LAI SUN GARMENT

(Stock Code: 191)

LAI SUN GARMENT (INTERNATIONAL) LIMITED

Annual Report
Year ended 31 July 2024


Bal residence
新款戶型 現樓最把炮
觀塘核心 四通八達
城芯會所 人寵共融
8207 0808
SUSHIRO
Flying Ball Bicycle

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Corporate Information

Place of Incorporation

Hong Kong

Board of Directors

Executive Directors

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

Independent Non-executive Directors

Chow Bing Chiu
Lam Bing Kwan
Leung Shu Yin, William
Ng Chi Ho, Dennis

Audit Committee

Leung Shu Yin, William *(Chairman)*
Chow Bing Chiu
Lam Bing Kwan

Nomination Committee

Lam Kin Ngok, Peter, *GBM, GBS (Chairman)*
Yang Yiu Chong, Ronald Jeffrey
(alternate to Lam Kin Ngok, Peter)
Chow Bing Chiu
Lam Bing Kwan

Remuneration Committee

Lam Bing Kwan *(Chairman)*
Yang Yiu Chong, Ronald Jeffrey
Chow Bing Chiu
Leung Shu Yin, William

Authorised Representatives

Lam Kin Ngok, Peter, *GBM, GBS*
Yang Yiu Chong, Ronald Jeffrey

Company Secretary

Tse Pik Ha

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 Tengis Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Independent Auditor

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

Principal Bankers

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
Chong Hing Bank Limited
Dah Sing Bank, Limited
DBS Bank Ltd.
Hang Seng Bank Limited
The Hongkong and Shanghai Banking
Corporation Limited
Industrial and Commercial Bank of China Limited
Oversea-Chinese Banking Corporation 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

191/1,000 shares

Website

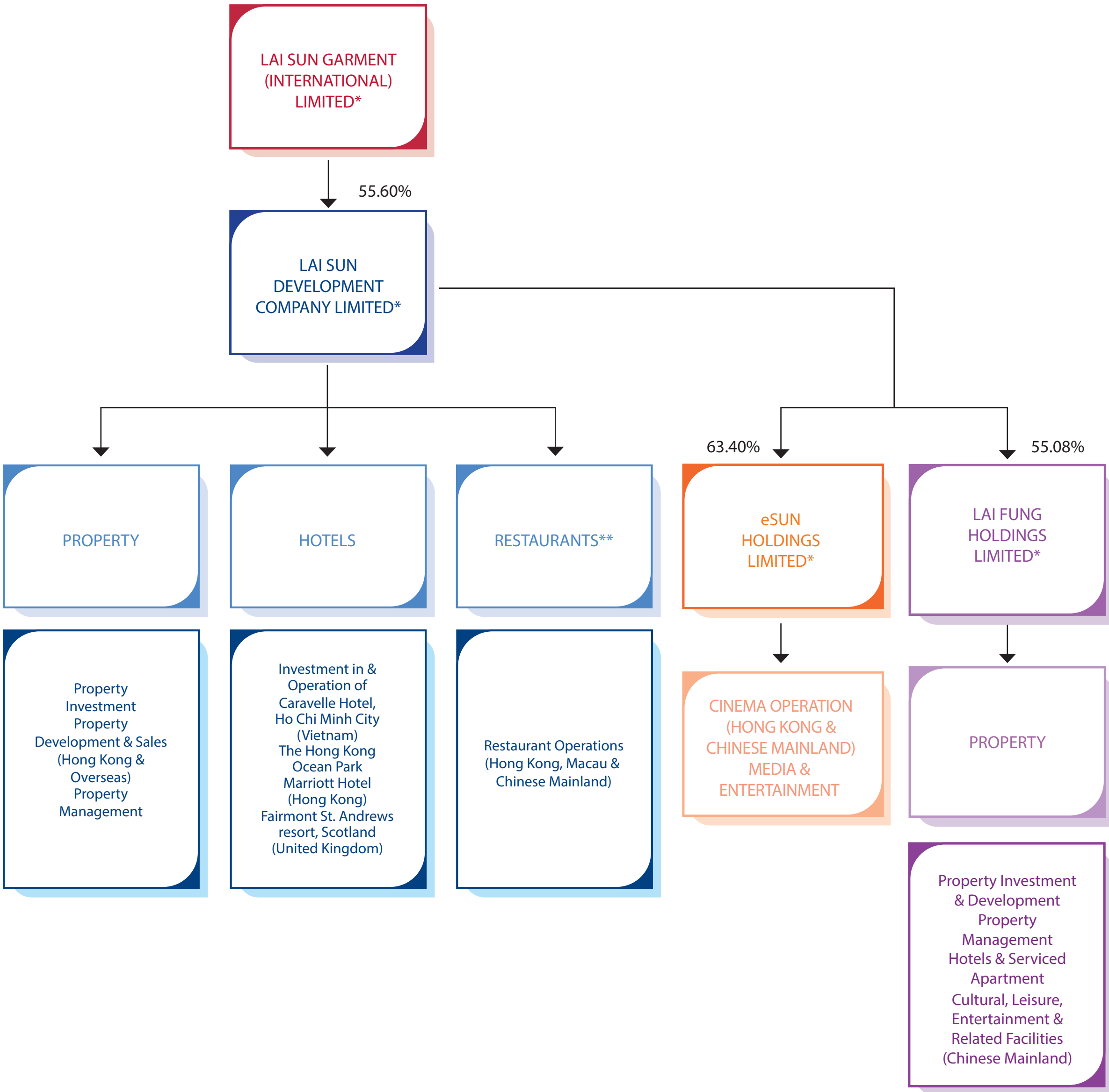
www.laisun.com

Investor Relations

Tel: (852) 2853 6106
Fax: (852) 2853 6651
E-mail: ir@laisun.com

Corporate Profile

The Lai Sun Group was founded in 1947 as a garment manufacturer and obtained its first listing on the Hong Kong stock exchange in late 1972. The Group has since evolved into a diversified conglomerate and its 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, cultural, leisure, entertainment and related facilities and investment holding. Lai Sun Garment (International) Limited is listed on The Stock Exchange of Hong Kong Limited and holds substantial interests in the listed companies 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 18 October 2024

Financial Highlights

		Year ended 31 July 2024	Year ended 31 July 2023
Turnover	(HK$M)	**6,096.1**	4,994.6
Gross profit	(HK$M)	**1,604.0**	799.3
Gross profit margin	(%)	**26%**	16%
Operating loss	(HK$M)	**(1,668.5)**	(2,358.1)
Operating loss margin	(%)	**-27%**	-47%
Loss attributable to owners of the Company	(HK$M)	**(2,167.8)**	(1,665.4)
Net loss margin	(%)	**-36%**	-33%
Loss per share *(Note 1)*	(HK$)	**(2.454)**	(2.159)
Equity attributable to owners of the Company	(HK$M)	**15,961.5**	18,290.7
Net borrowings	(HK$M)	**22,043.3**	21,786.2
Net asset value per share *(Note 2)*	(HK$)	**18.069**	20.706
Share price as at 31 July	(HK$)	**0.640**	1.350
Price earnings ratio	(times)	**N/A**	N/A
Market capitalisation as at 31 July	(HK$M)	**565.4**	1,192.6
Return on shareholders' equity	(%)	**-14%**	-10%
Dividend per share	(HK$)	**Nil**	Nil
Dividend yield	(%)	**N/A**	N/A
Gearing — net debt to equity	(%)	**138%**	119%
Current Ratio	(times)	**2.3**	1.5
Discount to net asset value	(%)	**96%**	93%

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.*

Results Highlights

Despite loss attributable to the owners of the Company increased to HK$2,167.8 million, the Group narrowed operating loss from HK$2,358.1 million in the last financial year to HK$1,668.5 million against a challenging backdrop:

- Adjusted earnings before interests, taxes, depreciation and amortisation ("**adjusted EBITDA**") (excluding impact of fair value changes of investment properties and other non-cash and non-recurring items) improved to HK$1,191.6 million, increased by 44.4% year-on-year.
- Resilient investment properties portfolio generated rental income of HK$1,363.5 million with high occupancy rate in Hong Kong and Chinese Mainland against a challenging operating environment, up by 8.6% year-on-year.
- Hotel operation took advantage of the post-COVID recovery and posted a revenue of HK$1,191.4 million despite changing customers spending pattern, up by 21.9% year-on-year, underpinned by Ocean Park Marriott Hotel primarily.
- Recognised sales of properties increased significantly to HK$1,529.5 million, primarily driven by sales of properties in Lai Fung Group, our PRC property arm, up by 61.6% year-on-year.
- Effective cost control measures resulted in administrative expenses decreased by 12.2% year-on-year.
- Sold 84 out of 156 units of Bal Residence and pre-sold 103 out of 112 units of The Parkland as at 15 October 2024. Total proceeds for the respective projects are estimated to be HK$436.2 million and HK$305.6 million, of which HK$119.5 million and HK$305.6 million are to be recognised in the next financial year.
- Successfully achieved non-core disposals totalling HK$2,081.1 million during the year under review, of which HK$527.7 million will be recognised in the next financial year. The Group will continue its review and reassessment of options of its businesses and redeploy resources as appropriate.
- The Group's total capital resources amounted to approximately HK$10,171.3 million, comprising cash and bank balances of approximately HK$4,234.3 million and undrawn bank facilities of approximately HK$5,937.0 million as at 31 July 2024, versus the Group's bank borrowings due within one year of approximately HK$2,523.0 million as at 31 July 2024; before the above proceeds from property sales and non-core disposal of HK$952.8 million to be recognised in the next financial year.
- The Group's e-commerce hub in Hengqin Novotown held by Lai Fung Group achieved major breakthroughs. Hengqin Novotown has successfully re-positioned itself for the development of a cross-border e-commerce and social media and related ecosystem. As at the date of this Annual Report,
  - Phase I has been fully operational with major office tenants of leading Chinese social media and e-commerce platform, technology and logistics corporations and their related ecosystem partners, improving traffic and tenant mix in the commercial area and providing synergy to its Phase I cultural workshop units and Hyatt Regency Hengqin hotel; and
  - Phase II is making major progress particularly on rental accommodation towers. In addition to the three towers under construction, of which two are for accommodation purpose, Lai Fung Group received approval from the local government to develop the remaining eight towers of accommodation for rental purpose, becoming the first project certified as rental accommodation towers in Hengqin, so as to satisfy the growing rental accommodation need from the commercial ecosystem of Hengqin, and as supporting facilities for them.

Chairman's Statement

Dr. Lam Kin Ngok, Peter
Chairman

I am pleased to present the audited consolidated results of Lai Sun Garment (International) Limited ("**Company**") and its subsidiaries (collectively, "**Group**") for the year ended 31 July 2024.

Overview of Final Results

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

Overview of Final Results (continued)

Set out below is the turnover by segment:

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

For the year ended 31 July 2024, net loss attributable to owners of the Company was approximately HK$2,167.8 million (2023: HK$1,665.4 million). The increased loss was primarily due to (i) decrease in fair values of investment properties directly owned by the Group, and (ii) increase in share of losses of joint ventures held by LSD Group during the year under review as compared to last financial year. Net loss per share was HK$2.454 (2023: HK$2.159).

Non-HKFRS Financial Measures

To supplement the Group's consolidated financial statements which are presented under HKFRS, the Group also use (i) adjusted EBITDA of the Group and (ii) adjusted net loss attributable to owners of the Company (non-HKFRS measures) as the additional financial measures, which are not required by, or presented in accordance with, HKFRS. 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.

Overview of Final Results (continued)

Non-HKFRS Financial Measures (continued)

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

(HK$ million)	For the year ended 31 July **2024**	 2023
Loss from operating activities of the Group (HKFRS measure)	**(1,668.5)**	(2,358.1)
Adjustments for:		
Share of losses of joint ventures	**(796.3)**	(10.3)
Share of profits and losses of associates	**11.7**	(2.6)
Fair value losses of investment properties held by the Group *(Note 1)*	**927.9**	890.4
Fair value losses of investment properties held by the associates and the joint ventures *(Note 1)*	**599.0**	79.9
Depreciation of property, plant and equipment *(Note 2)*	**365.0**	416.9
Depreciation of right-of-use assets *(Note 2)*	**370.9**	373.5
Amortisation of film rights, film and TV program products and music catalogs *(Note 3)*	**70.8**	40.0
Impairment of properties held by the Group *(Note 4)*	**688.9**	1,353.0
Impairment of properties held by the joint ventures *(Note 4)*	**223.6**	–
Impairment of restaurant and F&B product sales, cinema and film & TV program operations *(Note 4)*	**398.6**	42.4
Adjusted EBITDA of the Group (non-HKFRS measure)	**1,191.6**	825.1

Notes:

1. *Given the sizeable investment properties portfolio held by the Group, the associates and the joint ventures, the adjustments relate to fair value losses of investment properties, which are non-cash in nature.*
2. *The adjustments arise from depreciation of the Group's property, plant and equipment and right-of-use assets, which are non-cash in nature.*
3. *The adjustment arises from amortisation of film rights, film and TV program products and music catalogs, which is non-cash in nature.*
4. *The adjustments arise from impairment of the Group's and the joint ventures' properties, and the restaurant and F&B product sales, cinema and film & TV program operations, which are non-cash and non-recurring in nature.*

Excluding the net effect of property revaluations, other non-cash and non-recurring items, EBITDA of the Group was approximately HK$1,191.6 million for the year under review (2023: HK$825.1 million).

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 **2024**	 2023
Net loss attributable to owners of the Company (HKFRS measure)	**(2,167.8)**	(1,665.4)
Adjustments for:		
Fair value losses of investment properties held by the Group *(Note 1)*	**927.9**	890.4
Fair value losses of investment properties held by the associates and the joint ventures *(Note 1)*	**599.0**	79.9
Deferred tax on fair value changes of investment properties held by the Group *(Note 1)*	**111.6**	(33.5)
Non-controlling interests' share of fair value losses of investment properties held by the Group less deferred tax *(Note 1)*	**(598.9)**	(413.5)
Impairment of properties held by the Group *(Note 2)*	**688.9**	1,353.0
Impairment of properties held by the joint ventures *(Note 2)*	**223.6**	–
Impairment of restaurant and F&B product sales, cinema and film & TV program operations *(Note 2)*	**398.6**	42.4
Deferred tax on impairment *(Note 2)*	**(126.0)**	(160.4)
Deferred tax assets written off *(Note 2)*	**181.1**	–
Non-controlling interests' share of impairment less deferred tax and deferred tax assets written off *(Note 2)*	**(759.6)**	(646.3)
Adjusted net loss attributable to owners of the Company excluding fair value losses of investment properties and other non-cash and non-recurring items (non-HKFRS measure)	**(521.6)**	(553.4)

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, the associates and the joint ventures, the adjustments relate to fair value losses of investment properties and related deferred tax and impact on non-controlling interest's share, which are non-cash in nature.*
2. *The adjustments arise from impairment of the Group's and the joint ventures' properties, and the restaurant and F&B product sales, cinema and film & TV program operations and related deferred tax, deferred tax assets written off, and impact on non-controlling interest's share, which are non-cash and non-recurring in nature.*

Excluding the net effect of property revaluations and other non-cash and non-recurring items, net loss attributable to owners of the Company was approximately HK$521.6 million for the year under review (2023: HK$553.4 million). Net loss per share excluding the effect of property revaluations and other non-cash and non-recurring items was approximately HK$0.590 (2023: HK$0.717).

Equity attributable to owners of the Company as at 31 July 2024 amounted to HK$15,961.5 million, as compared to HK$18,290.7 million as at 31 July 2023. Net asset value per share attributable to owners of the Company dropped to HK$18.069 per share as at 31 July 2024 from HK$20.706 per share as at 31 July 2023.

Final Dividend

The board of the directors of the Company ("**Board**") does not recommend the payment of a final dividend for the year ended 31 July 2024 (2023: Nil).

No interim dividend was declared during the year (2023: Nil).

Business Review and Outlook

The global economy grinded along a fragile path against a backdrop of geopolitical instability, intensifying trade tensions, relatively high interest rates, and inflationary pressures. Whilst the impending United States presidential election should alleviate some uncertainties, geopolitical tensions in Europe and Middle East might get worse before it gets better. As such, the global economic outlook remains highly volatile for reasons above and all of which are likely to continue to impede global growth and business activities. The long-awaited Federal Reserve interest rate cut finally took place in September 2024 with a 0.5% decrease, hinting at further cuts that offer a glimmer of hope. Nonetheless, we have yet to see how the global economy will respond.

Hong Kong and Overseas Property Market

Whilst the Hong Kong economy has been showing signs of post-COVID recovery with some success, the progress is still lagging behind expectations. Local consumption is dampened by sluggish economic outlook, subdued property market, lackluster stock market performance, and relatively high funding costs, to name a few. Although the number of visitors increased to approximately 21 million in the first half of 2024, marking a significant 64% year-on-year increase, the corresponding economic impact fell short of expectations. The northbound visits to the Greater Bay Area, such as Shenzhen, have rediverted some support away from Hong Kong. We must continue to adapt to the change in consumers' behaviour and lifestyle to ensure the long-term success of the Group.

