	—	—	—	—	—	—	(259)	—	—	—	(259)	259	—
Acquisition of a subsidiary	—	—	—	—	—	—	—	—	—	—	—	2,700	2,700
Deregistration of subsidiaries	—	—	—	—	—	—	267	—	—	(267)	—	—	—
Disposal of subsidiaries	—	—	—	—	—	—	(207)	—	—	207	—	(9,493)	(9,493)
Transfer to statutory reserve	—	—	—	—	—	—	—	25,692	—	(25,692)	—	—	—
Advances from non-controlling interests of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	61,532	61,532
At 31 July 2026	6,240,082	(147,736)*	573*	4,692*	55,370*	646,700*	2,250,111*	138,546*	(128,345)*	12,322,414*	21,382,407	6,465,423	27,847,830

* These reserve accounts comprise the consolidated reserves of HK$15,142,325,000 (2025: HK$16,879,733,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 31 July 2026

	Notes	2026 HK$'000	2025 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(2,592,710)**	(3,081,996)
Adjustments for:			
Finance costs	8	**1,033,612**	1,124,901
Share of profits and losses of associates		**(6,658)**	(7,956)
Share of profits and losses of joint ventures		**52,045**	1,130,120
Fair value losses on investment properties, net	15	**1,312,283**	457,569
Depreciation of property, plant and equipment	7	**282,892**	298,070
Depreciation of right-of-use assets	7	**253,836**	282,877
Impairment of property, plant and equipment	7	**27,906**	19,880
Impairment of right-of-use assets	7	**10,470**	32,120
Reversal of impairment of property, plant and equipment, net	7	**(18,292)**	(19,155)
Reversal of impairment of right-of-use assets, net	7	**(59,729)**	(25,364)
Loss/(gain) on disposal/write-off of items of property, plant and equipment	7	**785**	(2,464)
Loss/(gain) on disposal of investment properties		**3,994**	(3,434)
(Reversal of write-down)/write-down of properties under development to net realisable value	7	**(39,512)**	528,000
Write-down of completed properties for sale to net realisable value	7	**122,744**	226,205
Amortisation of film rights	7	**2,445**	2,948
Amortisation of film and TV program products	7	**22**	5,553
Amortisation of other intangible assets	7	**405**	380
Impairment of films and TV programs under production	7	**14,624**	27,785
(Reversal of impairment)/impairment of debtors, net	7	**(774)**	2,875
Trade receivables written off as uncollectable	7	**15,200**	—
Write-off of advances and other receivables		**338**	48
Impairment of advances and other receivables	7	**9,301**	12,804
Impairment of amounts due from joint ventures	7	**524**	2,393
Impairment of amounts due from associates	23	**43**	24
Impairment/(reversal of impairment) of inventories	7	**314**	(142)
Write-back of impairment of advances and other receivables	28	**(601)**	(915)
Write-back of impairment of amounts due from associates	23	**(1)**	(2)
Write-back of impairment of amounts due from joint ventures	24	**(1,070)**	(4,156)
Fair value losses on financial assets at fair value through profit or loss, net	7	**155,849**	6,254
Fair value (gains)/losses on financial liabilities at fair value through profit or loss		**(9)**	34
Gains on disposal of financial liabilities at fair value through profit or loss		**(275)**	(208)
Gains on disposal of subsidiaries, net	6(d)	**(58,600)**	(168,696)
(Gains)/losses on liquidation/deregistration of subsidiaries, net	7	**(8,962)**	1,819
(Gain)/loss on disposal of a joint venture		**(9)**	370
Loss on disposal of an associate		**334**	3,818
Gain on termination of leases	16(c)	**(6,960)**	(6,123)
Fair value (gains)/losses on cross currency swaps	7	**(20,704)**	14,244
Fair value (gains)/losses on interest rate swaps	7	**(19,774)**	17,802
Derecognition loss on rental receivables	7	**19**	148

Consolidated Statement of Cash Flows

Year ended 31 July 2026

	Notes	2026 HK$'000	2025 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES (continued)			
Gain on lease modification	6(d)	**(24,276)**	(75,978)
Loss on modification of guaranteed notes	7	**209,889**	—
Write-back of other payables	6(d)	**—**	(24,905)
Interest income	6(d)	**(68,736)**	(150,101)
Interest income from finance lease contract	6(d)	**(18,658)**	(19,848)
Dividend income from financial assets at fair value through other comprehensive income	6(d)	**(4,000)**	(200)
Dividend income from financial assets at fair value through profit or loss	6(d)	**(8,095)**	(7,299)
Fair value changes from film investments	7	**54,553**	1,258
Fair value changes from entertainment events organised by co-investors	7	**(7,931)**	(6,227)
Foreign exchange differences, net		**55,114**	24,858
		653,205	619,988
Increase in properties under development		**(607,377)**	(473,178)
Decrease in completed properties for sale		**931,692**	932,691
Decrease in inventories		**12,082**	6,362
Additions of films and TV programs under production	31	**(51,165)**	(29,089)
Decrease/(increase) in film investments		**68,167**	(71,501)
Decrease in film and TV program products		**158,345**	872
Decrease in debtors		**60,363**	59,325
Decrease in a financial asset at fair value through profit or loss		**7,593**	11,017
(Increase)/decrease in deposits, prepayments, other receivables and other assets		**(81,633)**	557,532
Increase in creditors, other payables and accruals		**89,933**	20,066
Increase in deposits received, deferred income and contract liabilities		**6,503**	14,706
Cash generated from operations		**1,247,708**	1,648,791
Interest received		**68,736**	150,101
Interest paid on bank borrowings		**(1,000,282)**	(1,172,575)
Interest paid on guaranteed notes		**(193,969)**	(194,663)
Hong Kong profits tax paid, net		**(25,189)**	(14,354)
Chinese Mainland taxes paid, net		**(87,258)**	(122,841)
Overseas taxes paid, net		**(36,255)**	(24,743)
Net cash flows (used in)/from operating activities		**(26,509)**	269,716

	Notes	2026 HK$'000	2025 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of items of property, plant and equipment		**(70,581)**	(96,419)
Additions to investment properties		**(125,160)**	(130,552)
Acquisition of financial assets at fair value through other comprehensive income		**(78)**	(15,679)
Acquisition of financial assets at fair value through profit or loss		**(108,407)**	(114,385)
Increase in financial liabilities at fair value through profit or loss		**284**	174
Proceeds from disposal of equity investment at fair value through other comprehensive income		**—**	4,506
Proceeds from disposal of financial assets at fair value through profit or loss		**235,855**	171,096
Proceeds from disposal of items of property, plant and equipment		**59**	9,657
Proceeds from disposal of investment properties		**31,023**	44,081
Proceeds from disposal of an associate		**2,339**	2,757
Proceeds from disposal of a joint venture		**—**	35
Proceeds from disposal of subsidiaries	32	**3,079,746**	213,259
Advances to associates		**(36,086)**	(16,710)
Repayment from associates		**3,720**	912
Dividend received from an associate		**8,478**	3,933
Advances to joint ventures		**(119,198)**	(545,574)
Investment in joint ventures		**—**	(19,461)
Repayment from joint ventures		**62,550**	6,749
Return of capital from joint ventures		**116,433**	14,950
Dividends received from joint ventures	52(a)	**7,428**	743,260
Dividends received from financial assets at fair value through other comprehensive income		**4,000**	200
Dividends received from financial assets at fair value through profit or loss		**8,095**	7,299
Decrease in pledged and restricted bank balances and time deposits		**165,371**	13,235
Net cash flows from investing activities		**3,265,871**	297,323

Consolidated Statement of Cash Flows

Year ended 31 July 2026

	Notes	**2026 HK$'000**	2025 HK$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank borrowings raised	52(a)	**9,575,989**	3,593,626
Repayment of bank borrowings		**(11,585,063)**	(3,677,214)
Bank financing charges		**(51,930)**	(8,843)
Guaranteed notes issue expenses		**(92,130)**	—
Lease payments	16(b)	**(197,160)**	(188,208)
Repayment of guaranteed notes		**(1,125,797)**	—
Decrease in other borrowings		**—**	(34,304)
Dividends paid to non-controlling interests of subsidiaries		**(90,086)**	(64,141)
Advances from non-controlling interests of subsidiaries		**61,532**	—
Net cash flows used in financing activities		**(3,504,645)**	(379,084)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(265,283)**	187,955
Cash and cash equivalents at beginning of year		**3,011,985**	2,809,623
Effect of foreign exchange rate changes, net		**53,018**	14,407
CASH AND CASH EQUIVALENTS AT END OF YEAR		**2,799,720**	3,011,985
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Non-pledged and non-restricted cash and bank balances		**1,865,129**	2,364,941
Non-pledged and non-restricted time deposits		**934,591**	647,044
Cash and cash equivalents as stated in the consolidated statement of financial position		**2,799,720**	3,011,985

Notes to Financial Statements

31 July 2026

1. Corporate and Group Information

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

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

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

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

2.1 Basis of Preparation

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards ("**HKFRSs**"), Hong Kong Accounting Standards ("**HKASs**") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants and the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) ("**Companies Ordinance**"). They have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, derivative financial instruments and certain financial assets, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated.

2.1 Basis of Preparation (continued)

Going concern basis

The Group incurred a net loss of HK$2,655 million during the year ended 31 July 2026. As at 31 July 2026, the Group had net current assets of HK$3,484 million. The cash and bank balances (including pledged and restricted bank balances and time deposits) under current assets were HK$3,927 million, while the total bank and other borrowings and guaranteed notes under current liabilities amounted to HK$6,598 million.

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 to mitigate the liquidity pressure and to improve its cash flows:

(i) The Group will continue to actively negotiate with its existing lending banks and potential new lending banks on the refinancing of existing bank borrowings at costs acceptable to the Group and in a timely manner such that the banking facilities and bank borrowings will continue to be made available to the Group. In view of the Group's established banking relationships, its history of compliance with financial covenants, and past renewals of banking facilities, the directors of the Company are of the view that the Group should be able to refinance its bank borrowings as and when they fall due. Subsequent to the end of the reporting period, in September 2026, the Group successfully refinanced one of its banking facilities originally maturing in September 2026. The refinanced facilities amounted to HK$585 million, with a new repayment schedule extending from 2026 to 2029. Out of the total amount of these facilities, only HK$13 million is due within the financial year ending 31 July 2027.

(ii) The Group will continue to closely monitor its compliance with financial covenants associated with its banking facilities and bank borrowings with a view to ensuring ongoing compliance and the continued availability of these facilities.

(iii) As at 31 July 2026, the Group has unutilised banking facilities of HK$1,410 million for the payment of construction costs of its properties development projects. The directors of the Company believe that the Group will be able to fulfill all its payment obligations to the Group's contractors/vendors and meet all of the necessary conditions to launch the pre-sale and complete the remaining construction work for property delivery of the relevant projects.

2.1 Basis of Preparation (continued)

Going concern basis (continued)

(iv) 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 continue to seek for other alternative financing sources at costs acceptable to the Group to finance the settlement of its existing financial obligations and future operating and capital expenditures.

(vi) The Group will accelerate the pre-sales and sales of its properties under development and completed properties.

(vii) The Group will, despite the challenging economic environment, continue to effectively manage its rental and hotel portfolios which could generate a steady and reliable income stream to the Group.

(viii) The Group will continue to implement/contemplate various cost control strategies and resources improvement plans and measures to reduce operating costs and administrative costs and maintain containment of capital expenditure.

In addition, regarding the Group's outstanding other borrowings (principal amounts of HK$167 million and all accrued interests due or to be due) as of 31 July 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 October 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 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, 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 for the year ended 31 July 2026 on a going concern basis.

2.1 Basis of Preparation (continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 July 2026. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

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

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

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

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

2.2 Changes in Accounting Policies and Disclosures

The Group has adopted the 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.

2.3 Issued But Not Yet Effective HKFRS Accounting Standards

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

HKFRS 18	*Presentation and Disclosure in Financial Statements*[2]
HKFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
HKFRS 20	*Regulatory Assets and Regulatory Liabilities*[3]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Amendments to HKAS 28	*Amendments to the Fair Value Option for Investments in Associates and Joint Ventures*[5]
Annual Improvements to HKFRS Accounting Standards — Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[1]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual/reporting periods beginning on or after 1 January 2027
3 Effective for annual periods beginning on or after 1 January 2029
4 No mandatory effective date yet determined but available for adoption
5 Effective when an entity first applies HKFRS 18

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

2.4 Material Accounting Policies

Investments in associates and joint ventures

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

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

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

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

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

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

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

2.4 Material Accounting Policies (continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in the income statement or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in the income statement. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in the income statement as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 July. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

2.4 Material Accounting Policies (continued)

Business combinations and goodwill (continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its investment properties, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, derivative financial instruments and certain financial assets at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.4 Material Accounting Policies (continued)

Fair value measurement (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than properties under development, completed properties for sale, inventories, deferred tax assets, financial assets, investment properties and assets classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2.4 Material Accounting Policies (continued)

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 Material Accounting Policies (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	Over the remaining lease terms
Hotel properties	Over the remaining lease terms
Leasehold improvements	20% or over the terms of the related leases, whichever is shorter
Theme parks, excluding land and buildings	10% – 20%
Furniture, fixtures and equipment	10% – 25%
Motor vehicles	10% – 30%
Computers	18% – 33%
Motor vessels	15% – 25%

2.4 Material Accounting Policies (continued)

Property, plant and equipment and depreciation (continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings (including the right-of-use assets) held to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and properties which are constructed for future use as investment properties.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions as at the end of the reporting period. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" for owned property and/or accounts for such property in accordance with the policy stated under "Right-of-use assets" for property held as a right-of-use asset up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with HKAS 16 *Property, Plant and Equipment*.

2.4 Material Accounting Policies (continued)

Investment properties (continued)

Properties under construction for future use as investment properties are accounted for in the same way as completed investment properties. Specifically, construction costs incurred for investment properties under construction are capitalised as part of the carrying amounts of the investment properties under construction. Investment properties under construction are measured at fair value as at the end of the reporting period. Any difference between the fair values of the investment properties under construction and their carrying amounts is recognised in the income statement in the period in which it arises.

A transfer from investment property under construction to property under development/construction in progress shall be made when, and only when, there is a change in use, evidenced by commencement of development with a view to sale/owner-occupation.

Properties under development

Properties under development are stated at the lower of cost and net realisable value. Cost comprises the prepaid land lease payments or cost of land together with any other direct costs attributable to the development of the properties and other related expenses capitalised during the development period. Net realisable value is determined by the directors based on prevailing market prices on an individual property basis less estimated costs of completion and costs to be incurred in selling the property.

Once the construction or development of these properties is completed, these properties are reclassified to the appropriate categories of assets.

If a property under development is intended to be redeveloped into an owner-occupied property, it is transferred to construction in progress at the carrying amount.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

(i) Trademarks

Trademarks are stated at cost less impairment losses.

(ii) Customer relationships

Customer relationships are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful life of 8 to 10 years.

2.4 Material Accounting Policies (continued)

Completed properties for sale

Completed properties for sale are stated at the lower of cost and net realisable value. Cost includes all development expenditure, applicable borrowing costs and other direct costs attributable to such properties. Cost is determined by an apportionment of the total costs of land and buildings attributable to unsold properties. Net realisable value is determined by the directors based on the prevailing market prices on an individual property basis less cost to be incurred in selling the property.

If an item of completed property for sale becomes owner-occupied, it is transferred to property, plant and equipment at carrying amount.

For a transfer from an item of completed property for sale to investment property that will be carried at fair value as its use has changed as evidenced by commencement of an operating lease, any difference between the fair value of the property at that date and its previous carrying amount shall be recognised in the income statement.

Music catalogs

Music catalogs represent song catalogs, music video recording rights and publishing rights of songs acquired from outsiders. They are stated at cost less accumulated amortisation and impairment losses.

The costs of music catalogs less accumulated impairment loss are amortised based on the proportion of actual revenue earned during the year to total estimated projected revenues subject to a maximum of 15 years. Additional adjustment to accumulated amortisation is made if the projected revenues are different from the previous estimation or to reflect the actual consumption of economic benefits, as appropriate. Estimated projected revenues and related future cash flows, and the amortisation method are reviewed, and adjusted if appropriate, at least at the end of each reporting period.

2.4 Material Accounting Policies (continued)

Film and TV program products and films and TV programs under production

Film and TV program products are stated at cost less accumulated amortisation and any impairment losses. The portion of film and TV program products to be recovered through use, less estimated residual value and accumulated impairment losses, is amortised based on the proportion of actual revenues earned during the year to their total estimated projected revenues as an approximation of the consumption of their economic benefits. Additional adjustment to accumulated amortisation is made if the projected revenues are different from the previous estimation or to reflect the actual consumption of economic benefits, as appropriate. Cost of film and TV program products, accounted for on a project-by-project basis, includes production costs, costs of services, direct labour costs, facilities and raw materials consumed in the creation of a film or TV program.

Films and TV programs under production include production costs, costs of services, direct labour costs, facilities and raw materials consumed in the creation of films or TV programs. Upon completion and available for commercial exploitation, these films and TV programs under production are reclassified as film and TV program products. Films and TV programs under production are accounted for on a project-by-project basis and are stated at cost less any impairment losses.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2.4 Material Accounting Policies (continued)

Leases (continued)

Group as a lessee (continued)

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	Over the unexpired lease terms
Cinema related properties	2 to 15 years
Other properties	2 to 10 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When the right-of-use assets relate to interests in leasehold land held as inventories, they are subsequently measured at the lower of cost and net realisable value in accordance with the Group's policy for "Properties under development" and "Completed properties for sale". When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for "Investment properties".

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

2.4 Material Accounting Policies (continued)

Leases (continued)

Group as a lessee (continued)

(b) Lease liabilities (continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the income statement due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

At the commencement date, as the Group acts as a manufacturer or dealer lessor, the following for each of its finance leases should be recognised:

(a) revenue being the fair value of the underlying asset, or, if lower, the present value of the lease payments accruing to the lessor, discounted using a market rate of interest;

(b) the cost of sale being the cost, or carrying amount if different, of the underlying asset less the present value of the unguaranteed residual value; and

(c) selling profit or loss (being the difference between revenue and the cost of sale) in accordance with its policy for outright sales to which HKFRS 15 applies at the commencement date.

2.4 Material Accounting Policies (continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of debtors that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Debtors that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

The Group has certain investments in film projects and entertainment events which entitle the Group to receive a fixed and/or variable income based on the Group's investment amount and/or expected rate of return as specified in respective agreements. All film investments and investments in entertainment events which give rise to cash flows that are not SPPI on the principal amount outstanding are stated at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

2.4 Material Accounting Policies (continued)

Investments and other financial assets (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the income statement. Dividends are recognised as other revenue in the income statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other revenue in the income statement when the right of payment has been established.

2.4 Material Accounting Policies (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss (continued)

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the income statement. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 Material Accounting Policies (continued)

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for debtors which apply the simplified approach as detailed below:

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2.4 Material Accounting Policies (continued)

Impairment of financial assets (continued)

Simplified approach

For debtors that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debtors that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)
After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the income statement.

2.4 Material Accounting Policies (continued)

Financial liabilities (continued)

Subsequent measurement (continued)

Put option liabilities

Put options are financial instruments granted by the Group whereby counterparties may have the rights to request the Group to purchase their equity interests in certain of the Group's subsidiaries for cash when certain conditions are met. If the Group does not have the unconditional right to avoid delivering cash under the put option, the Group has to recognise a financial liability at the present value of the estimated future cash outflows under the put option. The financial liability is initially recognised at fair value.

Subsequently, if the Group revises its estimates of the payments, the Group adjusts the carrying amount of the financial liability to reflect actual and revised estimated cash outflows. At the end of each reporting period, the Group recalculates the carrying amount by computing the present value of the revised estimated future cash outflows at the financial instrument's original effective interest rate and adjustment to its carrying amount is to be recognised as income or expenses in the income statement.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.4 Material Accounting Policies (continued)

Derivative financial instruments

Initial recognition and subsequent measurement

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the income statement.

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

Inventories

Inventories comprise food, beverages, cutlery, linen and supplies used in hotel and restaurant operation and gaming products, are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

2.4 Material Accounting Policies (continued)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

2.4 Material Accounting Policies (continued)

Income tax (continued)

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Dividend income derived from the Company's subsidiaries in Chinese Mainland is subject to a withholding tax under the prevailing tax rules and regulations of the People's Republic of China (the "**PRC**").

Chinese Mainland land appreciation tax ("LAT")

LAT is levied at prevailing progressive rates on the appreciation of land value, being the proceeds from the sale of properties less deductible costs.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the income statement by way of a reduced depreciation charge.

2.4 Material Accounting Policies (continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

(a) *Sale of properties*
Revenue from the sale of completed properties is recognised at the point in time when the control of the property is transferred to the purchaser.

(b) *Building management services*
Revenue from the provision of building management services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

(c) *Services from hotel operation*
Revenue from the provision of services from hotel operation is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

(d) *Revenue from restaurant and food & beverage ("**F&B**") product sales operations*
Revenue from restaurant and F&B product sales operations is recognised at the point in time when the control of the assets is transferred to the customer, generally upon consumption of the food and beverage items by the customer.

2.4 Material Accounting Policies (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(e) Revenue from theme park operation

Revenue from admission tickets sold is recognised over time when the theme park service is provided to the customer or at the point in time when the tickets are expired; and sale of goods are recognised when the goods are delivered to the customer.

(f) Entertainment events

Revenue from entertainment events organised by the Group is recognised when the events are completed.

(g) Film distribution

Income from films licensed to movie theatres is recognised when the films are exhibited.

(h) Film licence fee

Licence income from films and TV programs licensed for a fixed fee or non-refundable guarantee under a non-cancellable contract is recognised where an assignment is granted to the licensee which permits the licensee to exploit those rights freely, and where the Group has no remaining obligations to perform and when the film materials have been delivered to licensees.

Licence income from films and TV programs licensed, other than for a fixed fee or non-refundable guarantee under a non-cancellable contract, to licensees, during the licence period is recognised when the films and TV programs are available for showing or telecast.

(i) Sale of products and albums

Sale of products and albums are recognised when control of the asset is transferred to the customers, generally on delivery of the products or in accordance with the terms of the relevant agreements.

(j) Distribution commission

Distribution commission income is recognised when the albums, film materials or TV program materials have been delivered to the wholesalers, distributors and licensees.

(k) Album licensing and music publishing

Album licence income and music publishing income are recognised when the licence is used by the customer or the customer simultaneously receives and consumes the benefits provided by the Group in accordance with the terms of the relevant agreements.

2.4 Material Accounting Policies (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(l) Box-office takings

Revenue from gross box-office takings for film exhibition is recognised at the point in time, upon the sale of tickets and when the film is exhibited.

(m) Advertising and artiste management

Advertising income and artiste management fee income from entertainment events and TV programs and commission income and handling fees from entertainment events are recognised in the period in which the relevant services are rendered to the customer or the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Income from properties under finance lease is recognised at the commencement date of finance lease when the risks and rewards incidental to the ownership of the underlying properties are substantially transferred to the lessee.

Other revenue

(a) Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

(b) Dividend income is recognised when the shareholders' rights to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

2.4 Material Accounting Policies (continued)

Contract costs

Costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the income statement on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the income statement.

2.4 Material Accounting Policies (continued)

Foreign currencies (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or the income statement is also recognised in other comprehensive income or the income statement, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas/Chinese Mainland subsidiaries, joint ventures and associates are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their income statements are translated into Hong Kong dollars at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the income statement.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas/Chinese Mainland subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas/Chinese Mainland subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

2.4 Material Accounting Policies (continued)

Employee benefits

Share-based payments

The Group operates share option schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using the Binomial Option Pricing Model ("**Binomial Model**").

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the income statement for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2.4 Material Accounting Policies (continued)

Employee benefits (continued)

Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the year end is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the end of the reporting period for the material expected future cost of such paid leave earned during the current financial year by the employees and carried forward.

Retirement benefits

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Vietnam and Chinese Mainland are required to participate in central pension schemes operated by the respective governments in Vietnam and the PRC. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension schemes. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension schemes.

3. Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

3. Significant Accounting Judgements and Estimates (continued)

Judgements (continued)

Impairment of a hotel property located in Hong Kong (the "HK Hotel") and the related right-of-use assets

The HK Hotel is stated at cost less accumulated depreciation and impairment losses, if any. In determining whether there is any impairment, the Group has to exercise judgement, particularly in assessing the appropriate key assumptions to be applied in preparing cash flow projections. To support the impairment assessment, the Group engaged an external valuer to perform a valuation on the HK Hotel and the related right-of-use assets. Changing the assumptions selected by the valuer to determine whether there is any impairment, including those related to the cash flow projections, such as the estimated average daily room rates, estimated occupancy rates and discount rate, could materially affect the net present value used in the impairment test. The carrying amounts of the HK Hotel and the related right-of-use assets as at 31 July 2026 were approximately HK$2,475 million (2025: HK$2,596 million) and HK$1,210 million (2025: HK$1,267 million), respectively.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. Significant Accounting Judgements and Estimates (continued)

Judgements (continued)

Income tax

Deferred tax is provided using the liability method, on all temporary differences as at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

As explained in note 39 to the financial statements, withholding tax is levied on dividends to be distributed by subsidiaries established in Chinese Mainland in respect of earnings generated from 1 January 2008. Deferred tax is provided, at the applicable withholding tax rate, on the undistributed earnings of the Group's PRC subsidiaries that would be distributed to their respective holding companies outside Chinese Mainland in the foreseeable future.

Put option liabilities

As explained in note 34 to the financial statements, put option liabilities arising from the buy-back upon the occurrence of certain triggering events are recognised as financial liabilities. When determining the classification and measurement of the put option liabilities, judgements are exercised, including determining whether the Group has the present ownership interest in the shares subject to the put options, the timing that the triggering events would occur and the possibility that the buy-back would be exercised.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment assessment of film rights, film and TV program products, and films and TV programs under production

Film rights and film and TV program products are stated at cost less accumulated amortisation and any impairment losses. Films and TV programs under production are accounted for on a project-by-project basis and are stated at cost less any impairment losses. Management estimates the costs to be incurred to complete production and the total projected revenues and the related future cash flows, as appropriate, of films and TV programs under production, film rights and film and TV program products based on the historical cost, performance and cash flows of similar films and TV programs, incorporating factors such as the production plans, target markets and distribution plans of the respective films and TV programs, the past box office or similar records and/or other relevant information of the main artistes and directors of the films and TV programs, the genre of the films and TV programs, their anticipated performance in relevant theatrical, home entertainment, television and other ancillary markets, with reference to agreements for future sales, licensing and other exploitations, as appropriate.

3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty (continued)

Impairment assessment of film rights, film and TV program products, and films and TV programs under production (continued)

These estimated costs to be incurred to complete production, projected revenues and related future cash flows can change significantly due to a variety of factors. Based on both internal and external information available on the films and TV programs under production, film rights and film and TV program products, management reviews the estimated costs to be incurred to complete production, the projected revenues and the related future cash flows of the relevant assets, as appropriate, to assess whether there is any impairment or reversal of impairment. Any change in estimates may have a significant impact on the Group's financial performance. The carrying amounts of film rights, film and TV program products and films and TV programs under production are disclosed in notes 18, 19 and 31 to the financial statements, respectively.

Estimation of fair values of investment properties

The best evidence of fair value is current prices in an active market for similar properties in the same location and condition and subject to similar leases and other contracts. In the absence of such information, management determines the amount within a range of reasonable fair value estimates. In making its judgement, management considers information from (i) independent valuations; (ii) current prices in an active market for properties of a different nature, condition or location by reference to available market information; (iii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the dates of transactions that occurred at those prices; and (iv) discounted cash flow projections, based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts, and (where possible) from external evidence such as current market rates for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of cash flows. The carrying amount of investment properties measured at fair value as at 31 July 2026 was approximately HK$35,035 million (2025: HK$34,315 million).

Estimation of net realisable value of properties under development and completed properties for sale

In determining the net realisable value of properties under development and completed properties for sale, management takes into consideration of (i) independent valuations by professional valuers; (ii) current market conditions; (iii) estimated selling prices of properties of a similar nature, conditions and locations; and (iv) estimated costs of completion and the estimated costs necessary to make the sale, if any. Write-down on properties under development and/or completed properties for sale to net realisable value is made if the estimated or actual net realisable value of properties under development and completed properties for sale is less than expected as a result of change in market condition.

3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty (continued)

Estimation of total budgeted costs and costs to completion for properties under development/ investment properties under construction

The total budgeted costs for properties under development/investment properties under construction comprise (i) leasehold land, (ii) building costs, and (iii) any other direct costs attributable to the development of the properties. In estimating the total budgeted costs for properties under development/ investment properties under construction, management makes reference to information such as (i) current offers from contractors and suppliers, (ii) recent offers agreed with contractors and suppliers, and (iii) professional estimation on construction and material costs.

Provision for ECLs on debtors and other receivables

The Group uses a provision matrix to calculate ECLs for debtors. The provision rates are based on days past due for groupings of various customer segments with shared risk characteristics. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECLs on the Group's debtors is disclosed in note 33 to the financial statements.

The loss allowances for other receivables are based on assumption about risk of default and expected loss rates. The Group makes adjustment in making these assumptions and selecting the inputs to the ECL calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. A number of significant judgements are also required in applying the accounting requirements for measuring ECLs, such as:

— Determining criteria for a significant increase in credit risk;
— Identifying economic indicators for forward-looking measurement; and
— Estimating future cash flows for the other receivables.

The information about the provision for ECLs on the Group's other receivables is disclosed in note 28 to the financial statements.

3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty (continued)

Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in production, expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from previous estimation. Useful lives and residual values are reviewed at each financial year end date based on changes in circumstances.

Impairment of non-financial assets (other than goodwill)

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the Group has to exercise judgement in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.

Provision for LAT and corporate income tax ("CIT")

The Group is subject to LAT in the PRC. The provision for LAT is based on management's best estimates according to its understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its LAT calculations and payments with the tax authorities for certain property development projects. The final tax outcome could be different from the amounts that were initially recorded, and any differences will impact the LAT expenses and the related LAT provision in the period in which such taxes are finalised with the tax authorities.

The Group is mainly subject to CIT in the PRC. Subsequent to the financial year ends of the PRC subsidiaries, management shall make adjustments (and the relevant local tax authorities may raise further adjustments) to the accounting profit to arrive at the taxable income under the process known as annual tax assessment. Management's best estimates with reference to the currently enacted tax laws, regulations and other related policies are required in determining the provision for CIT. Where the final tax outcomes of tax adjustments are different from the amounts originally recorded, the differences will impact on the CIT and related CIT provision in the period in which such taxes are finalised with the tax authorities.

4. Segment Information

For management purposes, the Group has the following reportable segments:

(a) the property development and sales segment engages in property development and sale of properties;

(b) the property investment segment invests in commercial and office buildings for their rental income potential, provides building management services and engages in theme park operation in Chinese Mainland;

(c) the hotel operation segment engages in the operation of and provision of consultancy services to hotels and serviced apartments;

(d) the restaurant and F&B product sales operations segment engages in the operation of restaurants and sales of food and beverage products;

(e) the media and entertainment segment engages in the management and production of concerts and the provision of related advertising services, the provision of artiste management services, album sales and the distribution and licensing of music and the trading of gaming products;

(f) the film and TV program segment engages in the investment in, production of, sale, distribution and licensing of films and TV programs, the provision of related advertising services;

(g) the cinema operation segment engages in the operation of cinemas in Hong Kong and Chinese Mainland; and

(h) the "others" segment mainly comprises luxury yachting business, the provision of property management services, leasing agency services and building services.

4. Segment Information (continued)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group's loss before tax except that fair value losses on investment properties, net, finance costs, share of profits and losses of associates, share of profits and losses of joint ventures, and other unallocated revenue, expenses, other gains and other losses are excluded from such measurement.

Segment assets mainly exclude investments in associates, investments in joint ventures, financial assets at fair value through other comprehensive income, certain financial assets at fair value through profit or loss, derivative financial instruments, deferred tax assets, prepaid tax, certain pledged and restricted bank balances and time deposits, certain cash and cash equivalents and other unallocated corporate assets as these assets are managed on a group basis.

Segment liabilities mainly exclude bank borrowings, other borrowings, guaranteed notes, derivative financial instruments, tax payable, deferred tax liabilities, put option liabilities included in creditors, other payables and accruals and other unallocated corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales are transacted with reference to the prevailing market prices.

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. In addition, other gains are not included in segment revenue in the current year. The comparative segment information has been restated to conform with the current year's presentation.

4. Segment Information (continued)

Segment revenue and results

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

	Property development and sales		Property investment		Hotel operation		Restaurant and F&B product sales operations		Media and entertainment		Film and TV program		Cinema operation		Others		Consolidated	
	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 (Restated)	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment revenue (note 6(a)):																		
Sales to external customers	**787,655**	885,015	**1,160,120**	1,208,650	**1,220,261**	1,243,773	**521,161**	479,146	**342,166**	287,897	**225,412**	46,566	**470,534**	445,145	**339,374**	302,423	**5,066,683**	4,898,615
Intersegment sales	**–**	–	**43,571**	44,089	**1,041**	809	**5,673**	3,895	**100**	–	**12,984**	21,241	**4,000**	5,135	**23,849**	23,972	**91,218**	99,141
Other revenue	**49,593**	48,341	**33,753**	26,801	**1,381**	1,030	**3,493**	6,154	**14,840**	2,023	**2,219**	1,989	**12,567**	21,074	**28,264**	85,993	**146,110**	193,405
Total	**837,248**	933,356	**1,237,444**	1,279,540	**1,222,683**	1,245,612	**530,327**	489,195	**357,106**	289,920	**240,615**	69,796	**487,101**	471,354	**391,487**	412,388	**5,304,011**	5,191,161
Elimination of intersegment sales																	**(91,218)**	(99,141)
Total																	**5,212,793**	5,092,020
Segment results	**(250,378)**	(811,808)	**588,910**	612,576	**(82,209)**	(116,875)	**(16,171)**	(90,654)	**60,446**	42,532	**(93,676)**	(51,998)	**133,230**	116,362	**96,524**	92,211	**436,676**	(207,654)
Unallocated other revenue																	**73,613**	92,893
Unallocated other gains or losses, net																	**(359,226)**	109,010
Fair value losses on investment properties, net	**–**	–	**(1,312,283)**	(457,569)	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(1,312,283)**	(457,569)
Unallocated expenses																	**(352,491)**	(371,611)
Loss from operating activities																	**(1,513,711)**	(834,931)
Finance costs																	**(1,033,612)**	(1,124,901)
Share of profits and losses of associates	**69**	256	**(9)**	(9)	**(1,179)**	(812)	**11,663**	5,562	**–**	–	**–**	–	**–**	–	**3,371**	4,366	**13,915**	9,363
Share of profits and losses of associates – unallocated																	**(7,257)**	(1,407)
Share of profits and losses of joint ventures	**(61,205)**	(398,145)	**(108,252)**	(700,229)	**135,397**	(12,721)	**(16,264)**	(8,113)	**2,021**	1,854	**–**	–	**(161)**	(8,262)	**(3,581)**	(4,504)	**(52,045)**	(1,130,120)
Loss before tax																	**(2,592,710)**	(3,081,996)
Tax																	**(61,885)**	(47,351)
Loss for the year																	**(2,654,595)**	(3,129,347)

4. Segment Information (continued)

Segment assets and liabilities

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

	Property development and sales		Property investment		Hotel operation		Restaurant and F&B product sales operations		Media and entertainment		Film and TV program		Cinema operation		Others		Consolidated	
	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 (Restated)	**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	**8,627,852**	8,607,815	**35,972,240**	35,543,736	**7,483,894**	7,673,397	**332,945**	398,023	**260,957**	190,465	**420,653**	708,360	**400,735**	389,067	**266,208**	1,044,142	**53,765,484**	54,555,005
Investments in associates	**1,667**	1,597	**69**	77	**181,792**	181,236	**28,040**	16,116	**–**	–	**–**	–	**–**	–	**–**	13,227	**211,568**	212,253
Investments in associates – unallocated																	**206,332**	184,459
Investments in joint ventures	**890,322**	901,337	**30,870**	3,544,121	**63,393**	53,544	**3,025**	19,289	**36,961**	37,094	**–**	–	**14,485**	22,060	**244,556**	227,351	**1,283,612**	4,804,796
Unallocated assets																	**4,285,620**	4,471,788
Total assets																	**59,752,616**	64,228,301
Segment liabilities	**544,439**	489,324	**569,066**	607,788	**268,782**	274,471	**239,323**	242,983	**255,942**	111,342	**266,426**	438,034	**542,377**	652,325	**41,663**	528,614	**2,728,018**	3,344,881
Bank borrowings																	**19,446,238**	20,821,439
Guaranteed notes																	**3,245,915**	4,259,626
Other borrowings																	**305,799**	296,688
Unallocated liabilities																	**6,178,816**	6,119,230
Total liabilities																	**31,904,786**	34,841,864

4. Segment Information (continued)

Other segment information

The following table presents the other segment information for the Group's reportable segments:

	Property development and sales		Property investment		Hotel operation		Restaurant and F&B product sales operations		Media and entertainment		Film and TV program		Cinema operation		Others		Consolidated	
	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 (Restated)	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Depreciation of property, plant and equipment	**412**	472	**20,771**	21,265	**200,017**	216,158	**12,214**	14,100	**14**	194	**30**	3	**20,206**	17,272	**7,661**	5,612	**261,325**	275,076
Depreciation of property, plant and equipment — unallocated																	**21,567**	22,994
																	282,892	298,070
Depreciation of right-of-use assets	**–**	–	**3,278**	3,211	**144,423**	150,562	**27,611**	33,768	**188**	406	**23**	873	**43,445**	54,596	**12,604**	12,316	**231,572**	255,732
Depreciation of right-of-use assets — unallocated																	**22,264**	27,145
																	253,836	282,877
Impairment of property, plant and equipment	**–**	–	**27,362**	–	**–**	–	**504**	14,462	**–**	1,031	**40**	12	**–**	–	**–**	–	**27,906**	15,505
Impairment of property, plant and equipment — unallocated																	**–**	4,375
																	27,906	19,880
Reversal of impairment of property, plant and equipment, net	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(18,292)**	(19,155)	**–**	–	**(18,292)**	(19,155)
Impairment of right-of-use assets	**–**	–	**–**	–	**–**	–	**9,603**	28,142	**305**	1,260	**–**	2,199	**–**	–	**–**	–	**9,908**	31,601
Impairment of right-of-use assets — unallocated																	**562**	519
																	10,470	32,120
Reversal of impairment of right-of-use assets, net	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(59,729)**	(25,364)	**–**	–	**(59,729)**	(25,364)
Fair value losses on financial assets at fair value through profit or loss, net	**–**	–	**–**	–	**(67)**	600	**–**	–	**–**	–	**24,273**	(4)	**–**	–	**–**	–	**24,206**	596
Fair value (gains)/losses on financial assets at fair value through profit or loss, net — unallocated																	**131,643**	5,658
																	155,849	6,254

4. Segment Information (continued)

Other segment information (continued)

The following table presents the other segment information for the Group's reportable segments: (continued)

	Property development and sales		Property investment		Hotel operation		Restaurant and F&B product sales operations		Media and entertainment		Film and TV program		Cinema operation		Others		Consolidated	
	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 (Restated)	**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
Gain on lease modification	**–**	–	**–**	–	**–**	–	**10**	–	**–**	–	**–**	–	**(19,641)**	(75,978)	**(4,645)**	–	**(24,276)**	(75,978)
Loss/(gain) on disposal/write-off of items of property, plant and equipment	**37**	18	**135**	81	**568**	(19)	**82**	(6)	**1**	(5)	**(22)**	–	**9**	20	**–**	–	**810**	89
Gain on disposal/write-off of items of property, plant and equipment – unallocated																	**(25)**	(2,553)
																	785	(2,464)
Amortisation of film rights	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**2,445**	2,948	**–**	–	**–**	–	**2,445**	2,948
Amortisation of film and TV program products	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**22**	5,553	**–**	–	**–**	–	**22**	5,553
Amortisation of other intangible assets	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**405**	380	**405**	380
Impairment of films and TV programs under production	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**14,624**	27,785	**–**	–	**–**	–	**14,624**	27,785
Fair value changes from film investments	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**54,553**	1,258	**–**	–	**–**	–	**54,553**	1,258
Loss on modification of guaranteed notes – unallocated																	**209,889**	–
(Reversal of write-down)/write-down of properties under development to net realisable value	**(39,512)**	528,000	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(39,512)**	528,000
Write-down of completed properties for sale to net realisable value	**122,744**	226,205	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**122,744**	226,205
(Reversal of impairment)/impairment of debtors, net	**–**	–	**(125)**	(281)	**–**	–	**(560)**	3,142	**(80)**	234	**(9)**	(220)	**–**	–	**–**	–	**(774)**	2,875
Impairment of advances and other receivables	**–**	–	**–**	–	**–**	–	**–**	–	**2,001**	4,896	**7,300**	1,980	**–**	4,379	**–**	–	**9,301**	11,255
Impairment of advances and other receivables – unallocated																	**–**	1,549
																	9,301	12,804
Impairment of amounts due from joint ventures	**–**	–	**–**	–	**–**	–	**–**	–	**524**	1,277	**–**	–	**–**	1,116	**–**	–	**524**	2,393
Trade receivables written off as uncollectable	**–**	–	**15,200**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**15,200**	–
Impairment/(reversal of impairment) of inventories	**–**	–	**–**	–	**–**	–	**18**	199	**–**	–	**–**	–	**–**	–	**296**	(341)	**314**	(142)
Capital expenditure, net	**437**	634	**113,797**	53,631	**27,222**	15,373	**14,008**	100,544	**40**	3,303	**193**	1,716	**1,168**	237	**34,854**	35,374	**191,719**	210,812
Capital expenditure – unallocated																	**1,070**	46,287
																	192,789	257,099

4. Segment Information (continued)

Geographical information

The following table presents revenue and assets by geographical location of the assets:

	Hong Kong		Chinese Mainland and Macau		United Kingdom		Vietnam		Others		Consolidated	
	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
Segment revenue												
Sales to external customers	**2,395,809**	2,512,106	**1,815,289**	1,498,086	**8,646**	39,218	**515,883**	551,232	**331,056**	297,973	**5,066,683**	4,898,615
Other revenue	**66,453**	128,825	**69,639**	60,798	**2,884**	1,112	**386**	12	**6,748**	2,658	**146,110**	193,405
Total	**2,462,262**	2,640,931	**1,884,928**	1,558,884	**11,530**	40,330	**516,269**	551,244	**337,804**	300,631	**5,212,793**	5,092,020
Segment assets												
Non-current assets	**15,876,813**	16,831,185	**25,493,190**	23,920,947	**2,120,420**	2,508,695	**270,040**	277,322	**—**	389,801	**43,760,463**	43,927,950
Current assets	**5,737,996**	5,190,032	**3,972,254**	4,638,788	**95,027**	58,619	**190,218**	221,342	**9,526**	518,274	**10,005,021**	10,627,055
Total	**21,614,809**	22,021,217	**29,465,444**	28,559,735	**2,215,447**	2,567,314	**460,258**	498,664	**9,526**	908,075	**53,765,484**	54,555,005

Information about major customers

For both the years ended 31 July 2026 and 31 July 2025, there was no revenue derived from a single customer which contributed more than 10% of the Group's revenue for the respective years.

5. Related Party Transactions

In addition to the related party transactions and balances detailed elsewhere in the financial statements, the Group entered into the following material transactions with related parties during the year:

(a) Transactions with related parties

	Notes	**2026 HK$'000**	2025 HK$'000
Lease payments and building management fees paid or payable to:			
— LSG	(i), (ii)	**347**	566
— an associate of LSG	(i), (ii)	**303**	352
Rental income and management fee income received or receivable from LSG	(i)	**584**	582
Interest income received or receivable from advance to joint ventures	(i)	**15,173**	76,426
Production fee paid or payable to joint ventures	(i)	**2,575**	3,195
Advertising and promotion expenses paid or payable to a joint venture	(i)	**30**	166
Sale of products and management fee income received or receivable from a joint venture	(i)	**—**	1,165
Film releasing income received or receivable from joint ventures	(i)	**1,419**	3,682
Sharing of corporate salaries on a cost basis allocated to LSG		**8,603**	8,378
Sharing of administrative expenses on a cost basis allocated to LSG		**578**	364
Sharing of administrative expenses on a cost basis allocated from LSG		**117**	—

Certain of the above related party transactions also constitute continuing connected transactions as defined in chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and their details are disclosed in the Report of the Directors.

5. Related Party Transactions (continued)

(a) Transactions with related parties (continued)

Notes:

(i) These transactions were entered into based on terms stated in the respective agreements or contracts and were charged on bases mutually agreed by the respective parties.

(ii) In addition to the variable lease payments and lease payments for short-term leases to the related parties, right-of-use assets of approximately HK$3,178,000 (2025: HK$872,000) and lease liabilities of approximately HK$3,803,000 (2025: HK$1,479,000) related to the leases with related parties were recognised in the consolidated statement of financial position as at 31 July 2026. During the year ended 31 July 2026, depreciation of these right-of-use assets of approximately HK$2,293,000 (2025: HK$2,467,000) and finance costs on these lease liabilities of approximately HK$166,000 (2025: HK$191,000) were recognised in the consolidated income statement.

(b) Compensation of key management personnel of the Group

	2026	2025
	HK$'000	HK$'000
Short term employee benefits	**45,449**	50,076
Pension scheme contributions	**123**	123
Total compensation paid to key management personnel	**45,572**	50,199

Further details of directors' emoluments are included in note 9 to the financial statements.

6. Turnover and Other Revenue and Gains

An analysis of turnover is as follows:

	2026 HK$'000	2025 HK$'000
Turnover from contracts with customers:		
Sale of properties	**787,655**	885,015
Building management fee income	**257,057**	244,755
Income from hotel operation	**1,220,261**	1,243,773
Income from restaurant and F&B product sales operations	**521,161**	479,146
Distribution commission income, licence income from and sale of film and TV program products and film rights	**220,986**	41,411
Box-office takings, concessionary income and related income from cinemas	**470,534**	445,145
Entertainment event income	**262,876**	182,259
Sale of game products	**—**	36,273
Album sales, licence income and distribution commission income from music publishing and licensing	**71,138**	60,355
Artiste management fee income	**8,152**	9,010
Advertising income	**4,426**	5,155
Income from theme park operation	**3,650**	7,422
Others	**339,374**	302,423
	4,167,270	3,942,142
Turnover from other source:		
Rental income	**899,413**	956,473
Total turnover	**5,066,683**	4,898,615
Timing of recognition of turnover from contracts with customers:		
At a point in time	**3,294,679**	3,105,053
Over time	**872,591**	837,089
	4,167,270	3,942,142

6. Turnover and Other Revenue and Gains (continued)

(a) Disaggregated revenue information

	For the year ended 31 July 2026								
	Property development and sales HK$'000	Property investment HK$'000	Hotel operation HK$'000	Restaurant and F&B product sales operations HK$'000	Media and entertainment HK$'000	Film and TV program HK$'000	Cinema operation HK$'000	Others HK$'000	Consolidated HK$'000
Type of goods or services									
Sale of properties	787,655	–	–	–	–	–	–	–	787,655
Building management fee income	–	257,057	–	–	–	–	–	–	257,057
Income from hotel operation	–	–	1,220,261	–	–	–	–	–	1,220,261
Income from restaurant and F&B product sales operations	–	–	–	521,161	–	–	–	–	521,161
Distribution commission income, licence income from and sale of film and TV program products and film rights	–	–	–	–	–	220,986	–	–	220,986
Box- office takings, concessionary income and related income from cinemas	–	–	–	–	–	–	470,534	–	470,534
Entertainment event income	–	–	–	–	262,876	–	–	–	262,876
Album sales, licence income and distribution commission income from music publishing and licensing	–	–	–	–	71,138	–	–	–	71,138
Artiste management fee income	–	–	–	–	8,152	–	–	–	8,152
Advertising income	–	–	–	–	–	4,426	–	–	4,426
Income from theme park operation	–	3,650	–	–	–	–	–	–	3,650
Others	–	–	–	–	–	–	–	339,374	339,374
Total turnover from contracts with customers	787,655	260,707	1,220,261	521,161	342,166	225,412	470,534	339,374	4,167,270
Turnover from other source – rental income	–	899,413	–	–	–	–	–	–	899,413
Total turnover	787,655	1,160,120	1,220,261	521,161	342,166	225,412	470,534	339,374	5,066,683

6. Turnover and Other Revenue and Gains (continued)

(a) Disaggregated revenue information (continued)

	For the year ended 31 July 2026								
	Property development and sales HK$'000	Property investment HK$'000	Hotel operation HK$'000	Restaurant and F&B product sales operations HK$'000	Media and entertainment HK$'000	Film and TV program HK$'000	Cinema operation HK$'000	Others HK$'000	Consolidated HK$'000
Geographical markets									
Hong Kong	282,622	80,266	428,426	466,261	279,273	24,890	459,983	29,293	2,051,014
Chinese Mainland and Macau	505,033	177,481	275,970	54,900	51,253	191,046	10,551	–	1,266,234
United Kingdom	–	2,960	–	–	–	123	–	–	3,083
Vietnam	–	–	515,865	–	–	18	–	–	515,883
Others	–	–	–	–	11,640	9,335	–	310,081	331,056
Total turnover from contracts with customers	787,655	260,707	1,220,261	521,161	342,166	225,412	470,534	339,374	4,167,270
Turnover from other source – rental income	–	899,413	–	–	–	–	–	–	899,413
Total turnover	787,655	1,160,120	1,220,261	521,161	342,166	225,412	470,534	339,374	5,066,683
Timing of recognition of turnover from contracts with customers									
At a point in time	787,655	–	655,064	521,161	317,570	225,412	470,534	317,283	3,294,679
Over time	–	260,707	565,197	–	24,596	–	–	22,091	872,591
Total turnover from contracts with customers	787,655	260,707	1,220,261	521,161	342,166	225,412	470,534	339,374	4,167,270
Turnover from other source – rental income	–	899,413	–	–	–	–	–	–	899,413
Total turnover	787,655	1,160,120	1,220,261	521,161	342,166	225,412	470,534	339,374	5,066,683

6. Turnover and Other Revenue and Gains (continued)

(a) Disaggregated revenue information (continued)

	For the year ended 31 July 2025								
	Property development and sales HK$'000	Property investment HK$'000 (Restated)	Hotel operation HK$'000	Restaurant and F&B product sales operations HK$'000	Media and entertainment HK$'000	Film and TV program HK$'000	Cinema operation HK$'000	Others HK$'000	Consolidated HK$'000
Type of goods or services									
Sale of properties	885,015	–	–	–	–	–	–	–	885,015
Building management fee income	–	244,755	–	–	–	–	–	–	244,755
Income from hotel operation	–	–	1,243,773	–	–	–	–	–	1,243,773
Income from restaurant and F&B product sales operations	–	–	–	479,146	–	–	–	–	479,146
Distribution commission income, licence income from and sale of film and TV program products and film rights	–	–	–	–	–	41,411	–	–	41,411
Box- office takings, concessionary income and related income from cinemas	–	–	–	–	–	–	445,145	–	445,145
Entertainment event income	–	–	–	–	182,259	–	–	–	182,259
Sale of game products	–	–	–	–	36,273	–	–	–	36,273
Album sales, licence income and distribution commission income from music publishing and licensing	–	–	–	–	60,355	–	–	–	60,355
Artiste management fee income	–	–	–	–	9,010	–	–	–	9,010
Advertising income	–	–	–	–	–	5,155	–	–	5,155
Income from theme park operation	–	7,422	–	–	–	–	–	–	7,422
Others	–	–	–	–	–	–	–	302,423	302,423
Total turnover from contracts with customers	885,015	252,177	1,243,773	479,146	287,897	46,566	445,145	302,423	3,942,142
Turnover from other source – rental income	–	956,473	–	–	–	–	–	–	956,473
Total turnover	885,015	1,208,650	1,243,773	479,146	287,897	46,566	445,145	302,423	4,898,615

6. Turnover and Other Revenue and Gains (continued)

(a) Disaggregated revenue information (continued)

	For the year ended 31 July 2025								
	Property development and sales HK$'000	Property investment HK$'000 (Restated)	Hotel operation HK$'000	Restaurant and F&B product sales operations HK$'000	Media and entertainment HK$'000	Film and TV program HK$'000	Cinema operation HK$'000	Others HK$'000	Consolidated HK$'000
Geographical markets									
Hong Kong	595,889	76,135	420,289	429,238	129,974	28,983	434,943	31,760	2,147,211
Chinese Mainland and Macau	289,126	171,369	273,011	49,908	142,050	5,369	10,202	–	941,035
United Kingdom	–	4,673	–	–	–	18	–	–	4,691
Vietnam	–	–	550,473	–	–	759	–	–	551,232
Others	–	–	–	–	15,873	11,437	–	270,663	297,973
Total turnover from contracts with customers	885,015	252,177	1,243,773	479,146	287,897	46,566	445,145	302,423	3,942,142
Turnover from other source – rental income	–	956,473	–	–	–	–	–	–	956,473
Total turnover	885,015	1,208,650	1,243,773	479,146	287,897	46,566	445,145	302,423	4,898,615
Timing of recognition of turnover from contracts with customers									
At a point in time	885,015	–	705,032	479,146	263,817	46,566	445,145	280,332	3,105,053
Over time	–	252,177	538,741	–	24,080	–	–	22,091	837,089
Total turnover from contracts with customers	885,015	252,177	1,243,773	479,146	287,897	46,566	445,145	302,423	3,942,142
Turnover from other source – rental income	–	956,473	–	–	–	–	–	–	956,473
Total turnover	885,015	1,208,650	1,243,773	479,146	287,897	46,566	445,145	302,423	4,898,615

6. Turnover and Other Revenue and Gains (continued)

(a) Disaggregated revenue information (continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2026	2025
	HK$'000	HK$'000
Sale of properties	**38,041**	42,548
Other operations	**161,906**	23,200
	199,947	65,748

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of properties

Revenue from the sale of properties is recognised at a point in time when the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property. Payment in advance is normally required.

Hotel operation and building management operation

The performance obligation is satisfied over time as services are rendered. Contracts for hotel services and building management services are for certain periods and are billed based on the time incurred.

Entertainment events

Revenue from entertainment events organised by the Group is recognised at a point in time when the events are completed. Payment is generally due within 30 to 60 days from the date of billing.

Film and TV program licence income

The performance obligation is satisfied at a point in time (i) when the films or TV programs licensed to movie theatres are exhibited, (ii) where an assignment is granted to the licensee which permits the licensee to exploit those rights freely and where the Group has no remaining obligations to perform and when the materials have been delivered to the licensee, or (iii) when the films or TV programs are available for showing or telecast. Partial payment in advance for licence income is normally required and the remaining balance is billed according to the payment schedule as stipulated in agreements or upon completion of exhibition of the films or TV programs. Payment is generally due within 30 to 60 days from the date of billing.

6. Turnover and Other Revenue and Gains (continued)

(c) Transaction price allocated to the remaining performance obligations

The Group elected to apply the practical expedient under HKFRS 15 and does not disclose the amount of the transaction price allocated to the remaining obligations for contracts with an original expected duration for one year or less as well as contracts for hotel and serviced apartment operation and building management operations for which the Group bills fixed amount for each month of service provided and recognises revenue in the amount to which the Group has right to invoice.