The looming economy affected different segments of the property market to varying extents. Retail and office tenants have remained cautious and delayed their relocation or expansion plans. The reduced demand from multinational and Chinese enterprises have contributed to a rental softening. All of these factors led to vacancy and pricing pressure in the foreseeable future. Supportive measures from the Chinese and Hong Kong governments to promote mega events and expand the Individual Visit Scheme to 59 cities, as well as the recent enhancement of duty-free allowances for Mainland travelers effective from July 2024, are poised to attract more visitors, especially from Chinese Mainland. These measures are positioned to boost market confidence, stimulate growth in sectors such as retail and hospitality, and drive business expansion.

Despite persistent challenges in the office and retail leasing sector stemming from surplus supply and reduced demand due to the hybrid work model, the Group has been coping with changing market trends and an evolving operating environment to deliver resilient results. It remains dedicated to optimising its tenant mix to maintain current occupancy levels. Additionally, renovation and space optimisation initiatives undertaken during the year under review have enhanced the competitiveness of the Group's major rental properties, resulting in growth in both office and retail leasing businesses in Hong Kong during the year under review.

During the year under review, the Hong Kong government has taken steps to improve the residential property market by relaxing residential purchase restrictions, including the abolition of the Special Stamp Duty, Buyer's Stamp Duty, and New Residential Stamp Duty in February 2024. This initiative initially led to a significant increase in property transactions, but this growth was mitigated by persistently high interest rates, resulting in a loss of sales momentum. The Hong Kong government's proactive talent attraction strategies have drawn a noteworthy influx of skilled professionals, fostering economic expansion and revitalizing the local housing market. The Group maintains a cautious stance, envisioning sustained housing demand driven by incoming talent and continued interest rate reductions.

Business Review and Outlook (continued)

Hong Kong and Overseas Property Market (continued)

Construction work of Bal Residence in Kwun Tong was completed in October 2023, while fitting-out work was completed in late March 2024. Presale of Bal Residence was launched in February 2023, followed by the official sale launch in late November 2023. Bal Residence has a total saleable area of approximately 62,148 square feet, including 7,506 square feet of commercial facilities and 54,642 square feet of residential spaces, offering 156 residential units. Up to 15 October 2024, Lai Sun Development Company Limited ("**LSD**") and its subsidiaries (together, "**LSD Group**") has sold 84 residential units in Bal Residence with saleable area of approximately 28,501 square feet at an average selling price of approximately HK$15,303 per square foot.

Construction work of The Parkland (previously named as Tai Kei Leng Project) in Yuen Long was completed in late March 2024, while fitting-out work is expected to be completed in the end of 2024. Upon completion of The Parkland, it is expected to add total gross floor area ("**GFA**") of approximately 42,200 square feet to the development portfolio of LSD Group. The Parkland pre-sale commenced in October 2024. The Parkland has a total saleable area of approximately 36,720 square feet, offering 112 residential units. Up to 15 October 2024, LSD Group has pre-sold 103 units in The Parkland with saleable area of approximately 32,623 square feet at an average selling price of approximately HK$9,368 per square foot.

Construction works of the residential project at the Wong Chuk Hang Station Package Five Property Development is in progress and is expected to be completed in the fourth quarter of 2025. Superstructure works of the 79 Broadcast Drive project in Kowloon Tong is in progress and the construction is expected to be completed in the first half of 2026. It will be developed into a high-quality luxury residential property with the maximum permissible GFA of approximately 71,600 square feet, offering around 46 medium-large sized units, including 2 houses. LSD Group also acquired the 1&1A Kotewall Road project in Mid-Levels, Hong Kong Island and the transaction was completed with vacant possession in March 2022. LSD Group plans to redevelop the site into a luxury residential project with a total GFA of approximately 55,200 square feet, offering around 27 medium-large sized residential units. Excavation and lateral support and foundation works are in progress and the construction is expected to be completed in the fourth quarter of 2027. The project design work of the residential project, namely 116 Waterloo Road project, is in progress and is expected to be completed in the third quarter of 2028. LSD Group intends to redevelop the 116 Waterloo Road project, which was acquired in September 2021 with vacant possession in March 2022, into a residential project offering around 85 residential units with total GFA of approximately 46,600 square feet.

Hong Kong and Overseas Property Market (continued)

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

Chinese Mainland Property Market

Chinese Mainland announced GDP growth target this year of around 5.0% at the National People's Congress held in March 2024, indicating the challenges posed by the economic slowdown. Chinese Mainland's GDP growth fell below expectations in the second quarter of 2024, with retail sales and property investment acting as persistent headwinds. Weak consumer confidence has hampered economic recovery across the board. Current and impending tariffs from the US will undoubtedly present challenges, but trade partnerships with members of the BRICS and countries under the Belt and Road initiative should somewhat mitigate the issue. The property sector remained subdued for the year under review, with outlook remaining uncertain. In May 2024, house prices in Chinese Mainland experienced the fastest decline in nearly a decade, attributed to numerous factors including an oversupply of properties dampening demand, resulting in a series of developer defaults and numerous idle construction sites in recent years. In order to support and stabilise the struggling property sector, the Central Government implemented extensive measures during the year to enhance confidence in the property market. These measures included reducing down payment requirements, lowering mortgage rates, easing home purchase restrictions, and encouraging local governments to acquire unsold properties for social housing. Furthermore, to address the property market downturn, the Central Government declared its intent to "promote the stabilisation of the real estate market" in September 2024. This initiative involves expanding the list of approved housing projects eligible for further financing, revitalising idle land, removing home purchase restrictions, reducing existing mortgage rates, and refining land, fiscal, tax, and financial policies. These actions are aimed at expediting the transition to a new real estate development model, fostering significant confidence, and providing sustainable momentum for Chinese Mainland's real estate sector. The Group believes that the Central Government will demonstrate continued commitment to sustain long-term economic growth. While the Group remains cautiously optimistic about the long-term business outlook in Chinese Mainland, the Group holds confidence in the future prospects of cities where our operations are based, especially in the dynamic Greater Bay Area ("**GBA**") in southern Chinese Mainland.

Business Review and Outlook (continued)

Chinese Mainland Property Market (continued)

The GBA is a young, vibrant, complementary and connected geography making it an attractive growth engine for the future:

- Approximately 56,000 square kilometres spread over 9 municipalities and 2 special administrative regions with complementary industries around the Pearl River Delta;
- Approximately 87 million people; nearly 11 times the size of Hong Kong or 6% of Chinese Mainland's total population. Over 70% of which is between 15-59 years old;
- GDP achieved approximately RMB14,000 billion or 11% of Chinese Mainland GDP. Over RMB160k per capita, which is substantially over the Chinese Mainland average; and
- Established and well-connected network of roads, high speed rails, ships and airports.

Lai Fung Holdings Limited ("**Lai Fung**") and its subsidiaries (together, "**Lai Fung Group**"), the PRC property arm of the Group, has adopted a regional focus and rental-led strategy. The rental portfolio, comprising approximately 5.9 million square feet in Shanghai, Guangzhou, Zhongshan and Hengqin, all of which are Tier 1 cities in Chinese Mainland and cities within the GBA, has remained steady in rental income amid weakened economy in Chinese Mainland for the year under review. The continued rental ramp up of two recently completed grade A office towers, Shanghai Skyline Tower and Guangzhou Lai Fung International Center, in September and November 2022 respectively, have substantially expanded Lai Fung Group's rental portfolio. These new properties have made a significant contribution to Lai Fung Group's rental portfolio during the year, surpassing the revenue generated last year. The existing rental portfolio has also managed amicably in the face of challenging economic conditions and ample market supply, particularly in Shanghai and Guangzhou.

Lai Fung Group's initiative in establishing an e-commerce hub in Novotown has, a bright spot in an otherwise turbulent environment, gathered steady momentum. On 16 July 2024, the Urban Planning and Construction Bureau of Guangdong-Macao In-Depth Cooperation Zone in Hengqin officially approved the name of Hengqin Novotown Cross-Border E-commerce Hub to be recognised. Hengqin island enjoys a number of benefits which redefine its strategic value as a spring board for cross-border e-commerce:

- Heart of the GBA; covers most parts of GBA in 2-4 hours;
- Proximity to international airports and ports connected by bridges, expressways and railways;

Chinese Mainland Property Market (continued)

- Proximity to universities; access to local talent pool provides steady supply of low cost work force;

- Unrivaled personal and corporate tax benefits within Chinese Mainland: Corporate income tax 15%; Personal Income Tax 15% for qualified high-end and in-demand talents; and

- Advantages tax arrangements for moving of goods: Goods are tax free crossing the border to Hengqin. Goods processed in Hengqin with an added value of 30% or more are exempted from import duties entering into Chinese Mainland from Hengqin.

Lai Fung Group has positioned its Hengqin Novotown project for the development of a cross-border e-commerce and social media and related ecosystem. This encompasses e-commerce office headquarters, professional broadcasting and recording centre, live broadcast training facilities, e-commerce studios, X-Space entrepreneur exchange hub, roadshow centre, hotel and conference facilities, fitness centre, cultural workshops, commercial spaces, etc.

Phase I of the Novotown project ("**Novotown Phase I**") in Hengqin is operational with space accessible to e-commerce and social media and related ecosystem partners, attracting leading Chinese social media and e-commerce platform, technology and logistics corporations and their related ecosystem partners. Lai Fung Group has leased six floors of our office spaces in Novotown Phase I to an anchor tenant as a global cross-border e-commerce headquarter and is actively exploring further expansion opportunities with it. Such anchor tenant has 1,200 staff currently and is expected to increase to more than 3,000 staff once the additional floors are occupied. As at the date of this Annual Report, approximately 76% of the office units have been leased. Lai Fung Group has also leased out the remaining unsold cultural workshop units in Novotown Phase I to the staff of these tenants. This is expected to enhance traffic in commercial area and improve the commercial area's tenant mix. Novotown Phase I has become the leading cross border e-commerce hub in terms of development pace and occupancy rate, as well as the heart of the cross border e-commerce in the Henqin-Macao region.

Business Review and Outlook (continued)

Chinese Mainland Property Market (continued)

As at the date of this Annual Report, leasing of the commercial area of Novotown Phase I is underway with approximately 82% being leased and key tenants include two themed indoor experience centers, namely "Lionsgate Entertainment World®" and "National Geographic Ultimate Explorer Hengqin", Heytea, McDonald's, Pokiddo Trampoline Park, Kunpeng Go-Kart Sports Centre, Snow Alarm, Da Yin Restaurant, Oyster King, Zhen Qi Ji, Ai Shang Niu Ding Ji, Vanguard Life Superstore and ULSC Hengqin. Industrial and Commercial Bank of China Limited also demonstrated their confidence in the project through their purchase of two retail units in Novotown Phase I from Lai Fung Group, which was completed in August 2024.

Phase II of the Novotown project ("**Novotown Phase II**") in Hengqin is making major progress particularly on rental accommodation towers. In addition to the three towers under construction, of which two are for accommodation purpose, Lai Fung Group received approval from the local government to develop the remaining eight towers of accommodation for rental purpose, becoming the first project certified as rental accommodation towers in Hengqin, so as to satisfy the growing rental accommodation need from the commercial ecosystem of Hengqin, and as supporting facilities for them.

The sale of remaining phases of Zhongshan Palm Spring, the cultural studios and cultural workshop units of Hengqin Novotown Phase I are in progress. The residential units in Zhongshan Palm Spring, the cultural studios and cultural workshops of Hengqin Novotown Phase I, as well as elements of Hengqin Novotown Phase II are expected to contribute to the revenue of Lai Fung Group in coming financial years.

Cinema Operation/Media and Entertainment/Film Production and Distribution

Although there has been a revival of social and economic activities since the reopening of borders and the return of tourists, consumer sentiment dampened by Hong Kong's worse-than-expected economic outlook. The Hong Kong box office has experienced a decline due to factors such as lack of blockbusters titles, citizens traveling abroad, northbound visits, unfavourable economic situation and a shift in consumers' behaviour towards streaming platforms. These unfavourable conditions have contributed to the challenged performance of our cinema operation. Moreover, in view of the market condition and economic uncertainty, the Zhongshan Mayflower Cinema City in Chinese Mainland and the MCL South Horizons Cinema in Hong Kong were closed during the year under review. Whilst operational performance has been variable at best during the year under review, blockbusters titles such as "*Twilight of the Warriors: Walled In*" demonstrated their clout and helped the cinemas to charter its course through these rough waters. eSun Holdings Limited ("**eSun**") and its subsidiaries (together, "**eSun Group**") is closely monitoring the market conditions and will continue to improve its overall operating efficiency. eSun Group will take a prudent approach in evaluating opportunities for further expansion of its footprint.

Business Review and Outlook (continued)

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

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.

"*Twilight of the Warriors: Walled In*", the martial art film produced by eSun Group, has become Hong Kong's second-biggest domestic hit ever and most-watched film in the cinemas with almost 1.7 million viewers. The film has grossed over USD110 million at the global box office since its premiere on 1 May 2024. The film was selected for the Official Selection (Midnight Screening) at the 2024 Cannes Film Festival in May and was recently nominated as Hong Kong's entry for the Best International Feature Film category at the 2025 Academy Awards.

eSun Group will continue to invest in original productions of quality films with Chinese themes and the next upcoming pipeline includes crime thriller "*Octopus with Broken Arms*" and mystery-comedy "*Detective Chinatown 1900*", produced by Chen Sicheng, one of Chinese Mainland's most consistently successful writer-director-producer.

During the Hong Kong Filmart in March 2024, eSun Group has announced its strategic alliance with Alibaba Digital Media & Entertainment Group including Youku and Alibaba Pictures. The co-operation includes co-production and investment in film and TV drama and artiste management. The alliance enables eSun Group access to valuable channels securing investment and distribution of our production projects.

eSun Group continues to produce engaging TV drama series in response to the ongoing strong demand for quality programs from TV stations and online video websites in Chinese Mainland. The drama series "*Heir to the Throne*" and "*Dead Ringer*" broadcasted in Alibaba's Youku and TVB during the year have generated satisfactory viewership for the two platforms. eSun Group is in discussion with various Chinese partners for new project development in TV drama production.

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

Business Review and Outlook (continued)

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

The recent "*You & Mi Sammi Cheng World Tour - Hong Kong 2023*" (rescheduled performances in 2024) and "*Tsai Chin Live in Hong Kong 2024*" have earned good reputation and public praises. eSun Group will continue to work with prominent local and Asian artistes for concert promotion and the upcoming events include concerts of Tsai Chin, Grasshopper, Ekin Cheng and Jay Fung.

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 15 March 2024 (after trading hours), a wholly-owned subsidiary of LSD had entered into a provisional sale and purchase agreement with an independent third party of the Group, in relation to the disposal of a non-residential property and car parking spaces situated at Wyler Centre Phase II ("**Wyler Disposal**"), for the consideration of HK$80 million. The Wyler Disposal enables the Group to reallocate more financial resources on capital structure enhancement and/or for general corporate purpose of the Group. The transaction was completed on 6 June 2024.

On 8 April 2024 (after trading hours), Peakflow Profits Limited (a wholly-owned subsidiary of LSD) as vendor and Grand Design Development Limited (an independent third party) as purchaser had entered into a sale and purchase agreement, in relation to the disposal of 10% equity interest in Bayshore Development Group Limited ("**Bayshore Development**") ("**AIA Disposal**") at the consideration of 10% of the net asset value based on the audited completion account of Bayshore Development at the completion date. The final consideration for the AIA Disposal was approximately HK$1,422 million. Bayshore Development holds the entire legal and beneficial interest of all those pieces or parcels of land with all messuages, erections and buildings thereon now known as "AIA Central". Upon completion, each of the Group and the LSD Group ceased to hold any interest in Bayshore Development. The AIA Disposal enables the Group to realise the value of its property investment, thereby enhancing the cashflow and financial position of the Group and the LSD Group as a whole. The transaction was completed on 31 May 2024.

Other Business Updates (continued)

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

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

Business Review and Outlook (continued)

Other Business Updates (continued)

On 20 June 2024, Zhuhai Hengqin Laisun Creative Culture Co., Ltd.* (珠海橫琴麗新文創天地有限公司) (an indirect non-wholly-owned subsidiary of Lai Fung) had entered into sale and purchase agreements with an independent third party of Lai Fung Group, in relation to the disposal of the non-residential properties situated at Shop No.90 and 92 in Zhishui Road, Hengqin New Area ("**Business Premises Disposal**"), for the consideration of RMB32,963,320 (equivalent to approximately HK$35,400,000). The Business Premises Disposal enables the Group and the Lai Fung Group to reallocate more financial resources on capital structure enhancement and/or for general corporate purpose of the Group and Lai Fung Group. The transaction was completed on 16 August 2024.