(d) Other revenue and gains

An analysis of other revenue and gains is as follows:

	Notes	**2026 HK$'000**	2025 HK$'000
Other revenue			
Interest income from bank deposits		**46,054**	64,715
Other interest income		**22,682**	85,386
Dividend income from financial assets at fair value through other comprehensive income		**4,000**	200
Dividend income from financial assets at fair value through profit or loss		**8,095**	7,299
Interest income from finance lease contract		**18,658**	19,848
Government grants*		**11,434**	6,989
Commission and handling fee income		**13,502**	1,325
Others		**95,298**	100,536
		219,723	286,298
Other gains			
Fair value gains on cross currency swaps	27	**20,704**	—
Fair value gains on interest rate swaps	27	**19,774**	—
Gain on disposal of investment properties		**—**	3,434
Gains on disposal of subsidiaries, net	32	**58,600**	168,696
Gain on lease modification	16(c)	**24,276**	75,978
Reversal of impairment of property, plant and equipment, net	14	**18,292**	19,155
Reversal of impairment of right-of-use assets, net	16(a),(c)	**59,729**	25,364
Write-back of other payables		**—**	24,905
Gains on liquidation/deregistration of subsidiaries		**8,962**	—
Fair value changes from entertainment events organised by co-investors		**7,931**	6,227
Others		**4,892**	9,141
		223,160	332,900
		442,883	619,198

* There are no unfulfilled conditions or contingencies related to these grants.

7. Loss From Operating Activities

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

	Notes	2026 HK$'000	2025 HK$'000
Cost of completed properties sold		**929,890**	906,880
Cost of inventories sold		**309,877**	317,753
Cost of film rights, licence rights and film and TV program products		**189,408**	59,997
Cost of artiste management services and services for entertainment events provided		**242,834**	146,397
Cost of theatrical releasing and concessionary sales		**174,825**	159,760
Depreciation of property, plant and equipment^	14	**282,892**	298,070
Depreciation of right-of-use assets^	16(a), (c)	**253,836**	282,877
Impairment of property, plant and equipment*	14	**27,906**	19,880
Reversal of impairment of property, plant and equipment, net@	14	**(18,292)**	(19,155)
Impairment of right-of-use assets*	16(a), (c)	**10,470**	32,120
Reversal of impairment of right-of-use assets, net@	16(a), (c)	**(59,729)**	(25,364)
Loss/(gain) on disposal/write-off of items of property, plant and equipment		**785***	(2,464)@
(Reversal of write-down)/write-down of properties under development to net realisable value#	17	**(39,512)**	528,000
Write-down of completed properties for sale to net realisable value#	30	**122,744**	226,205
Staff costs (including directors' remuneration — note 9):			
Wages and salaries		**1,275,601**	1,264,495
Pension scheme contributions##		**43,918**	48,975
		1,319,519	1,313,470
Capitalised in properties under development/ investment properties under construction/ construction in progress		**(41,132)**	(34,768)
Total		**1,278,387**	1,278,702
Auditor's remuneration		**12,031**	12,245
Lease payments not included in the measurement of lease liabilities		**35,383**	33,013
Contingent rents incurred for:			
Entertainment events#		**17,009**	2,090
Cinema*		**20,727**	22,665
Total	16(c)	**73,119****	57,768**

7. Loss From Operating Activities (continued)

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

	Notes	2026 HK$'000	2025 HK$'000
Minimum lease income under operating leases		**(893,447)**	(952,211)
Contingent rents		**(5,966)**	(4,262)
Total operating lease income		**(899,413)**	(956,473)
Less: Outgoings		**101,831**	154,285
Net rental income		**(797,582)**	(802,188)
Impairment of films and TV programs under production#	31	**14,624**	27,785
Fair value changes from film investments*	31	**54,553**	1,258
Fair value changes from entertainment events organised by co-investors@		**(7,931)**	(6,227)
Amortisation of film rights#		**2,445**	2,948
Amortisation of film and TV program products#	19	**22**	5,553
Amortisation of other intangible assets*	22	**405**	380
(Reversal of impairment)/impairment of debtors, net	33	**(774)**@	2,875*
Trade receivables written off as uncollectable*		**15,200**	—
Impairment of advances and other receivables*	28	**9,301**	12,804
Impairment of amounts due from joint ventures*	24	**524**	2,393
(Gains)/losses on liquidation/deregistration of subsidiaries, net		**(8,962)**@	1,819*
Gains on disposal of subsidiaries, net@	32	**(58,600)**	(168,696)
Fair value (gains)/losses on cross currency swaps	27	**(20,704)**@	14,244*
Fair value (gains)/losses on interest rate swaps	27	**(19,774)**@	17,802*
Fair value losses on financial assets at fair value through profit or loss, net*		**155,849**	6,254
Loss on modification of guaranteed notes*	36(a)	**209,889**	—
Derecognition loss on rental receivables*		**19**	148
Impairment/(reversal of impairment) of inventories		**314***	(142)@
Foreign exchange differences, net*		**41,904**	27,728
Service fee for operation of a club in hotel operation in Vietnam*		**42,538**	67,459

7. Loss From Operating Activities (continued)

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

[#] These items are included in "cost of sales" on the face of the consolidated income statement. The contingent rents are charged based on certain percentages of the gross ticket proceeds collected in respect of the entertainment events.

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

[*] These items are included in "other operating expenses" on the face of the consolidated income statement. The contingent rents are charged based on certain percentages of the gross box-office takings in respect of the cinema operation.

[^] Depreciation charges of approximately HK$485,415,000 (2025: HK$521,665,000) are included in "other operating expenses" on the face of the consolidated income statement.

[**] Lease payments of approximately HK$29,506,000 (2025: HK$36,966,000) are included in "other operating expenses" on the face of the consolidated income statement.

[##] As at 31 July 2026 and 31 July 2025, the Group had no forfeited contributions from the pension schemes available to reduce its contributions to the pension schemes in future years.

8. Finance Costs

	Notes	**2026 HK$'000**	2025 HK$'000
Interest on bank borrowings		**970,155**	1,089,582
Interest on guaranteed notes		**201,609**	201,551
Interest on other borrowings		**5,701**	6,134
Interest on other payables		**5,168**	8,056
Interest on lease liabilities	16(b), (c)	**27,503**	40,288
Bank financing charges		**83,908**	98,702
Interest on put option liabilities		**4,634**	4,466
		1,298,678	1,448,779
Less: Amount capitalised in construction in progress	14	**(3,437)**	(4,209)
Amount capitalised in properties under development	17	**(248,663)**	(293,097)
Amount capitalised in investment properties under construction	15	**(12,966)**	(26,572)
		1,033,612	1,124,901

8. Finance Costs (continued)

Where funds have been borrowed generally and used for the purpose of obtaining qualifying assets, capitalisation rates ranging from 4.7% to 6.4% (2025: 5.0% to 7.1%) have been applied to the expenditure on the individual assets for the year ended 31 July 2026.

9. Directors' Remuneration

Directors' remuneration for both years, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

	2026 **HK$'000**	2025 HK$'000
Fees	**1,875**	1,875
Other emoluments:		
Salaries, allowances and benefits in kind	**43,574**	48,201
Pension scheme contributions	**123**	123
	43,697	48,324
	45,572	50,199
Capitalised in properties under development/ investment properties under construction/ construction in progress	**(5,189)**	(5,199)
	40,383	45,000

9. Directors' Remuneration (continued)

The remuneration paid to executive directors, non-executive director and independent non-executive directors during both years were as follows:

	Notes	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Pension scheme contributions HK$'000	Total HK$'000
2026					
Executive directors:					
Lam Kin Ngok, Peter	(a)	—	**27,408**	—	**27,408**
Cheung Sum, Sam	(b)	—	**5,174**	**51**	**5,225**
Lam Hau Yin, Lester	(c)	—	**3,374**	**36**	**3,410**
Lee Tze Yan, Ernest	(d)	—	**5,487**	**36**	**5,523**
		—	**41,443**	**123**	**41,566**
Non-executive director:					
U Po Chu	(e)	**125**	**2,131**	—	**2,256**
Independent non-executive directors:					
Ip Shu Kwan, Stephen		**350**	—	—	**350**
Lam Bing Kwan	(f)	**700**	—	—	**700**
Leung Shu Yin, William		**350**	—	—	**350**
Luk Hon Man		**350**	—	—	**350**
		1,750	—	—	**1,750**
		1,875	**43,574**	**123**	**45,572**

9. Directors' Remuneration (continued)

The remuneration paid to executive directors, non-executive director and independent non-executive directors during both years were as follows: (continued)

	Notes	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Pension scheme contributions HK$'000	Total HK$'000
2025					
Executive directors:					
Lam Kin Ngok, Peter	(a)	—	27,408	—	27,408
Lau Shu Yan, Julius	(g)	—	3,293	—	3,293
Cheung Sum, Sam	(b)	—	6,580	51	6,631
Lam Hau Yin, Lester	(c)	—	3,374	36	3,410
Lee Tze Yan, Ernest	(d)	—	5,431	36	5,467
		—	46,086	123	46,209
Non-executive director:					
U Po Chu	(e)	125	2,115	—	2,240
Independent non-executive directors:					
Ip Shu Kwan, Stephen		350	—	—	350
Lam Bing Kwan	(f)	700	—	—	700
Leung Shu Yin, William		350	—	—	350
Luk Hon Man		350	—	—	350
		1,750	—	—	1,750
		1,875	48,201	123	50,199

9. Directors' Remuneration (continued)

Notes:

(a) The amounts included salaries paid by eSun Holdings Limited ("**eSun**") and its subsidiaries (collectively the "**eSun Group**") of HK$11,066,000 and salaries paid by Lai Fung Holdings Limited ("**Lai Fung**") of HK$2,724,000 (2025: salaries paid by the eSun Group of HK$11,066,000 and salaries paid by Lai Fung of HK$2,724,000).

(b) Mr. Cheung Sum, Sam is also the Group chief financial officer of the Company. The amounts included salaries and pension scheme contributions paid by the eSun Group of HK$346,000 and paid by Lai Fung of HK$1,999,000 (2025: salaries and pension scheme contributions paid by the eSun Group of HK$435,000 and paid by Lai Fung of HK$2,538,000).

(c) The amounts included salaries and pension scheme contributions paid by Lai Fung of HK$1,626,000 (2025: HK$1,626,000).

(d) The amounts included salaries and pension scheme contributions paid by Lai Fung of HK$1,237,000 (2025: HK$1,224,000).

(e) The amounts included salaries paid by Lai Fung of HK$2,131,000 (2025: HK$2,115,000).

(f) The amounts included fees paid by Lai Fung of HK$350,000 (2025: HK$350,000).

(g) Mr. Lau Shu Yan, Julius retired as an executive director and the chief executive officer of the Company with effect from 1 March 2025.

There were no other emoluments payable to the independent non-executive directors during the year (2025: Nil).

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2025: Nil).

10. Employees' Remuneration

The five highest paid employees during the year included three (2025: three) directors, details of whose remuneration are set out in note 9 above. Details of the remuneration of the remaining two (2025: two) highest paid employees who are neither a director nor chief executive officer of the Company are as follows:

	2026 **HK$'000**	2025 HK$'000
Fees	**—**	—
Other emoluments:		
Salaries, allowances and benefits in kind	**12,191**	13,294
Pension scheme contributions	**179**	19
	12,370	13,313
	12,370	13,313
Capitalised in properties under development/ investment properties under construction/ construction in progress	**(1,970)**	(2,009)
	10,400	11,304

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2026	2025
HK$5,500,001 to HK$6,000,000	**—**	1
HK$6,000,001 to HK$6,500,000	**2**	—
HK$7,000,001 to HK$7,500,000	**—**	1
	2	2

11. Tax

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

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

	2026	2025
	HK$'000	HK$'000
Current tax		
— Hong Kong		
Charge for the year	**13,376**	18,808
Underprovision/(overprovision) in prior years	**3,470**	(66)
	16,846	18,742
— Chinese Mainland		
CIT	**45,613**	38,230
LAT	**26,482**	80,715
	72,095	118,945
— Elsewhere		
Charge for the year	**43,153**	31,302
Underprovision in prior years	**—**	395
	43,153	31,697
	132,094	169,384
Deferred tax (note 39)	**(70,209)**	(122,033)
Tax charge for the year	**61,885**	47,351

11. Tax (continued)

A reconciliation of the tax credit applicable to loss before tax at the statutory rate for the location in which the Company and the majority of its subsidiaries are domiciled to the tax charge at the effective tax rate is as follows:

	2026 HK$'000	2025 HK$'000
Loss before tax	**(2,592,710)**	(3,081,996)
Add/(less): Share of profits and losses of associates	**(6,658)**	(7,956)
Share of profits and losses of joint ventures	**52,045**	1,130,120
Loss before tax attributable to the Group	**(2,547,323)**	(1,959,832)
Tax at the statutory tax rate of 16.5% (2025: 16.5%)	**(420,308)**	(323,372)
Higher tax rate for other countries	**(34,520)**	(49,971)
Adjustments in respect of current tax of previous periods	**3,470**	329
Income not subject to tax	**(50,833)**	(56,878)
Expenses not deductible for tax purposes	**513,445**	305,367
Tax losses utilised from previous periods	**(27,423)**	(17,943)
Tax losses not recognised	**180,695**	331,704
Deferred tax assets written off	**—**	10,422
Provision for LAT	**26,482**	80,715
Tax effect of provision for LAT	**(6,621)**	(20,179)
Other temporary differences	**(114,591)**	(226,487)
Withholding tax on the distributable earnings of the subsidiaries established in Chinese Mainland	**(7,911)**	13,644
Tax charge for the year	**61,885**	47,351

12. Dividend

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

13. Loss Per Share Attributable to Owners of the Company

The calculation of basic loss per share amount was based on the loss for the year attributable to owners of the Company of HK$2,396,614,000 (2025: HK$2,874,333,000), and the weighted average number of ordinary shares of 1,453,329,000 (2025: 1,453,329,000) outstanding during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 July 2026 and 2025 in respect of a dilution as the impact of the share options of the Company, eSun and Lai Fung had an anti-dilutive effect on the basic loss per share amounts presented.

14. Property, Plant and Equipment

	Notes	Hotel properties HK$'000	Leasehold buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Computers HK$'000	Motor vessels HK$'000	Theme parks HK$'000	Construction in progress HK$'000	Total HK$'000
Cost:											
At 1 August 2024		5,695,934	269,615	737,207	462,294	51,649	106,093	139,317	1,465,984	372,170	9,300,263
Finance costs capitalised	8	—	—	—	—	—	—	—	—	4,209	4,209
Additions		2,639	—	28,892	24,889	2,921	12,264	—	—	5,185	76,790
Transfer to investment properties		—	(57,373)	—	—	—	—	—	—	—	(57,373)
Disposals/write-off		—	—	(101,082)	(28,067)	(11,369)	(3,349)	—	—	—	(143,867)
Exchange realignment		13,320	2,323	2,935	(462)	(904)	1,634	—	14,361	2,740	35,947
At 31 July 2025 and 1 August 2025		**5,711,893**	**214,565**	**667,952**	**458,654**	**42,297**	**116,642**	**139,317**	**1,480,345**	**384,304**	**9,215,969**
Finance costs capitalised	8	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**3,437**	**3,437**
Additions		**1,094**	**—**	**9,477**	**23,471**	**5,562**	**7,725**	**—**	**—**	**12,712**	**60,041**
Adjustments		**941**	**—**	**—**	**—**	**—**	**—**	**—**	**115,126**	**—**	**116,067**
Transfer to investment properties		**—**	**(49,107)**	**—**	**—**	**—**	**—**	**—**	**(1,723,604)**	**—**	**(1,772,711)**
Transfer		**25,650**	**—**	**—**	**(25,650)**	**—**	**—**	**—**	**—**	**—**	**—**
Disposals/write-off		**(1,993)**	**—**	**(5,392)**	**(10,526)**	**(3,848)**	**(227)**	**—**	**—**	**—**	**(21,986)**
Disposal of subsidiaries	32	**—**	**—**	**(77)**	**(20,129)**	**(10)**	**(44,651)**	**—**	**—**	**—**	**(64,867)**
Exchange realignment		**88,358**	**15,414**	**19,892**	**4,182**	**843**	**1,901**	**—**	**128,133**	**18,851**	**277,574**
At 31 July 2026		**5,825,943**	**180,872**	**691,852**	**430,002**	**44,844**	**81,390**	**139,317**	**—**	**419,304**	**7,813,524**

14. Property, Plant and Equipment (continued)

	Notes	Hotel properties HK$'000	Leasehold buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Computers HK$'000	Motor vessels HK$'000	Theme parks HK$'000	Construction in progress HK$'000	Total HK$'000
Accumulated depreciation and impairment:											
At 1 August 2024		1,212,311	90,967	653,121	395,540	42,378	84,960	104,109	1,171,767	55,157	3,810,310
Depreciation provided during the year	7	189,028	17,062	23,133	29,664	2,367	8,683	12,234	15,899	–	298,070
Impairment during the year	7	–	–	17,044	2,827	–	9	–	–	–	19,880
Reversal of impairment during the year, net	6(d), 7	–	–	(19,155)	–	–	–	–	–	–	(19,155)
Transfer to investment properties		–	(14,781)	–	–	–	–	–	–	–	(14,781)
Disposals/write-off		–	–	(95,416)	(26,614)	(11,326)	(3,318)	–	–	–	(136,674)
Exchange realignment		4,288	323	2,246	(817)	(24)	3,335	–	11,794	264	21,409
At 31 July 2025 and 1 August 2025		**1,405,627**	**93,571**	**580,973**	**400,600**	**33,395**	**93,669**	**116,343**	**1,199,460**	**55,421**	**3,979,059**
Depreciation provided during the year	7	**176,348**	**14,053**	**28,440**	**25,322**	**2,952**	**7,637**	**11,722**	**16,418**	–	**282,892**
Impairment during the year	7	–	–	**288**	**182**	–	**74**	–	**27,362**	–	**27,906**
Reversal of impairment during the year	6(d), 7	–	–	**(18,292)**	–	–	–	–	–	–	**(18,292)**
Transfer to investment properties		–	**(13,586)**	–	–	–	–	–	**(1,325,664)**	–	**(1,339,250)**
Transfer		**25,650**	–	–	**(25,650)**	–	–	–	–	–	–
Disposals/write-off		**(1,993)**	–	**(4,936)**	**(10,326)**	**(3,691)**	**(196)**	–	–	–	**(21,142)**
Disposal of subsidiaries	32	–	–	**(77)**	**(8,698)**	**(10)**	**(28,754)**	–	–	–	**(37,539)**
Exchange realignment		**33,116**	**2,310**	**19,621**	**2,628**	**785**	**2,058**	–	**82,424**	**1,802**	**144,744**
At 31 July 2026		**1,638,748**	**96,348**	**606,017**	**384,058**	**33,431**	**74,488**	**128,065**	–	**57,223**	**3,018,378**
Net carrying amount:											
At 31 July 2026		**4,187,195**	**84,524**	**85,835**	**45,944**	**11,413**	**6,902**	**11,252**	–	**362,081**	**4,795,146**
At 31 July 2025		4,306,266	120,994	86,979	58,054	8,902	22,973	22,974	280,885	328,883	5,236,910

14. Property, Plant and Equipment (continued)

At 31 July 2026, the HK Hotel comprising hotel properties, leasehold improvements, furniture, fixtures and equipment, motor vehicles and computers, named "Hong Kong Ocean Park Marriott Hotel", with carrying amounts of approximately HK$2,460,324,000 (2025: HK$2,575,203,000), HK$10,898,000 (2025: HK$15,421,000), HK$2,046,000 (2025: HK$2,427,000), HK$221,000 (2025: HK$301,000) and HK$1,999,000 (2025: HK$2,500,000), respectively, totalling HK$2,475,488,000 (2025: HK$2,595,852,000); certain leasehold buildings, certain hotels and serviced apartments under hotel properties (including related leasehold improvements), theme parks and certain construction in progress with aggregate carrying amount of approximately HK$1,929,769,000 (2025: HK$2,164,067,000) were pledged to banks to secure banking facilities granted to the Group (note 37(i)).

As at 31 July 2026, the Group had conducted impairment tests on certain long-term assets mainly related to the HK Hotel, completed theme parks (each treated as a cash-generating unit ("**CGU**")), theme parks under construction, cinema and property, plant and equipment included in restaurant and F&B product sales operations.

HK Hotel
The Group engaged an external valuer to perform a valuation on the HK Hotel and the related right-of-use assets to determine the recoverable amount and no impairment was identified.

Theme parks under construction
The Group engaged an external valuer to perform valuation on the land and building portion of theme parks to determine the recoverable amount and no impairment was identified.

Completed theme parks
During the year, the Group determined to cease the operation of certain completed theme parks. Provision for impairment of HK$27,362,000 (2025: Nil) in relation to the portion other than the land and building of the theme parks was charged to the consolidated income statement.

Cinema
Details of impairment assessment as at 31 July 2026 and 31 July 2025 were set out in note 16(a) to the financial statements.

Restaurant and F&B product sales
Details of impairment assessment as at 31 July 2026 and 31 July 2025 were set out in note 16(a) to the financial statements.

Certain buildings classified as property, plant and equipment of HK$433,461,000 (2025: HK$42,592,000) and land classified as right-of-use assets of HK$127,638,000 (2025: HK$12,856,000) (note 16(a)) were transferred to investment properties. These properties were revalued at HK$607,800,000 (2025: HK$76,400,000) (note 15), after deferred tax impact of HK$8,805,000 (note 39), a revaluation surplus of HK$37,896,000 (2025: HK$20,952,000) were credited to property revaluation reserve.

15. Investment Properties

	2026 HK$'000	2025 HK$'000
Completed investment properties	**34,526,210**	33,933,212
Investment properties under construction	**509,000**	382,000
	35,035,210	34,315,212

	Notes	2026 HK$'000	2025 HK$'000
Carrying amount at beginning of year		**34,315,212**	34,677,018
Additions		**3,606,762**	5,964
Disposals		**(35,017)**	(40,647)
Disposal of a subsidiary	32	**(3,498,000)**	—
Transfer from property, plant and equipment and right-of-use assets	14	**607,800**	76,400
Transfer to property under development	17	**—**	(295,000)
Transfer from completed properties for sale		**11,133**	—
Other additions, net		**87,476**	39,633
Adjustments		**(98,122)**	—
Finance costs capitalised	8	**12,966**	26,572
Fair value losses, net		**(1,312,283)**	(457,569)
Exchange realignment		**1,337,283**	282,841
Carrying amount at end of year		**35,035,210**	34,315,212

Most of the investment properties of the Group are leased to third parties under operating leases, further summary details of which are included in note 16 to the financial statements.

Certain investment properties of the Group with an aggregate carrying amount of approximately HK$33,299,520,000 (2025: HK$32,637,072,000) were pledged to banks to secure banking facilities granted to the Group (note 37(i)).

15. Investment Properties (continued)

Valuation process

The directors of the Company have determined that investment properties are completed properties held for rental and investment properties under construction, based on the nature, characteristics and risks of each property. The Group's investment properties were revalued on 31 July 2026 based on valuations performed by Savills Valuation and Professional Services Limited, Savills (UK) Limited and Knight Frank Petty Limited, independent professionally qualified valuers, at HK$11,472,090,000 (2025: HK$12,232,840,000), HK$2,120,420,000 (2025: HK$2,508,672,000) and HK$21,442,700,000 (2025: HK$19,573,700,000), respectively. Each year, the Group's management decides to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's management has discussions with the valuers on the valuation assumptions and valuation results twice a year when the valuations are performed for interim and annual financial reporting.

Fair value measurement using significant unobservable inputs (Level 3)

For completed investment properties, valuations are based on the income approach and the market approach. The income approach is based on capitalisation of the net income and the reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation are with reference to valuers' view of recent lettings, within the subject properties and other comparable properties. The market approach is based on market comparable transactions available in the market and adjustments of various factors would be made between the subject properties and comparable properties.

For investment properties in London, the fair values are determined on the basis that they will be redeveloped and completed in accordance with the Group's latest development plans. The valuation is mainly determined by the residual method, and wherever appropriate, by the income approach. The residual method involves calculating the gross development value ("**GDV**") and deducting the estimated development costs and developer's profit. The income approach capitalises the remaining income profiles of the existing buildings until the latest expiry.

For investment properties under construction, the Group has valued such properties on the basis that they will be developed and completed in accordance with the Group's latest development plans. Valuations are based on the residual method, which is essentially a means of valuing the land by reference to its development potential by deducting development costs together with developer's profit and risk associated with the estimated capital value of the proposed development assumed to be completed as at the date of valuation.

15. Investment Properties (continued)

Valuation techniques

Information about fair value measurement using significant unobservable inputs (Level 3)

2026

Description	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Completed investment properties				
Completed properties in Hong Kong	Income approach	Average monthly market rent per square foot	HK$14 to HK$207	The higher the market rent, the higher the fair value
		Capitalisation rate	3.3% to 4.3%	The higher the capitalisation rate, the lower the fair value
Completed properties in Chinese Mainland	Income approach	Average monthly market rent per square metre	HK$29 to HK$344	The higher the market rent, the higher the fair value
		Capitalisation rate	3.75% to 6.5%	The higher the capitalisation rate, the lower the fair value
Commercial properties in Chinese Mainland	Market approach	Average market unit rate per square metre	HK$14,500	The higher the market unit rate, the higher the fair value
Residential property in Chinese Mainland	Market approach	Average market unit rate per square metre	HK$325,000	The higher the market unit rate, the higher the fair value

15. Investment Properties (continued)

Valuation techniques (continued)

Information about fair value measurement using significant unobservable inputs (Level 3) (continued)

2026 (continued)

Description	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Completed investment properties (continued)				
Completed properties in London (with future redevelopment plan)	Residual method	GDV per square foot	HK$18,437	The higher the GDV, the higher the fair value
		Estimated development costs	HK$11.9 billion	The higher the estimated development costs, the lower the fair value
		Developer's profit margin	13%	The higher the developer's profit margin, the lower the fair value
Investment properties under construction				
Commercial properties in Chinese Mainland	Residual method	GDV per square metre	HK$22,100	The higher the GDV, the higher the fair value
		Budgeted costs to completion	HK$105,000,000	The higher the budgeted cost to completion, the lower the fair value
		Developer's profit margin	Nil	The higher the developer's profit margin, the lower the fair value

15. Investment Properties (continued)

Valuation techniques (continued)

Information about fair value measurement using significant unobservable inputs (Level 3) (continued)

2025

Description	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Completed investment properties				
Completed properties in Hong Kong	Income approach	Average monthly market rent per square foot	HK$14 to HK$242	The higher the market rent, the higher the fair value
		Capitalisation rate	3.0% to 4.3%	The higher the capitalisation rate, the lower the fair value
Completed properties in Chinese Mainland	Income approach	Average monthly market rent per square metre	HK$27 to HK$335	The higher the market rent, the higher the fair value
		Capitalisation rate	3.75% to 7.0%	The higher the capitalisation rate, the lower the fair value
Commercial properties in Chinese Mainland	Market approach	Average market unit rate per square metre	HK$13,600	The higher the market unit rate, the higher the fair value
Residential property in Chinese Mainland	Market approach	Average market unit rate per square metre	HK$305,000	The higher the market unit rate, the higher the fair value

15. Investment Properties (continued)

Valuation techniques (continued)

Information about fair value measurement using significant unobservable inputs (Level 3) (continued)

2025 (continued)

Description	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Completed investment properties (continued)				
Completed properties in London (with future redevelopment plan)	Residual method	GDV per square foot	HK$18,554	The higher the GDV, the higher the fair value
		Estimated development costs	HK$12.0 billion	The higher the estimated development costs, the lower the fair value
		Developer's profit margin	13%	The higher the developer's profit margin, the lower the fair value
Investment properties under construction				
Commercial properties in Chinese Mainland	Residual method	GDV per square metre	HK$22,000	The higher the GDV, the higher the fair value
		Budgeted costs to completion	HK$174,000,000	The higher the budgeted cost to completion, the lower the fair value
		Developer's profit margin	8%	The higher the developer's profit margin, the lower the fair value

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2025: Nil).

16. Leases

The Group as a lessee

The Group has lease contracts of certain cinema related properties, other properties and equipment for its operations. Leases of cinema related properties generally have lease terms between 2 and 15 years, while the leases of other properties generally have lease terms between 2 and 10 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Notes	Leasehold land HK$'000	Cinema related properties HK$'000	Other properties HK$'000	Equipment HK$'000	Total HK$'000
At 1 August 2024		3,484,051	254,205	68,060	768	3,807,084
Additions		—	—	134,712	—	134,712
Transfer to investment properties	14	(12,856)	—	—	—	(12,856)
Lease modification		—	(77,379)	2,009	—	(75,370)
Termination		—	—	175	—	175
Depreciation charged	7, 16(c)	(162,677)	(54,596)	(65,089)	(515)	(282,877)
Reversal of impairment, net	6(d), 7, 16(c)	—	25,364	—	—	25,364
Impairment loss recognised	7, 16(c)	—	—	(32,120)	—	(32,120)
Exchange realignment		12,722	19	1,201	21	13,963
At 31 July 2025 and 1 August 2025		**3,321,240**	**147,613**	**108,948**	**274**	**3,578,075**
Additions		**—**	**—**	**38,510**	**—**	**38,510**
Disposal of subsidiaries	32	**—**	**—**	**(33,036)**	**—**	**(33,036)**
Transfer to investment properties	14	**(127,638)**	**—**	**—**	**—**	**(127,638)**
Adjustments		**37,379**	**—**	**—**	**—**	**37,379**
Lease modification		**—**	**(14,275)**	**9,827**	**—**	**(4,448)**
Termination		**—**	**—**	**(743)**	**—**	**(743)**
Depreciation charged	7, 16(c)	**(156,137)**	**(43,445)**	**(53,978)**	**(276)**	**(253,836)**
Reversal of impairment	6(d), 7, 16(c)	**—**	**59,729**	**—**	**—**	**59,729**
Impairment loss recognised	7, 16(c)	**—**	**—**	**(10,470)**	**—**	**(10,470)**
Exchange realignment		**54,404**	**49**	**(285)**	**2**	**54,170**
At 31 July 2026		**3,129,248**	**149,671**	**58,773**	**—**	**3,337,692**

16. Leases (continued)

The Group as a lessee (continued)

(a) Right-of-use assets (continued)

Cinema

During the year ended 31 July 2026, in light of operating performance and favourable market circumstances, items of property, plant and equipment and right-of-use assets of each cinema (being an individual CGU) have been tested for impairment or reversal of impairment. A reversal of impairment losses of HK$18,292,000 (2025: net reversal of impairment losses of HK$19,155,000) and HK$59,729,000 (2025: net reversal of impairment losses of HK$25,364,000) on property, plant and equipment and right-of-use assets of relevant CGUs have been recognised in the consolidated income statement for the year ended 31 July 2026, respectively. As at 31 July 2026, the aggregate recoverable amount of these CGUs amounted to HK$164,654,000 (2025: HK$180,129,000) and was determined based on their value in use amounts estimated using cash flow projections covering the remaining lease term of the relevant CGU and discount rates ranging from 9% to 10% (2025: 9% to 10%).

Restaurant and F&B product sales

During the year ended 31 July 2026, the carrying amounts of the CGUs were in excess of their recoverable amounts given the market conditions were out of management's expectation. Accordingly, a provision for impairment losses of approximately HK$504,000 (2025: HK$14,462,000) and HK$9,603,000 (2025: HK$28,142,000) on property, plant and equipment and right-of-use assets of relevant CGUs have been recognised in the consolidated income statement for the year ended 31 July 2026, respectively. As at 31 July 2026, the aggregate recoverable amount of these CGUs amounted to HK$2,915,000 (2025: Nil) was determined based on their value in use amounts estimated using cash flow projections covering the remaining lease term of the relevant CGU and discount rates ranging from 9% to 16% (2025: 10.5% to 12%).

At 31 July 2026, certain of the Group's right-of-use assets with a carrying amount of HK$2,681,303,000 (2025: HK$2,821,995,000), of which HK$1,210,103,000 (2025: HK$1,266,605,000) was in relation to the land on which the HK Hotel is situated, were pledged to secure banking facilities granted to the Group (note 37(i)).

16. Leases (continued)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of the Group's lease liabilities and the movements during the year are as follows:

	Notes	2026 HK$'000	2025 HK$'000
Carrying amount at 1 August		**739,740**	908,757
Additions		**38,510**	134,690
Accretion of interest recognised during the year	8, 16(c)	**27,503**	40,288
Disposal of subsidiaries	32	**(33,756)**	—
Lease modification		**(28,724)**	(151,348)
Payments		**(197,160)**	(188,208)
Termination		**(7,703)**	(5,948)
Exchange realignment		**1,309**	1,509
Carrying amount at 31 July		**539,719**	739,740
Analysed into:			
Current portion		**223,583**	215,394
Non-current portion		**316,136**	524,346
		539,719	739,740

The maturity analysis of lease liabilities is disclosed in note 48(iv) to the financial statements.

16. Leases (continued)

The Group as a lessee (continued)

(c) The amounts charged/(credited) to consolidated income statement in relation to leases are as follows:

	Notes	2026 HK$'000	2025 HK$'000
Interest on lease liabilities	8, 16(b)	**27,503**	40,288
Depreciation charge of right-of-use assets	7, 16(a)	**253,836**	282,877
Impairment of right-of-use assets	7, 16(a)	**10,470**	32,120
Reversal of impairment of right-of-use assets, net	6(d), 7, 16(a)	**(59,729)**	(25,364)
Expense relating to short-term leases and other leases with remaining lease terms less than one year and leases of low value assets	7	**27,254**	24,011
Variable lease payments not included in the measurement of lease liabilities	7	**45,865**	33,757
Gain on termination of leases		**(6,960)**	(6,123)
Gain on lease modification	6(d)	**(24,276)**	(75,978)
Total amount charged to consolidated income statement		**273,963**	305,588

(d) Variable lease payments

The Group leased a number of properties which contain variable lease payment terms that are based on the Group's turnover generated from the properties. There are also minimum annual base rental arrangements for these leases.

(e) The total cash outflow for leases are disclosed in note 52(c) to the financial statements.

The Group as a lessor

The Group leases its investment properties (note 15) under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rental adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was HK$899,413,000 (2025: HK$956,473,000), details of which are included in note 6 to the financial statements.

16. Leases (continued)

The Group as a lessor (continued)

At 31 July 2026, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2026 HK$'000	2025 HK$'000
Within one year	**728,085**	756,615
One to two years	**562,631**	541,358
Two to three years	**364,560**	384,955
Three to four years	**226,601**	254,206
Four to five years	**160,623**	167,700
After five years	**301,044**	331,494
	2,343,544	2,436,328

In addition, the operating lease arrangements for certain investment properties of the Group are contingent based on the turnover of the tenants pursuant to the terms and conditions as set out in the respective agreements. As the future turnover of the tenants could not be accurately determined, the relevant contingent rent has not been included above.

17. Properties Under Development

	Notes	**2026 HK$'000**	2025 HK$'000
At beginning of year, at cost		**4,538,897**	4,793,714
Additions		**610,077**	473,178
Interest and bank financing charges capitalised	8	**248,663**	293,097
Transfer to completed properties for sale		**—**	(803,471)
Transfer from investment properties under construction	15	**—**	295,000
Reversal of write-down/(write-down) of properties under development to net realisable value	7	**39,512**	(528,000)
Exchange realignment		**85,105**	15,379
At end of year, at cost		**5,522,254**	4,538,897

As at 31 July 2026, certain of the Group's properties under development with a total carrying amount of approximately HK$5,012,082,000 (2025: HK$4,224,828,000) were pledged to banks to secure banking facilities granted to the Group (note 37(i)).

18. Film Rights

Film rights are rights acquired or licensed from outsiders for exhibition/broadcasting and other exploitation of the films and TV programs.

The Group regularly reviews its library of film rights to assess the marketability/future economic benefits of film rights and the corresponding recoverable amounts. The estimated recoverable amounts as at 31 July 2026 and 31 July 2025 were determined based on the present value of expected future revenues and related cash flows arising from the distribution and sublicensing of the film rights, which were derived from discounting the projected cash flows covering a period within 5 years using a discount rate of 12.5% (2025: 12.5%) and a long term growth rate of 2.3% (2025: 2.3%) for the relevant assets.

19. Film and Tv Program Products

	Notes	HK$'000
Cost:		
At 1 August 2024		531,462
Additions		36
Transfer from films and TV programs under production	31	5,778
Sale of film and TV program products		(908)
Exchange realignment		2,234
At 31 July 2025 and 1 August 2025		**538,602**
Transfer from films and TV programs under production	31	**158,167**
Sale of film and TV program products		**(158,167)**
Exchange realignment		**15,064**
At 31 July 2026		**553,666**
Accumulated amortisation:		
At 1 August 2024		470,031
Provided during the year	7	5,553
Exchange realignment		2,234
At 31 July 2025 and 1 August 2025		**477,818**
Provided during the year	7	**22**
Exchange realignment		**15,242**
At 31 July 2026		**493,082**
Net carrying amount:		
At 31 July 2026		**60,584**
At 31 July 2025		60,784

19. Film and Tv Program Products (continued)

The Group regularly reviews its film and TV program products to assess the marketability/future economic benefits of the film and TV program products and the corresponding recoverable amounts. The estimated recoverable amounts as at 31 July 2026 and 31 July 2025 were determined based on the present value of expected future revenues and related cash flows arising from the distribution and sublicensing of the film and TV program products, which were derived from discounting the projected cash flows covering a period within 5 years using a discount rate of 12.5% (2025: 12.5%) and a long term growth rate of 2.3% (2025: 2.3%) for the relevant assets.

20. Music Catalogs

Music catalogs represent song catalogs, music video recording rights and publishing rights of songs acquired.

21. Goodwill

	HK$'000
Cost:	
At 1 August 2024	257,212
Exchange realignment	13,169
At 31 July 2025 and 1 August 2025	**270,381**
Disposal of subsidiaries (note 32)	**(228,038)**
Exchange realignment	**(1,081)**
At 31 July 2026	**41,262**
Accumulated impairment:	
At 1 August 2024, 31 July 2025, 1 August 2025 and 31 July 2026	**37,420**
Net carrying amount:	
At 31 July 2026	**3,842**
At 31 July 2025	232,961

21. Goodwill (continued)

Impairment testing of goodwill

CNI CGU

As at 31 July 2025, Goodwill of HK$229,119,000 arising from the acquisition of additional equity interests in Camper & Nicholsons International S.A. ("**CNI**") and its subsidiaries during the year ended 31 July 2018 was allocated to cash-generating unit (the "**CNI CGU**"), which is included in the components of others segment for impairment testing.

The acquired subsidiaries of the CNI CGU generate cash inflows that are largely independent of the cash inflows from other assets.

Details of impairment test of the CNI CGU are set out in note 22 to the financial statements.

During the year ended 31 July 2026, the Group disposed of its interests in Ample Beyond Limited and its subsidiaries, including CNI. Further details of the disposal are set out in note 32 to the financial statements.

F&B CGU A

Goodwill of HK$5,161,000 (2025: HK$5,161,000) arising from the acquisition of additional equity interests in three subsidiaries during the year ended 31 July 2016 was allocated to a cash-generating unit (the "**F&B CGU A**"), which is included in the components of the restaurant and F&B product sales operations segment for impairment testing.

The acquired subsidiaries of the F&B CGU A generate cash inflows that are largely independent of the cash inflows from other assets.

The carrying amount of the cash-generating unit, which included the goodwill, was in excess of its recoverable amount as a result of the continuing operating losses incurred. Accordingly, an impairment of approximately HK$1,319,000 was recognised in prior years.

The recoverable amount of the F&B CGU A has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period (2025: five-year period) with a growth rate approved by senior management, which is based on management's expectation for market development. The discount rate applied to the cash flow projections is 9% (2025: 10.5%).

Assumptions were used in the value in use calculation of the F&B CGU A for the years ended 31 July 2026 and 2025. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted profit — The basis used to determine the value assigned to the budgeted profit is the historical average profit achieved, adjusted for expected efficiency improvement, and expected market development.

Discount rate — The discount rate used is before tax and reflects specific risks relating to the relevant unit.

21. Goodwill (continued)

Impairment testing of goodwill (continued)

F&B CGU B

Goodwill of HK$36,101,000 (2025: HK$36,101,000) arising from the acquisition of non-wholly-owned subsidiaries during the year ended 31 July 2020 was allocated to a cash-generating unit (the "**F&B CGU B**"), which is included in the components of the restaurant and F&B product sales operations segment for impairment testing.

The acquired subsidiaries of the F&B CGU B generate cash inflows that are largely independent of the cash inflows from other assets.

The carrying amount of the cash-generating unit, which included the goodwill, was in excess of its recoverable amount because the market conditions and the impact of the outbreak of COVID-19 were out of management's expectation. Accordingly, an impairment of approximately HK$36,101,000 was recognised to write down to its recoverable amount in prior years.

Details of the impairment test of the F&B CGU B are set out in note 22 to the financial statements.

22. Other Intangible Assets

	Notes	Trademarks HK$'000	Customer relationships HK$'000	Total HK$'000
Cost:				
At 1 August 2024		126,910	16,934	143,844
Exchange realignment		6,502	230	6,732
At 31 July 2025 and 1 August 2025		**133,412**	**17,164**	**150,576**
Disposal of subsidiaries	32	**(112,606)**	**(3,981)**	**(116,587)**
Exchange realignment		**(534)**	**(19)**	**(553)**
At 31 July 2026		**20,272**	**13,164**	**33,436**
Accumulated amortisation and impairment:				
At 1 August 2024		20,272	15,426	35,698
Amortisation provided during the year	7	—	380	380
Exchange realignment		—	158	158
At 31 July 2025 and 1 August 2025		**20,272**	**15,964**	**36,236**
Amortisation provided during the year	7	**—**	**405**	**405**
Disposal of subsidiaries	32	**—**	**(3,185)**	**(3,185)**
Exchange realignment		**—**	**(20)**	**(20)**
At 31 July 2026		**20,272**	**13,164**	**33,436**
Net carrying amount:				
At 31 July 2026		**—**	**—**	**—**
At 31 July 2025		113,140	1,200	114,340

22. Other Intangible Assets (continued)

Trademarks

Trademarks are regarded as having an indefinite useful life because the trademarked products and services are expected to generate net cash inflows indefinitely.

Impairment testing of goodwill and trademarks with an indefinite useful life allocated to CNI CGU

As at 31 July 2025, the recoverable amount of the CNI CGU has been determined based on a value in use calculation using three-year cash flow projections based on financial budgets approved by senior management, which is based on management's expectation for market development. The growth rate used to extrapolate the cash flows of the CNI CGU beyond the three-year period is 0.7%. The discount rate applied to the cash flow projections is 12%. The terminal growth rate applied to the cash flow projections is 0.7%.

Assumptions were used in the value in use calculation of the CNI CGU for the year ended 31 July 2025. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted profit — The basis used to determine the value assigned to the budgeted profit is the historical average profit achieved, adjusted for expected efficiency improvement, and expected market development.

Discount rate — The discount rate used is before tax and reflects specific risks relating to the relevant unit.

During the year ended 31 July 2026, the Group disposed of its interests in Ample Beyond Limited and its subsidiaries, including CNI. Further details are set out in note 32 to the financial statements.

Impairment testing of goodwill and other intangible assets allocated to F&B CGU B

The recoverable amount of the F&B CGU B has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period with a growth rate approved by senior management, which is based on management's expectation for market development. The discount rate applied to the cash flow projections is 12% (2025: 12%). The terminal growth rate applied to the cash flow projections is 1.5% (2025: 1.8%).

Assumptions were used in the value in use calculation of the F&B CGU B for the years ended 31 July 2026 and 2025. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted profit — The basis used to determine the value assigned to the budgeted profit is the historical average profit achieved, adjusted for expected efficiency improvement, and expected market development.

Discount rate — The discount rate used is before tax and reflects specific risks relating to the relevant unit.

23. Investments in Associates

	2026 HK$'000	2025 HK$'000
Share of net assets	**132,965**	119,368
Amounts due from associates	**348,377**	344,147
Provision for impairment	**(63,442)**	(66,803)
	284,935	277,344
Total	**417,900**	396,712

The amounts due from associates are unsecured, interest-free and repayable on demand but are not expected to be repayable within the next 12 months from the end of the reporting period. In the opinion of the directors, these balances are considered as part of the Group's net investments in the associates.

Loss allowance for impairment of the amounts due from associates represented lifetime ECLs made for the credit-impaired balance.

Movements in the loss allowance for impairment of amounts due from associates are as follows:

	2026 HK$'000	2025 HK$'000
At the beginning of the year	**66,803**	97,343
Impairment loss	**43**	24
Write-back of impairment loss	**(1)**	(2)
Write-off	**(3,403)**	(30,562)
At the end of the year	**63,442**	66,803

The associates are accounted for using the equity method in these financial statements. During the year ended 31 July 2026, the Group received dividend income amounting to HK$8,478,000 from an associate (2025: HK$3,933,000).

As at 31 July 2026 and 31 July 2025, there were no material associates which principally affected the results for the year or formed a substantial portion of the net assets of the Group.

23. Investments in Associates (continued)

Aggregate financial information of associates that are not individually material:

	2026 HK$'000	2025 HK$'000
The Group's share of profits	**6,658**	7,956
The Group's share of other comprehensive (expense)/income	**(3,367)**	6,215
The Group's share of total comprehensive income	**3,291**	14,171

24. Investments in Joint Ventures

	2026 HK$'000	2025 HK$'000
Share of net (liabilities)/assets	**(579,665)**	2,637,893
Amounts due from joint ventures	**1,895,554**	2,199,647
Provision for impairment[#]	**(32,277)**	(32,744)
	1,863,277	2,166,903
Total	**1,283,612**	4,804,796

[#] As at 31 July 2026, an impairment of HK$32,277,000 (2025: HK$32,744,000) was recognised for amounts due from joint ventures with gross carrying amounts of HK$49,159,000 (2025: HK$61,275,000) because these joint ventures have been loss-making for some time.

Except for the amount of HK$7,708,000 (2025: HK$7,683,000) due from a joint venture which was interest bearing at HSBC prime rate, the amounts due from joint ventures are unsecured, interest-free and repayable on demand but are not expected to be repayable within the next 12 months from the end of the reporting period. In the opinion of the directors, these amounts due from joint ventures are unlikely to be repaid in the foreseeable future and are considered as part of the Group's net investments in the joint ventures.

24. Investments in Joint Ventures (continued)

Loss allowance for impairment of amounts due from joint ventures represented lifetime ECLs made for the credit-impaired balance. Except for the credit-impaired balance, there has been no significant increase in credit risk of the remaining balances.

Movements in the loss allowance for impairment of amounts due from joint ventures are as follows:

	Note	**2026 HK$'000**	2025 HK$'000
At the beginning of the year		**32,744**	34,334
Impairment loss recognised	7	**524**	2,393
Write-back of impairment loss		**(1,070)**	(4,156)
Write-off		**(1,110)**	—
Exchange realignment		**1,189**	173
At the end of the year		**32,277**	32,744

Shares in certain joint ventures held by the Group were pledged to banks to secure banking facilities granted to the joint ventures.

All the joint ventures are accounted for using the equity method in these financial statements. During the year ended 31 July 2026, the Group received dividend income amounting to HK$3,607,428,000 from joint ventures (2025: HK$743,260,000), of which HK$3,600,000,000 were distribution of investment properties in specie to the Group.

Details of the principal joint ventures are set out in note 51 to the financial statements.

The summarised financial information below represents amounts shown in the financial statements of the respective joint ventures prepared in accordance with HKFRS Accounting Standards and complies with the Group's accounting policies.

24. Investments in Joint Ventures (continued)

Diamond String Limited ("Diamond String")

Diamond String, a 50%-owned joint venture, principally held a property for rental in Hong Kong. The property, "CCB Tower", is located at No. 3 Connaught Road Central, Hong Kong. During the year ended 31 July 2026, Diamond String ceased its business and commenced the voluntary winding up following the distribution in specie of its investment properties to its shareholders. Further details are set out in note 32 to the financial statements.

	31 July 2026 HK$'000	31 July 2025 HK$'000
Current assets	**140,030**	532,330
Non-current assets	**—**	7,577,511
Total assets	**140,030**	8,109,841
Current liabilities	**(78,290)**	(30,663)
Non-current liabilities	**—**	(1,778,049)
Total liabilities	**(78,290)**	(1,808,712)
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	**139,937**	568,685
Current financial liabilities (excluding creditors, other payables and accruals)	**(61,005)**	(7,190)
Non-current financial liabilities (excluding creditors, other payables and accruals)	**—**	(1,739,631)

	Year ended 31 July 2026 HK$'000	Year ended 31 July 2025 HK$'000
Turnover	**165,374**	228,986
Loss and total comprehensive expense for the year	**(216,434)**	(1,400,457)
The above loss and total comprehensive expense for the year include the following:		
Interest income	**1,664**	2,890
Depreciation	**(81)**	(208)
Interest expense	**(65,666)**	(83,906)
Tax	**63,117**	(13,521)

24. Investments in Joint Ventures (continued)

Diamond String Limited ("Diamond String") (continued)

Reconciliation of the above summarised financial information of Diamond String to the carrying amount of the interest in Diamond String recognised in the financial statements is as follows:

	31 July 2026 HK$'000	31 July 2025 HK$'000
Net assets of Diamond String	**61,740**	6,301,129
The Group's 50% ownership interest in Diamond String	**30,870**	3,150,565
Amount due from Diamond String	**—**	393,522
Carrying amount of the Group's interest in Diamond String	**30,870**	3,544,087

24. Investments in Joint Ventures (continued)

King Empire International Limited and its subsidiary (the "King Empire International Group")

The King Empire International Group, a 15%-owned joint venture, is principally engaged in the development and sale of a residential project in Hong Kong. The project, "Deep Water Pavilia", is located at Wong Chuk Hang, Hong Kong.

	31 July 2026 HK$'000	31 July 2025 HK$'000
Current assets	**16,627,993**	14,271,584
Current liabilities	**(21,256,895)**	(18,453,194)
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	**40,630**	335,998
Current financial liabilities (excluding creditors, other payables and accruals)	**(10,882,445)**	(13,807,445)
Interest expense (capitalised as current asset)	**116,846**	579,530

24. Investments in Joint Ventures (continued)

King Empire International Limited and its subsidiary (the "King Empire International Group") (continued)

	Year ended 31 July 2026 HK$'000	Year ended 31 July 2025 HK$'000
Loss and total comprehensive expense for the year	**(447,292)**	(2,775,766)

Reconciliation of the above summarised financial information of the King Empire International Group to the carrying amount of the interest in the King Empire International Group recognised in the financial statements is as follows:

	31 July 2026 HK$'000	31 July 2025 HK$'000
Net liabilities of the King Empire International Group	**(4,628,902)**	(4,181,610)
The Group's 15% ownership interest in the King Empire International Group	**(694,335)**	(627,242)
Amount due from the King Empire International Group	**1,481,766**	1,393,267
Carrying amount of the Group's interest in the King Empire International Group	**787,431**	766,025

24. Investments in Joint Ventures (continued)

Aggregate financial information of joint ventures that are not individually material:

	Year ended 31 July 2026 HK$'000	Year ended 31 July 2025 HK$'000
The Group's share of profits/(losses)	**123,266**	(13,526)
The Group's share of other comprehensive income	**2,520**	1,630
The Group's share of total comprehensive income/(expense)	**125,786**	(11,896)

	2026 HK$'000	2025 HK$'000
Aggregate carrying amount of the Group's investments in joint ventures that are not individually material	**465,311**	494,684

25. Financial Assets at Fair Value Through Other Comprehensive Income

	Notes	2026 HK$'000	2025 HK$'000
Financial assets at fair value through other comprehensive income			
Listed investment, at fair value	(i)	**1,590**	7,620
Unlisted investments, at fair value	(ii)	**105,815**	106,418
		107,405	114,038

Notes:

(i) The listed investment is an investment in a company listed on the Stock Exchange and was irrevocably designated at fair value through other comprehensive income as the Group considers such investment to be strategic in nature.

(ii) The unlisted investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

26. Financial Assets at Fair Value Through Profit Or Loss

	Notes	2026 HK$'000	2025 HK$'000
Listed investments	(i)	**45,649**	36,071
Unlisted investments	(ii)	**531,343**	828,859
		576,992	864,930
Less: Portion classified as current		**(105,037)**	(174,822)
Non-current portion		**471,955**	690,108

Notes:

(i) The listed investments were classified as financial assets at fair value through profit or loss as they were equity investments held for trading.

(ii) The unlisted investments were mainly debt investments, fund investments and equity investments which were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

27. Derivative Financial Instruments

	2026 HK$'000	2025 HK$'000
Financial assets/(liabilities)		
— Cross currency swap agreements (the "**CCSs**")		
— For LSD 2021 Guaranteed Notes (the "**CCS – LSD 2021 Notes**")	**—**	(7,707)
— For LSD 2026 Guaranteed Notes (the "**CCS – LSD 2026 Notes**")	**12,997**	—
— Interest rate swaps (the "**IRSs**")	**1,972**	(17,802)
	14,969	(25,509)
Less: Portion classified as current	**(1,972)**	7,707
Non-current portion	**12,997**	(17,802)

27. Derivative Financial Instruments (continued)

The movements in the financial assets/(liabilities) arising from the derivative financial instruments during the year are as follows:

	CCS — LSD 2021 Notes HK$'000	CCS — LSD 2026 Notes HK$'000	CCS Total HK$'000	IRSs HK$'000
Carrying amount as at 1 August 2024	6,537	—	6,537	—
Fair value losses charged to the consolidated income statement (note 7)	(14,244)	—	(14,244)	(17,802)
Carrying amount as at 31 July 2025 and 1 August 2025	**(7,707)**	**—**	**(7,707)**	**(17,802)**
Fair value gains credited to the consolidated income statement (note 7)	**7,707**	**12,997**	**20,704**	**19,774**
Carrying amount as at 31 July 2026	**—**	**12,997**	**12,997**	**1,972**

CCS — LSD 2021 Notes

As at 31 July 2025, the Group had entered into the CCS – LSD 2021 Notes with a financial institution with an aggregate notional amount of US$450 million in connection with the guaranteed notes as detailed in note 36(a) to the financial statements.

Pursuant to the terms of the CCS – LSD 2021 Notes, the Group received an amount semi-annually in arrears calculated based on a fixed rate of 5.00% per annum on the aggregate notional amount of US$450 million during the term of two years, and paid an amount semi-annually in arrears calculated based on fixed rates of 4.47% to 4.52% per annum on the aggregate notional amount of HK$3,510 million (being the HK$ equivalent amount of US$450 million translated at a contracted exchange rate of US$1 to HK$7.80) during the period from June 2024 to July 2026. Upon maturity, the Group would exchange the respective United States dollar and Hong Kong dollar principal amounts at predetermined exchange rates.

The CCS – LSD 2021 Notes are not designated for hedge purposes and are measured at fair value through profit or loss. Changes in the fair value of the CCS – LSD 2021 Notes amounting to HK$7,707,000 were credited to the consolidated income statement (2025: HK$14,244,000 were charged to the consolidated income statement) during the year.

The CCS – LSD 2021 Notes were matured during the year.

27. Derivative Financial Instruments (continued)

CCS — LSD 2026 Notes

During the year, the Group entered into a number of cross currency swap contracts with financial institutions with an aggregate notional amount of US$250 million in connection with the Group's US$333,879,000 8.0% guaranteed notes due 2029 (the "**LSD 2026 Notes**") as detailed in note 36(a) to the financial statements, representing approximately 74.9% of the principal of the LSD 2026 Notes.

Under the cross currency swap contracts, the Group receives fixed-rate interest of 8.0% per annum on the underlying United States dollar notional amounts and pays fixed-rate interest ranging from 7.44% to 7.47% per annum on the corresponding Hong Kong dollar notional amounts. Upon maturity of the contracts, the Group will exchange the respective United States dollar and Hong Kong dollar principal amounts at predetermined exchange rates.

The cross currency swap contracts were entered into for the purpose of managing the Group's exposure to foreign currency and interest rate risks arising from the LSD 2026 Notes. The contracts have not been designated in any hedge accounting relationship under HKFRS 9 and are therefore measured at fair value through profit or loss. Changes in the fair value of the CCS-LSD 2026 Notes amounting to HK$12,997,000 were credited to the consolidated income statement during the year.