On 2 July 2024 (after trading hours), Strongly Limited ("**Seller**"), owned by a joint venture to which 50% interest is attributable to the LSD Group and 50% interest is attributable to an independent third party of the Group, had entered into an agreement for sale and purchase with an independent third party of the Group, whereby the Seller agreed to dispose of its legal and beneficial interest in the Commercial Accommodation of "Alto Residences (藍塘傲)" ("**Development**") and the Public Vehicle Park of the Development ("**Alto Disposal**"). The consideration of the Alto Disposal is HK$540,000,000. The consideration from the Alto Disposal to which the Group is entitled is HK$270,000,000. Upon completion, performance of the Development and the Public Vehicle Park of the Development will no longer be recognised as "Share of profits and losses of joint ventures" in the respective consolidated income statements of the Group and the LSD Group. The transaction was completed on 5 August 2024.

As at 31 July 2024, the Group's consolidated cash and bank deposits amounted to HK$4,234.3 million (HK$89.9 million excluding LSD Group) with undrawn facilities of HK$5,937.0 million (HK$425.0 million excluding LSD Group). The net debt to equity ratio as at 31 July 2024 was approximately 138% (31 July 2023: 119%). The Group's gearing excluding the net debt of LSD Group was approximately 6%.

The Group will review the performance of its portfolio of businesses proactively and consider appropriate options for it in the interest of all stakeholders as a whole. The Group will continue its prudent and flexible approach in managing its operations and financial position.

* *For identification purpose only*

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
18 October 2024

Management Discussion and Analysis

Property Portfolio Composition

The Group maintained a property portfolio with attributable GFA of approximately 4.8 million square feet as at 31 July 2024. All major properties of the Group in Chinese Mainland are held through Lai Fung Group, except Novotown Phase I which is 80% owned by Lai Fung Group and 20% owned by LSD Group, and all major properties in Hong Kong and overseas are held by the Group excluding eSun Group and Lai Fung Group.

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

	Commercial/ Retail	Office	Hotel/ Serviced Apartment	Residential	Industrial	Total (excluding car parking spaces & ancillary facilities)	No. of car parking spaces
GFA of major properties and number of car parking spaces of Lai Fung Group (on attributable basis[1])							
Completed Properties Held for Rental[2]	819	676	—	—	—	1,495	915
Completed Hotel Properties and Serviced Apartments[2]	—	—	303	—	—	303	—
Properties under Development[3]	167	485	177	—	—	829	414
Completed Properties Held for Sale	50	129	59	47	—	285	1,043
Subtotal	**1,036**	**1,290**	**539**	**47**	**—**	**2,912**	**2,372**
GFA of major properties and number of car parking spaces of LSD Group (excluding Lai Fung Group) (on attributable basis[1])							
Completed Properties Held for Rental[2]	411	549	—	—	8	968	792
Completed Hotel Properties and Serviced Apartments[2]	—	—	403	—	—	403	51
Properties under Development[3]	—	—	—	173	—	173	76
Completed Properties Held for Sale	23	58	27	30	—	138	27
Subtotal	**434**	**607**	**430**	**203**	**8**	**1,682**	**946**
GFA of major properties and number of car parking spaces of the Group (excluding LSD Group) (on attributable basis)							
Completed Properties Held for Rental[2]	91	—	—	—	160	251	37
Subtotal	**91**	**—**	**—**	**—**	**160**	**251**	**37**
Total GFA attributable to the Group	**1,561**	**1,897**	**969**	**250**	**168**	**4,845**	**3,355**

Notes:

1. *As at 31 July 2024, Lai Fung is a 55.08%-owned subsidiary of LSD and LSD is a 55.60%-owned subsidiary of the Company.*
2. *Completed and rental generating properties.*
3. *All properties under construction (before latest development on Novotown Phase II).*

Property Investment

Rental Income

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

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

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

Property Investment (continued)

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	
	2024	2023	%	**2024**	2023
	HK$ million	HK$ million	Change	**%**	%
Zhongshan					
Zhongshan Palm Spring Rainbow Mall	**5.0**	5.1	-2.0	**Retail: 83.5**[2]	Retail: 66.5[2]
Hengqin					
Hengqin Novotown Phase I	**6.7**	2.7	+148.1	**Retail: 81.3**[3]	Retail: 81.0[3]
Others	**42.7**	27.8	+53.6		
Subtotal:	**714.1**	638.7	+11.8		
Total:	**1,363.5**	1,255.6	+8.6		
Rental proceeds from joint venture projects					
Hong Kong					
CCB Tower[4] (50% basis)	**114.4**	111.5	+2.6	**95.9**	91.8
Alto Residences[5] (50% basis)	**21.6**	24.4	-11.5	**82.0**	94.0
Total:	**136.0**	135.9	+0.1		

Notes:

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

1. *Shanghai Skyline Tower and Guangzhou Lai Fung International Center were completed in September and November 2022, respectively.*
2. *Excluding self-use area.*
3. *Including the cultural attraction spaces occupied by Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin.*
4. *CCB Tower is a joint venture project with China Construction Bank Corporation ("**CCB**") in which each of LSD Group and CCB has an effective 50% interest. For the year ended 31 July 2024, the joint venture recorded rental proceeds of approximately HK$228.9 million (2023: HK$223.0 million).*
5. *Alto Residences is a joint venture project with Empire Group Holdings Limited ("**Empire Group**") in which each of LSD Group and Empire Group has an effective 50% interest. For the year ended 31 July 2024, the joint venture recorded rental proceeds of approximately HK$43.1 million (2023: HK$48.8 million).*

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 2024			Year ended 31 July 2023		
	Attributable interest to the Group	**Turnover (HK$ million)**	**Total GFA (square feet)**	Attributable interest to the Group	Turnover (HK$ million)	Total GFA (square feet)
Hong Kong						
Cheung Sha Wan Plaza	**55.60%**			55.60%		
Commercial		**131.8**	**233,807**		120.1	233,807
Office		**133.4**	**409,896**		129.5	409,896
Car Parking Spaces		**19.4**	**N/A**		19.0	N/A
Subtotal:		**284.6**	**643,703**		268.6	643,703
Causeway Bay Plaza 2	**55.60%**			55.60%		
Commercial		**82.5**	**109,770**		76.8	109,770
Office		**42.8**	**96,268**		43.6	96,268
Car Parking Spaces		**5.4**	**N/A**		5.1	N/A
Subtotal:		**130.7**	**206,038**		125.5	206,038
Lai Sun Commercial Centre	**55.60%**			55.60%		
Commercial		**23.7**	**95,063**		18.2	95,063
Office		**5.3**	**74,181**		5.3	74,181
Car Parking Spaces		**21.8**	**N/A**		21.4	N/A
Subtotal:		**50.8**	**169,244**		44.9	169,244
Crocodile Center*	**100%**			100%		
Commercial		**79.7**	**91,201**		75.8	91,201
Por Yen Building*	**100%**			100%		
Industrial		**14.8**	**109,010**		14.6	109,010
Car Parking Spaces		**0.3**	**N/A**		0.3	N/A
Subtotal:		**15.1**	**109,010**		14.9	109,010
Others		**10.8**	**61,169** [1]		10.1	61,169 [1]
Subtotal:		**571.7**	**1,280,365** [1]		539.8	1,280,365 [1]
London, United Kingdom						
107 Leadenhall Street	**55.60%**			55.60%		
Commercial		**3.1**	**48,182**		3.0	48,182
Office		**9.0**	**98,424**		21.6	98,424
Subtotal:		**12.1**	**146,606**		24.6	146,606
100 Leadenhall Street	**55.60%**			55.60%		
Office		**64.7**	**177,700**		47.1	177,700
106 Leadenhall Street	**55.60%**			55.60%		
Commercial		**0.1**	**3,540**		0.4	3,540
Office		**0.8**	**16,384**		5.0	16,384
Subtotal:		**0.9**	**19,924**		5.4	19,924
Subtotal:		**77.7**	**344,230**		77.1	344,230

Management Discussion and Analysis

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 2024			Year ended 31 July 2023		
	Attributable interest to the Group	**Turnover (HK$ million)**	**Total GFA (square feet)**	Attributable interest to the Group	Turnover (HK$ million)	Total GFA (square feet)
Chinese Mainland						
Shanghai						
Shanghai Hong Kong Plaza	**30.62%**			30.62%		
Retail		**168.5**	**468,434**		164.1	468,434
Office		**97.3**	**362,096**		100.2	362,098
Car Parking Spaces		**5.5**	**N/A**		6.0	N/A
Subtotal:		**271.3**	**830,530**		270.3	830,532
Shanghai May Flower Plaza	**30.62%**			30.62%		
Retail		**36.4**	**320,314**		37.8	320,314
Car Parking Spaces		**4.6**	**N/A**		4.6	N/A
Subtotal:		**41.0**	**320,314**		42.4	320,314
Shanghai Regents Park	**29.10%**			29.10%		
Retail		**16.2**	**82,062**		18.5	82,062
Car Parking Spaces		**1.2**	**N/A**		2.1	N/A
Subtotal:		**17.4**	**82,062**		20.6	82,062
Shanghai Skyline Tower[2]	**30.62%**			30.62%		
Retail		**6.4**	**92,226**		1.5	92,226
Office		**41.2**	**634,839**		10.3	634,839
Car Parking Spaces		**1.6**	**N/A**		0.2	N/A
Subtotal:		**49.2**	**727,065**		12.0	727,065
Guangzhou						
Guangzhou May Flower Plaza	**30.62%**			30.62%		
Retail		**81.3**	**357,424**		80.1	357,424
Office		**8.5**	**79,431**		12.3	79,431
Car Parking Spaces		**3.3**	**N/A**		2.6	N/A
Subtotal:		**93.1**	**436,855**		95.0	436,855
Guangzhou West Point	**30.62%**			30.62%		
Retail		**22.2**	**182,344**		21.3	182,344
Guangzhou Lai Fung Tower	**30.62%**			30.62%		
Retail		**16.8**	**112,292**		17.2	112,292
Office		**99.2**	**625,821**		107.0	625,821
Car Parking Spaces		**6.5**	**N/A**		6.7	N/A
Subtotal:		**122.5**	**738,113**		130.9	738,113
Guangzhou Lai Fung International Center[2]	**30.62%**			30.62%		
Retail		**9.6**	**109,320**		0.1	109,320
Office		**30.6**	**505,301**		10.2	505,301
Car Parking Spaces		**2.8**	**N/A**		0.3	N/A
Subtotal:		**43.0**	**614,621**		10.6	614,621

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 2024			Year ended 31 July 2023		
	Attributable interest to the Group	**Turnover (HK$ million)**	**Total GFA (square feet)**	Attributable interest to the Group	Turnover (HK$ million)	Total GFA (square feet)
Zhongshan						
Zhongshan Palm Spring Rainbow Mall	**30.62%**			30.62%		
Retail[3]		**5.0**	**148,106**		5.1	148,106
Hengqin						
Novotown Phase I[#]	**35.62%**			35.62%		
Commercial[4]		**6.7**	**1,006,091[4]**		2.7	1,006,091[4]
Others		**42.7**	**N/A**		27.8	N/A
Subtotal:		**714.1**	**5,086,101**		638.7	5,086,103
Total:		**1,363.5**	**6,710,696[1]**		1,255.6	6,710,698[1]
Rental proceeds from joint venture projects						
Hong Kong						
CCB Tower[5] (50% basis)	**27.80%**			27.80%		
Office		**113.9**	**114,603[6]**		111.0	114,603[6]
Car Parking Spaces		**0.5**	**N/A**		0.5	N/A
Subtotal:		**114.4**	**114,603[6]**		111.5	114,603[6]
Alto Residences[7] (50% basis)	**27.80%**			27.80%		
Commercial		**14.1**	**47,067[8]**		15.1	47,067[8]
Residential units[9]		**3.9**	**11,447[10]**		6.1	15,262[10]
Car Parking Spaces		**3.6**	**N/A**		3.2	N/A
Subtotal:		**21.6**	**58,514**		24.4	62,329
Total:		**136.0**	**173,117**		135.9	176,932

Notes:

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

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

1. *Excluding 10% interest in AIA Central.*
2. *Shanghai Skyline Tower and Guangzhou Lai Fung International Center were completed in September and November 2022, respectively.*
3. *Excluding self-use area.*
4. *Including the cultural attraction spaces occupied by Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin (self-use area), the total GFA of which was approximately 384,759 square feet as at 31 July 2024. Revenue from Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin are recognised under turnover from theme park operation of LSD Group.*
5. *CCB Tower is a joint venture project with CCB in which each of LSD Group and CCB has an effective 50% interest. For the year ended 31 July 2024, the joint venture recorded rental proceeds of approximately HK$228.9 million (2023: HK$223.0 million).*
6. *GFA attributable to LSD Group. The total GFA is 229,206 square feet.*
7. *Alto Residences is a joint venture project with Empire Group in which each of LSD Group and Empire Group has an effective 50% interest. For the year ended 31 July 2024, the joint venture recorded rental proceeds of approximately HK$43.1 million (2023: HK$48.8 million).*
8. *GFA attributable to LSD Group. The total GFA is 94,133 square feet.*
9. *Referring to those sold residential units offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*
10. *Saleable area attributable to LSD Group. The total saleable area is 22,893 (2023: 30,524) square feet.*

Management Discussion and Analysis

Property Investment (continued)

Rental Income (continued)

The average Sterling exchange rate for the year under review appreciated by approximately 4.0% compared with last financial year. Excluding the effect of currency translation, the Sterling denominated turnover from London properties decreased by approximately 3.2% during the year under review. Breakdown of rental turnover of London portfolio for the year ended 31 July 2024 is as follows:

	2024 HK$'000	2023 HK$'000	% Change	**2024 GBP'000**	2023 GBP'000	% Change
107 Leadenhall Street	**12,086**	24,606	-50.9	**1,221**	2,585	-52.8
100 Leadenhall Street	**64,704**	47,082	+37.4	**6,536**	4,946	+32.1
106 Leadenhall Street	**869**	5,456	-84.1	**88**	573	-84.6
Total:	**77,659**	77,144	+0.7	**7,845**	8,104	-3.2

Review of major investment properties

Hong Kong Properties

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

The Group owns 100% of this property.

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

The Group owns 100% of this property.

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.

LSD Group owns 100% of this property.

• Cheung Sha Wan Plaza

• Lai Sun Commercial Centre

Property Investment (continued)

Review of major investment properties (continued)

Hong Kong Properties (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.

LSD Group owns 100% of this property.

Lai Sun Commercial Centre

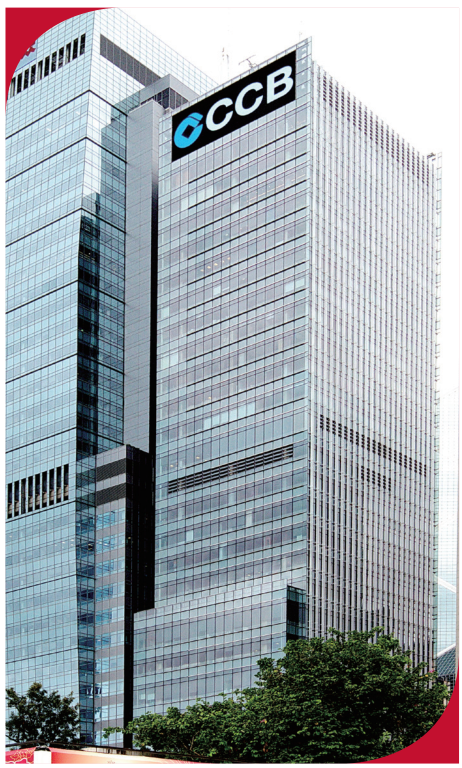
The asset comprises a 13-storey commercial/carpark complex completed in 1987. It is located near the Lai Chi Kok MTR station with a total GFA of 169,244 square feet (excluding car parking spaces).

LSD Group owns 100% of this property.

CCB Tower

This is a 50:50 joint venture between LSD Group and CCB involving the redevelopment of the former Ritz-Carlton Hotel in Central. This 27-storey office tower is a landmark property in Central featuring underground access to the Central MTR station. The property has a total GFA of 229,206 square feet (excluding car parking spaces). 18 floors of the office floors and 1 banking hall floor of CCB Tower are leased to CCB for its Hong Kong operations.

• Causeway Bay Plaza 2



• CCB Tower

Property Investment (continued)

Review of major investment properties (continued)

Overseas Properties

107 Leadenhall Street, London EC3, United Kingdom

In April 2014, LSD Group acquired a property located at the core of the insurance district in the City of London, surrounded by 30 St Mary Axe (commonly known as the Gherkin), Lloyd's of London and the Willis Building at 51 Lime Street. It is a freehold commercial property housing commercial, offices and retail space. The building comprises 146,606 square feet gross internal area of office accommodation extending over basement, ground, mezzanine and seven upper floors. The occupancy rate at the end of July 2024 was approximately 47.8%.

LSD Group owns 100% of this property.

100 Leadenhall Street, London EC3, United Kingdom

Following the acquisition of 107 Leadenhall Street in April 2014, LSD Group completed the acquisition of 100 Leadenhall Street in January 2015. This property comprises a basement, a lower ground floor, ground floor and nine upper floors and provides 177,700 square feet gross internal area of offices and ancillary accommodation. The property is currently fully let to Chubb Market Company Limited.

LSD Group owns 100% of this property.