The CCS-LSD 2026 Notes will mature in July 2029.

28. Deposits, Prepayments, Other Receivables and Other Assets

	2026 HK$'000	2025 HK$'000
Loan receivables:		
Variable-rate mortgage loan receivables	**12,834**	19,710
Deposits, prepayments, other receivables and other assets	**1,106,817**	887,098
	1,119,651	906,808
Less: Portion classified as current	**(924,449)**	(747,143)
Non-current portion	**195,202**	159,665

Included in deposits, prepayments, other receivables and other assets as at 31 July 2026 were consideration receivables arising from disposal of subsidiaries amounted to HK$212,769,000 (2025: Nil). Further details are set out in note 32 to the financial statements.

Movements in the loss allowance for impairment of deposits, prepayments and other receivables are as follows:

	Note	2026 HK$'000	2025 HK$'000
At the beginning of the reporting period		**167,312**	159,571
Impairment loss recognised	7	**9,301**	12,804
Write-back of impairment loss recognised		**(601)**	(915)
Write-off		**(4,524)**	(4,379)
Exchange realignment		**1,279**	231
At the end of the reporting period		**172,767**	167,312

Included in the above loss allowances for deposits, prepayments and other receivables are allowances for individually impaired prepayments and other receivables in aggregate of HK$172,767,000 (2025: HK$167,312,000) which were considered in default due to indicators which showed that the Group was unlikely to receive the outstanding contractual amount in full. Except for the aforementioned impaired prepayments and other receivables, the remaining financial assets included in deposits, prepayments, other receivables and other assets relate to receivables for which there was no recent history of default and past due amounts. The loss allowance was assessed to be minimal as at 31 July 2026 and 2025.

29. Pledged and Restricted Bank Balances and Time Deposits and Cash and Cash Equivalents

	2026 HK$'000	2025 HK$'000
Cash and bank balances	**2,661,785**	3,073,461
Time deposits	**1,331,442**	1,264,898
	3,993,227	4,338,359
Less: Non-current portion of pledged balances:		
Bank balances pledged for bank borrowings	**(2,380)**	(43,591)
Time deposits pledged for bank borrowings	**(63,770)**	(58,331)
	(66,150)	(101,922)
Less: Current portion of pledged balances:		
Bank balances pledged for bank borrowings	**(312,076)**	(328,419)
Bank balances pledged for banking facilities*	**(500)**	(1,378)
Time deposits pledged for bank borrowings	**(333,081)**	(410,478)
	(645,657)	(740,275)
Less: Current portion of restricted balances**:		
Bank balances	**(481,700)**	(335,132)
Time deposits	**—**	(149,045)
	(481,700)	(484,177)
	(1,127,357)	(1,224,452)
Cash and cash equivalents	**2,799,720**	3,011,985

29. Pledged and Restricted Bank Balances and Time Deposits and Cash and Cash Equivalents (continued)

* The balances were pledged to certain banks in respect of guarantees issued by such banks.

** In accordance with the terms and conditions set out in the relevant bank loan agreements, proceeds from the sale and lease of certain properties in Chinese Mainland are required to be deposited into designated bank accounts and restricted to be used for the relevant projects. As at 31 July 2026, the balance was HK$456,469,000 (2025: HK$449,946,000) in aggregate.

In accordance with the relevant laws and regulations imposed by the government authorities concerned, estimated resettlement costs of certain sites for development in Chinese Mainland are required to be deposited into designated bank accounts. Such deposits are restricted to be used for the resettlement and such restriction will be uplifted upon completion of the resettlement. As at 31 July 2026, the balance was HK$24,678,000 (2025: HK$23,116,000) in aggregate.

In accordance with the relevant clauses of certain bank loan facilities, proceeds from the drawdown of bank loans are required to be deposited into designated bank accounts and restricted to be used for the relevant projects. As at 31 July 2026, the balance was HK$454,000 (2025: HK$11,022,000) in aggregate.

In accordance with the relevant laws and regulations imposed by the government authorities concerned, certain deposits are required to be placed into designated bank accounts restricted as to use. As at 31 July 2026, the balance was HK$99,000 (2025: HK$93,000) in aggregate.

The conversion of Vietnamese Dong ("**VND**")/Renminbi ("**RMB**") denominated cash and bank balances and time deposits into foreign currencies and the remittance of such foreign currencies denominated balances out of Vietnam/Chinese Mainland are subject to the relevant rules and regulations of foreign exchange control promulgated by the respective government authorities concerned. As at 31 July 2026, such VND and RMB denominated cash and bank balances and time deposits of the Group amounted to approximately HK$174,444,000 (2025: HK$205,631,000) and approximately HK$1,374,793,000 (2025: HK$1,434,824,000), respectively.

Cash at banks earns interest at floating rates based on bank deposit rates. Short-term time deposits are spread over varying periods up to three months based on the estimated cash requirements of the Group, and earn interest at the respective short-term time deposit rates. Bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

30. Completed Properties for Sale

The completed properties for sale were carried at cost and net realisable value at the end of the reporting period.

During the year ended 31 July 2026, write-down of completed properties for sale of approximately HK$122,744,000 (2025: HK$226,205,000) was charged to the consolidated income statement.

As at 31 July 2026, certain of the Group's completed properties for sale with a total carrying amount of approximately HK$1,486,871,000 (2025: HK$1,462,183,000) were pledged to banks to secure banking facilities granted to the Group (note 37(i)).

31. Films and Tv Programs Under Production and Film Investments

	Notes	2026 HK$'000	2025 HK$'000
Films and TV programs under production	(i)	**52,448**	169,809
Film investments, at fair value	(ii)	**52,312**	174,215
		104,760	344,024

Notes:

(i) Films and TV programs under production

	Notes	2026 HK$'000	2025 HK$'000
At the beginning of the reporting period		**169,809**	172,908
Additions, net		**51,165**	29,089
Transfer to film and TV program products	19	**(158,167)**	(5,778)
Impairment#	7	**(14,624)**	(27,785)
Exchange realignment		**4,265**	1,375
At the end of the reporting period		**52,448**	169,809

The impairment of films and TV programs under production under film and TV program segment was made based on management's estimation of the recoverable amount against the carrying amount on a project-by-project basis. The recoverable amount of films and TV programs under production were estimated by value-in-use approach, which is calculated based on the present value of future cash flows directly generated by the relevant films and TV programs and future costs to be incurred to complete production, using a discount rate.

During the year ended 31 July 2026, an impairment loss on certain films and TV programs under production of HK$14,624,000 (2025: HK$27,785,000) was recognised in the consolidated income statement as the recoverable amount of these assets as at 31 July 2026 was Nil (2025: Nil), with reference to the latest production and distribution plan and management expectation on the market condition.

(ii) Film investments, at fair value

	Note	2026 HK$'000	2025 HK$'000
Film investments classified as financial assets at fair value through profit or loss:			
At the beginning of the reporting period		**174,215**	104,560
Additions		**13,736**	91,690
Changes in fair value	7	**(54,553)**	(1,258)
Settlement		**(81,903)**	(20,189)
Exchange realignment		**817**	(588)
At the end of the reporting period		**52,312**	174,215

32. Disposal of Subsidiaries

2026

During the year ended 31 July 2026, the Group disposed of its 81.4% interest in Ample Beyond Limited and its subsidiaries ("**Ample Beyond Group**") which are principally engaged in brokerage, charter, marketing, management and crew placement of luxury yachts for a cash consideration of EUR40 million (approximately HK$360 million). Following the disposal, the Group's effective interest in Ample Beyond Group decreased from 100% to 18.6%. As a result, Ample Beyond Group ceased to be subsidiaries of the Group. Pursuant to the sale and purchase agreement, the Group retained a put option entitling it to require the purchaser to acquire, and the purchaser was granted a call option entitling it to require the Group to sell, the remaining 18.6% equity interest in the Ample Beyond Group on or after 31 December 2027 at a cash consideration of EUR9,135,000. As a result, the Group recognised consideration receivable at its estimated fair value which is receivable upon the future exercise of the put option or call option.

The assets and liabilities disposed of are as follows:

	Notes	2026 HK$'000
Property, plant and equipment	14	**27,328**
Goodwill	21	**228,038**
Right-of-use assets	16(a)	**33,036**
Investment in associates		**4,506**
Intangible assets	22	**113,402**
Debtors, prepayments and other receivables		**38,625**
Cash and cash equivalents		**590,419**
Creditors, other payables and accruals		**(586,415)**
Tax payable		**(10,726)**
Bank borrowings		**(17,999)**
Lease liabilities	16(b)	**(33,756)**
Deferred tax liabilities	39	**(19,507)**
Net assets disposed of		**366,951**
Cash consideration received		**287,648**
Consideration receivable		**155,474**
Net assets disposed of		**(366,951)**
Non-controlling interests		**9,493**
		85,664
Release of exchange reserve upon disposal		**231**
Less: Transaction cost		**(10,666)**
Gain on disposal of subsidiaries		**75,229**

Analysis of net cash outflow in respect of disposal of subsidiaries	HK$'000
Cash and cash equivalents disposed of	**(590,419)**
Cash consideration received	**287,648**
Less: Transaction cost	**(10,666)**
	(313,437)

32. Disposal of Subsidiaries (continued)

2026 (continued)

During the year, Diamond String, a 50%-owned joint venture of Surearn Profits Limited ("**Surearn Profits**") and the legal and beneficial owner of CCB Tower and the related assets and liabilities, was voluntarily wound up. As part of the winding-up process, Diamond String distributed to Surearn Profits its attributable 50% beneficial interest in CCB Tower (the "**SPL Property**"). Following the distribution of SPL Property, the Group disposed of its entire equity interest in Surearn Profits to an independent third party for a cash consideration of HK$3,470 million. Upon completion of the disposal on 30 June 2026, the Group ceased to hold any interest in Surearn Profits or the SPL Property.

The assets and liabilities disposed of are as follows:

	Note	2026 HK$'000
Investment properties	15	**3,498,000**
Deposits paid		**4,274**
Cash and cash equivalents		**3,261**
Accruals, other payables and deposits received		**(10,894)**
Long-term deposits received		**(24,273)**
Net assets disposed of		**3,470,368**
Cash consideration received		**3,413,073**
Consideration receivable		**57,295**
Net assets disposed of		**(3,470,368)**
Less: Transaction cost		**(16,629)**
Loss on disposal of a subsidiary		**(16,629)**

Analysis of net cash inflow in respect of disposal of a subsidiary	HK$'000
Cash and cash equivalents disposed of	**(3,261)**
Cash consideration received	**3,413,073**
Less: Transaction cost	**(16,629)**
	3,393,183

32. Disposal of Subsidiaries (continued)

2025

On 3 May 2024, the Company and a wholly-owned subsidiary of the Company entered into an offer letter with an independent third party to dispose the equity interest of Hong Kong Hill Limited ("**Hong Kong Hill**"). The assets and liabilities of Hong Kong Hill were classified as "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale", respectively, as at 31 July 2024. The disposal of Hong Kong Hill was completed in December 2024, at a consideration of approximately HK$213,308,000 in cash. A gain of approximately HK$168,696,000 was recognised in "other revenue and gains" on the face of the consolidated income statement.

The major classes of assets and liabilities of Hong Kong Hill as at the disposal date were as follows:

	HK$'000
Property, plant and equipment	2,862
Right-of-use assets	41,707
Deposits and prepayments	108
Pledged bank balance	2
Bank balance	49
Other payables	(90)
Deferred tax liability	(26)
Net assets disposal of	44,612

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	2025 HK$'000
Cash consideration	213,308
Bank balance disposed of	(49)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	213,259

33. Debtors

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

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

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

33. Debtors (continued)

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

	2026 HK$'000	2025 HK$'000
Trade receivables:		
Not yet due or less than 30 days past due	**219,380**	269,526
31 – 60 days past due	**21,476**	15,437
61 – 90 days past due	**11,491**	22,953
Over 90 days past due	**38,487**	57,441
	290,834	365,357
Finance lease receivables, not yet due (Note)	**562,226**	513,640
	853,060	878,997
Less: Portion classified as current	**(296,483)**	(371,253)
Non-current portion	**556,577**	507,744

The movements in the loss allowance for the impairment of debtors are as follows:

	Note	2026 HK$'000	2025 HK$'000
At beginning of year		**51,096**	47,863
(Reversal of impairment)/impairment losses, net	7	**(774)**	2,875
Write-off		**(34)**	(185)
Exchange realignment		**287**	543
At end of year		**50,575**	51,096

An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on days past due for grouping of various customer segments with shared risk characteristics. The provision matrix reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

33. Debtors (continued)

The Group has applied the simplified approach to provide for ECLs for trade receivables and finance lease receivables which permits the use of lifetime ECLs provision. To measure the ECLs, the Group considered the historical and forward-looking information. As at 31 July 2026 and 2025, the Group estimated that the ECLs for finance lease receivables were insignificant.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix analysed by the payment due date:

As at 31 July 2026

		Past due			
	Current to 30 days	**30 to 90 days**	**Over 90 days**	**Over 90 days – specific provision**	**Total**
ECL rate	**0%**	**0%**	**0%**	**100%**	**15%**
Gross carrying amount (HK$'000)	**219,791**	**33,090**	**38,494**	**50,034**	**341,409**
ECLs (HK$'000)	**411**	**123**	**7**	**50,034**	**50,575**

As at 31 July 2025

		Past due			
	Current to 30 days	30 to 90 days	Over 90 days	Over 90 days – specific provision	Total
ECL rate	0%	0%	0%	100%	12%
Gross carrying amount (HK$'000)	269,971	38,498	57,511	50,473	416,453
ECLs (HK$'000)	445	108	70	50,473	51,096

33. DEBTORS (CONTINUED)

Note:

The breakdown of finance lease receivables:

	2026 HK$'000	2025 HK$'000
Lease payments receivables		
Not later than 1 year	**5,649**	5,896
Later than 1 year but not later than 2 years	**5,879**	6,681
Later than 2 years but not later than 3 years	**6,385**	11,338
Later than 3 years but not later than 4 years	**7,814**	29,433
Later than 4 years but not later than 5 years	**9,565**	35,175
Later than 5 years	**801,212**	646,697
	836,504	735,220
Less: Unearned finance lease income relating to lease payments receivables	**(274,278)**	(221,580)
Present value of lease payments receivables	**562,226**	513,640
Add: Present value of unguaranteed residual value	**—**	—
Net investment in the finance lease	**562,226**	513,640
Less: Accumulated expected credit losses	**—**	—
Total	**562,226**	513,640

34. Creditors, Other Payables and Accruals

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

	2026	2025
	HK$'000	HK$'000
Creditors:		
Not yet due or less than 30 days past due	**201,304**	242,006
31 – 60 days past due	**19,041**	32,973
61 – 90 days past due	**12,452**	6,338
Over 90 days past due	**15,859**	57,971
	248,656	339,288
Other payables and accruals	**1,538,662**	2,025,567
Put option liabilities (Note)	**959,337**	899,059
	2,746,655	3,263,914
Less: Portion classified as current	**(1,778,588)**	(2,356,564)
Non-current portion	**968,067**	907,350

The creditors and other creditors are non-interest-bearing and normally with an average credit term of one to three months.

Note:

Transaction with Zhuhai Da Hengqin Real Estate Co., Ltd.

On 19 January 2020, Winfield Concept Limited ("**Winfield**"), a subsidiary owned by Lai Fung and the Company (other than interests held through Lai Fung) as to 80% and 20%, respectively, together with its wholly-owned subsidiary, Zhuhai Hengqin Laisun Creative Culture City Co., Ltd. ("**Laisun Creative Culture**"), entered into an agreement (the "**Da Hengqin Agreement**") with an independent third-party, Zhuhai Da Hengqin Real Estate Co., Ltd. ("**Da Hengqin**"). Pursuant to the Da Hengqin Agreement, among others, Da Hengqin has agreed to make a total capital contribution of approximately RMB948,448,000 in Laisun Creative Culture (the "**Da Hengqin Transaction**"). The Da Hengqin Transaction was completed on 6 August 2020 and Da Hengqin became a holder of 16.68% equity interest in Laisun Creative Culture.

According to the Da Hengqin Agreement, Da Hengqin has been granted a put option pursuant to which Da Hengqin has the right (but not an obligation) to require Laisun Creative Culture and/or Winfield to acquire all equity interest held by Da Hengqin in Laisun Creative Culture upon occurrence of certain events. Accordingly, financial liabilities of approximately RMB825,606,000 (equivalent to approximately HK$959,337,000 (2025: HK$899,059,000)), equal to the amount of capital contribution made by Da Hengqin in cash to Laisun Creative Culture, were recorded as put option liabilities under non-current "other payables" of the consolidated statement of financial position as at the end of the reporting period.

Further details of the Da Hengqin Transaction are set out in a circular of Lai Fung dated 30 April 2020.

35. Deposits Received, Deferred Income and Contract Liabilities

An analysis of the deposits received, deferred income and contract liabilities is as follows:

	2026	2025
	HK$'000	HK$'000
Deposits received and deferred income	**515,531**	522,089
Contract liabilities (Note)	**219,705**	222,784
	735,236	744,873
Less: Portion classified as current	**(524,938)**	(533,232)
Non-current portion	**210,298**	211,641

Note:

Details of contract liabilities are as follows:

	2026	2025
	HK$'000	HK$'000
Contract liabilities arising from:		
Sales of properties	**33,781**	42,858
Other operations	**185,924**	179,926
	219,705	222,784

As at 1 August 2024, 31 July 2025 and 31 July 2026, the Group's total contract liabilities of HK$237,892,000, HK$222,784,000 and HK$219,705,000, respectively, mainly represented sales proceeds received in advance from buyers in connection with the Group's sale and pre-sale of properties and interest on the sales proceeds received and consideration received in advance from customers and deferred revenue under media and entertainment and film and TV program operations. The change in contract liabilities during the years ended 31 July 2026 and 2025 was mainly due to the net effect of recognition of revenue and receipt of advance from customers.

36. Guaranteed Notes

	Notes	2026 HK$'000	2025 HK$'000
US$16,030,000 (2025: US$493,000,000) 5% guaranteed notes ("**LSD 2021 Notes**")	(a)	**125,728**	3,877,188
LSD 2026 Notes	(a)	**2,736,802**	—
HK$385,000,000 4.9% – 5.25% guaranteed notes ("**LSD 2022 Notes**")	(b)	**383,385**	382,438
		3,245,915	4,259,626
Less: Portion classified as current		**(179,911)**	(3,877,188)
Non-current portion		**3,066,004**	382,438
Analysed into:			
Guaranteed notes repayable:			
In the first year		**179,911**	3,877,188
In the second year		**—**	179,555
In the third to fifth years, inclusive		**3,066,004**	202,883
		3,245,915	4,259,626

36. Guaranteed Notes (continued)

Notes:

(a) LSD 2021 Notes and LSD 2026 Notes

On 28 July and 9 September 2021, Lai Sun MTN Limited ("**Lai Sun MTN**"), a wholly-owned subsidiary of the Company, issued guaranteed notes with an aggregate principal amount of US$500,000,000. The LSD 2021 Notes were guaranteed by the Company, had a term of five years and bore interest at a fixed interest rate of 5% per annum payable semi-annually in arrears. The LSD 2021 Notes were listed on the Stock Exchange.

The net proceeds from the offering of the LSD 2021 Notes were approximately US$496,000,000 and were used for refinancing the guaranteed notes issued in 2017 and general corporate purposes.

During April and May 2024, the guaranteed notes with a principal amount of US$7,000,000, for an aggregate consideration (with accrued interest) of approximately US$4,725,000 (equivalent to approximately HK$37,021,000), were repurchased in the open market. The remaining principal amount was US$493,000,000.

During June and July 2026, the Group launched an exchange offer and consent solicitation in respect of the US$493,000,000 5.00% guaranteed notes due 2026 issued by Lai Sun MTN. Under the transaction, participating noteholders agreed to extend the maturity from July 2026 to July 2029 and received a combination of cash consideration and new 8.00% guaranteed notes due 2029 issued by Lai Sun (2026) Limited, a wholly-owned subsidiary of the Company (the "**Exchange Offer**"). Further details of the transaction are set out in the announcements of the Company dated 15 June 2026, 10 July 2026 and 29 July 2026 and the offering circular dated 10 July 2026.

On 28 July 2026, the Exchange Offer was completed. Holders of US$476,970,000 principal amount of the existing LSD 2021 Notes participated in the Exchange Offer and received cash consideration of US$143,091,000 and US$333,879,000 principal amount of the new 8.00% guaranteed notes due 2029 issued by Lai Sun (2026) Limited. Following completion of the Exchange Offer, US$16,030,000 principal amount of the existing LSD 2021 Notes remained outstanding and will mature on 28 July 2029.

LSD 2021 Notes	**2026** **HK$'000**	2025 HK$'000
Guaranteed notes	**125,728**	3,882,868
Issue expenses	**—**	(5,680)
Carrying amount at the end of the reporting period	**125,728**	3,877,188
Fair value of the LSD 2021 Notes	**115,076**	2,111,736

The fair value was determined by reference to the closing price of the LSD 2021 Notes published by a leading global financial market data provider as at 31 July 2026 and 31 July 2025.

In connection with certain LSD 2021 Notes, the Group entered into the CCS – LSD 2021 Notes with financial institutions, which had effectively converted certain LSD 2021 Notes into fixed rate HK$ denominated debts. Taking into account the CCS – LSD 2021 Notes, the effective interest rate of the LSD 2021 Notes ranged from 4.47% to 4.52% (2025: 4.47% to 4.52%) per annum. All CCS – LSD 2021 Notes were matured during the year. Details of the CCS – LSD 2021 Notes were set out in note 27 to the financial statements.

36. Guaranteed Notes (continued)

Notes: (continued)

(a) LSD 2021 Notes and LSD 2026 Notes (continued)

On 28 July 2026, Lai Sun (2026) Limited issued LSD 2026 Notes with an aggregate principal amount of US$333,879,000 at 8.00% guaranteed notes due 2029. The LSD 2026 Notes are guaranteed by the Company, bear interest at 8.00% per annum payable semi-annually in arrears and mature on 28 July 2029. The LSD 2026 Notes are listed on the Stock Exchange.

The Group assessed the Exchange Offer in accordance with HKFRS 9 and concluded that the revised terms were not substantially different from those of the original notes. Accordingly, the transaction was accounted for as a modification of financial liabilities and a modification loss of approximately HK$210 million was recognised during the year.

LSD 2026 Notes	**2026 HK$'000**
Guaranteed notes	**2,828,602**
Issue expenses	**(91,800)**
Carrying amount at the end of the reporting period	**2,736,802**
Fair value of the LSD 2026 Notes	**2,474,684**

The fair value was determined by reference to the closing price of the LSD 2026 Notes published by a leading global financial market data provider as at 31 July 2026.

In connection with certain LSD 2026 Notes, the Group entered into the CCS – LSD 2026 Notes with financial institutions, which have effectively converted certain LSD 2026 Notes into fixed rate HK$ denominated debts. Taking into account the CCS – LSD 2026 Notes, the effective interest rate of the LSD 2026 Notes ranged from 7.44% to 7.47% per annum. Details of the CCS – LSD 2026 Notes are set out in note 27 to the financial statements.

(b) LSD 2022 Notes

On 9 and 10 November 2021, Lai Sun MTN issued guaranteed notes in an aggregate principal amount of HK$385,000,000. The LSD 2022 Notes are guaranteed by the Company, have terms ranging from five years to seven years and three months and bear interest at fixed interest rates ranging from 4.9% to 5.25% per annum payable quarterly or semi-annually in arrears.

The net proceeds from the offering of the LSD 2022 Notes were approximately HK$379,000,000 and were used for general corporate purposes.

LSD 2022 Notes	**2026 HK$'000**	2025 HK$'000
Guaranteed notes	**385,000**	385,000
Issue expenses	**(1,615)**	(2,562)
Carrying amount at the end of the reporting period	**383,385**	382,438

37. Bank Borrowings

	Effective annual interest rate (%)	**2026 HK$'000**	2025 HK$'000
Current			
Bank borrowings – secured	2.9 – 6.3 (2025: 2.2 – 8.0)	**6,111,899**	10,364,569
Bank borrowings – unsecured	3.2 – 3.6	**—**	19,180
		6,111,899	10,383,749
Non-current			
Bank borrowings – secured	2.9 – 4.7 (2025: 2.2 – 5.1)	**13,334,339**	10,437,690
		19,446,238	20,821,439
Analysed into:			
Bank borrowings repayable:			
Within one year		**6,111,899**	10,383,749
In the second year		**4,754,222**	2,759,349
In the third to fifth years, inclusive		**5,874,108**	4,760,739
Beyond five years		**2,706,009**	2,917,602
		19,446,238	20,821,439

37. Bank Borrowings (continued)

(i) Other than disclosed elsewhere in the financial statements, the Group's bank borrowings as at the end of the reporting period were secured, inter alia, by:

(a) fixed charges over certain items of property, plant and equipment, certain right-of-use assets, certain investment properties, certain properties under development and certain completed properties for sale of the Group with carrying amounts of approximately HK$2,588,318,000 (2025: HK$2,747,848,000) (note 14), HK$1,210,103,000 (2025: HK$1,266,605,000) (note 16(a)), HK$13,573,420,000 (2025: HK$14,685,672,000) (note 15), HK$3,634,280,000 (2025: HK$2,952,448,000) (note 17) and HK$220,502,000 (2025: HK$220,502,000) (note 30), respectively;

(b) floating charges over all assets of certain subsidiaries of the Group with an aggregate carrying amount of approximately HK$13,731,438,000 (2025: HK$14,087,218,000), of which the carrying amounts of the items of property, plant and equipment, right-of-use assets, investment properties, properties under development and completed properties for sale of approximately HK$2,583,159,000 (2025: HK$2,747,848,000), HK$1,210,103,000 (2025: HK$1,266,605,000), HK$5,538,200,000 (2025: HK$6,211,452,000), HK$3,634,280,000 (2025: HK$2,952,448,000) and HK$220,502,000 (2025: HK$220,502,000), respectively, are also included in note (i)(a) above;

(c) mortgages over certain serviced apartments under hotel properties (including related leasehold improvements), theme parks and certain construction in progress of the Group with an aggregate carrying amount of HK$1,816,939,000 (2025: HK$2,012,071,000) (note 14);

(d) mortgages over certain right-of-use assets of the Group with an aggregate carrying amount of HK$1,471,200,000 (2025: HK$1,555,390,000) (note 16(a));

(e) mortgages over certain properties under development of the Group with an aggregate carrying amount of HK$1,377,802,000 (2025: HK$1,272,380,000) (note 17);

(f) mortgages over certain investment properties of the Group with an aggregate carrying amount of HK$19,726,100,000 (2025: HK$17,951,400,000) (note 15);

(g) mortgages over certain completed properties for sale of the Group with an aggregate carrying amount of HK$1,266,369,000 (2025: HK$1,241,681,000) (note 30);

(h) charges over certain bank balances and time deposits of the Group with an aggregate carrying amount of approximately HK$711,807,000 (2025: HK$842,197,000) (notes 29); and

(i) charges over the shares of certain subsidiaries held by the Group (note 50).

(ii) As at 31 July 2026, the Group's non-current bank borrowings with an aggregate carrying amount of HK$10,067,636,000 (2025: HK$6,682,269,000) were subject to financial covenants including but not limited to consolidated tangible net worth, loan to value ratios, minimum interest coverage and gearing ratios as tested annually, semi-annually or quarterly until maturity. The Group has complied with the covenants under the relevant loan documents as at 31 July 2026 and 2025.

38. Other Borrowings

	Notes	Effective annual interest rate (%)	**2026 HK$'000**	2025 HK$'000
Current:				
Interest-bearing other borrowings — unsecured	(i), (iii)	5.0 (2025: 5.3)	**251,530**	245,829
Other borrowing — unsecured	(ii), (iii)	—	**54,269**	50,859
			305,799	296,688
Maturity profile:				
On demand			**305,799**	296,688

Notes:

(i) The unsecured other borrowings represented amounts due to the late Mr. Lim Por Yen which bear interest at HSBC prime rate per annum except for the accrued interest portion with an amount of HK$138,592,000 (2025: HK$132,891,000) which is interest-free.

(ii) The unsecured other borrowing represented an amount due to the late Mr. Lim Por Yen which was interest-free.

(iii) As at 31 July 2026 and 2025, the other borrowings were repayable on demand. The Group has not obtained a confirmation that no demand for the repayment of the outstanding other borrowings or the related interest would be made within one year from 31 July 2026 and 31 July 2025. However, the Group has obtained a legal opinion from an external solicitor that there is unlikely any demand for repayment of the other borrowings for the period up to 31 October 2027.

39. Deferred Tax

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2026 **HK$'000**	2025 HK$'000
Deferred tax assets	**7,664**	241
Deferred tax liabilities	**(4,109,921)**	(3,958,713)
	(4,102,257)	(3,958,472)

The movements in deferred tax (liabilities)/assets during the year are as follows:

	Notes	Accelerated tax depreciation HK$'000	Fair value adjustments arising from acquisition of subsidiaries HK$'000	Revaluation of properties HK$'000	Withholding tax HK$'000	Losses available for offsetting against future taxable profits HK$'000	Other temporary differences HK$'000	Total HK$'000
At 1 August 2024		(1,073,978)	(1,065,855)	(1,952,754)	(38,477)	53,385	20,017	(4,057,662)
Deferred tax (charged)/credited to the consolidated income statement during the year	11	(66,300)	196,386	14,228	(13,644)	(1,704)	3,489	132,455
Deferred tax assets written off during the year	11	—	—	—	—	(10,422)	—	(10,422)
Deferred tax utilised during the year		—	—	—	13,121	—	—	13,121
Exchange realignment		(9,617)	(5,579)	(21,164)	—	392	4	(35,964)
At 31 July 2025 and 1 August 2025		(1,149,895)	(875,048)	(1,959,690)	(39,000)	41,651	23,510	(3,958,472)
Deferred tax (charged)/credited to the consolidated income statement during the year	11	**(50,412)**	**98,169**	**1,317**	**7,911**	**7,172**	**6,052**	**70,209**
Disposal of subsidiaries	32	**—**	**—**	**—**	**—**	**—**	**19,507**	**19,507**
Deferred tax of surplus on revaluation of properties upon reclassification to investment properties	14	**—**	**—**	**(8,805)**	**—**	**—**	**—**	**(8,805)**
Deferred tax utilised during the year		**—**	**—**	**—**	**11,092**	**—**	**—**	**11,092**
Exchange realignment		**(65,852)**	**(30,938)**	**(144,192)**	**—**	**2,520**	**2,674**	**(235,788)**
At 31 July 2026		**(1,266,159)**	**(807,817)**	**(2,111,370)**	**(19,997)**	**51,343**	**51,743**	**(4,102,257)**

39. Deferred Tax (continued)

At 31 July 2026, the Group had tax losses arising in Hong Kong of approximately HK$11.2 billion (2025: HK$10.6 billion) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses could be utilised.

As at 31 July 2026, the Group had tax losses arising in Chinese Mainland of HK$2.9 billion (2025: HK$2.6 billion) that would expire in one to five years for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses could be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese Mainland. The requirement is effective from 1 January 2008 and applied to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Chinese Mainland and the jurisdiction of the foreign investors. For the Group, the applicable rate is either 5% or 10% (2025: 5% or 10%). The Group is therefore liable to withholding taxes on dividends to be distributed by those subsidiaries and joint ventures established in Chinese Mainland in respect of earnings generated from 1 January 2008.

For the investment properties that are located in Chinese Mainland, they are held by certain subsidiaries with a business model to consume substantially all the economic benefits embodied in the investment properties over time, rather than through sale, the presumption is rebutted and related deferred tax is determined based on recovery of use. For the remaining investment properties, the tax consequence is on the presumption that they are recovered entirely by sale.

At 31 July 2026, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that were subject to withholding taxes of certain subsidiaries established in Chinese Mainland. In the opinion of the directors, it was not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Chinese Mainland for which deferred tax liabilities have not been recognised totalled approximately HK$5 million as at 31 July 2026 (2025: HK$11 million).

40. Share Capital

	2026		2025	
	Number of shares	**Total amount HK$'000**	Number of shares	Total amount HK$'000
Issued and fully paid ordinary shares	**1,453,328,830**	**6,240,082**	1,453,328,830	6,240,082

41. Share Option Schemes

(a) The Company

2015 Share Option Scheme

On 11 December 2015, the Company adopted a new share option scheme (the "**2015 Share Option Scheme**") and the share option scheme adopted by the Company on 22 December 2006 (the "**2006 Share Option Scheme**") was terminated. Subsisting options granted prior to the termination will continue to be valid and exercisable in accordance with the terms of the previous scheme. The purpose of the 2015 Share Option Scheme is to recognise the contribution or future contribution of the eligible participants to the Group by granting share options to them as incentives or rewards and to attract, retain and motivate high-calibre eligible participants in line with the performance goals of the relevant companies. Eligible participants include but are not limited to the directors and any employee of the Group. The 2015 Share Option Scheme became effective on 23 December 2015. Upon the termination of the 2015 Share Option Scheme at the annual general meeting of the Company held on 16 December 2022, no further share options can be granted thereunder but the subsisting share options granted prior to the termination will continue to be valid and exercisable in accordance with the terms of the 2015 Share Option Scheme.

41. Share Option Schemes (continued)

(a) The Company (continued)

2015 Share Option Scheme (continued)

The maximum number of shares which may be issued upon the exercise of all options to be granted under the 2015 Share Option Scheme (i) shall not exceed 10% of the shares of the Company in issue (excluding treasury shares, if any) at the date of adopting the 2015 Share Option Scheme; (ii) shall not exceed 30% of the shares of the Company in issue (excluding treasury shares, if any) from time to time; and (iii) to each eligible participant and within any 12-month period, is limited to 1% of the shares of the Company in issue (excluding treasury shares, if any) at any time. Any further grant of share options in excess of the limits set out in (i) and (iii) is subject to the approval of shareholders of the Company and the shareholders of LSG (so long as the Company is a subsidiary of LSG under the Listing Rules) in the respective general meetings.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors of each of the Company and LSG (so long as the Company is a subsidiary of LSG under the Listing Rules). In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue (excluding treasury shares, if any) at any time or with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK$5 million, within any 12-month period, are subject to the approval of shareholders of the Company and the shareholders of LSG (so long as the Company is a subsidiary of LSG under the Listing Rules) in the respective general meetings.

The offer of a grant of share options may be accepted within 30 days from the date of grant, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determined by the directors of the Company, save that such period shall not be longer than 10 years from the date of grant of the share options.

The exercise price of the share options is determinable by the directors of the Company, which shall be at least the highest of (i) the closing price of the Company's shares as stated in the daily quotation sheets of the Stock Exchange on the date of grant of the share options; and (ii) the average closing price of the Company's shares as stated in the daily quotation sheets of the Stock Exchange for the five trading days immediately preceding the date of grant.

Share options do not confer rights on the holders to dividends or to vote at general meetings of the Company.

41. Share Option Schemes (continued)

(a) The Company (continued)

2022 Share Option Scheme

On 16 December 2022 (the "**Adoption Date**"), the Company adopted of a new share option scheme (the "**2022 Share Option Scheme**") and terminated the 2015 Share Option Scheme. Subsisting options granted prior to the termination will continue to be valid and exercisable in accordance with the terms of the 2006 Share Option Scheme and the 2015 Share Option Scheme. The purpose of the 2022 Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants (as defined in the 2022 Share Option Scheme) for their contribution to the Group by granting share options to them as incentives or rewards and to attract, retain and motivate high-calibre Eligible Participants in line with the performance goals of the Group and the Related Entities (as defined in the 2022 Share Option Scheme). Eligible Participants include but are not limited to the directors, chief executive, employees of the Group and related entity and the service providers. The 2022 Share Option Scheme shall strengthen the many long-term relationships that the Eligible Participants may have with the Group. The 2022 Share Option Scheme became effective on 19 December 2022 (the "**Effective Date**"). Unless otherwise altered or terminated, the 2022 Share Option Scheme will be valid and effective for a period of 10 years commencing on the Effective Date.

The maximum number of shares which may be issued upon the exercise of all share options to be granted under the 2022 Share Option Scheme and any other share option schemes and share award schemes of the Company (i) shall not in aggregate exceed 10% of shares of the Company in issue (excluding treasury shares, if any) at the Adoption Date; (ii) to the Service Provider (as defined in the 2022 Share Option Scheme), shall not exceed 1% of shares of the Company in issue (excluding treasury shares, if any) at the Adoption Date; and (iii) to each Eligible Participant in the 2022 Share Option Scheme and within any 12-month period, is limited to 1% of shares of the Company in issue (excluding treasury shares, if any) at any time. Any further grant of share options in excess of the limits set out in (i), and (ii) must be subject to the approval of the shareholders of the Company and the shareholders of LSG (so long as the Company is a subsidiary of LSG under the Listing Rules) in the respective general meetings after three years from the Adoption Date or the last refreshment.

Share options granted to Eligible Participants (as defined in the 2022 Share Option Scheme), including a director, chief executive or substantial shareholder of the Company, or to any of their respective associates, are subject to the approval by the independent non-executive directors of each of the Company and LSG (so long as the Company is a subsidiary of LSG under the Listing Rules). In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their respective associates, in excess of 0.1% of the relevant class of shares of the Company, within any 12-month period up to and including the date of grant, are subject to the approval by the shareholders of the Company and the shareholders of LSG (so long as the Company is a subsidiary of LSG under the Listing Rules) in the respective general meetings.

41. Share Option Schemes (continued)

(a) The Company (continued)

2022 Share Option Scheme (continued)

The offer of a grant of share options may be accepted within 30 days from the date of grant, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determined by the directors of the Company provided that such period must not be longer than 10 years from the date upon which any share option is granted in accordance with the 2022 Share Option Scheme.

A share option must be held by the option holder for at least 12 months before the share option can be exercised. A shorter vesting period may be granted to the Employee Participants (as defined in the 2022 Share Option Scheme) at the discretion of the board of directors of the Company in the circumstances as set out in the 2022 Share Option Scheme.

The exercise price of the share options is determinable by the directors of the Company, which shall be at least the highest of (i) the closing price of the Company's shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant of the share options; and (ii) the average closing price of the Company's shares as stated in the daily quotation sheet of the Stock Exchange for the five trading days immediately preceding the date of grant.

Share options do not confer rights on the holders to dividends or to vote at general meetings of the Company.

41. Share Option Schemes (continued)

(a) The Company (continued)

During the year, no share options had been granted under the 2015 Share Option Scheme and 2022 Share Option Scheme. Details of the movements of the Company's share options outstanding under the 2015 Share Option Scheme during the year are as follows:

	2026		2025	
	Number of underlying shares comprised in the Company's share options	**Weighted average exercise price per the Company's share* HK$**	Number of underlying shares comprised in the Company's share options	Weighted average exercise price per the Company's share* HK$
Outstanding at beginning of year	**325,047**	**5.170**	717,342	5.755
Lapsed during the year	**(69,652)**	**4.048**	(392,295)	6.239
Outstanding at end of year	**255,395**	**5.476**	325,047	5.170

The exercise prices and exercise periods of the Company's share options outstanding as at the end of the reporting period are as follows:

2026		
Number of underlying shares comprised in the Company's share options	**Exercise price per share* HK$**	**Exercise period**
255,395	**5.476**	**26/1/2021 to 25/1/2031**

41. Share Option Schemes (continued)

(a) The Company (continued)

The exercise prices and exercise periods of the Company's share options outstanding as at the end of the reporting period are as follows: (continued)

2025	Number of underlying shares comprised in the Company's share options	Exercise price per share* HK$	Exercise period
	69,652	4.048	22/1/2016 to 21/1/2026
	255,395	5.476	26/1/2021 to 25/1/2031
	325,047		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other relevant changes in the Company's share capital.

Other than the movements of the share options as detailed above, no share options were granted, vested, exercised, cancelled or lapsed in accordance with the terms of the 2015 Share Option Scheme and the 2022 Share Option Scheme.

As at 31 July 2026, a total of 255,395 (2025: 325,047) underlying shares comprised in share options were outstanding, which relate to share options granted under the 2015 Share Option Scheme, represented approximately 0.02% (2025: 0.02%) of the Company's shares in issue (excluding treasury shares, if any) as at that date.

41. Share Option Schemes (continued)

(b) eSun

2015 eSun Share Option Scheme

On 11 December 2015 (the "**2015 eSun Adoption Date**"), eSun adopted a share option scheme (the "**2015 eSun Share Option Scheme**"). The purpose of the 2015 eSun Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants (as defined in the 2015 eSun Share Option Scheme) to the eSun Group by granting share options to them as incentives or rewards and to attract, retain and motivate the Eligible Participants in line with the performance goals of the Relevant Companies (as defined in the 2015 eSun Share Option Scheme). Eligible Participants include but are not limited to the directors and any employees of the eSun Group. Upon the termination of the 2015 eSun Share Option Scheme at the annual general meeting of eSun held on 16 December 2022, no further share options can be granted thereunder but the subsisting share options granted prior to the termination will continue to be valid and exercisable in accordance with the terms of the 2015 eSun Share Option Scheme.

The principal terms of the 2015 eSun Share Option Scheme are:

(i) The maximum number of shares in respect of which share options may be granted under the 2015 eSun Share Option Scheme and any other share option schemes of eSun (i) shall not in aggregate exceed 10% of the total issued eSun shares (excluding treasury shares, if any) on the 2015 eSun Adoption Date; (ii) shall not exceed 30% of the total issued eSun shares (excluding treasury shares, if any) from time to time; and (iii) to each Eligible Participant in the 2015 eSun Share Option Scheme and within any 12-month period, is limited to 1% of total issued eSun shares (excluding treasury shares, if any) at any time. Any further grant of share options in excess of the limits set out in (i) and (iii) must be subject to the approval of the shareholders of eSun and the shareholders of the Company (so long as eSun is a subsidiary of the Company under the Listing Rules) in the respective general meetings.

(ii) Share options granted to a director, chief executive or substantial shareholder of eSun, or to any of their respective associates, are subject to approval by the independent non-executive directors of eSun and the Company (so long as eSun is a subsidiary of the Company under the Listing Rules). In addition, any share options granted to a substantial shareholder or an independent non-executive director of eSun, or to any of their respective associates, in excess of 0.1% of the total issued eSun shares (excluding treasury shares, if any) at any time and with an aggregate value (based on the closing price of eSun shares as stated in the Stock Exchange's daily quotation sheet on the date of grant) in excess of HK$5 million, within any 12-month period up to and including the date of grant, are subject to the approval by the shareholders of eSun and the shareholders of the Company (so long as eSun is a subsidiary of the Company under the Listing Rules) in the respective general meetings.

41. Share Option Schemes (continued)

(b) eSun (continued)

2015 eSun Share Option Scheme (continued)

(iii) The offer of a grant of share options may be accepted within 30 days from the date of offer, to be accompanied by payment of a consideration of HK$1 per share option by the grantee.

(iv) The exercise period of the share options granted is determined by the directors of eSun provided that such period must not be longer than 10 years from the date upon which any share option is granted in accordance with the 2015 eSun Share Option Scheme.

(v) The subscription (or exercise) price of any share options is determinable by the directors of eSun, and shall be at least the highest of (i) the closing price of eSun shares in the Stock Exchange's daily quotation sheet on the date of the offer of grant; (ii) the average closing price of eSun shares in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of an eSun share on the date of the offer of grant.

Share options do not confer rights on the holders to dividends or to vote at general meetings of eSun.

2022 eSun Share Option Scheme

At the annual general meeting of eSun held on 16 December 2022 (the "**2022 eSun Adoption Date**"), the shareholders of eSun approved the adoption of a new share option scheme (the "**2022 eSun Share Option Scheme**") which became effective on 19 December 2022 (the "**2022 eSun Share Option Scheme Effective Date**"). Unless otherwise cancelled or amended, the 2022 eSun Share Option Scheme will remain in force for 10 years from the 2022 eSun Share Option Scheme Effective Date, which will expire on 19 December 2032.

The purpose of the 2022 eSun Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants (as defined in the 2022 eSun Share Option Scheme, including but not limited to the directors, chief executives, employees and service providers of the eSun Group as well as the related entity participants) to the eSun Group by granting share options to them as incentives or rewards and to attract, retain and motivate high-calibre Eligible Participants in line with the performance goals of the eSun Group and the related entities. The 2022 eSun Share Option Scheme shall strengthen the many long-term relationships that the Eligible Participants may have with the eSun Group.

41. Share Option Schemes (continued)

(b) eSun (continued)

2022 eSun Share Option Scheme (continued)

The principal terms of the 2022 eSun Share Option Scheme are:

(i) The maximum number of shares in respect of which share options may be granted under the 2022 eSun Share Option Scheme and any other share option schemes and share award schemes of eSun (i) shall not in aggregate exceed 10% of the number of the total issued eSun shares (excluding treasury shares, if any) on the 2022 eSun Adoption Date (i.e. 149,185,459 shares); (ii) to the Service Provider(s) (as defined in the 2022 eSun Share Option Scheme), shall not exceed 1% of the number of the total issued eSun shares on the 2022 eSun Adoption Date (i.e. 14,918,545 shares); and (iii) to each Eligible Participant in the 2022 eSun Share Option Scheme and within any 12-month period, is limited to 1% of the total issued eSun shares (excluding treasury shares, if any) at any time. Any further grant of share options in excess of the limits set out in (i) and (ii) must be subject to the approval of the shareholders of eSun and the shareholders of the Company and/or LSG (so long as eSun is a subsidiary of the Company and/or LSG under the Listing Rules) in the respective general meetings after three years of the 2022 eSun Adoption Date or the last refreshment.

(ii) Share options granted to an Eligible Participant (as defined in the 2022 eSun Share Option Scheme), including a director, chief executive or substantial shareholder of eSun, or to any of their respective associates, are subject to the approval by the independent non-executive directors of eSun and the Company and/or LSG (so long as eSun is a subsidiary of the Company and/or LSG under the Listing Rules). In addition, any share options granted to a substantial shareholder or an independent non-executive director of eSun, or to any of their respective associates, in excess of 0.1% of the relevant class of shares of eSun, within any 12-month period up to and including the date of grant, are subject to the approval by the shareholders of eSun and the shareholders of the Company and/or LSG (so long as eSun is a subsidiary of the Company and/or LSG under the Listing Rules) in the respective general meetings.

(iii) The offer of a grant of share options may be accepted within 30 days from the date of offer, to be accompanied by payment of a consideration of HK$1 per share option by the grantee.

(iv) The exercise period of the share options granted is determined by the directors of eSun provided that such period must not be longer than 10 years from the date upon which any share option is granted in accordance with the 2022 eSun Share Option Scheme.

41. Share Option Schemes (continued)

(b) eSun (continued)

2022 eSun Share Option Scheme (continued)

(v) A share option must be held by the option holder for at least 12 months before the share option can be exercised. A shorter vesting period may be granted to the Employee Participants (as defined in the 2022 eSun Share Option Scheme) at the discretion of the board of directors of eSun in the circumstances as set out in the 2022 eSun Share Option Scheme.

(vi) The exercise price of any share options is determinable by the directors of eSun, and shall be at least the highest of (i) the closing price of eSun share as stated in the Stock Exchange's daily quotation sheet on the date of the offer of grant; (ii) the average of the closing price of eSun share as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of eSun share on the date of the offer of grant.

Share options do not confer rights on the holders to dividends or to vote at general meetings of eSun.

During the years ended 31 July 2026 and 2025, no eSun share options had been granted under the 2015 eSun Share Option Scheme and 2022 eSun Share Option Scheme. Details of the movement of the eSun share options outstanding under the 2015 eSun Share Option Scheme during the year are as follows:

	2026		2025	
	Number of underlying shares comprised in eSun share options	**Weighted average exercise price per eSun share* HK$**	Number of underlying shares comprised in eSun share options	Weighted average exercise price per eSun share* HK$
Outstanding at beginning of year	**400,000**	**0.50**	700,000	0.50
Lapsed during the year	**—**	**—**	(300,000)	0.50
Outstanding at end of year	**400,000**	**0.50**	400,000	0.50

41. Share Option Schemes (continued)

(b) eSun (continued)

2022 eSun Share Option Scheme (continued)

The exercise price and exercise period of the share options outstanding as at the end of the reporting period are as follows:

2026

Number of underlying shares comprised in eSun share options	Exercise price per eSun share* HK$	Exercise period
400,000	**0.50**	**21/01/2022 to 20/01/2032**

2025

Number of underlying shares comprised in eSun share options	Exercise price per eSun share* HK$	Exercise period
400,000	0.50	21/01/2022 to 20/01/2032

* The exercise price of the eSun share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in eSun's share capital.

Other than the movements of the eSun share options as detailed above, no eSun share options were granted vested, exercised, cancelled or lapsed in accordance with the terms of the 2015 eSun Share Option Scheme and 2022 eSun Share Option Scheme during the years ended 31 July 2026 and 2025.

As at 31 July 2026, a total of 400,000 (2025: 400,000) underlying eSun shares relating to share options granted under the 2015 eSun Share Option Scheme were outstanding and they represented approximately 0.02% (2025: 0.02%) of the total issued eSun shares (excluding treasury shares, if any) as at that date.

41. Share Option Schemes (continued)

(c) Lai Fung

2012 Lai Fung Share Option Scheme

On 18 December 2012 (the "**2012 Lai Fung Adoption Date**"), Lai Fung adopted a share option scheme (the "**2012 Lai Fung Share Option Scheme**"). Unless otherwise cancelled or amended, the 2012 Lai Fung Share Option Scheme will remain in force for 10 years from the 2012 Lai Fung Adoption Date. The purpose of the 2012 Lai Fung Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants (as defined in the 2012 Lai Fung Share Option Scheme) to the Lai Fung Group by granting share options to them as incentives or rewards and to attract, retain and motivate high-calibre Eligible Participants in line with the performance goals of the Relevant Companies (as defined in the 2012 Lai Fung Share Option Scheme). Eligible Participants include but are not limited to the directors and any employees of the Lai Fung Group. The 2012 Lai Fung Share Option Scheme expired on 17 December 2022. Upon expiration of the 2012 Lai Fung Share Option Scheme, no further share options shall be granted under the 2012 Lai Fung Share Option Scheme but the outstanding share options granted thereunder shall continue to be valid and exercisable in accordance with the terms of the 2012 Lai Fung Share Option Scheme.

The maximum number of shares which may be issued upon the exercise of all options to be granted under the 2012 Lai Fung Share Option Scheme (i) shall not exceed 10% of the shares of Lai Fung in issue (excluding treasury shares, if any) on the 2012 Lai Fung Adoption Date; (ii) shall not exceed 30% of the shares of Lai Fung in issue (excluding treasury shares, if any) from time to time; and (iii) to each Eligible Participant and within any 12-month period, is limited to 1% of the shares of Lai Fung in issue (excluding treasury shares, if any) at any time. Any further grant of share options in excess of the limits set out in (i) and (iii) is subject to the approval of shareholders of Lai Fung and the shareholders of the holding company of Lai Fung in the respective general meetings.

Share options granted to a director, chief executive or substantial shareholder of Lai Fung, or to any of their associates, are subject to approval in advance by the independent non-executive directors of each of Lai Fung and the holding company of Lai Fung. In addition, any share options granted to a substantial shareholder or an independent non-executive director of Lai Fung, or to any of their associates, in excess of 0.1% of the shares of Lai Fung in issue (excluding treasury shares, if any) at any time or with an aggregate value (based on the closing price of Lai Fung shares at the date of grant) in excess of HK$5 million, within any 12-month period, are subject to the approval of shareholders of Lai Fung and the shareholders of the holding company of Lai Fung in the respective general meetings.

41. Share Option Schemes (continued)

(c) Lai Fung (continued)

2012 Lai Fung Share Option Scheme (continued)

The offer of a grant of share options may be accepted within 30 days from the date of grant, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determined by the directors of Lai Fung, save that such period shall not be longer than 10 years from the date of grant of the share options.

The exercise price of the share options is determinable by the directors of Lai Fung, which shall be at least the highest of (i) the Stock Exchange closing price of Lai Fung shares on the date of grant of the share options; (ii) the average Stock Exchange closing price of Lai Fung shares for the five trading days immediately preceding the date of grant; and (iii) the nominal value of Lai Fung shares on the date of grant.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings of Lai Fung.

2022 Lai Fung Share Option Scheme

On 16 December 2022 (the "**2022 Lai Fung Adoption Date**"), Lai Fung adopted a new share option scheme (the "**2022 Lai Fung Share Option Scheme**") which became effective on 19 December 2022 (the "**2022 Lai Fung Share Option Scheme Effective Date**"). The purpose of the 2022 Lai Fung Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants (as defined in the 2022 Lai Fung Share Option Scheme) to the Lai Fung Group by granting options to them as incentives or rewards and to attract, retain and motivate high-calibre Eligible Participants in line with performance goals of the Lai Fung Group and the related entities. Eligible Participants include, but are not limited, to the directors, chief executive and employees of the Lai Fung Group and related entities, and service providers of the Lai Fung Group. Unless otherwise cancelled or amended, the 2022 Lai Fung Share Option Scheme will remain in force for 10 years from the 2022 Lai Fung Share Option Scheme Effective Date.

The maximum number of shares which may be issued upon the exercise of all options to be granted under the 2022 Lai Fung Share Option Scheme (i) shall not (when aggregated with any other share option scheme(s) and share award scheme(s) of Lai Fung) exceed 10% of the shares of Lai Fung in issue (excluding treasury shares, if any) on the 2022 Lai Fung Adoption Date ("**Scheme Mandate Limit**"); and (ii) shall not exceed 1% of the shares of Lai Fung in issue (excluding treasury shares, if any) on the 2022 Lai Fung Adoption Date in respect of options that may be granted to service providers. The total number of shares issued and to be issued upon exercise of the options and awards granted to each Eligible Participant or grantee (including exercised and outstanding options but excluding any options and awards lapsed in accordance with the terms of such schemes) in any 12-month period up to the date of grant shall not exceed 1% of the number of total issued shares (excluding treasury shares, if any) of Lai Fung at the date of grant.

41. Share Option Schemes (continued)

(c) Lai Fung (continued)

2022 Lai Fung Share Option Scheme (continued)

Lai Fung may seek separate approval by the shareholders in its general meeting for granting options beyond the Scheme Mandate Limit provided that the options in excess of the Scheme Mandate Limit are granted only to the Eligible Participants specifically identified by Lai Fung before such approval is sought.

Any grant of options to an Eligible Participant who is a director, chief executive or substantial shareholder of Lai Fung or their respective associates must be approved by the independent non-executive directors of Lai Fung (excluding any independent non-executive director who is a proposed grantee of the relevant options) and the holding company of Lai Fung shall comply with the requirements of Rule 17.04 of the Listing Rules. Where options are proposed to be granted to independent non-executive director or substantial shareholder of Lai Fung, or any of their respective associates and if such grant would result in the total number of shares issued and to be issued in respect of all options and awards (excluding any options and awards lapsed in accordance with the terms of the 2022 Lai Fung Share Option Scheme) granted to such person in the 12-month period up to and including the date of grant to such person representing in aggregate over 0.1% of the relevant class of shares, then the proposed grant must be subject to the approval of shareholders of Lai Fung taken on a poll in a general meeting.

Save for the circumstances as set out in the 2022 Lai Fung Share Option Scheme that a shorter vesting period may be granted to the employee participants at the sole discretion of the board of directors of Lai Fung, an option must be held by the option holder for at least 12 months before the option can be exercised.

The offer of a grant of share options may be accepted within 30 days from the date of grant, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determined by the directors of Lai Fung, save that such period shall not be longer than 10 years from the date of grant of the share options.

The exercise price of the share options is determinable by the directors of Lai Fung, which shall be at least the highest of (i) the Stock Exchange closing price of Lai Fung shares on the date of grant of the share options; (ii) the average Stock Exchange closing price of Lai Fung shares for the five trading days immediately preceding the date of grant; and (iii) the nominal value of Lai Fung shares on the date of grant.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings of Lai Fung.