106 Leadenhall Street, London EC3, United Kingdom

In December 2015, LSD Group acquired the property located adjacent to 100 and 107 Leadenhall Street, namely 106 Leadenhall Street, which is a multi-tenanted asset with approximately 19,924 square feet gross internal area of commercial and offices including ancillary space. The property is currently vacant.

LSD Group owns 100% of this property.

• 107 Leadenhall Street, London

• 100 Leadenhall Street, London

• 106 Leadenhall Street, London

Property Investment (continued)

Review of major investment properties (continued)

Overseas Properties (continued)

The City of London's Planning and Transportation Committee has approved a resolution to grant Planning Consent to LSD Group to redevelop the Leadenhall Properties. The Leadenhall Properties currently have a combined GFA of approximately 344,230 square feet. LSD Group will continue to monitor the market conditions in London closely. The Planning Consent would allow LSD Group to redevelop the Leadenhall Properties into a 57 storey tower with i) approximately 1,059,525 square feet gross internal area of office space as well as new retail space of approximately 57,827 square feet including two restaurant floors at levels 53 and 54; ii) a free, public viewing gallery of approximately 25,190 square feet at levels 56 and 57 of the building which offers 360 degree views across London; and iii) new pedestrian routes between Leadenhall Street, Bury Street and St Mary Axe, and new public spaces around the base of the building. Including ancillary facilities of approximately 153,487 square feet, the total gross internal area of the proposed tower is expected to be approximately 1,296,029 square feet upon completion. This mixed-use development is targeting a carbon net zero strategy. Knight Frank and CBRE have been appointed as Office Leasing and Development advisers. A revised scheme was submitted to the City of London's Planning and Transportation Committee in August 2022 for improving on the original design and repositioning the building to provide higher sustainability standards and enhanced amenities within the building. The revised proposal has been approved by the City of London Authority in May 2023. LSD Group is currently considering options and timing for the redevelopment of the Leadenhall Properties.

• **Architect's impression of 100 Leadenhall after redevelopment**

Management Discussion and Analysis

Property Investment (continued)

Review of major investment properties (continued)

Chinese Mainland Properties

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

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

Connected by an indoor footbridge, the property comprises a 32-storey office building, a 32-storey serviced apartment (managed by the Ascott Group), a shopping mall and 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, Tiffany, Genesis Motor, Tasaki, Swarovski etc.

Lai Fung Group owns 100% of this property.

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 Su Jia Xiang in the Jing'an District in Shanghai. This project is situated near the Zhongshan Road North Metro Station.

Lai Fung Group owns 100% in the retail podium which has a total GFA of approximately 320,300 square feet including the basement commercial area. The asset is positioned as a community retail facility.

Shanghai Regents Park
Shanghai Regents Park is a large-scale residential/commercial composite development located in the Zhongshan Park Commercial Area at the Changning District, Shanghai. It is situated within walking distance of the Zhongshan Park Metro Station. Lai Fung Group retains a 95% interest in the commercial portion which has a total GFA of approximately 82,100 square feet (GFA attributable to Lai Fung Group is approximately 78,000 square feet).

Shanghai Skyline Tower
Shanghai Skyline Tower is a mixed-use redevelopment project of Shanghai Northgate Plaza I, Northgate Plaza II and the Hui Gong Building, located at Tian Mu Road West in the Jing'an District of Shanghai near the Shanghai Railway Terminal. This 30-storey office tower, erected upon a 3-level shopping mall and car-parking basement, has a total GFA of approximately 727,100 square feet excluding 443 car parking spaces. The construction was completed in September 2022. This property has been awarded the Leadership in Energy and Environmental Design ("**LEED**") v4 Gold Certification in October 2023. As at the date of this Annual Report, approximately 83% of commercial and 47% of office areas have been secured, respectively.

Lai Fung Group owns 100% of this property.

Property Investment (continued)

Review of major investment properties (continued)

Chinese Mainland Properties (continued)

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 No. 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.

Lai Fung Group owns 100% of this property.

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 100% in 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.

Lai Fung Group owns 100% of this property.

Guangzhou Lai Fung International Center
Guangzhou Lai Fung International Center, formerly known as Guangzhou Haizhu Plaza, is located on Chang Di Main 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 99% of commercial and 65% of office areas have been secured, respectively.

Lai Fung Group owns 100% of this property.

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.

Lai Fung Group owns 100% of this property.

Property Investment (continued)

Review of major investment properties (continued)

Chinese Mainland Properties (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 Co-operation Zone ("**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 Co-operation Zone in Hengqin" promulgated on 5 September 2021 marks the significant deployment of the Central Government in supporting the moderate economic diversification of Macao and enriching the practices of the "One Country, Two Systems" policy, which is to inject new impetus into the long-term development of Macao.

The Cooperation Zone in Hengqin officially implemented hierarchical management and closed customs operations on 1 March 2024. This new system features streamlined "first-line" and controlled "second-line" management, enabling highly convenient access for personnel and relaxed control over goods crossing the "first-line" into Hengqin, while retaining control over goods crossing the "second-line" into the other Chinese Mainland regions. Notably, the scope of tariff-free goods crossing the "first-line' is no longer limited to "production-related usage", benefiting business entities that need to import machines and equipment for their own use. Goods manufactured by enterprises in the Cooperation Zone using imported materials, with 30% or above value added to the original value of the imported materials, can be exempt from tariffs when imported into the other Chinese Mainland regions through the "second line", which is conducive to Macao brand industries and manufacturing entities such as technology research and development, and traditional Chinese medicine. Attractive preferential tax policy for corporates and individuals: eligible industries and enterprises in Hengqin will now be subject to a reduced corporate income tax rate of 15%, while high-end and in-demand talent will enjoy a personal income tax rate cap at 15%.

In the first half of 2024, Hengqin Port experienced remarkable growth in transportation throughput, with over 10 million passengers and 1.08 million vehicles crossing the border, marking a 44% and 11% year-on-year increase, respectively. The Cooperation Zone is poised to drive the development of new industries in support of Macao's economic diversification, in particular e-commerce, science and technology research, high-end manufacturing, traditional Chinese medicine, and other key Macao industries such as education, culture and tourism, conventions and exhibitions, and modern finance.

- Hengqin Novotown Cross-border E-commerce Hub

Review of major investment properties (continued)

Chinese Mainland Properties (continued)

Hengqin Novotown (continued)

In line with efforts to boost the e-commerce ecosystem, Hengqin authorities have introduced measures providing financial support to businesses in the Cooperation Zone. Lai Fung Group's initiative in establishing an e-commerce hub in Novotown has gathered steady momentum. Lai Fung Group has positioned its Hengqin Novotown project for the development of a cross-border e-commerce and social media and related ecosystem. This encompasses e-commerce office headquarters, professional broadcasting and recording centre, live broadcast training facilities, e-commerce studios, X-Space entrepreneur exchange hub, roadshow centre, hotel and conference facilities, fitness centre, cultural workshops, commercial spaces, etc.

Novotown Phase I is operational with space accessible to e-commerce and social media and related ecosystem partners, attracting leading Chinese social media and e-commerce platform, technology and logistics corporations and their ecosystem partners. Lai Fung Group has leased six floors of our office spaces in Novotown Phase I to an anchor tenant as a global cross-border e-commerce headquarter and is actively exploring further expansion opportunities with it. Such anchor tenant has 1,200 staff currently and is expected to increase to more than 3,000 staff once the additional floors are occupied. As at the date of this Annual Report, approximately 76% of the office units have been leased. Lai Fung Group has also leased out the remaining unsold cultural workshop units in Novotown Phase I to the staff of these tenants. This is expected to enhance traffic in commercial area and improve the commercial area's tenant mix. Novotown Phase I has become the leading cross border e-commerce hub in terms of development pace and occupancy rate, as well as the heart of the cross border e-commerce in the Henqin-Macao region.

Novotown Phase II is making major progress particularly on rental accommodation towers. In addition to the three towers under construction, of which two are for accommodation purpose, Lai Fung Group received approval from the local government to develop the remaining eight towers of accommodation for rental purpose, becoming the first project certified as rental accommodation towers in Hengqin, so as to satisfy the growing rental accommodation need from the commercial ecosystem of Hengqin, and as supporting facilities for them.

Phase I

Novotown Phase I was opened in 2019 and comprises a 493-room Hyatt Regency Hengqin hotel, multi-function hall, wedding pavilion, offices, cultural workshops and studios, a central garden for hosting outdoor performances, shopping and leisure facilities with 1,844 car parking spaces and ancillary facilities.

As at the date of this Annual Report, leasing of the commercial area of Novotown Phase I is underway with approximately 82% being leased. Except for the two themed indoor experience centers, namely Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin, key tenants include Heytea, McDonald's, Pokiddo Trampoline Park, Kunpeng Go-Kart Sports Centre, Snow Alarm, Da Yin Restaurant, Oyster King, Zhen Qi Ji, Ai Shang Niu Ding Ji, Vanguard Life Superstore and ULSC Hengqin. Industrial and Commercial Bank of China Limited also demonstrated their confidence in the project through their purchase of two retail units in Novotown Phase I from Lai Fung Group, which was completed in August 2024.

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

Management Discussion and Analysis

PROPERTY DEVELOPMENT

Recognised Sales

For the year ended 31 July 2024, recognised turnover from sales of properties was HK$1,529.5 million (2023: HK$946.6 million). Breakdown of turnover for the year ended 31 July 2024 from sales of properties is as follows:

Hong Kong **Recognised basis**	**No. of Units**	**Approximate Saleable Area** (Square feet)	**Average Selling Price**[1] (HK$/square foot)	**Turnover** (HK$ million)
Bal Residence				
Residential Units	61	20,677	15,314	316.7
Ki Lung Street				
Retail Units	2	2,400	11,117	26.7
Monti				
Car Parking Spaces	4			3.8
Subtotal				**347.2**

Chinese Mainland **Recognised basis**	**No. of Units**	**Approximate GFA** (Square feet)	**Average Selling Price**[2] (HK$/square foot)	**Turnover**[3] (HK$ million)
Hengqin Novotown Phase I				
Cultural Studios	12	42,179	4,412	175.8
Cultural Workshop Units	98	69,488	2,218	141.4
Zhongshan Palm Spring				
Residential High-rise Units	460	558,615	1,644	842.4
Shanghai Regents Park				
Car Parking Spaces	13			8.0
Guangzhou West Point				
Car Parking Spaces	35			13.8
Zhongshan Palm Spring				
Car Parking Spaces	5			0.9
Subtotal				**1,182.3**
Total				**1,529.5**

Property Development (continued)

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

Notes:

1. *Excluding the financing component for sale of completed properties in accordance with Hong Kong Financial Reporting Standard 15 "Revenue from Contracts with Customers".*
2. *Value-added tax inclusive.*
3. *Value-added tax exclusive.*
4. *No. of houses and saleable area attributable to LSD Group. The total no. of houses recognised and total saleable area are 3 and 9,228 square feet, respectively.*
5. *Representing property sales proceeds of HK$198.8 million and rental proceeds of HK$14.9 million in relation to certain houses offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*
6. *No. of residential unit and saleable area attributable to LSD Group. The total no. of residential unit recognised and total saleable area are 1 and 1,178 square feet, respectively.*
7. *Representing property sales proceeds of HK$31.2 million and rental proceeds of HK$1.6 million in relation to certain residential unit offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*
8. *No. of car parking spaces attributable to LSD Group. The total no. of car parking spaces recognised are 4.*

Property Development (continued)

Contracted Sales

As at 31 July 2024, the Group's property development operation has contracted but not yet recognised sales of HK$284.5 million. Including the joint venture project of the Group, the total contracted but not yet recognised sales of the Group as at 31 July 2024 amounted to HK$451.7 million. Breakdown of contracted but not yet recognised sales as at 31 July 2024 is as follows:

Hong Kong **Contracted basis**	**No. of Units**	**Approximate Saleable Area** (Square feet)	**Average Selling Price** (HK$/square foot)	**Turnover** (HK$ million)
Bal Residence				
Residential Units	18	6,153	15,283	94.0
Monti				
Car Parking Spaces	2			1.9
Subtotal				**95.9**

Chinese Mainland **Contracted basis**	**No. of Units**	**Approximate GFA** (Square feet)	**Average Selling Price**[1] (HK$/square foot)	**Turnover**[1] (HK$ million)
Zhongshan Palm Spring				
Residential High-rise Units	11	10,277	1,421	14.6
Hengqin Novotown Phase I				
Cultural Studio	1	2,928	4,542	13.3
Hengqin Novotown Phase II				
Harrow LiDe School Hengqin Buildings[2]	N/A	149,078	1,074	160.1
Shanghai Regents Park				
Car Parking Space	1			0.6
Subtotal				**188.6**
Total				**284.5**

Contracted Sales (continued)

Contracted sales from joint venture project **Hong Kong** **Contracted basis**	**No. of Units**	**Approximate Saleable Area** (Square feet)	**Average Selling Price** (HK$/square foot)	**Turnover** (HK$ million)
Alto Residences (50% basis)				
Houses	2[3]	4,627[3]	22,945	106.2[4]
Residential Units	2[5]	2,343[5]	25,440	59.6[6]
Car Parking Spaces	1[7]			1.4
Total				**167.2**

Notes:

1. *Value-added tax inclusive.*
2. *Will be recognised as income from finance lease under turnover.*
3. *No. of houses and saleable area attributable to LSD Group. The total no. of houses contracted and total saleable area are 3 and 9,254 square feet, respectively.*
4. *Representing property sales proceeds of HK$196.6 million and rental proceeds of HK$15.7 million in relation to certain houses offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*
5. *No. of residential units and saleable area attributable to LSD Group. The total no. of residential units contracted and total saleable area are 4 and 4,686 square feet, respectively.*
6. *Representing property sales proceeds of HK$113.3 million and rental proceeds of HK$6.0 million in relation to certain residential units offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*
7. *No. of car parking space attributable to LSD Group. The total no. of car parking space contracted is 1.*

Property Development (continued)

Review of major projects for sale and under development

Hong Kong Properties

Alto Residences
In November 2012, LSD Group successfully tendered for and secured a site located at No. 29 Tong Yin Street, Tseung Kwan O, New Territories, through a 50:50 joint venture vehicle.

This project providing 605 flats, including 23 houses was named "Alto Residences" and the construction was completed in September 2018. Up to 15 October 2024, all 605 units, including 23 houses in Alto Residences have been sold, with saleable area of approximately 405,831 square feet at an average selling price of approximately HK$18,000 per square foot. Total 110 car parking spaces of Alto Residences have been released for sale. Up to 15 October 2024, 75 car parking spaces have been sold and the total sales proceeds amounted to approximately HK$204.1 million.

93 Pau Chung Street
In April 2014, LSD Group was successful in its bid for the development right to the San Shan Road/ Pau Chung Street project from the Urban Renewal Authority in Ma Tau Kok, Kowloon, Hong Kong. The site has an area of 12,599 square feet with a total GFA of 111,354 square feet split into 94,486 square feet for residential use and 16,868 square feet for commercial use.

This project was named "93 Pau Chung Street" and the construction was completed in November 2018. All 209 residential units and 7 commercial units have been sold, achieving an average selling price of approximately HK$16,400 per square foot and HK$23,500 per square foot, respectively. Up to 15 October 2024, 7 out of 20 car parking spaces and 4 out of 5 motor-parking spaces have been sold and the total sales proceeds amounted to approximately HK$10.2 million.

LSD Group owns 100% of this project.

Novi
The site comprises Nos. 48-56 on Ki Lung Street and has a combined site area of 5,054 square feet. The construction works of this commercial/residential development was completed in July 2019.

This project was named "Novi" and the sale of all 138 flats, including studios and one bedroom unit with total saleable area of approximately 28,800 square feet have been completed. Up to 15 October 2024, 4 commercial units of Novi are fully leased.

LSD Group owns 100% of this project.

Monti
In September 2015, LSD Group was successful in its bid for the development rights to the Sai Wan Ho Street project from the Urban Renewal Authority in Shau Kei Wan, Hong Kong. The project covers a site area of 7,642 square feet and provides 144 residential units with a total saleable area of approximately 45,822 square feet. Construction work was completed in March 2020.

This project was named "Monti" and launched for pre-sale in August 2018. LSD Group has sold all 144 residential units in Monti with saleable area of approximately 45,822 square feet at an average selling price of approximately HK$21,300 per square foot. Total 6 car parking spaces of Monti have been released for sale. Up to 15 October 2024, 6 car parking spaces have been sold and the total sales proceeds amounted to approximately HK$5.7 million.

LSD Group owns 100% of this project.

Property Development (continued)

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

Hong Kong Properties (continued)

Bal Residence
In April 2019, LSD Group successfully secured the Urban Renewal Authority project covering a site area of approximately 8,500 square feet at No. 18 Hang On Street, Kwun Tong, Hong Kong which developed into a total GFA of approximately 71,800 square feet, including 8,100 square feet of commercial facilities and 63,700 square feet of residential spaces, offering 156 residential units. Construction work was completed in October 2023, while fitting-out work was completed in late March 2024.