41. Share Option Schemes (continued)

(c) Lai Fung (continued)

During the year, no Lai Fung share options had been granted under the 2022 Lai Fung Share Option Scheme. The movements of Lai Fung share options outstanding under the 2012 Lai Fung Share Option Scheme during the year are as follows:

	2026		2025	
	Number of underlying shares comprised in Lai Fung share options	**Weighted average exercise price per Lai Fung share* HK$**	Number of underlying shares comprised in Lai Fung share options	Weighted average exercise price per Lai Fung share* HK$
Outstanding at beginning of year	**530,000**	**10.305**	730,000	9.668
Lapsed during the year	**(470,000)**	**10.886**	(200,000)	7.979
Outstanding at end of year	**60,000**	**5.750**	530,000	10.305

The exercise prices and exercise periods of the outstanding Lai Fung share options under 2012 Lai Fung Share Option Scheme as at the end of the reporting period are as follows:

2026		
Number of underlying shares comprised in Lai Fung share options	**Exercise price per Lai Fung share* HK$**	**Exercise period**
60,000	**5.750**	**21/01/2022 to 20/01/2032**

41. Share Option Schemes (continued)

(c) Lai Fung (continued)

The exercise prices and exercise periods of the outstanding Lai Fung share options under 2012 Lai Fung Share Option Scheme as at the end of the reporting period are as follows: (continued)

2025

Number of underlying shares comprised in Lai Fung share options	Exercise price per Lai Fung share* HK$	Exercise period
150,000	13.520	19/01/2018 to 18/01/2028
260,000	10.180	22/01/2019 to 21/01/2029
60,000	7.364	22/01/2021 to 21/01/2031
60,000	5.750	21/01/2022 to 20/01/2032
530,000		

* The exercise price of the Lai Fung share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in Lai Fung's share capital.

Other than the lapse of Lai Fung share options comprising 470,000 Lai Fung underlying shares granted under the 2012 Lai Fung Share Option Scheme, no Lai Fung share options were granted, vested, exercised, cancelled or lapsed in accordance with the terms of the 2012 Lai Fung Share Option Scheme and the 2022 Lai Fung Share Option Scheme during the year.

As at 31 July 2026, no Lai Fung share option had been granted under the 2022 Lai Fung Share Option Scheme and a total of 60,000 (2025: 530,000) Lai Fung underlying shares relating to Lai Fung share options granted under the 2012 Lai Fung Share Option Scheme were outstanding, represented approximately 0.02% (2025: 0.16%) of the Lai Fung shares in issue (excluding treasury shares, if any) as at that date.

42. Reserves

The amounts of the Group's reserves and the movements therein for the years ended 31 July 2026 and 2025 are presented in the consolidated statement of changes in equity.

Statutory reserve

Pursuant to the relevant laws and regulations in the PRC, the subsidiaries and the joint ventures of the Company, which are registered in the PRC, are required to transfer a certain percentage of their net profit after tax (after offsetting any prior years' losses, if any) to the statutory reserve funds which are restricted as to use, until the balance of the statutory reserve funds reaches 50% of the entity's registered capital.

Other reserve

The other reserve mainly comprised of the reserve arising from the acquisition of the additional equity interests in subsidiaries.

43. Partly-Owned Subsidiaries With Material Non-Controlling Interests

Details of the Group's subsidiaries that have material non-controlling interests are set out below. The summarised financial information below represents amounts after fair value adjustments and before intragroup eliminations.

(a) eSun

	2026 HK$'000	2025 HK$'000
Current assets	**1,035,176**	1,095,793
Non-current assets	**524,581**	587,418
Total assets	**1,559,757**	1,683,211
Current liabilities	**1,176,354**	1,151,438
Non-current liabilities	**290,353**	453,598
Total liabilities	**1,466,707**	1,605,036
Equity attributable to owners of the Company	**718,733**	711,391
Non-controlling interests	**(625,683)**	(633,216)
Total equity	**93,050**	78,175
Turnover	**1,038,112**	779,608
Cost of sales	**(607,067)**	(401,854)
Gross profit	**431,045**	377,754
Other revenue	**159,215**	178,843
Selling and marketing expenses	**(20,359)**	(8,522)
Administrative expenses	**(194,646)**	(223,121)
Other operating expenses	**(324,621)**	(292,411)
Profit from operating activities	**50,634**	32,543
Finance costs	**(27,863)**	(42,651)
Share of profits and losses of joint ventures	**1,860**	(6,408)
Profit/(loss) before tax	**24,631**	(16,516)

43. Partly-Owned Subsidiaries with Material Non-Controlling Interests (continued)

(a) eSun (continued)

	2026 HK$'000	2025 HK$'000
Profit/(loss) before tax	**24,631**	(16,516)
Tax	**(8,336)**	(865)
Profit/(loss) for the year	**16,295**	(17,381)
Profit/(loss) attributable to owners of the Company	**8,473**	(9,936)
Profit/(loss) attributable to non-controlling interests	**7,822**	(7,445)
Profit/(loss) for the year	**16,295**	(17,381)
Other comprehensive (expense)/income attributable to owners of the Company	**(723)**	1,001
Other comprehensive (expense)/income attributable to non-controlling interests	**(697)**	528
Other comprehensive (expense)/income for the year	**(1,420)**	1,529
Total comprehensive income/(expense) attributable to owners of the Company	**7,750**	(8,935)
Total comprehensive income/(expense) attributable to non-controlling interests	**7,125**	(6,917)
Total comprehensive income/(expense) for the year	**14,875**	(15,852)
Net cash flows from operating activities	**295,623**	180,680
Net cash flows from investing activities	**710**	30,263
Net cash flows used in financing activities	**(160,560)**	(83,254)
Net increase in cash and cash equivalents	**135,773**	127,689

43. Partly-Owned Subsidiaries with Material Non-Controlling Interests (continued)

(b) Lai Fung

	2026 HK$'000	2025 HK$'000
Current assets	**5,480,238**	6,416,711
Non-current assets	**25,670,137**	24,105,557
Total assets	**31,150,375**	30,522,268
Current liabilities	**6,529,054**	6,631,801
Non-current liabilities	**10,445,589**	10,204,130
Total liabilities	**16,974,643**	16,835,931
Equity attributable to owners of the Company	**7,324,721**	7,128,358
Non-controlling interests	**6,851,011**	6,557,979
Total equity	**14,175,732**	13,686,337
Turnover	**1,508,345**	1,291,326
Cost of sales	**(1,317,969)**	(1,078,175)
Gross profit	**190,376**	213,151
Other revenue	**91,322**	94,454
Selling and marketing expenses	**(49,134)**	(65,572)
Administrative expenses	**(176,752)**	(209,024)
Other operating expenses	**(269,668)**	(159,636)
Fair value losses on investment properties, net	**(5,271)**	(37,819)
Loss from operating activities	**(219,127)**	(164,446)
Finance costs	**(511,969)**	(521,860)
Share of profits and losses of joint ventures	**(35)**	868
Share of profits and losses of associates	**(9)**	(9)
Loss before tax	**(731,140)**	(685,447)

43. Partly-Owned Subsidiaries with Material Non-Controlling Interests (continued)

(b) Lai Fung (continued)

	2026 HK$'000	2025 HK$'000
Loss before tax	**(731,140)**	(685,447)
Tax	**(25,034)**	8,281
Loss for the year	**(756,174)**	(677,166)
Loss attributable to owners of the Company	**(408,018)**	(342,529)
Loss attributable to non-controlling interests	**(348,156)**	(334,637)
Loss for the year	**(756,174)**	(677,166)
Other comprehensive income attributable to owners of the Company	**614,205**	75,676
Other comprehensive income attributable to non-controlling interests	**522,264**	66,738
Other comprehensive income for the year	**1,136,469**	142,414
Total comprehensive income/(expense) attributable to owners of the Company	**206,187**	(266,853)
Total comprehensive income/(expense) attributable to non-controlling interests	**174,108**	(267,899)
Total comprehensive income/(expense) for the year	**380,295**	(534,752)
Net cash flows from operating activities	**436,205**	320,903
Net cash flows used in investing activities	**(14,932)**	(22,072)
Net cash flows used in financing activities	**(761,667)**	(281,246)
Net (decrease)/increase in cash and cash equivalents	**(340,394)**	17,585

44. Commitments

The Group had the following commitments not provided for in the financial statements at the end of the reporting period:

	2026 HK$'000	2025 HK$'000
Contracted, but not provided for		
Purchase of items of property, plant and equipment	**4,233**	3,028
Additions to investment properties	**1,509**	7,700
Construction, development and resettlement costs	**94,549**	83,503
	100,291	94,231

45. Contingent Liabilities

Save as disclosed elsewhere in the financial statements, the Group also had the following contingent liabilities at the end of the reporting period:

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

	2026 HK$'000	2025 HK$'000
Guarantees given to banks in connection with facilities granted to and utilised by joint ventures	**260,100**	934,842

(b) The Group has provided guarantees to certain banks in respect of mortgage loan facilities granted by such banks to certain end-buyers of property units developed by the Group. Pursuant to the terms of the guarantees, upon default in mortgage payments by these end-buyers, the Group will be responsible to repay the outstanding mortgage loan principal amounts together with accrued interest owed by the end-buyers in default. The Group's obligation in relation to such guarantees has been gradually relinquished along with the settlement of the mortgage loans granted by the banks to the end-buyers. Such obligation will also be relinquished when the property ownership certificates for the relevant properties are issued and/or the end-buyers have fully repaid the mortgage loans. As at 31 July 2026, in respect of these guarantees, the contingent liabilities of the Group amounted to approximately HK$256,961,000 (2025: HK$375,901,000).

46. Financial Instruments by Category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

31 July 2026

	Financial assets at fair value through profit or loss HK$'000	Financial assets at fair value through other comprehensive income HK$'000	Financial assets at amortised cost HK$'000	Total HK$'000
Due from associates	—	—	**284,935**	**284,935**
Due from joint ventures	—	—	**1,863,277**	**1,863,277**
Financial assets at fair value through other comprehensive income	—	**107,405**	—	**107,405**
Financial assets at fair value through profit or loss	**576,992**	—	—	**576,992**
Derivative financial instruments — CCSs	**12,997**	—	—	**12,997**
Derivative financial instruments — IRSs	**1,972**	—	—	**1,972**
Film investments	**52,312**	—	—	**52,312**
Trade receivables	—	—	**290,834**	**290,834**
Finance lease receivables	—	—	**562,226**	**562,226**
Financial assets included in deposits, prepayments, other receivables and other assets	**24,766**	—	**763,283**	**788,049**
Pledged and restricted bank balances and time deposits	—	—	**1,193,507**	**1,193,507**
Cash and cash equivalents	—	—	**2,799,720**	**2,799,720**
	669,039	**107,405**	**7,757,782**	**8,534,226**

46. Financial Instruments by Category (continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

Financial assets (continued)

31 July 2025

	Financial assets at fair value through profit or loss HK$'000	Financial assets at fair value through other comprehensive income HK$'000	Financial assets at amortised cost HK$'000	Total HK$'000
Due from associates	—	—	277,344	277,344
Due from joint ventures	—	—	2,166,903	2,166,903
Financial assets at fair value through other comprehensive income	—	114,038	—	114,038
Financial assets at fair value through profit or loss	864,930	—	—	864,930
Film investments	174,215	—	—	174,215
Trade receivables	—	—	365,357	365,357
Finance lease receivables	—	—	513,640	513,640
Financial assets included in deposits, prepayments, other receivables and other assets	14,654	—	566,911	581,565
Pledged and restricted bank balances and time deposits	—	—	1,326,374	1,326,374
Cash and cash equivalents	—	—	3,011,985	3,011,985
	1,053,799	114,038	8,228,514	9,396,351

46. Financial Instruments by Category (continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

Financial liabilities

31 July 2026

	Financial liabilities at fair value through profit or loss HK$'000	**Financial liabilities at amortised cost HK$'000**	**Total HK$'000**
Financial liabilities included in creditors, other payables and accruals	**—**	**2,567,226**	**2,567,226**
Financial liabilities included in deposits received, deferred income and contract liabilities	**—**	**405,330**	**405,330**
Lease liabilities	**—**	**539,719**	**539,719**
Bank borrowings	**—**	**19,446,238**	**19,446,238**
Other borrowings	**—**	**305,799**	**305,799**
Guaranteed notes	**—**	**3,245,915**	**3,245,915**
	—	**26,510,227**	**26,510,227**

31 July 2025

	Financial liabilities at fair value through profit or loss HK$'000	Financial liabilities at amortised cost HK$'000	Total HK$'000
Financial liabilities included in creditors, other payables and accruals	—	3,098,977	3,098,977
Financial liabilities included in deposits received, deferred income and contract liabilities	—	418,746	418,746
Derivative financial instruments	25,509	—	25,509
Lease liabilities	—	739,740	739,740
Bank borrowings	—	20,821,439	20,821,439
Other borrowings	—	296,688	296,688
Guaranteed notes	—	4,259,626	4,259,626
	25,509	29,635,216	29,660,725

47. Fair Value Hierarchy of Financial Instruments

Financial instruments for which fair value is disclosed

Except for the guaranteed notes with a fair value in aggregate of approximately HK$2,589,760,000 (2025: HK$2,111,736,000) as detailed in note 36, the directors consider the carrying amounts of all other financial assets and financial liabilities measured at amortised cost approximated to their fair values as at the end of the reporting period.

Financial instruments measured at fair value

	Notes	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
As at 31 July 2026					
Financial assets					
Financial assets at fair value through other comprehensive income	25	**1,590**	—	**105,815**	**107,405**
Financial assets at fair value through profit or loss	26	**45,649**	**462,421**	**68,922**	**576,992**
Derivative financial instruments — CCSs	27	—	—	**12,997**	**12,997**
Derivative financial instruments — IRSs	27	—	—	**1,972**	**1,972**
Financial assets included in deposits, prepayments, other receivables and other assets		—	—	**24,766**	**24,766**
Film investments	31	—	—	**52,312**	**52,312**
		47,239	**462,421**	**266,784**	**776,444**

47. Fair Value Hierarchy of Financial Instruments (continued)

Financial instruments measured at fair value (continued)

	Notes	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
As at 31 July 2025					
Financial assets					
Financial assets at fair value through other comprehensive income	25	7,620	—	106,418	114,038
Financial assets at fair value through profit or loss	26	36,071	731,003	97,856	864,930
Financial assets included in deposits, prepayments, other receivables and other assets		—	—	14,654	14,654
Film investments	31	—	—	174,215	174,215
		43,691	731,003	393,143	1,167,837
Financial liabilities					
Derivative financial instruments					
— CCSs	27	—	—	7,707	7,707
— IRSs	27	—	—	17,802	17,802
		—	—	25,509	25,509

During the year ended 31 July 2026, there were no transfer of fair value measurement between Level 1 and Level 2 for both financial assets and financial liabilities (2025: Nil).

During the year ended 31 July 2026, there were no transfers into or out of Level 3 for both financial assets and liabilities (2025: Nil).

47. Fair Value Hierarchy of Financial Instruments (continued)

Financial instruments measured at fair value (continued)

The movements in fair value measurements within Level 3 during the year are as follows:

(i) Financial assets at fair value through other comprehensive income:

	2026 HK$'000	2025 HK$'000
At beginning of year	**106,418**	91,388
Additions	**78**	15,679
Disposal	**—**	(4,506)
Total (losses)/gains recognised in other comprehensive income	**(681)**	3,857
At end of year	**105,815**	106,418

(ii) Financial assets at fair value through profit or loss

	2026 HK$'000	2025 HK$'000
At beginning of year	**97,856**	130,908
Total losses recognised in the income statement	**(24,276)**	(28,830)
Settlement	**(7,593)**	(11,017)
Exchange realignment	**2,935**	6,795
At end of year	**68,922**	97,856

The movements in the financial assets arising from the derivative financial instruments and film investments are disclosed in notes 27 and 31, respectively, to the financial statements.

Valuation techniques

Fair value measurement using significant observable inputs (Level 2)

The fair values of certain financial assets at fair value through profit or loss are based on the fair values of the underlying investment portfolios provided by the fund managers.

47. Fair Value Hierarchy of Financial Instruments (continued)

Valuation techniques (continued)

Fair value measurement using significant unobservable inputs (Level 3)

Each year, the Group's management appoints external valuers to be responsible for the external valuations of the Group's financial instruments (the "**Financial Instrument Valuers**"). Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's management has discussions with the Financial Instrument Valuers on the valuation assumptions and valuation results twice a year when the valuation is performed for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The methods and assumptions used to estimate the fair values of the principal financial instruments are stated as follows:

(i) Fair values of unlisted equity investments designated at fair value through other comprehensive income have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation is based on industry, size, leverage and strategy to calculate enterprise value to sales ("**EV/S**") multiple for each comparable company identified.

(ii) Derivative financial instruments — CCSs and IRSs were measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporated various market observable inputs including the credit quality of counterparties, foreign exchange spot rates and interest rate curves as well as other unobservable inputs. The carrying amounts of the derivative financial instruments were the same as their fair values.

47. Fair Value Hierarchy of Financial Instruments (continued)

Valuation techniques (continued)

Information about fair value measurement using significant unobservable inputs (Level 3)

31 July 2026

	Valuation technique	Significant unobservable inputs	Value of unobservable inputs	Notes
Financial assets at fair value through other comprehensive income	Market approach	EV/S	**2.0x**	1
Derivative financial instruments — CCSs	Discounted cash flow with swaption approach	Expected exposure at default — counterparty	**HK$3.08 million to HK$4.35 million**	2
		Expected exposure at default — the Group	**HK$1.69 million to HK$5.98 million**	3
		Credit spread — counterparty	**43.24 basis point to 91.02 basis point**	4
		Credit spread — the Group	**656.65 basis point to 763.18 basis point**	5
		Loss given default ratio — counterparty non-performance risk	**60%**	6
		Loss given default ratio — own credit risk	**60%**	7
Derivative financial instruments — IRSs	Discounted cash flow with swaption approach	Expected exposure at default — counterparty	**HK$0.21 million to HK$1.13 million**	2
		Expected exposure at default — the Group	**HK$0.00 million to HK$0.30 million**	3
		Credit spread — counterparty	**17.01 basis point to 91.02 basis point**	4

47. Fair Value Hierarchy of Financial Instruments (continued)

Valuation techniques (continued)

Information about fair value measurement using significant unobservable inputs (Level 3) (continued)

31 July 2026 (continued)

	Valuation technique	Significant unobservable inputs	Value of unobservable inputs	Notes
Derivative financial instruments — IRSs (continued)	Discounted cash flow with swaption approach	Credit spread — the Group	**656.65 basis point to 763.18 basis point**	5
		Loss given default ratio — counterparty non-performance risk	**60%**	6
		Loss given default ratio — own credit risk	**60%**	7

31 July 2025

	Valuation technique	Significant unobservable inputs	Value of unobservable inputs	Notes
Financial assets at fair value through other comprehensive income	Market approach	EV/S	2.3x	1
Derivative financial instruments — CCSs	Discounted cash flow with swaption approach	Expected exposure at default — counterparty	HK$0.72 million to HK$2.20 million	2
		Expected exposure at default — the Group	HK$1.72 million to HK$5.95 million	3
		Credit spread — counterparty	14.51 basis point to 53.72 basis point	4
		Credit spread — the Group	677.45 basis point to 913.62 basis point	5
		Loss given default ratio — counterparty non-performance risk	60%	6
		Loss given default ratio — own credit risk	60%	7

47. Fair Value Hierarchy of Financial Instruments (continued)

Valuation techniques (continued)

Information about fair value measurement using significant unobservable inputs (Level 3) (continued)

31 July 2025 (continued)

	Valuation technique	Significant unobservable inputs	Value of unobservable inputs	Notes
Derivative financial instruments — IRSs	Discounted cash flow with swaption approach	Expected exposure at default — counterparty	HK$0.00 million to HK$0.91 million	2
		Expected exposure at default — the Group	HK$0.24 million to HK$5.08 million	3
		Credit spread — counterparty	14.51 basis point to 97.15 basis point	4
		Credit spread — the Group	677.45 basis point to 913.62 basis point	5
		Loss given default ratio — counterparty non-performance risk	60%	6
		Loss given default ratio — own credit risk	60%	7

Notes:

1. The higher the EV/S, the higher the fair value
2. The higher the expected exposure at default — counterparty, the lower the fair value of CCSs/IRSs
3. The higher the expected exposure at default — the Group, the higher the fair value of CCSs/IRSs
4. The higher the credit spread — counterparty, the lower the fair value of CCSs/IRSs
5. The higher the credit spread — the Group, the higher the fair value of CCSs/IRSs
6. The higher the loss given default ratio — counterparty non-performance risk, the lower the fair value of CCSs/IRSs
7. The higher the loss given default ratio — own credit risk, the higher the fair value of CCSs/IRSs

48. Financial Risk Management Objectives and Policies

The principal financial assets held by the Group comprise financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, pledged and restricted bank balances and time deposits, and cash and cash equivalents. Management would, based on the Group's projected cash flow requirements, determine the types and levels of these financial instruments with a view to maintaining an appropriate level of funding for the Group's operations and to enhancing the returns generated from these financial instruments. The Group's principal financial liabilities comprise bank borrowings and guaranteed notes. The Group will procure various types and levels of such financial liabilities in order to maintain sufficient funding for the Group's daily operations and to cope with expenditures incurred for various properties under development or investment projects. In addition, the Group has various other financial assets and liabilities such as debtors and creditors which arise directly from its daily operations.

The main risks arising from the Group's financial instruments are interest rate risks, foreign currency risk, credit risk and liquidity risk. The management of the Company meets periodically to analyse and formulate measures to manage the Group's exposure to these risks. Generally, the Group has adopted relatively conservative strategies on its risk management and the Group has not used any derivatives and other instruments for hedging purposes during the year. The Group does not hold or issue derivative financial instruments for trading purposes. The directors review and determine policies for managing each of these risks and they are summarised as follows:

48. Financial Risk Management Objectives and Policies (continued)

(i) Fair value and cash flow interest rate risks

Fair value interest rate risk is the risk that the value of a financial instrument fluctuates because of changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument fluctuate because of changes in market interest rates. The Group is exposed to both fair value and cash flow interest rate risks. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's pledged and restricted bank balances and time deposits, cash and cash equivalents and bank borrowings with a floating interest rate.

At present, the Group does not intend to seek to hedge its exposure to interest rate fluctuations. However, the Group constantly reviews the economic situation and its interest rate risk profile, and will consider appropriate hedging measures in future as may be necessary.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant and before any impact on tax, of the Group's income statement (through the impact on variable-rate mortgage loan receivables, pledged and restricted bank balances and time deposits, cash and cash equivalents, bank borrowings and certain other borrowings) and the equity of the Group.

	Increase in interest rate %	Increase in loss and decrease in equity HK$'000
2026	**0.5**	**77,766**
2025	0.5	82,882

48. Financial Risk Management Objectives and Policies (continued)

(ii) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument fluctuates because of changes in foreign exchange rates.

US$

The Group's major assets and liabilities and transactions are denominated in HK$ or US$. As HK$ is pegged against US$, the Group believes that the corresponding exposure to exchange rate risk arising from US$ is nominal and does not expect any significant movements in the exchange rate in the foreseeable future.

RMB

Certain subsidiaries (mainly the Lai Fung Group) of the Group have transactions denominated in RMB. The Group is exposed to foreign exchange risk arising from the exposure of RMB against HK$.

It is the Group's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximise hedge effectiveness. The Group will constantly review the economic situation and its foreign currency risk profile, and will consider other appropriate hedging measures in future as may be necessary.

Other than the abovementioned, the remaining monetary assets and liabilities of the Group denominated in Pound Sterling, Euro, Malaysian Ringgit and VND were insignificant as compared with the Group's total assets and liabilities. The Group manages its foreign currency risk by closely reviewing the movement of foreign currency rates and considers hedging significant foreign currency exposure should the additional need arise.

48. Financial Risk Management Objectives and Policies (continued)

(ii) Foreign currency risk (continued)

The following table demonstrates the sensitivity as at the end of the reporting period to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the post-tax loss and equity (due to changes in the translated value of monetary assets and liabilities) of the Group.

	Change in exchange rate	Decrease/ (increase) in post-tax loss HK$'000	Increase/ (decrease) in equity* HK$'000
2026			
If US$/HK$ weakens against RMB	**5%**	**(43,386)**	**(22,611)**
If US$/HK$ strengthens against RMB	**5%**	**43,386**	**22,611**
2025			
If US$/HK$ weakens against RMB	5%	(42,866)	(26,928)
If US$/HK$ strengthens against RMB	5%	43,753	27,050

* Excluding amounts attributable to non-controlling interests

(iii) Credit risk

The Group (other than eSun Group) maintains various credit policies for different business operations as described in note 33 to the financial statements. In addition, debtor balances are being closely monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The eSun Group trades only with recognised and creditworthy third parties. It is the eSun Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the eSun Group's exposure to bad debts is not significant.

In respect of loan and interest receivables, individual credit evaluations are performed on all borrowers requiring credit over a certain amount. These evaluations focus on the borrowers' past history of making payments when due and the current ability to pay, and take into account information specific to the borrowers. Certain of these loan and interest receivables are secured by share charges in respect of the equity interest of certain subsidiaries and unlisted equity investments of the respective borrowers.

48. Financial Risk Management Objectives and Policies (continued)

(iii) Credit risk (continued)

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 July. The amounts presented are gross carrying amounts for financial assets.

As at 31 July 2026

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	Total HK$'000
Due from associates					
Normal**	284,935	—	—	—	284,935
Doubtful**	—	—	63,442	—	63,442
Due from joint ventures					
Normal**	1,846,395	—	—	—	1,846,395
Doubtful**	—	—	49,159	—	49,159
Trade receivables*	—	—	—	341,409	341,409
Finance lease receivables*	—	—	—	562,226	562,226
Financial assets included in deposit, prepayments, other receivables and other assets					
Normal**	763,283	—	—	—	763,283
Doubtful**	—	—	105,743	—	105,743
Pledged and restricted bank balances and time deposits	1,193,507	—	—	—	1,193,507
Cash and cash equivalents	2,799,720	—	—	—	2,799,720
	6,887,840	—	218,344	903,635	8,009,819

48. Financial Risk Management Objectives and Policies (continued)

(iii) Credit risk (continued)

Maximum exposure and year-end staging (continued)

As at 31 July 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	Total HK$'000
Due from associates					
Normal**	277,344	—	—	—	277,344
Doubtful**	—	—	66,803	—	66,803
Due from joint ventures					
Normal**	2,138,372	—	—	—	2,138,372
Doubtful**	—	—	61,275	—	61,275
Trade receivables*	—	—	—	416,453	416,453
Finance lease receivables*	—	—	—	513,640	513,640
Financial assets included in deposit, prepayments, other receivables and other assets					
Normal**	566,911	—	—	—	566,911
Doubtful**	—	—	106,174	—	106,174
Pledged and restricted bank balances and time deposits	1,326,374	—	—	—	1,326,374
Cash and cash equivalents	3,011,985	—	—	—	3,011,985
	7,320,986	—	234,252	930,093	8,485,331

* For trade receivables and finance lease receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 33 to the financial statements.