The project was named as "Bal Residence". Pre-sale of residential units was launched in February 2023, followed by the official sale launch in late November 2023. Bal Residence has a total saleable area of approximately 62,148 square feet, including 7,506 square feet of commercial facilities and 54,642 square feet of residential spaces, offering 156 residential units. Up to 15 October 2024, LSD Group has sold 84 residential units in Bal Residence with saleable area of approximately 28,501 square feet at an average selling price of approximately HK$15,303 per square foot.

LSD Group owns 100% of this project.

The Parkland (previously named as Tai Kei Leng project)
In March 2019, LSD Group successfully tendered for and secured a site located at No. 266 Tai Kei Leng, Lot No. 5382 in Demarcation District No. 116, Tai Kei Leng, Yuen Long, Hong Kong. This site is designated for private residential purposes adding a total GFA of approximately 42,200 square feet to the development portfolio of LSD Group, offering 112 residential units. Construction work was completed in late March 2024, while fitting-out work is expected to be completed in the end of 2024.

The project was named as "The Parkland". Pre-sale of residential units commenced in October 2024. The Parkland has a total saleable area of approximately 36,720 square feet, offering 112 residential units. Up to 15 October 2024, LSD Group has pre-sold 103 units in The Parkland with saleable area of approximately 32,623 square feet at an average selling price of approximately HK$9,368 per square foot.

LSD Group owns 100% of this project.

• Bal Residence

• The Parkland

Property Development (continued)

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

Hong Kong Properties (continued)

Wong Chuk Hang project
In January 2021, the consortium formed by LSD Group together with New World Development Company Limited, Empire Development Hong Kong (BVI) Limited and CSI Properties Limited successfully won the tender for the Wong Chuk Hang Station Package Five Property Development. This luxury residential development project sitting on top of the Wong Chuk Hang MTR station and "THE SOUTHSIDE", the largest shopping mall in the prominent Southern district of Hong Kong, covers a site area of approximately 95,600 square feet, with a total GFA of approximately 636,200 square feet and is expected to deliver two residential towers, offering around 825 residential units, with a total investment of approximately HK$18.0 billion. Construction work is in progress and is expected to be completed in the fourth quarter of 2025.

LSD Group owns 15% interest in this project.

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

LSD Group owns 100% of this project.

• Architect's impression of Wong Chuk Hang project

• Wong Chuk Hang project

Property Development (continued)

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

Hong Kong Properties (continued)

1&1A Kotewall Road project

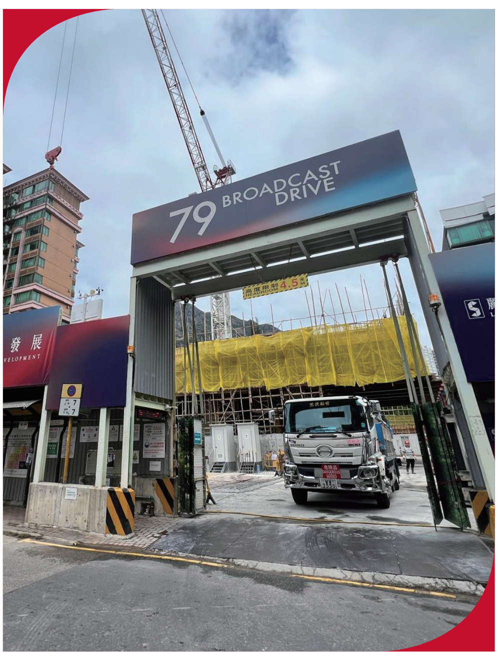
In January 2022, LSD Group acquired two adjacent buildings at Nos. 1&1A Kotewall Road in Mid-Levels, Hong Kong Island for redevelopment purpose and the transaction was completed with vacant possession in March 2022. LSD Group intends to redevelop the site into a luxury residential project with a total GFA of approximately 55,200 square feet, offering around 27 medium-large sized residential units upon completion. The total investment of the project will be approximately HK$1.9 billion. Excavation and lateral support and foundation works are in progress and the construction is expected to be completed in the fourth quarter of 2027.

LSD Group owns 100% of this project.

116 Waterloo Road project

In September 2021, LSD Group acquired the 3-storey building at No. 116 Waterloo Road in Ho Man Tin, Kowloon, Hong Kong for redevelopment purpose and the transaction was completed with vacant possession in March 2022. LSD Group intends to redevelop the site into residential units with a total GFA of approximately 46,600 square feet, offering around 85 residential units, with a total investment of approximately HK$1.1 billion. Project design work is in progress and the construction is expected to be completed in the third quarter of 2028.

LSD Group owns 100% of this project.



• 79 Broadcast Drive project

• 1&1A Kotewall Road project

Management Discussion and Analysis

Property Development (continued)

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

Chinese Mainland Properties

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

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 2024, all residential units and 30 car parking spaces have been sold. 13 car parking spaces of this development remained unsold.

Lai Fung Group owns 100% interest in the unsold car parking spaces of this project.

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 Su Jia Xiang in the Jing'an District in Shanghai and situated near the Zhongshan Road North Metro Station. As at 31 July 2024, 458 car parking spaces of this development remained unsold.

Lai Fung Group owns 100% interest in the unsold car parking spaces of this project.

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 13 car parking spaces contributed HK$8.0 million to the turnover. As at 31 July 2024, the contracted but not yet recognised sales of one car parking space amounted to approximately HK$0.6 million and a total of 187 car parking spaces of this development remained unsold.

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

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

Chinese Mainland Properties (continued)

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 2024, two car parking spaces remained unsold.

Lai Fung Group owns 100% interest in the unsold car parking spaces of this project.

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 35 car parking spaces contributed HK$13.8 million to the turnover. As at 31 July 2024, 80 car parking spaces remained unsold.

Lai Fung Group owns 100% interest in the unsold car parking spaces of this project.

Zhongshan Palm Spring
The project 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 totaling 4.5 million square feet. All construction of Zhongshan Palm Spring has been completed and the sale of remaining phases is in progress with satisfactory result.

During the year under review, 558,615 square feet of high-rise residential units were recognised at an average selling price of HK$1,644 per square foot, which contributed a total of approximately HK$842.4 million to the sales turnover. Also, the sales of five car parking spaces contributed approximately HK$0.9 million to the turnover. As at 31 July 2024, contracted but not yet recognised sales for high-rise residential units amounted to approximately HK$14.6 million, at an average selling price of HK$1,421 per square foot.

STARR Resort Residence Zhongshan comprising two 16-storey blocks in the Palm Lifestyle complex was closed in 2019. The serviced apartment units were launched for sale in May 2019 and have been re-classified from "Property, plant and equipment" to "Assets classified as held for sale" in the consolidated statement of financial position of Lai Fung Group. The sale of these serviced apartment units is recorded as disposal of assets classified as held for sale and the sales proceeds net of cost are included in "Other operating expenses, net" on the face of the consolidated income statement of Lai Fung Group. As at 31 July 2024, the remaining serviced apartment unit of 1,068 square feet was sold at an average selling price of HK$1,240 per square foot, contributing a total of approximately HK$1.3 million to "Other operating expenses, net".

As at 31 July 2024, completed units held for sale in this development, including residential units and commercial units, amounted to approximately 260,400 square feet and 2,672 car parking spaces remained unsold.

Lai Fung Group owns 100% interest in this project.

Property Development (continued)

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

Chinese Mainland Properties (continued)

Hengqin Novotown

Phase I
Sales of the cultural studios and cultural workshop units of Hengqin Novotown Phase I are in progress. During the year under review, sales of 42,179 square feet of cultural studios and 69,488 square feet of cultural workshop units were recognised at an average selling price of HK$4,412 per square foot and HK$2,218 per square foot, respectively, which contributed a total of HK$317.2 million to Lai Fung Group's turnover. As at 31 July 2024, contracted but not yet recognised sales for cultural studio unit amounted to HK$13.3 million, at an average selling price of HK$4,542 per square foot. As at 31 July 2024, completed properties held for sale in Novotown Phase I, including cultural studios, cultural workshop units and office units, amounted to approximately 793,900 square feet.

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

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

On 19 September 2024, the Urban Planning and Construction Bureau of Guangdong-Macao In-Depth Cooperation Zone in Hengqin issued a confirmation for the development of eight accommodation for rental purpose towers in Novotown Phase II. It stated that towers four to eleven can be developed into rental accommodation. Construction works for towers one and three have started. Construction works for towers four to eleven will begin as soon as relevant approvals have been obtained by the project team. Tower two is an office and is expected to accommodate more cross-border e-commerce tenants.

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 to 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.

Hotel and Serviced Apartment Operations

The hotel and serviced apartment operation segment of the Group includes LSD Group's operation of the Ocean Park Marriott Hotel in Hong Kong and the Caravelle Hotel in Ho Chi Minh City, Vietnam, as well as Lai Fung Group's hotel and serviced apartment operation in Shanghai and Hengqin, Chinese Mainland. Since December 2019, LSD Group further expanded its hotel portfolio with the acquisition of a 50% interest in Fairmont St. Andrews resort in Fife, Scotland, United Kingdom. Performance of the 50:50 joint venture of Fairmont St. Andrews resort is recognised as "Share of profits and losses of joint ventures" in the consolidated income statement of the Group. The hotel project in Phuket, Thailand that LSD Group invested in June 2017 is still at the planning stage. LSD Group is closely monitoring the tourism market in Thailand and will provide updates on this project as and when there is material progress.

For the year ended 31 July 2024, the hotel and serviced apartment operations contributed HK$1,191.4 million to the Group's turnover (2023: HK$977.7 million), representing a significant increase of approximately 21.9%. The noticeable recovery in LSD Group's hotel business was mainly driven by (i) the relaxation of COVID-19 restrictions in Hong Kong and Chinese Mainland; (ii) the reopening of the border with Chinese Mainland; and (iii) the upward trend of the tourism industry in Vietnam. As a result, a robust growth was recorded for LSD Group's hotels, particularly the Hong Kong Ocean Park Marriott Hotel, Hyatt Regency Hengqin and Caravelle Hotel in Ho Chi Minh City, during the year under review compared to last financial year.

• Ocean Park Marriott Hotel

• Ocean Park Marriott Hotel
Bao Bao Paradise Room

• Fairmont St. Andrews resort

Hotel and Serviced Apartment Operations (continued)

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

	Location	Attributable interest to LSD Group	No. of Rooms[1]	Total GFA (square feet)	Turnover (HK$ million)	Year end occupancy rate (%)
Hotel and serviced apartment						
Ocean Park Marriott Hotel	Hong Kong	100%	471	365,974	425.0	75.9
Ascott Huaihai Road Shanghai	Shanghai	55.08%	310	358,009	103.2	88.8
STARR Hotel Shanghai	Shanghai	55.08%	239	143,846	28.7	82.3
Hyatt Regency Hengqin	Hengqin	64.06%	493	610,540	147.8	75.4
Caravelle Hotel	Ho Chi Minh City	26.01%	335	378,225	484.1	63.3
Subtotal:			**1,848**	**1,856,594**	**1,188.8**	
Hotel management fee					2.6	
Total:					**1,191.4**	
Joint Venture Project						
Fairmont St. Andrews resort (50% basis)	Scotland	50%	106[2]	138,241[2]	101.0	76.8

Notes:

1. *On 100% basis.*
2. *No. of rooms and GFA attributable to LSD 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 LSD Group. Ocean Park Marriott Hotel has achieved "Gold" rating in BEAM Plus Final Assessment. LSD Group remains cautiously optimistic about the prospects of the Ocean Park Marriott Hotel given the popularity of Ocean Park, as well as Asia's first all-season water park, Water World, grand opened in September 2021. LSD Group owns 100% interest in Ocean Park Marriott Hotel.

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

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

Ascott Huaihai Road in Shanghai Hong Kong Plaza which 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 with a total GFA of approximately 359,700 square feet and approximately 358,000 square feet attributable to Lai Fung Group has 310 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 travelers from around the world and the total GFA is approximately 143,800 square feet attributable to Lai Fung Group.

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 total GFA of approximately 610,500 square feet and approximately 488,400 square feet attributable to Lai Fung Group has 493 guest rooms including 55 suites ranging in size from 430 square feet to 2,580 square feet, a wide range of dining options, as well as banqueting and conference facilities of over 40,000 square feet. Lai Fung Group owns 80% interest in Hyatt Regency Hengqin and the remaining 20% is owned by LSD Group.

Restaurant and F&B Product Sales Operations

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

Up to the date of this Annual Report, restaurant operations include LSD Group's interests in 23 restaurants in Hong Kong and Chinese Mainland and 1 restaurant in Macau under management. Details of each existing restaurant of LSD Group are as follows:

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

Notes:

1. *Performance of these two restaurants in Ocean Park Marriott Hotel has been included in the hotel operation segment for segment reporting purposes.*
2. *Commenced operation in October 2024.*

Restaurant and F&B Product Sales Operations (continued)

• Prohibition

• Plaisance by Mauro Colagreco

• China Tang Landmark

• MOSU Hong Kong

• Academia

• Kanesaka Hong Kong

Cinema Operation

The cinema operation is managed by eSun Group. For the year ended 31 July 2024, this segment recorded a turnover of HK$439.5 million (2023: HK$525.1 million) and segment results of a loss of HK$356.1 million (2023: a loss of HK$55.5 million). As at the date of this Annual Report, eSun Group operates sixteen cinemas in Hong Kong (including one joint venture project) and one cinema in Chinese Mainland. Details on the number of screens and seats of each existing cinema are disclosed in below table. Besides, eSun Group has extended its cinema network through two 50% joint ventures with Emperor Cinemas Group, namely Emperor Cinemas Plus+ (The Wai) (opened in July 2023) and Emperor Cinemas Plus+ (The Southside) (opened in June 2024), which are managed by Emperor Cinemas Group.

Cinema (managed by eSun Group)		Attributable interest to eSun Group (%)	No. of screens *(Note)*	No. of Seats *(Note)*
Chinese Mainland				
Suzhou Grand Cinema City		100	10	1,440
	Subtotal		**10**	**1,440**
Hong Kong				
K11 Art House		100	12	1,708
Movie Town (including MX4D theatre)		100	7	1,702
MCL AIRSIDE Cinema		100	7	944
MCL The ONE Cinema		100	6	831
MCL Cyberport Cinema		100	4	818
MCL Citygate Cinema		100	4	673
MCL Amoy Cinema		100	3	603
Festival Grand Cinema		95	8	1,196
MCL Telford Cinema (including MX4D theatre)		95	6	789
MCL Metro City Cinema		95	6	690
STAR Cinema		95	6	622
Grand Kornhill Cinema (including MX4D theatre)		95	5	706
MCL Cheung Sha Wan Cinema		95	4	418
MCL Green Code Cinema		95	3	285
Grand Windsor Cinema		95	3	246
MCL Cinemas Plus+ Plaza Hollywood		50	6	1,595
	Subtotal		**90**	**13,826**
	Total		**100**	**15,266**

Note: On 100% basis.

Media and Entertainment

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

Events Management

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

Music Production, Distribution and Publishing

During the year under review, eSun Group released 14 (2023: 7) albums, including titles by Sammi Cheng, Jay Fung, Richie Jen, On Chan, Cloud Wan, ILUB, Feanna Wong, Andy Leung and various artistes. eSun Group expects to continue to increase its music licensing revenue from the exploitation of the music library through new media distribution.

Artiste Management

eSun Group has a strong artiste management team and a sizeable number of talents and will continue to expand its profile and in tandem with our growing TV drama production and film production businesses. eSun Group currently has 20 artistes under its management.

Film And TV Program Production And Distribution

The film and TV program production and distribution businesses are operated by eSun Group. For the year ended 31 July 2024, this segment recorded a turnover of HK341.0 million (2023: HK$113.1 million) and segment results of a decreased loss to HK$21.9 million (2023: loss of HK$48.6 million).

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

Interests in Joint Ventures

For the year ended 31 July 2024, share of losses from joint ventures of the Group amounted to HK$796.3 million, as compared to HK$10.3 million for last year. The increased loss was primarily due to decrease in fair values of the properties during the year under review.

	Year ended 31 July	
	2024	2023
	(HK$ million)	(HK$ million)
Revaluation losses	**(598.2)**	(77.7)
Operating (losses)/profits	**(198.1)**	67.4
Losses from joint ventures	**(796.3)**	(10.3)

Liquidity and Financial Resources

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

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

The Group issued guaranteed notes in an aggregate principal amount of US$493 million and HK$385 million. The guaranteed notes have terms ranging from five years to seven years and three months, and bear fixed interest rates ranging from 4.9% to 5.25% per annum. Certain guaranteed notes are listed on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") and were issued for refinancing the previous notes and for general corporate purposes. The Group entered into cross currency swap agreements with financial institutions for the purpose of hedging the foreign currency risk of certain guaranteed notes.

Approximately 82% and 16% of the Group's total borrowings carried interest on a floating rate basis and fixed rate basis, respectively, and the remaining 2% of the Group's borrowings were interest-free.

Liquidity and Financial Resources (continued)

The gearing ratio, expressed as a percentage of the total outstanding net debt (being the total borrowings less cash and bank balances) to consolidated net assets attributable to owners of the Company, was approximately 138%. Excluding the net debt of LSD Group, the Group's gearing ratio was approximately 6%.

As at 31 July 2024, certain investment properties with carrying amounts of approximately HK$35,260.4 million, certain property, plant and equipment and the related right-of-use assets with carrying amounts of approximately HK$8,052.5 million, certain completed properties for sale with carrying amounts of approximately HK$1,237.9 million, certain properties under development with carrying amounts of approximately HK$4,088.5 million, and certain bank balances and time deposits with banks of approximately HK$935.7 million were pledged to banks to secure banking facilities granted to the 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.

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 United Kingdom with the assets and liabilities denominated in Pound Sterling. These investments were primarily financed by bank borrowings denominated in Pound Sterling in order to minimise the net foreign exchange exposure. Lai Fung Group has a net exchange exposure to Renminbi as their assets are principally located in Chinese Mainland and the revenues are predominantly in Renminbi. Other than the abovementioned, the remaining monetary assets and liabilities of the Group were denominated in Euro, Malaysian Ringgit and Vietnamese Dong which were insignificant as compared with the Group's total assets and liabilities. The Group manages its foreign currency risk by closely reviewing the movement of the foreign currency rate and considers hedging significant foreign currency exposure should the additional need arise.

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 2024, the Group employed a total of approximately 3,800 employees. The Group recognises the importance of maintaining a stable staff force in its continued success. Under the Group's existing policies, employee pay rates are maintained at competitive levels whilst promotion and salary increments are assessed on a performance-related basis. Discretionary bonuses are granted to employees based on their merit and in accordance with industry practice. Other benefits including share option scheme, mandatory provident fund scheme, free hospitalisation insurance plan, subsidised medical care and sponsorship for external education and training programmes are offered to eligible employees.

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				
	2024	2023	2022	2021	2020
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Turnover	**6,096,141**	4,994,591	5,191,815	6,089,785	5,324,153
Loss before tax	**(3,856,264)**	(3,585,424)	(2,212,522)	(2,497,263)	(4,445,634)
Tax	**(399,715)**	56,378	(267,473)	(261,986)	82,874
Loss for the year	**(4,255,979)**	(3,529,046)	(2,479,995)	(2,759,249)	(4,362,760)
Attributable to:					
Owners of the Company	**(2,167,836)**	(1,665,400)	(1,196,301)	(1,267,964)	(1,965,907)
Non-controlling interests	**(2,088,143)**	(1,863,646)	(1,283,694)	(1,491,285)	(2,396,853)
	(4,255,979)	(3,529,046)	(2,479,995)	(2,759,249)	(4,362,760)

Assets, Liabilities and Non-Controlling Interests

	As at 31 July				
	2024	2023	2022	2021	2020
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Property, plant and equipment	**5,636,816**	6,212,812	6,881,760	7,710,358	7,922,772
Right-of-use assets	**3,804,930**	4,500,380	4,921,424	5,304,503	5,281,458
Investment properties	**37,095,818**	38,281,121	39,773,022	39,788,552	38,699,089
Film rights	**22,092**	24,366	19,162	15,109	7,055
Film and TV program products	**61,431**	61,059	61,174	54,838	65,121
Music catalogs	**—**	—	663	3,124	25,047
Goodwill	**219,792**	221,977	207,792	274,423	271,958
Other intangible assets	**108,146**	109,630	132,883	150,853	151,228
Investments in associates	**438,865**	397,806	312,172	290,278	402,972
Investments in joint ventures	**6,131,952**	6,807,047	6,826,143	7,124,459	6,763,682
Financial assets at fair value through other comprehensive income	**119,364**	1,700,052	1,719,499	1,817,403	1,840,594
Financial assets at fair value through profit or loss (classified as non-current assets)	**941,274**	977,114	982,368	1,111,482	989,193
Derivative financial instruments (classified as non-current assets)	**6,537**	—	—	191	20,231
Debtors (classified as non-current assets)	**489,237**	477,974	493,643	526,687	—
Deposits, prepayments, other receivables and other assets (classified as non-current assets)	**217,399**	597,159	723,789	277,784	336,968
Deferred tax assets	**1,945**	1,858	2,118	2,147	4,259
Pledged bank balances and time deposits (classified as non-current assets)	**104,468**	126,472	96,010	71,483	88,393
Current assets	**14,941,501**	16,525,194	21,351,302	24,985,737	17,737,473
TOTAL ASSETS	**70,341,567**	77,022,021	84,504,924	89,509,411	80,607,493
Current liabilities	**(6,588,781)**	(11,162,495)	(13,007,448)	(11,664,934)	(13,783,111)
Lease liabilities (classified as non-current liabilities)	**(642,414)**	(838,125)	(974,357)	(1,103,276)	(1,093,350)
Bank borrowings (classified as non-current liabilities)	**(18,730,871)**	(15,859,828)	(16,326,911)	(15,980,762)	(8,101,635)
Other borrowings (classified as non-current liabilities)	**(757,105)**	(737,720)	(722,441)	(707,350)	(685,943)
Guaranteed notes (classified as non-current liabilities)	**(4,232,145)**	(4,263,654)	(4,281,877)	(7,692,495)	(5,717,879)
Derivative financial instruments (classified as non-current liabilities)	**—**	—	—	(8,965)	—
Deferred tax liabilities	**(4,112,822)**	(4,218,012)	(4,931,241)	(5,322,668)	(5,078,720)
Other payables and accruals (classified as non-current liabilities)	**(899,114)**	(909,044)	(967,835)	(1,001,169)	—
Long term deposits received	**(239,534)**	(213,361)	(219,127)	(216,253)	(206,328)
TOTAL LIABILITIES	**(36,202,786)**	(38,202,239)	(41,431,237)	(43,697,872)	(34,666,966)
NON-CONTROLLING INTERESTS	**(18,177,234)**	(20,529,064)	(23,799,104)	(24,084,654)	(24,068,927)
NET ASSETS ATTRIBUTABLE TO OWNERS OF THE COMPANY	**15,961,547**	18,290,718	19,274,583	21,726,885	21,871,600

Particulars of Major Properties

Completed Properties Held for Rental

As at 31 July 2024

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 properties								
Por Yen Building	478 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong (New Kowloon Inland Lot No. 2081)	100%	The property is held for a term which expired on 27 June 1997 and had been extended upon expiry until 30 June 2047	–	–	109,010	109,010	7
Crocodile Center (commercial podium)	79 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong (Kwun Tong Inland Lot No. 692)	100%	The property is held for a term which expired on 27 June 1997 and had been extended upon expiry until 30 June 2047	91,201	–	–	91,201	–
Crocodile Center (car parking spaces)	79 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong (Kwun Tong Inland Lot No. 692)	50%	The property is held for a term which expired on 27 June 1997 and had been extended upon expiry until 30 June 2047	–	–	–	–	27
Por Mee Factory Building (Units A, B, C and D on 3/F)	500 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong	100%	The property is held for a term which expired on 27 June 1997 and had been extended upon expiry until 30 June 2047	–	–	20,089	20,089	–
Forda Industrial Building (6/F and car parking spaces nos. 10, 22 and 27 on G/F)	16 Wan Chau Road, Yuen Long, New Territories, Hong Kong	100%	The property is held for a term which expired on 27 June 1997 and had been extended upon expiry until 30 June 2047	–	–	19,301	19,301	3
Victorious Factory Building (Unit B on 5/F)	33A-37A Tseuk Luk Street and 16-20 Sam Chuk Street, San Po Kong, Kowloon, Hong Kong	100%	The property is held for a term which expired on 27 June 1997 and had been extended upon expiry until 30 June 2047	–	–	5,828	5,828	–
Metropolitan Factory and Warehouse Building (Units A and B on 7/F and car parking spaces nos. 11 and 12 on G/F)	30-32 Chai Wan Kok Street, Tsuen Wan, New Territories, Hong Kong	44.65%	The property is held for a term which expired on 27 June 1997 and had been extended upon expiry until 30 June 2047	–	–	5,077	5,077	1
Cheung Sha Wan Plaza	833 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong (New Kowloon Inland Lot No. 5955)	55.60%	The property is held for a term expiring on 30 June 2047	129,997	227,902	–	357,899	197
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)	55.60%	The property is held for a term of 99 years commencing on 15 April 1929 and renewable for a further term of 99 years	61,032	53,525	–	114,557	32

Completed Properties Held for Rental (continued)

As at 31 July 2024

Property Name	Location	Attributable Interest to the Group	Tenure	Approximate Attributable GFA (square feet) Commercial/ Retail	Office	Industrial	Total (excluding car parking spaces & ancillary facilities)	No. of car parking spaces attributable to the Group
Lai Sun Commercial Centre	680 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong (New Kowloon Inland Lot No. 5984)	55.60%	The property is held for a term of which expired on 27 June 1997 and has been extended upon expiry until 30 June 2047	52,855	41,245	–	94,100	299
CCB Tower	3 Connaught Road Central, Hong Kong (Inland Lot No. 8736)	27.80%	The property is held for a term commencing from 28 June 1989 and expiring on 30 June 2047	–	63,719	–	63,719	10
Alto Residences[1]	29 Tong Yin Street, Tseung Kwan O, New Territories, Hong Kong	27.80%	The property is held for a term of 50 years commencing from 17 December 2012	26,169	–	–	26,169	38
Metropolitan Factory and Warehouse Building (Units A and B on 10/F and car parking spaces nos. 1, 2, 13 and 14 on G/F)	30-32 Chai Wan Kok Street, Tsuen Wan, New Territories, Hong Kong	55.60%	The property is held for a term which expired on 27 June 1997 and had been extended upon expiry until 30 June 2047	–	–	6,322	6,322	2
Luen Fat Loong Factory Building (4/F)	19 Cheung Lee Street, Chai Wan, Hong Kong	55.60%	The property is held for a term of 75 years commencing on 4 November 1963 renewable for a further term of 75 years	–	–	2,385	2,385	–
Subtotal of major completed properties held for rental in Hong Kong:				**361,254**	**386,391**	**168,012**	**915,657**	**616**
United Kingdom								
107 Leadenhall Street London[2]	107 Leadenhall Street, London EC3, United Kingdom	55.60%	The property is held freehold	26,789	54,724	–	81,513	–
100 Leadenhall Street London[2]	100 Leadenhall Street, London EC3, United Kingdom	55.60%	The property is held freehold	–	98,801	–	98,801	8
106 Leadenhall Street London[2]	106 Leadenhall Street, London EC3, United Kingdom	55.60%	The property is held freehold	1,968	9,110	–	11,078	–
Subtotal of major completed properties held for rental in United Kingdom:				**28,757**	**162,635**	**–**	**191,392**	**8**

Particulars of Major Properties

Completed Properties Held for Rental (continued)

As at 31 July 2024

Property Name	Location	Attributable Interest to the Group	Tenure	Approximate Attributable GFA (square feet) Commercial/ Retail	Office	Industrial	Total (excluding car parking spaces & ancillary facilities)	No. of car parking spaces attributable to the Group
Chinese Mainland								
Shanghai								
Hong Kong Plaza	282 & 283 Huaihaizhong Road, Huangpu District	30.62%	The property is held for a term of 50 years commencing on 16 September 1992	143,455	110,890	–	254,345	107
May Flower Plaza	The junction of Da Tong Road and Zhi Jiang Xi Road, Sujiaxiang, Jing'an District	30.62%	The property is held for a term of 40 years for commercial use commencing on 5 February 2007	98,095	–	–	98,095	–
Skyline Tower	Tian Mu Road West, and Da Tong Road, Jing'an District	30.62%	The property is held for a term of 40 years for commercial use and 50 years for office use commencing on 30 September 2016	28,244	194,416	–	222,660	136
Regents Park	88 Huichuan Road, Changning District	29.10%	The property is held for a term of 70 years commencing on 4 May 1996	23,875	–	–	23,875	–
			Subtotal of major completed properties held for rental in Shanghai:	**293,669**	**305,306**	**–**	**598,975**	**243**
Guangzhou								
May Flower Plaza	68 Zhongshanwu Road, Yuexiu District	30.62%	The property is held for a term of 40 years for commercial use and 50 years for other uses commencing on 14 October 1997	109,459	24,326	–	133,785	42
West Point	The junction of Zhongshan Qi Road and Guangfu Road, Liwan District	30.62%	The property is held for a term of 40 years for commercial use and 50 years for other uses commencing on 11 January 2006	55,842	–	–	55,842	–
Lai Fung Tower	761 Dongfeng East Road, Yuexiu District	30.62%	The property is held for a term of 40 years for commercial use and 50 years for other uses commencing on 21 October 1997	34,389	191,654	–	226,043	96
Lai Fung International Center	Chang Di Main Road, Yuexiu District	30.62%	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	33,478	154,746	–	188,224	82
			Subtotal of major completed properties held for rental in Guangzhou:	**233,168**	**370,726**	**–**	**603,894**	**220**

Completed Properties Held for Rental (continued)

As at 31 July 2024

Property Name	Location	Attributable Interest to the Group	Tenure	Approximate Attributable GFA (square feet) Commercial/ Retail	Office	Industrial	Total (excluding car parking spaces & ancillary facilities)	No. of car parking spaces attributable to the Group
Zhongshan								
Palm Spring Rainbow Mall	Caihong Planning Area, Western District	30.62%	The property is held for a term expiring on 30 March 2075 for commercial/residential uses	45,357	–	–	45,357	–
Subtotal of major completed properties held for rental in Zhongshan:				**45,357**	**–**	**–**	**45,357**	**–**
Hengqin								
Novotown Phase I[3]	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	35.62%	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	358,365[4]	–	–	358,365[4]	657
Subtotal of major completed properties held for rental in Hengqin:				**358,365**	**–**	**–**	**358,365**	**657**
Subtotal of major completed properties held for rental in Chinese Mainland:				**930,559**	**676,032**	**–**	**1,606,591**	**1,120**
Total of major completed properties held for rental:				**1,320,570**	**1,225,058**	**168,012**	**2,713,640**	**1,744**

Notes:

1. *Completion of the Alto Disposal took place on 5 August 2024. For details, please refer to "Other Business Updates" under the section headed "Chairman's Statement" of this Annual Report.*
2. *Gross internal area.*
3. *As at 31 July 2024, Novotown Phase I was 80% owned by Lai Fung Group and 20% owned by LSD Group.*
4. *Including cultural attraction spaces occupied by Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin.*

Particulars of Major Properties

Completed Hotel Properties And Serviced Apartments

As at 31 July 2024

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	55.60%	The property is held for a term of 75 years commencing from 22 December 1972	471	203,482	9
Vietnam						
Caravelle Hotel	19 Lam Son Square, District 1, Ho Chi Minh City, Vietnam	14.46%	The property is held under a land use right due to expire on 8 October 2040	335	54,697	–
United Kingdom						
Fairmont St. Andrews resort	St Andrews KY16 8PN, United Kingdom	27.80%	The property is held freehold	211	76,862	42
Chinese Mainland						
Shanghai						
Ascott Huaihai Road Shanghai	282 Huaihaizhong Road, Huangpu District	30.62%	The property is held for a term of 50 years commencing on 16 September 1992	302	109,638	–
STARR Hotel Shanghai	The junction of Da Tong Road and Zhi Jiang Xi Road, Sujiaxiang, Jing'an District	30.62%	The property is held for a term of 50 years for commercial use commencing on 5 February 2007	239	44,052	–
Hengqin						
Hyatt Regency Hengqin	1295 Qisecaihong Road, Hengqin New Area, Zhuhai City	35.62%	The property is held for a term of 40 years commencing on 31 December 2013	493	217,472	–
			Subtotal of major completed hotel properties and serviced apartments in Chinese Mainland:	**1,034**	**371,162**	**–**
			Total of major completed hotel properties and serviced apartments:	**2,051**	**706,203**	**51**

Properties Under Development

As at 31 July 2024

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											
The Parkland (previously named as Tai Kei Leng Project)	No. 266 Tai Kei Leng, Lot No. 5382 in Demarcation District No. 116, Tai Kei Leng, Yuen Long, Hong Kong	55.60%	Fitting-out works in progress	Q1 2024	12,045	–	–	–	23,439	23,439	–
Wong Chuk Hang Project	Site E of Aberdeen Inland Lot No. 467	8.34%	Construction works in progress	Q4 2025	95,560	–	–	–	53,055	53,055	14
79 Broadcast Drive Project	No. 79 Broadcast Drive, Kowloon Tong, Hong Kong	55.60%	Superstructure works in progress	H1 2026	23,864	–	–	–	39,805	39,805	33
1&1A Kotewall Road Project	Nos. 1&1A Kotewall Road, Mid-Levels, Hong Kong	55.60%	Excavation and lateral support and foundation works in progress	Q4 2027	11,490	–	–	–	30,667	30,667	17
116 Waterloo Road Project	No. 116 Waterloo Road, Ho Man Tin, Hong Kong	55.60%	Project design in progress	Q3 2028	9,322[7]	–	–	–	25,914[7]	25,914[7]	12[7]
Subtotal of major properties under development in Hong Kong:						**–**	**–**	**–**	**172,880**	**172,880**	**76**