** The credit quality of the amounts due from associates and joint ventures, and financial assets included in deposits, prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

48. Financial Risk Management Objectives and Policies (continued)

(iv) Liquidity risk

The Group's objective is to ensure adequate funds are available to meet commitments associated with its capital expenditure and financial liabilities. Cash flows are closely monitored on an ongoing basis.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	2026			
	Less than 1 year HK$'000	1 to 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
Financial liabilities included in creditors, other payables and accruals	**1,607,889**	**—**	**959,337**	**2,567,226**
Financial liabilities included in deposits received, deferred income and contract liabilities	**195,032**	**210,298**	**—**	**405,330**
Lease liabilities	**239,583**	**292,087**	**44,089**	**575,759**
Bank borrowings	**6,830,330**	**11,344,073**	**2,948,944**	**21,123,347**
Other borrowings	**311,446**	**—**	**—**	**311,446**
Guaranteed notes	**402,051**	**3,402,533**	**—**	**3,804,584**
Inflow of derivative financial instruments	**(196,740)**	**(313,732)**	**—**	**(510,472)**
Outflow of derivative financial instruments	**188,595**	**291,065**	**—**	**479,660**
	9,578,186	**15,226,324**	**3,952,370**	**28,756,880**

48. Financial Risk Management Objectives and Policies (continued)

(iv) Liquidity risk (continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows: (continued)

	2025			
	Less than 1 year HK$'000	1 to 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
Financial liabilities included in creditors, other payables and accruals	2,199,918	—	899,059	3,098,977
Financial liabilities included in deposits received, deferred income and contract liabilities	207,106	211,640	—	418,746
Lease liabilities	232,118	516,378	57,135	805,631
Bank borrowings	11,044,543	8,129,223	3,163,827	22,337,593
Other borrowings	302,617	—	—	302,617
Guaranteed notes	4,089,346	421,698	—	4,511,044
Inflow of derivative financial instruments	(196,481)	(16,807)	—	(213,288)
Outflow of derivative financial instruments	211,680	47,197	—	258,877
	18,090,847	9,309,329	4,120,021	31,520,197

(v) Capital management

The Group manages its capital structure to ensure that entities in the Group will be able to continue to operate as a going concern while maximising the return to stakeholders through the setting up and maintenance of an optimal debt and equity capital structure. The Group's overall strategy remains unchanged from that of the prior year.

The capital structure of the Group mainly consists of bank borrowings, other borrowings, guaranteed notes and equity attributable to owners of the Company, comprising share capital and reserves.

The directors of the Company review the capital structure regularly. They will take into consideration the cost of capital and the risks associated with each class of capital prevailing in the market. Based on the recommendation of the directors, the Group will balance its overall capital structure through various types of equity fund raising exercises as well as maintenance of appropriate types and levels of debts.

48. Financial Risk Management Objectives and Policies (continued)

(v) Capital management (continued)

The Group monitors capital using, inter alia, a gearing ratio which is net debt divided by equity attributable to owners of the Company. Net debt includes bank borrowings, other borrowings, and guaranteed notes, less pledged and restricted bank balances and time deposits, and cash and cash equivalents. The gearing ratio as at the end of the reporting period is as follows:

	2026	2025
	HK$'000	HK$'000
Bank borrowings	**19,446,238**	20,821,439
Other borrowings	**305,799**	296,688
Guaranteed notes	**3,245,915**	4,259,626
Less: Pledged and restricted bank balances and time deposits	**(1,193,507)**	(1,326,374)
Cash and cash equivalents	**(2,799,720)**	(3,011,985)
Net debt	**19,004,725**	21,039,394
Equity attributable to owners of the Company	**21,382,407**	23,119,815
Gearing ratio	**89%**	91%

49. Statement of Financial Position of the Company

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2026 HK$'000	2025 HK$'000
NON-CURRENT ASSETS		
Property, plant and equipment	**3,508**	5,157
Right-of-use assets	**23,045**	35,506
Investment properties	**8,036,000**	8,508,200
Investments in subsidiaries	**14,883,846**	16,471,384
Investments in joint ventures	**26,072**	420,402
Financial assets at fair value through other comprehensive income	**36,309**	36,309
Financial assets at fair value through profit or loss	**17,433**	15,436
Derivative financial instruments	**12,997**	—
Deposits, prepayments, other receivables and other assets	**16,549**	17,099
Pledged bank balances and time deposits	**43,680**	40,343
Total non-current assets	**23,099,439**	25,549,836
CURRENT ASSETS		
Debtors	**6,368**	8,720
Deposits, prepayments, other receivables and other assets	**171,166**	112,617
Derivative financial instruments	**1,972**	—
Pledged bank balances and time deposits	**156,941**	204,167
Cash and cash equivalents	**1,008,872**	591,807
Total current assets	**1,345,319**	917,311
CURRENT LIABILITIES		
Creditors, other payables and accruals	**98,722**	95,954
Deposits received	**29,637**	35,444
Lease liabilities	**13,136**	12,497
Tax payable	**7,810**	12,689
Bank borrowings	**877,714**	5,402,478
Total current liabilities	**1,027,019**	5,559,062
NET CURRENT ASSETS/(LIABILITIES)	**318,300**	(4,641,751)
TOTAL ASSETS LESS CURRENT LIABILITIES	**23,417,739**	20,908,085

49. Statement of Financial Position of the Company (continued)

	2026 HK$'000	2025 HK$'000
NON-CURRENT LIABILITIES		
Lease liabilities	**11,626**	24,762
Bank borrowings	**4,367,272**	854,035
Derivative financial instruments	**—**	17,802
Deferred tax liabilities	**101,922**	100,916
Long-term deposits received	**43,680**	40,343
Total non-current liabilities	**4,524,500**	1,037,858
	18,893,239	19,870,227
EQUITY		
Share capital	**6,240,082**	6,240,082
Reserves (Note)	**12,653,157**	13,630,145
	18,893,239	19,870,227

Lam Kin Ngok, Peter
Director

Cheung Sum, Sam
Director

49. Statement of Financial Position of the Company (continued)

Note:

A summary of the Company's reserves is as follows:

	Share option reserve HK$'000	Capital reduction reserve HK$'000	General reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 August 2024	1,491	4,692	646,700	10,593,632	11,246,515
Profit for the year and total comprehensive income for the year	—	—	—	2,383,630	2,383,630
Release of reserve upon lapse of share options	(803)	—	—	803	—
At 31 July 2025 and 1 August 2025	**688**	**4,692**	**646,700**	**12,978,065**	**13,630,145**
Loss for the year and total comprehensive expense for the year	**—**	**—**	**—**	**(976,988)**	**(976,988)**
Release of reserve upon lapse of share options	**(115)**	**—**	**—**	**115**	**—**
At 31 July 2026	**573**	**4,692**	**646,700**	**12,001,192**	**12,653,157**

50. Particulars of Principal Subsidiaries

Particulars of the Company's principal subsidiaries as at 31 July 2026 were as follows:

Name of company	Place of incorporation/ registration and business	Issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Bushell Limited	Hong Kong	HK$2	—	100.00	Property development and sale
Cape Nga Holding Company Limited	Thailand	THB1,225,000	—	100.00	Investment holding
Capital Court Limited	Hong Kong	HK$1	—	100.00	Hotel operation
Chains Caravelle Hotel Joint Venture Company Limited ("**CCHJV**") @###	Vietnam	US$23,175,577	—	26.01	Hotel operation

50. Particulars of Principal Subsidiaries (continued)

Name of company	Place of incorporation/ registration and business	Issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Frontier Dragon Limited	British Virgin Islands/ United Kingdom	US$1	—	100.00	Property investment
Furama Hotel Enterprises Limited	Hong Kong	HK$102,880,454	—	100.00	Investment holding
Furama Hotels and Resorts International Limited	British Virgin Islands/ Hong Kong	US$1,000,000	—	100.00	Provision of management services
Fusion Century Limited ^^^	Hong Kong	HK$100	—	51.29	Restaurant operation
Gainful Limited	Hong Kong	HK$1	—	100.00	Property development
Gainlong Limited	Hong Kong	HK$1	—	100.00	Property development
Gainplace Limited	Hong Kong	HK$1	—	100.00	Property development and sale
Gilroy Company Limited	Hong Kong	HK$10,000	100.00	—	Property investment
Glynhill Hotels and Resorts (Vietnam) Pte Ltd	Singapore/Vietnam	S$2	—	100.00	Provision of management and consultancy services to hotel owners
Glynhill Investments (Vietnam) Pte Ltd ("**GIV**") @	Singapore	S$2	—	51.00	Investment holding
Gold Fusion Limited	Hong Kong	HK$1	—	100.00	Property development and sale
Greatful Limited ^^^	Hong Kong	HK$100	—	68.39	Restaurant operation
Hazelway Limited	Hong Kong	HK$1	—	65.90	Restaurant operation
Hibright Limited	Hong Kong	HK$1	100.00	—	Provision of finance

50. Particulars of Principal Subsidiaries (continued)

Name of company	Place of incorporation/ registration and business	Issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Hong Kong Go Hospitality Group Limited	Hong Kong	HK$10,000	—	83.10	Restaurant operation
Intercontinental Development and Services Limited	Hong Kong	HK$300,000	—	100.00	Property investment
KiKi Dining Limited	Hong Kong	HK$1	—	83.10	Restaurant operation
King Faithful Limited ^^^	Hong Kong	HK$100	—	62.92	Restaurant operation
Kingright International Limited	Hong Kong	HK$1	—	100.00	Golf apparel retailing
Kolot Property Services Limited	Hong Kong	HK$780,002	100.00	—	Property management
Lai Sun (2026) Limited	Hong Kong	HK$1	100.00	—	Treasury operation
Lai Sun Dining Limited ^^^	Hong Kong	HK$1	—	68.39	Provision of management and consultancy services to restaurants
Lai Sun F&B Holding Company Limited ("**LSF&B**")	British Virgin Islands/ Hong Kong	HK$621,995,507	—	68.39	Investment holding
Lai Sun International Finance (2012) Limited	British Virgin Islands/ Hong Kong	US$1	100.00	—	Treasury operation
Lai Sun MTN	Hong Kong	HK$100,000,000	100.00	—	Treasury operation
Lai Sun Real Estate Agency Limited	Hong Kong	HK$2	100.00	—	Property management and real estate agency
Laurel Coast Limited	Hong Kong	HK$1,000,000	—	83.10	Restaurant operation
Mazy Lamp Limited ^^^	Hong Kong	HK$1,000,000	—	50.61	Restaurant operation

50. Particulars of Principal Subsidiaries (continued)

Name of company	Place of incorporation/ registration and business	Issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Mighty Style Limited ^^^	Hong Kong	HK$1	—	68.39	Restaurant operation
Milirich Investment Limited	Hong Kong	HK$2	100.00	—	Property development and sale
Modern Charm Limited ^^^	Hong Kong	HK$10,000	—	68.39	Restaurant operation
Nice Plus Limited ^^^	Hong Kong	HK$1	—	68.39	Restaurant operation
Oceania Gem Limited	Hong Kong	HK$1	—	83.10	Restaurant operation
Oriental Style Limited	Hong Kong	HK$1	—	100.00	Property development and sale
Pleasure King Limited ^^^	Hong Kong	HK$1,000	—	47.87	Restaurant operation
Porchester Assets Limited ("**Porchester**") @	British Virgin Islands/ Hong Kong	US$100	—	51.00	Investment holding
Really Star Limited ^^^	Hong Kong	HK$4,600	—	64.70	Restaurant operation
Rolling Star Limited	Hong Kong	HK$1	—	100.00	Provision of finance
Royal Team Limited ^^^	Hong Kong	HK$10,000	—	60.18	Restaurant operation
Skyway Century Limited ^^^	Hong Kong	HK$1,000,000	—	68.39	Restaurant operation
Superise Limited ^^^	Hong Kong	HK$400	—	38.23	Restaurant operation
Transformation International Limited	British Virgin Islands/ Hong Kong	US$1	100.00	—	Investment holding

50. Particulars of Principal Subsidiaries (continued)

Name of company	Place of incorporation/ registration and business	Issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Transtrend Holdings Limited	Hong Kong	HK$20	—	100.00	Investment holding
Unit Power Limited	Hong Kong	HK$1	—	100.00	Property investment
Wellway Limited	Hong Kong	HK$1	—	100.00	Property development
Winstead Limited	Hong Kong	HK$1	—	100.00	Property development and sale
西雙版納麟瓏茶室飲料有限公司 ("麟瓏茶室") [Δ]	PRC/Chinese Mainland	RMB100,000,000[#]	—	60.00	Sales of beverage products
eSun (Listed on the Stock Exchange)	Bermuda/Hong Kong	HK$877,938,433	—	63.40	Investment holding
Capital Artists Limited [^^]	Hong Kong	HK$44,394,500	—	63.40	Music production and distribution and film investment
Champ Universe Limited [^^]	Hong Kong	HK$1	—	63.40	Provision of management services
East Asia Music (Holdings) Limited [^^]	Hong Kong	HK$10,000	—	63.40	Music production and distribution and film investment
eSun High-Tech Limited [^^]	Hong Kong	HK$2	—	63.40	Investment in and licensing of film rights
Fascinating Screens Limited [^^]	Hong Kong	HK$1,000,001	—	63.40	Cinema operation
Fortunate Sound Limited [^^]	Hong Kong	HK$1	—	63.40	Music production and distribution and film investment

50. Particulars of Principal Subsidiaries (continued)

Name of company	Place of incorporation/ registration and business	Issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Fortune Spark Limited ^^	Hong Kong	HK$10,000,000	—	63.40	Cinema operation
Glynhill International Limited ^^	Hong Kong	HK$915,631,997	—	63.40	Investment holding and provision of management service
Intercontinental Film Distributors (H.K.) Limited ^^	Hong Kong	HK$700,400	—	63.40	Film distribution
Intercontinental Group Holdings Limited ^^	Cayman Islands/ Hong Kong	US$50,000	—	63.40	Investment holding
Kaleidoscope International Limited ^^	British Virgin Islands/ Hong Kong	US$1	—	63.40	Property holding
Lam & Lamb Entertainment Limited ^^	Hong Kong	HK$1	—	63.40	Provision of artiste management services and entertainment activity production
Media Asia Distribution (Beijing) Co., Ltd. ^^##	PRC/Chinese Mainland	RMB130,000,000#	—	63.40	Film distribution
Media Asia Distribution (HK) Limited ^^	Hong Kong	HK$2	—	63.40	Film distribution and film library management
Media Asia Distribution Ltd. ^^	British Virgin Islands/ Hong Kong	US$80	—	63.40	Film distribution, licensing of film rights and film investment
Media Asia Entertainment Group Limited ^^	Bermuda/Hong Kong	HK$100	—	63.40	Investment holding
Media Asia Entertainment Limited ^^	Hong Kong	HK$100	—	63.40	Entertainment activity production, and event and film investments

50. Particulars of Principal Subsidiaries (continued)

Name of company	Place of incorporation/ registration and business	Issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Media Asia Films (BVI) Ltd. ^^	British Virgin Islands/ Hong Kong	US$7	—	63.40	Film production, licensing of films and investment holding
Media Asia Film Distribution (HK) Limited ^^	Hong Kong	HK$1	—	63.40	Film distribution and licensing of films
Media Asia Film International Limited ^^	British Virgin Islands/ Hong Kong	US$100	—	63.40	Film investment and production and event investments
Media Asia Film Production Limited ^^	Hong Kong	HK$100	—	63.40	Investment holding and film production
Media Asia Group Holdings Limited ^^	Incorporated in the Cayman Islands and continued in Bermuda/ Hong Kong	HK$29,863	—	63.40	Investment holding
Media Asia Group Limited ^^	Hong Kong	HK$2	—	63.40	Investment holding and provision of management services
Media Asia Music Limited ^^	Hong Kong	HK$1	—	63.40	Music production and distribution and event investments
Media Asia Music Publishing Limited ^^	Hong Kong	HK$100	—	63.40	Music publishing
Media Asia Talent Management Limited ^^	Hong Kong	HK$1	—	63.40	Provision of artiste management services
Media Asia TV Program Distribution Limited ^^	Hong Kong	HK$1	—	63.40	Licensing of television dramas

50. Particulars of Principal Subsidiaries (continued)

Name of company	Place of incorporation/ registration and business	Issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Media Asia TV Program Production (HK) Limited ^^	Hong Kong	HK$1	—	44.38	TV program production
Mega Star Video Distribution (HK) Limited ^^	Hong Kong	HK$2	—	63.40	Licensing of film rights and sale of video products
Multiplex Cinema Limited ^^	Hong Kong	HK$71,000,000	—	63.40	Cinema operation
Perfect Advertising & Production Company Limited ^^	Hong Kong	HK$10,000	—	63.40	Provision of advertising services, video duplication services, and translating and subtitling of TV programs
Rich & Famous Talent Management Group Limited ^^	Hong Kong	HK$100	—	47.55	Provision of artiste management services
Silver Motion Limited^^	Hong Kong	HK$1	—	63.40	Cinema operation
寰亞影城(蘇州)有限公司^^##	PRC/Chinese Mainland	RMB5,000,000#	—	63.40	Cinema operation
東亞豐麗演出經紀(北京)有限公司^^##	PRC/Chinese Mainland	RMB25,000,000#	—	63.40	Provision of artiste management and performance agency services
寰亞文化傳播(中國)有限公司^^##	PRC/Chinese Mainland	HK$38,000,000#	—	63.40	Entertainment activity production
Lai Fung (Listed on the Stock Exchange)	Cayman Islands/Hong Kong	HK$1,655,167,215	—	55.08	Investment holding
Canvex Limited ^	Hong Kong	HK$2	—	55.08	Property investment

50. Particulars of Principal Subsidiaries (continued)

Name of company	Place of incorporation/ registration and business	Issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Eastern Power Limited ^	Hong Kong	HK$1	—	55.08	Investment holding
Eternal Medal Limited ^	Hong Kong	HK$1	—	55.08	Investment holding
Fore Bright Limited ^	Hong Kong	HK$1	—	55.08	Investment holding
Frank Light Development Limited ^	Hong Kong	HK$19,999,999	—	55.08	Investment holding
Gentle Holdings Limited ^	Hong Kong	HK$1	—	55.08	Investment holding
Goldthorpe Limited ^	British Virgin Islands/ Hong Kong	US$1	—	55.08	Investment holding
Good Strategy Limited ^	British Virgin Islands/ Chinese Mainland	US$1	—	55.08	Property investment
Grand Wealth Limited ^	Hong Kong	HK$2	—	55.08	Investment holding
Grosslink Investment Limited ^	Hong Kong	HK$2	—	55.08	Investment holding
Guangzhou Gentle Real Estate Company Limited ^ ##	PRC/Chinese Mainland	US$1,000,000 #	—	55.08	Property development
Guangzhou Grand Wealth Properties Limited ^ ##	PRC/Chinese Mainland	HK$280,000,000 #	—	55.08	Property investment
Guangzhou Guang Bird Property Development Limited ("**Guangzhou Guang Bird**") ^ ##	PRC/Chinese Mainland	US$79,600,000 #	—	55.08	Property investment
Guangzhou Honghui Real Estate Development Company Limited ^ ##	PRC/Chinese Mainland	RMB79,720,000 #	—	55.08	Property investment

50. Particulars of Principal Subsidiaries (continued)

Name of company	Place of incorporation/ registration and business	Issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Guangzhou Jieli Real Estate Company Limited ^ ##	PRC/Chinese Mainland	HK$168,000,000 #	—	55.08	Property investment
Hankey Development Limited ^	Hong Kong	HK$10,000	—	55.08	Investment holding
Kingscord Investment Limited ^	Hong Kong	HK$2	—	55.08	Investment holding
Lai Fung Company Limited ^	Hong Kong	HK$20	—	55.08	Investment holding
Manful Concept Limited ^	Hong Kong	HK$2	—	55.08	Investment holding
Nicebird Company Limited ^	Hong Kong	HK$2	—	55.08	Investment holding
Rosy Commerce Holdings Limited ^	British Virgin Islands/ Hong Kong	US$43,355	—	64.06	Investment holding
Shanghai Hankey Real Estate Development Company Limited ^ ##	PRC/Chinese Mainland	US$47,600,000 #	—	55.08	Property investment
Shanghai HKP Property Management Limited ^ ##	PRC/Chinese Mainland	US$150,000 #	—	55.08	Property management
Shanghai Hu Xin Real Estate Development Company Limited ^ ##	PRC/Chinese Mainland	US$40,000,000 #	—	55.08	Property investment
Shanghai Li Xing Real Estate Development Company Limited ^ ##	PRC/Chinese Mainland	US$36,000,000 #	—	55.08	Property investment
Shanghai Wa Yee Real Estate Development Company Limited ^ Δ	PRC/Chinese Mainland	US$10,000,000 #	—	52.33	Property development and investment

50. Particulars of Principal Subsidiaries (continued)

Name of company	Place of incorporation/ registration and business	Issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Shanghai Zhabei Plaza Real Estate Development Company Limited ^##	PRC/Chinese Mainland	US$79,800,000#	—	55.08	Property investment
Sunlite Investment Limited ^	Hong Kong	HK$2	—	55.08	Investment holding
Supreme Motion Limited ^	Hong Kong	HK$1	—	55.08	Investment holding
Wide Angle Development Limited ^	Hong Kong	HK$2	—	55.08	Investment holding
Winfield ^	Hong Kong	HK$1	—	64.06	Investment holding
Zhongshan Bao Li Properties Development Company Limited (**"Zhongshan Bao Li"**)^##	PRC/Chinese Mainland	HK$539,611,000#	—	55.08	Property development and investment
廣州高樂物業管理有限公司^Ø	PRC/Chinese Mainland	RMB1,100,000#	—	55.08	Property management
上海麗港物業管理有限公司^Ø	PRC/Chinese Mainland	RMB500,000#	—	55.08	Property management
上海閘北廣場物業管理有限公司^##	PRC/Chinese Mainland	RMB2,000,000#	—	55.08	Property management
上海麗星房地產發展有限公司^##	PRC/Chinese Mainland	RMB10,000,000#	—	55.08	Property development
中山高樂物業管理有限公司^Ø	PRC/Chinese Mainland	RMB500,000#	—	55.08	Property management
珠海橫琴創新方商業管理有限公司^##	PRC/Chinese Mainland	RMB5,000,000#	—	55.08	Property management
珠海橫琴麗新文創天地有限公司(**"麗新文創"**)^△	PRC/Chinese Mainland	RMB2,280,379,000#	—	64.06	Property development and investment
珠海橫琴麗新創新方發展有限公司(**"創新方發展"**)^##	PRC/Chinese Mainland	RMB2,500,000,000#	—	55.08	Property development and investment

50. Particulars of Principal Subsidiaries (continued)

The registered capital of 麟瓏茶室 was fully paid up.

Subsidiaries of eSun

The registered capital of these subsidiaries was fully paid up, except for 寰亞影城(蘇州)有限公司 of which the capital of RMB2,000,000 (equivalent to approximately HK$2,324,000) and Media Asia Distribution (Beijing) Co., Ltd. of which the capital of RMB29,480,000 (equivalent to approximately HK$34,256,000) were unpaid as at 31 July 2026.

Subsidiaries of Lai Fung

The registered capital of these subsidiaries was fully paid up, except for Guangzhou Guang Bird, 麗新文創 and 創新方發展 which capital of approximately US$9,971,000 (equivalent to approximately HK$78,206,000), RMB736,443,000 (equivalent to approximately HK$855,732,000) and RMB1,005,610,000 (equivalent to approximately HK$1,168,499,000), respectively, was unpaid as at 31 July 2026.

During the year ended 31 July 2024, approvals from the relevant authority have been obtained to reduce the registered capital of Zhongshan Bao Li from HK$960,000,000 to HK$300,000,000 whereas the return of capital to its holding company could take place by batches. As at 31 July 2026, the paid-up registered capital of Zhongshan Bao Li was HK$539,611,000.

Registered as wholly-foreign-owned enterprises under the laws of the PRC.

This subsidiary has registered capital rather than issued share capital.

Δ Registered as equity joint ventures under the laws of the PRC.

ø Registered as domestic enterprises under the laws of the PRC.

^ They are subsidiaries of Lai Fung.

^^ They are subsidiaries of eSun.

^^^ They are subsidiaries of LSF&B, a 68.39%-owned subsidiary of the Company (2025: 68.39%).

@ The Group owns a 51% (2025: 51%) equity interests in Porchester, which in turn, through GIV, a wholly-owned subsidiary of Porchester, owns a 51% (2025: 51%) interest in CCHJV. By virtue of the 51% (2025: 51%) equity interest in CCHJV held by the Group through the 51%-owned Porchester, an effective equity interest of 26.01% (2025: 26.01%) in CCHJV was held by the Group.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Shares of certain subsidiaries held by the Group were also pledged to banks to secure banking facilities granted to the Group (note 37(i)).

As at 31 July 2026, the Group had unpaid capital contributions of approximately HK$40,313,000 (2025: HK$144,084,000) to five (2025: six) non-wholly-owned subsidiaries which are not included in the above table.

51. Particulars of Principal Joint Ventures

Particulars of the Group's principal joint ventures as at 31 July 2026 were as follows:

Name	Place of incorporation or registration and business	Class of shares held	Percentage of ownership interest attributable to the Group	Principal activities
Diamond String	Hong Kong	Ordinary	50.00	Property investment
King Empire International Limited	British Virgin Islands/Hong Kong	Ordinary	15.00	Investment holding (King Empire International Group is principally engaged in property development and sale)

The above table lists the joint ventures of the Group which, in the opinion of the directors of the Company, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other joint ventures would, in the opinion of the directors of the Company, result in particulars of excessive length.

52. Notes to the Consolidated Statement of Cash Flows

(a) Major non-cash transactions

During the year ended 31 July 2026, the Group had non-cash dividends of HK$3,600,000,000. Further details are set out in note 24 to the financial statements.

During the year ended 31 July 2026, a bank borrowing of Diamond String amounting to HK$195,000,000 was novated to the Company pursuant to a deed of novation entered into among the Company, Diamond String and a bank. Following the novation, the bank borrowing was fully repaid by the Company.

During the year ended 31 July 2026, the Group had non-cash additions and modifications to right-of-use assets of HK$34,062,000 (2025: HK$59,342,000) and lease liabilities of HK$9,786,000 (2025: HK$16,658,000), in respect of lease arrangements for cinema related properties, other properties and equipment.

52. Notes to the Consolidated Statement of Cash Flows (continued)

(b) Changes in liabilities arising from financing activities

	Bank borrowings HK$'000	Guaranteed notes HK$'000	Other borrowings HK$'000	Put option liabilities[#] HK$'000	Lease liabilities HK$'000
At 1 August 2024	20,737,602	4,232,145	324,540	1,104,043	908,757
Changes from financing cash flows	(92,431)	—	(34,304)	—	(188,208)
Reclassification to other payables	—	—	—	(213,806)	—
Bank financing charges	59,563	—	—	—	—
Interest expense	—	—	6,134	—	40,288
Amortisation of guaranteed note issued expenses	—	7,093	—	—	—
Additions	—	—	—	—	134,690
Lease modification	—	—	—	—	(151,348)
Termination	—	—	—	—	(5,948)
Foreign exchange movements	116,705	20,388	318	8,822	1,509
At 31 July 2025 and 1 August 2025	**20,821,439**	**4,259,626**	**296,688**	**899,059**	**739,740**
Changes from financing cash flows	**(2,061,004)**	**(1,217,927)**	**—**	**—**	**(197,160)**
Bank financing charges	**52,907**	**—**	**—**	**—**	**—**
Novation of bank borrowing (note 52(a))	**195,000**	**—**	**—**	**—**	**—**
Loss on modification of guaranteed notes	**—**	**209,889**	**—**	**—**	**—**
Interest expense	**—**	**—**	**5,701**	**—**	**27,503**
Amortisation of guaranteed note issued expenses	**—**	**6,957**	**—**	**—**	**—**
Additions	**—**	**—**	**—**	**—**	**38,510**
Lease modification	**—**	**—**	**—**	**—**	**(28,724)**
Termination	**—**	**—**	**—**	**—**	**(7,703)**
Disposal of subsidiaries	**(17,999)**	**—**	**—**	**—**	**(33,756)**
Foreign exchange movements	**455,895**	**(12,630)**	**3,410**	**60,278**	**1,309**
At 31 July 2026	**19,446,238**	**3,245,915**	**305,799**	**959,337**	**539,719**

[#] The amount is included in creditors, other payables and accruals.

52. Notes to the Consolidated Statement of Cash Flows (continued)

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2026	2025
	HK$'000	HK$'000
Within operating activities	**73,119**	57,768
Within financing activities	**197,160**	188,208
	270,279	245,976

53. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 23 October 2026.

LAI SUN DEVELOPMENT COMPANY LIMITED