Particulars of Major Properties

Properties Under Development (continued)

As at 31 July 2024

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	30.62%	Construction works in progress	1,547,523	166,649[2]	485,411	177,216	–	829,276	414
Subtotal of major properties under development in Chinese Mainland:					**166,649**	**485,411**	**177,216**	**–**	**829,276**	**414**
Total of major properties under development:					**166,649**	**485,411**	**177,216**	**172,880**	**1,002,156**	**490**

Notes:

1. *Subject to negotiation with Lands Department.*
2. *Including 166,988 square feet spaces to be occupied by Harrow LiDe School Hengqin upon completion.*

Completed Properties Held for Sale

As at 31 July 2024

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	55.60%	15,182	–	–	–	15,182	4
339 Tai Hang Road	339 Tai Hang Road, Hong Kong	55.60%	–	–	–	3,591	3,591	2
Alto Residences	29 Tong Yin Street, Tseung Kwan O, New Territories, Hong Kong	27.80%	–	–	–	4,102	4,102	9
93 Pau Chung Street	20-32 San Shan Road and 93 Pau Chung Street, Ma Tau Kok, Kowloon, Hong Kong	55.60%	–	–	–	–	–	7
Novi	50 Ki Lung Street, Kowloon, Hong Kong	55.60%	3,334	–	–	–	3,334	–
Monti	9 Sai Wan Ho Street, Shau Kei Wan, Hong Kong	55.60%	–	–	–	–	–	1
Bal Residence	No. 18 Hang On Street, Kwun Tong, Hong Kong	55.60%	4,173	–	–	19,488	23,661	4
Subtotal of major completed properties held for sale in Hong Kong:			**22,689**	**–**	**–**	**27,181**	**49,870**	**27**

Particulars of Major Properties

Completed Properties Held for Sale (continued)

As at 31 July 2024

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	30.62%	–	–	–	–	–	4
May Flower Plaza	Sujiaxiang, Jing'an District	30.62%	–	–	–	–	–	140
Regents Park	88 Huichuan Road, Changning District	29.09%	–	–	–	–	–	54
Subtotal of major completed properties held for sale in Shanghai:			**–**	**–**	**–**	**–**	**–**	**198**
Guangzhou								
Eastern Place Phase V	787 Dongfeng East Road, Yuexiu District	30.62%	–	–	–	–	–	2
King's Park	Donghua Dong Road, Yuexiu District	30.62%	–	–	–	–	–	1
West Point	The junction of Zhongshan Qi Road and Guangfu Road, Liwan District	30.62%	–	–	–	–	–	24
Subtotal of major completed properties held for sale in Guangzhou:			**–**	**–**	**–**	**–**	**–**	**27**
Zhongshan								
Palm Spring	Caihong Planning Area, Western District	30.62%	50,334	–	–	39,507	89,841	818
Subtotal of major completed properties held for sale in Zhongshan:			**50,334**	**–**	**–**	**39,507**	**89,841**	**818**
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	35.62%	–	187,316	85,182	10,301	282,799	–
Subtotal of major completed properties held for sale in Hengqin:			**–**	**187,316**	**85,182**	**10,301**	**282,799**	**–**
Subtotal of major completed properties held for sale in Chinese Mainland:			**50,334**	**187,316**	**85,182**	**49,808**	**372,640**	**1,043**
Total of major completed properties held for sale:			**73,023**	**187,316**	**85,182**	**76,989**	**422,510**	**1,070**

Environmental, Social and Governance Report

About This Report

The Company is delighted to publish its annual Environmental, Social and Governance ("**ESG**") report, summarising the ESG management approach, strategies and performance of the Company and its subsidiaries (together, the "**Group**") in accordance with the ESG Reporting Guide contained in Appendix C2 of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**"). This report complies with the four reporting principles listed in the Stock Exchange ESG Reporting Guide, including materiality, quantitative, balance and consistency for report disclosure and historical data comparison. Our report discloses the climate actions with reference to the Task Force on Climate-related Financial Disclosures ("**TCFD**") to build a climate resilience strategy. We also mapped our strategies and initiatives with the United Nations' Sustainable Development Goals ("**SDGs**"). 9 of the 17 SDGs, which are most relevant to our business profile, were mapped into our contribution in respective chapters of this ESG report.

Unless otherwise specified, this report covers the ESG management and performance of the Group from 1 August 2023 to 31 July 2024. The reporting boundary of this ESG report comprises properties under the Group's property investment, property development, and operation of hotel, restaurant, cinema, media and entertainment businesses in Hong Kong, Chinese Mainland and the United Kingdom. For further details on the specific properties covered in the reporting scope, please refer to the section on Summary of Environmental Performance. This ESG report has been approved by the management team and the board of directors of the Company (the "**Board**").

ESG Governance

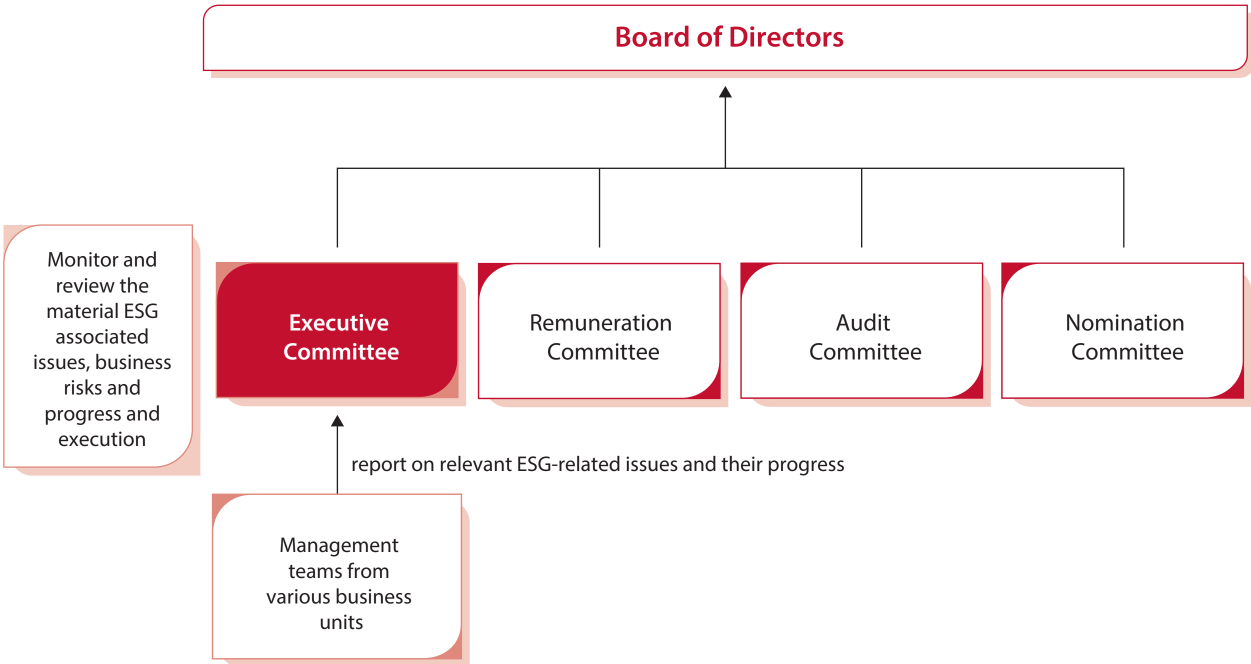
Board Statement

The Group recognises the importance of tackling ESG issues to pave the way for long-lasting business success. The Board holds the responsibility for endorsing the ESG report, prioritising and overseeing the key ESG issues including material ESG risks related to the business operations and their alignment with the Group's ESG strategies, policies, procedures and initiatives.

The Executive Committee of the Company (the "**Committee**") is appointed by the Board to assess the management and implementation efficacy of relevant ESG issues encompassing the achievement of goals and targets. The Committee also arranges regular briefing sessions for the Board to support their monitoring and evaluation of the ESG material issues, associated business risks and the progress and implementation of ESG policies, procedures, and initiatives. The Group's environmental targets that have been assented by the Board will be reviewed by the Committee annually. Given the Group's diversified business portfolios, each business unit is responsible for reporting its performance and ESG issues to the Committee on a regular basis. ESG issues have been incorporated to the Group's enterprise risk management ("**ERM**") framework. The Group systematically assesses ESG-related risks, formulates risk mitigation plans, and provides regular updates to the Board and the Audit Committee as part of the broader ERM process to build resilience in ESG management. For more details on the risk management, please refer to the Risk Management and Internal Control section in Corporate Governance Report of this Annual Report.

ESG Governance (continued)

Board Statement (continued)



Following the stakeholder engagement exercises conducted in the financial year 2020/2021, the material ESG issues identified are reviewed annually and authenticated by the Board before being incorporated into the Group's ESG management approaches to underpin the strategy. For more details on the materiality analysis of ESG issues, please refer to the Materiality Analysis section.

Stakeholder Engagement

The Group strives to uphold a deep-rooted relationship with stakeholders and maximises value creation by refining our sustainability programmes based on stakeholders' views gained through different engagement channels. Stakeholders were engaged in identifying the potentially material ESG issues and risks to the Group by providing feedback via online surveys, which was conducted by an independent consultant. The gathered input from stakeholders allow the Group to meet stakeholders' needs and expectations in a continuous sense.

ESG Governance (continued)

Materiality Analysis

The Group undertakes the constant review on the pertinence of the ESG issues to our business and stakeholders to formulate well-defined ESG management and strategies for informed decisions. A four-step materiality assessment approach is implemented to identify and evaluate the material ESG issues in our business operations.

1. Identification

Identify ESG issues that are considered as material to the Group in reference to peer benchmarking results.

2. Prioritisation

Conduct regular stakeholder online surveys to gather feedback. The results of peer benchmarking and stakeholder engagement exercise are examined and consolidated based on their significance to stakeholders and to the Group's business advancement to determine the overall materiality level of each ESG issue.

3. Validation

The results of previous steps are further reviewed and validated by the Board.

4. Review

Conduct yearly review on the ESG issues to affirm their relevance and materiality to the Group's strategic business development.

ESG GOVERNANCE (CONTINUED)

Materiality Analysis (continued)

During the reporting year, the Group conducted peer benchmarking and reviewed its material issues. This ongoing process ensures that the Group's sustainability focus remains aligned with evolving market trends, stakeholder expectations, and industry best practices, thereby allowing the Group to strengthen and further develop its ESG management practices. A range of ESG issues that are regarded material to our stakeholders and the Group are listed as follows:

Aspects		ESG Issues	Property	Hotel	Restaurant	Cinema	Entertainment
Environment		Energy	✔	✔	✔	✔	✔
		Climate resilience and greenhouse gas ("**GHG**") emission	✔	✔			
		Waste management	✔	✔	✔	✔	✔
		Green building	✔				
		Water resources	✔		✔		
		Packaging materials			✔		
Social	People	Employee engagement	✔	✔	✔	✔	✔
		Wellbeing, occupational health and safety	✔	✔	✔	✔	✔
		Training and development	✔	✔	✔	✔	✔
		Equal opportunities	✔	✔	✔	✔	✔
		Forced and child labour	✔		✔		
	Operating practices	Supply chain management	✔	✔	✔	✔	✔
		Customer satisfaction	✔	✔	✔	✔	✔
		Product/service quality and safety	✔	✔	✔	✔	✔
		Customer/tenant privacy	✔	✔	✔	✔	✔
		Anti-corruption	✔	✔	✔	✔	✔
	Community	Community investment	✔	✔		✔	✔

The list of material ESG issues has remained unchanged from the previous year given the stability of the Group's business operations where the Group's business operations have not undergone any substantial shifts.

Environment

Integrating Environmental Sustainability into Our Operations

The Group aims to conduct our businesses in an environmentally sustainable manner while reducing our environmental impacts. Aside from adopting effective management of the Group's carbon emissions, waste generation, consumption of water and energy, we have also committed to integrating environmental considerations into our business planning and decision-making procedures. To demonstrate the Group's commitment to environmental protection, we have set several qualitative environmental targets for the property investment businesses in financial year 2020/2021, including reduction targets on energy consumption, GHG emissions and waste generation.

The Group regularly assesses the effectiveness of our environmental initiatives and monitors our environmental performance to ensure full compliance with all relevant laws and regulations. During the reporting year, there was no case of non-compliance with environmental legislation as stated in the List of Significant Laws and Regulations section.

Green Building Development and Operations

The Group has always placed importance on exploring the possibilities for incorporating sustainability into our development projects. Our adherence to all applicable standards, rules, and regulations regarding air, noise, and wastewater pollution, as well as waste disposal are closely monitored, and we strive to incorporate sustainable features into the construction and design of our buildings. Where necessary, the Group works with green building specialists and consultants to provide technical support on environmentally sustainable building designs and emissions controls, such as adherence to standards set in required emissions permits for sewage discharge and waste.

For instance, in Shanghai Hong Kong Plaza, we have completed the upgrade of the cooling towers. Also, an energy audit was commenced this year, and we anticipate the result will serve as a blueprint for future energy renovations within the building. Furthermore, the Group uses environmentally friendly materials with low volatile organic compound levels in managed properties' maintenance and refurbishment projects whenever possible.

Environment (continued)

Green Building Development and Operations (continued)

The Group has covered broader aspects of environmental protection and management on construction sites through increased efforts. For example, contractors are required to submit an Environmental Management Plan that identifies and evaluates the environmental risks and proposes efficient mitigation actions to reduce the environmental impacts during construction. To ensure the implementation of all planned control measures to address the potential environmental risks, we conduct regular reviews of the on-site performance against the plan. Furthermore, we have requested our tenants to use environmentally friendly construction materials in their renovation projects to further protect our environment and enhance our sustainability endeavours.

In our hotel operations, we are committed to advancing environmental actions by aligning with ambitious environmental targets. For example, The Hyatt Group has developed environmental goals and a science-based target to be achieved by 2030. To this end, Hyatt Regency Hengqin has implemented the following action plan covering energy, water and waste initiatives to align with the goals.

Hyatt Regency Hengqin's environmental plan to align with the Hyatt Group's 2030 goal

- Established a Green Committee in the hotel;
- Conduct monthly reporting of energy consumption;
- Participate in Earth Hour and the World Earth Day on an annual basis to raise employees' awareness on environmental protection;
- Encourage guests to use eco-friendly packaging; and
- Engage a third-party auditing firm to conduct an audit every two years on our water saving initiatives.

Moreover, the Group leverages green financing to support our sustainability goals in creating long-term value for stakeholders. In September 2023, the Hong Kong Ocean Park Marriott Hotel issued a 4-year green loan. This financing underpins the implementation of various green design features such as green rooftop, the incorporation of sustainable materials, and a rainwater collection system.

While green finance provides the financial resources to support green building development, the Group strives to attain internationally recognised green building certifications in our properties. For instance, Shanghai Hong Kong Plaza is in the progress of preparing for LEED application submission.

Green Building Development and Operations (continued)

By applying internationally established environmental management system standards across our portfolio, the Group is steadfast in enhancing the environmental performance of our managed properties. Several properties in our portfolio have obtained International Organisation for Standardisation ("**ISO**") and green building certifications regarding their sustainability efforts:

Green Building Certification and ISO Certification	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 Crocodile Center 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	Guangzhou Lai Fung International Center Shanghai Skyline Tower
Two-Star "Certificate of Green Building Design Label"	Hengqin Novotown Phase I Hyatt Regency Hengqin

In addition, CCB Tower has received various awards in appreciation of its environmental efforts, including the Excellent Level of 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 (Good Class) from the Environmental Protection Department ("**EPD**").

For more details on energy, water and waste management initiatives, please refer to Waste and Air Emissions to the Environment, Greenhouse Gas Emission and Energy, and Water sections, respectively.

Environment (continued)

Responding to Climate Change

In 2024, HKEX published the new climate-related disclosure requirements. The updated requirements closely mirror the IFRS S2 standard and the four core pillars of the TCFD recommendations, namely Governance, Strategy, Risk Management and Metrics and Targets. To enhance our response to climate change and better align with the forthcoming regulatory changes, the Report has been prepared with reference to TCFD recommendations and we are in preparation to comply with the new requirements.

Governance

The Group recognises the significance of addressing ESG challenges to ensure long-term corporate success. The Board oversees the management of significant ESG concerns such as material ESG risks, and any climate-related risks and opportunities relevant to company operations and their integration with the Group's ESG plans, policies, processes, and activities. The Committee reviews and monitors the effectiveness of managing relevant ESG-related issues, including climate change, relevant business risks, progress and execution of ESG policies, processes and initiatives. For more details, please refer to the Board Statement.

Strategy

In light of the considerable risks posed by climate change on a worldwide scale, the Group has improved our management practices to strengthen our climate resilience and adaptation capability. To assist in establishing climate risk mitigation plans, a third-party consultant was appointed to conduct a climate risk assessment in the fiscal year 2020/2021 to identify and analyse potential hazards in our operations.

Physical Risk

Tropical cyclones represent the most significant climate-related risk to our activities in terms of physical risk exposure, with the potential for catastrophic property destruction and economic loss. Our climate risk assessment results also showed that our operations in Hong Kong and Southern China could be considerably impacted by floods due to their proximity to coastal areas. However, the flood risk for our operations in Eastern China is limited.

Transition Risk

Policy and legal risks are considered as material transition risks to the Hong Kong and Chinese Mainland operations. It is expected that more stringent policies and initiatives are likely to be implemented by the government to meet carbon emission reduction targets and net zero commitments, resulting in higher operating costs. Replacement of equipment with higher efficiency models is also expected down the line to ensure future compliance with the regulations.

Responding to Climate Change (continued)

Risk Management
We strive to prevent and mitigate the effects of climate change in our business activities.

The Group has established typhoon and extreme weather condition work arrangement standards to standardise operating procedures during tropical cyclone alerts and adverse weather conditions. Emergency plans are also in place in the event of natural disasters, and inspections conducted regularly on critical machinery and equipment to ensure proper working conditions in the event of an emergency. Prior to typhoon events, property management teams conduct checks and take suitable procedures, such as securing gondolas, inspecting the roof rainfall outlet and other surface channels for proper drainage, and determining the proper fixation of external bamboo scaffolding.

Metrics and Targets
Since the financial year 2020/2021, the Group has set environmental targets on reducing GHG emissions and energy consumption at our investment properties in Chinese Mainland and Hong Kong. The Board has approved the targets, and the Committee reviews them on an annual basis.

- Upgrade lighting and HVAC systems and appliances of all operating sites to energy-saving models by phases
- Increase the number of properties with certified environmental management systems and green building certificates in our portfolio

For our progress, please refer to Greenhouse Gas Emission and Energy section.

ENVIRONMENT (CONTINUED)

Waste and Air Emissions to the Environment

The Group is also conscious of the effects our operations have on the environment and makes every effort to reduce our air emissions, wastewater discharges and waste generation. Considering this, we have established waste targets to demonstrate our commitment.

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

We have already implemented a variety of group-wide and business unit-specific abatement procedures and control mechanisms. We have also implemented handling procedures for non-hazardous waste in the Group to ensure proper disposal of any waste produced. Furthermore, the Group has proactively responded to changes in operations in compliance with local legislation on single-use plastic products, and relevant waste policies.

Managing Waste from Property Development and Investment

To strengthen our waste reduction efforts at the construction sites, it is mandatory for all contractors from the Group's property development business to submit a Waste Disposal Plan with thorough waste management procedures. The plan should include the implementation of the 3R principles (reduce, reuse and recycle), as well as specific examples of their waste management initiatives. In terms of construction waste management, we prioritise the reuse of construction materials whenever possible, sorting inert debris materials for use as road sub-base and backfill. The Group has placed numerous recycling containers at construction sites to encourage employees and contractors to take part in our recycling initiatives. The remaining non-recyclable construction waste would be disposed in landfills operated by the EPD with a registered billing account or with the necessary waste disposal license. The Group has also employed licensed contractors to be responsible for handling the construction waste disposal in Hong Kong.

The Group is aware of the significance of safe handling and final disposal of chemical waste, and we are in strict compliance with the Waste Disposal (Chemical Waste) (General) Regulation and have implemented rigorous management strategies. All construction projects of the Group are registered with EPD as a chemical waste producer. As it is inevitable for some chemical waste to be generated during the construction work, we strive to minimise our waste production by packaging, labelling and storing waste such as empty chemical cans, contaminated soil and liquid chemical waste in a proper way in accordance with the "Code of Practice on the Packaging, Labelling and Storage of Chemical Wastes". For example, Crocodile Center joined "The Rechargeable Battery Recycling Program". In Chinese Mainland, we have collaborated with local governments and transporting contractors to handle and transport separated chemical waste and other hazardous waste as identified in the "Directory of National Hazardous Wastes". We have increased participation on waste reduction in Zhongshan by involving property proprietors in hazardous waste disposal at designated recycling booths.

Environment (continued)

Waste and Air Emissions to the Environment (continued)

Managing Waste from Property Development and Investment (continued)

Regarding our non-hazardous waste management at property investment, apart from placing recycle bins in various locations within the properties, we joined external parties to facilitate recycling and released an internal memo to increase recycling awareness among employees. For example, Crocodile Center joined the "Green Collect" and "Source Separation of Waste Program" from EPD and has participated in recycling of Lai See packets, candy, biscuits boxes and peach blossom to recycle the waste into useful material. Additionally, we have recorded the daily use of rubbish bags in CCB Tower as our preparation for the upcoming Municipal Waste Charging scheme.

For the Group's properties in Chinese Mainland, we reduce tenants' waste through providing specific locations for waste disposal and sorting. Our consistent efforts conducted in waste minimisation and management, that have resulted in our Guangzhou May Flower Plaza receiving the "Zero Waste Shopping Mall" award. To further strengthen our waste reduction efforts, we have intensified advertising and information provision on waste disposal for our other Guangzhou properties, to increase recycling awareness among tenants and employees. Grease oil is handled by a certified environmental contractor, ensuring any non-hazardous waste is properly sorted for disposal and recycling. As a group-wide approach, we have enhanced collection and disclosure of recycling data of hazardous and non-hazardous waste in all operations in Chinese Mainland. Please refer to the section of Summary of Environmental Performance in this report for further details.

Reducing Waste in Food and Beverages Services

Our food and beverages operations mainly focus on food and kitchen waste reduction at source. In order to minimise waste during the food manufacturing process, perishable food is stocked properly to reduce wastage during the food production process. The Group also aims to further minimise waste through maximising usage of raw material in food processing. Whenever possible, non-perishable foods under good condition will be donated to charitable organisations to reduce food waste. For example, Hong Kong Ocean Park Marriott Hotel collaborated with local non-governmental organisations such as Foodlink and Food Angel to donate food like excess bread, pastries, and desserts from our buffets and cafeteria to people in need. Additionally, our restaurant outlets have stopped the provision of plastic utensils for all takeout orders and switched to recyclable materials for our packaging.

ENVIRONMENT (CONTINUED)

Waste and Air Emissions to the Environment (continued)

Minimising Waste in Hotel Operations

To promote environmentally responsible behaviour, it is imperative to foster a culture of environmental awareness among employees and customers, while also guide them on a range of eco-friendly practices. For instance, our Hong Kong Ocean Park Marriott Hotel and STARR Hotel Shanghai have ceased the provision of single-use plastic products, which include plastic toothbrushes, plastic toothpaste and shower caps in accordance with legislation. Our Hong Kong Ocean Park Marriott Hotel has also provided drinking water machines in rooms to avoid the usage of bottled water. We have also increased our waste minimisation operations in Hengqin through the implementation of HYATT's 2030 carbon footprint reduction plan, aiming to advocate for a more environmentally friendly packaging for our customers. As part of our commitment to waste reduction initiatives, our Group attaches great importance to raising environmental awareness among stakeholders.

Minimising Waste in Media and Entertainment Business

Our media and entertainment operations have implemented several employee-centric initiatives to curtail waste. We promote eco-friendly practices such as cloud-sharing of work documents, employment of environmentally friendly paper, and adoption of double-sided printing to minimise paper usage in our offices. Furthermore, we encourage our staff to minimise the use of plastic disposable items whenever feasible.

Minimising Air Emission from Property Development

The Group has implemented various measures to control the amount of air pollutants released during its construction projects. To reduce dust emissions, the Group requires its contractors to adopt dust abatement procedures when undertaking activities such as vehicle movement and material handling on construction sites. The Group has also widely adopted the use of ultra-low sulphur diesel at its development sites to minimise airborne emissions. Furthermore, during its material procurement process, the Group gives priority to building materials with lower volatile organic compounds and those that strictly adhere to the Air Pollution Control (Volatile Organic Compounds) Regulation, thus helping to control air pollution.

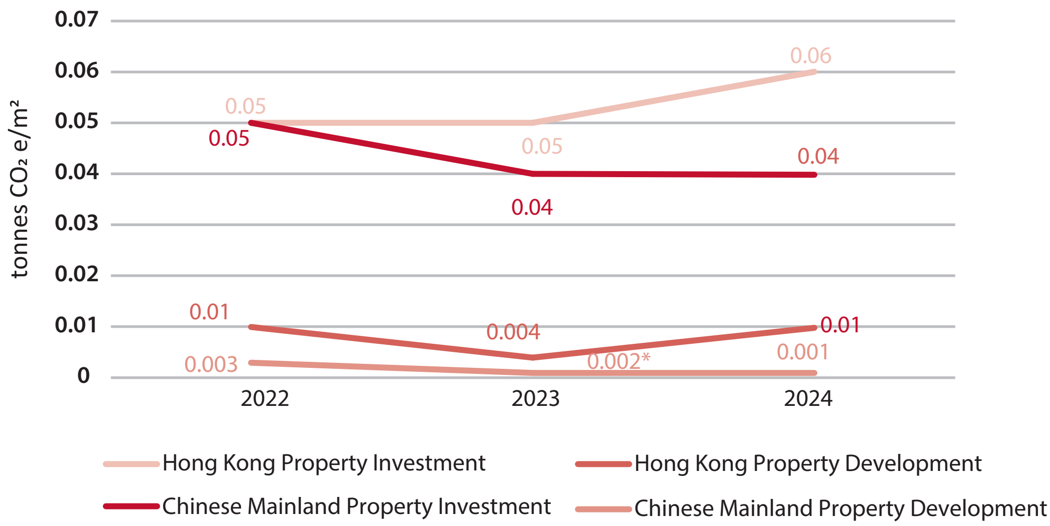
Environment (continued)

Greenhouse Gas Emission and Energy

The Group strongly advocates for active energy management through the implementation of green policies and environmental initiatives aimed at reducing energy consumption, as well as GHG emissions. To achieve these goals, we have invested in energy-saving technologies, and adopted locally and internationally recognised standards for building design and construction, to minimise our energy consumption and GHG emissions.

The GHG emission intensities of the Group's property operations are as follows:

GHG Emission Intensity of Property Businesses



Note: GHG emission intensity = The total (scope 1 & 2) GHG emission of the year/gross floor area (tonnes CO_2 e/m²)

* *Figure is restated to reflect actual situation.*

Environment (continued)

Greenhouse Gas Emission and Energy (continued)

Reducing Energy Consumption in Property Business

The Group's property management team conducts monthly reviews of energy consumption to prevent excessive energy usage. We are committed to continuously improving the energy efficiency of our operations and actively exploring opportunities to reduce our environmental impact.

To achieve our energy targets, various initiatives were successfully implemented to improve energy consumption. For instance, various replacements and retrofitting of lighting appliances in most of our buildings in Hong Kong were completed in 2023, which are expected to contribute to a reduction in our energy consumption. For instance, we have fitted motion sensors in Cheung Sha Wan Plaza in our stairways and replaced previous lighting in CCB Tower with LED tubes. Our LED tubes have contributed to an estimated 2,300 kWh of annual energy savings in CCB Tower. Crocodile Center lighting upgrades is planned to be completed by 2026.

Supplementing our efforts in improving our lighting system, we have also made changes regarding the chillers used in our properties. Our CCB Tower continues to collaborate with "CLP eSolution" to implement a Chiller Plant Optimisation through installing "PlantPro". This project is expected to be completed by the end of 2024, which enables more energy-efficient control of HVAC systems within the property, resulting in a significant estimated savings of 100,000 kWh and HKD 178,000 per year. Lai Sun Commercial Centre has upgraded two chillers with a highly efficient model, which will contribute to a decrease in energy consumption. Additionally, Crocodile Center and Causeway Bay Plaza 2 optimised their Chiller Plant systems and building management systems to increase operating efficiency of air conditioning systems and reduce overall electricity consumption. The Group has also planned further overhauls for Chillers in Crocodile Center, in between the years 2024-2026.

To reduce energy consumption in elevators, Alto Residences locked their passenger lift situated in the main lobby for energy saving purpose every day during non-business hours. Similarly, CCB Tower has adjusted their operation hours regarding their lifts during Sundays and Public Holidays. Additionally, Cheung Sha Wan Plaza is undertaking a continuous lift modernisation project that can lead to substantial energy savings and reduced electricity consumption.

Moreover, CCB Tower has signed up for the Energy Saving Charter issued by Environment Bureau and Electrical and Mechanical Services Department to demonstrate its commitment to energy conservation. In recognition of the Group's energy reduction efforts, CCB Tower and Crocodile Center have been awarded with the Platinum Award of Charter on External Lighting from the Environment Bureau.

Greenhouse Gas Emission and Energy (continued)

Reducing Energy Consumption in Property Business (continued)

Regarding our Chinese Mainland property operations, the Group has a Resource and Energy Management Plan in place to direct our resource conservation work. For example, Palm Spring in Zhongshan utilises a centralised air conditioning system with a more energy efficient model, contributing to around 60,000 kWh reduction in electricity consumption each year. Besides, in Hengqin, we have implemented several initiatives to reduce electricity consumption. We replaced the lighting with energy-saving light tubes in car park, resulting in an anticipated annual savings of 91,000 kWh in electricity consumption. Additionally, we are working with a third party to assess the feasibility of installing a photovoltaic solution on the rooftop of the shopping mall. Meanwhile, Guangzhou May Flower Plaza has made significant progress in replacing energy-saving LED light tubes in public areas, with approximately 80% of the replacement project have already been completed.

Integration of Renewable Energy and EV Charging Infrastructure in Hong Kong Properties	
Renewable Energy Generation: • Lai Sun Commercial Centre installed solar panels and started contributing clean energy to the feed-in tariff scheme. • Cheung Sha Wan Plaza's Tower 1 and Tower 2 implemented solar panels in May 2023.	EV Charging Infrastructure: • Lai Sun Commercial Centre and Cheung Sha Wan Plaza have taken a proactive approach to facilitate EV adoption by installing EV charging stations on its premises.
Results: • Lai Sun Commercial Centre generates approximately 170,000 kWh of renewable energy annually while Cheung Sha Wan Plaza generated approximately 300,000 kWh of renewable energy annually.	Results: • Around 30 chargers have been installed.

Reducing Energy Use in Food and Beverage Services

To maintain efficiency, all air-conditioners are regularly cleaned and required to be turned off when not in use. Furthermore, LED lighting fixtures are being continually retrofitted into most of the Group's restaurants to further reduce energy consumption.

Environment (continued)

Greenhouse Gas Emission and Energy (continued)

Minimising Energy Consumption in Hotel Operations

The Group actively engages in resource conservation in our hotels in Hong Kong and Chinese Mainland. For instance, Hong Kong Ocean Park Marriott Hotel is part of the government's Charter on External Lighting and Energy Saving Charter to demonstrate its commitment to energy conservation. Aluminium alloy coating is also applied on the hotel exterior for solar shading for better indoor temperature regulation. Moreover, the installation of LED lights in the hotel are estimated to save around 43,200 kWh of electricity annually.

In Chinese Mainland, Ascott Huaihai Road Shanghai has established an Energy Conservation Committee to monitor energy performance and ensure that air-conditioning, lighting, and computers are turned off in unoccupied areas. To encourage guests to reduce electricity usage, energy price cap terms are included in long-term accommodation agreements, which is expected to lead to a 5% annual decrease in overall electricity usage. Additionally, LED lighting has been adopted and electronically controlled lighting fixtures have been installed in public areas to reduce unnecessary lighting.

Furthermore, Hyatt Regency Hengqin's hotel rooms are equipped with an intelligent management system that utilises infrared sensors to detect human activity. The system automatically turns off all the lights in the guest room 45 minutes after the guest leaves the room. It is estimated that this system saves approximately 200,000 kWh of electricity per year.

Managing Energy Use in Cinema Operation

We have implemented various management measures to control electrical consumption effectively. To maintain our high standards, the electricity consumption of cinemas is closely monitored on a regular basis. Furthermore, some of the Group's cinemas have taken a step further by adopting additional energy-saving measures, such as installing energy-efficient lighting and automated induction systems.

Environment (continued)

Water

Reducing Water Consumption in Property Business

Several Hong Kong properties under our management, including Crocodile Center, Causeway Bay Plaza 2, Cheung Sha Wan Plaza and Alto Residences, feature automatic sensors for urinals and water taps to conserve water. These water-saving measures have resulted in water consumption reduction. To reduce our water consumption in our properties in Chinese Mainland, we have upgraded cooling towers for our air-conditioning systems for our Shanghai property, with the expectation that this enhancement will lead to a reduction in water consumption by 3800m^3 this year. The Group has reduced water consumption in Hengqin by conducting regular inspections and repairs of our water distribution network used for domestic and firefighting use, saving an estimated 200 tonnes of water annually. Additionally, we have contributed to the decrease in our overall water usage by implementing timed water provision and regular weekend water stoppages at our water fountain in Guangzhou Lai Fung Tower.

Minimising Water Consumption in Hotel Operations

Our hotel operations have implemented multiple initiatives to ensure minimising of water consumption within our business. For Hong Kong Ocean Park Marriott Hotel, we have installed a rainwater collection system for irrigation purposes, estimated to save around 4,450m^3 of water annually. Our hotel operations in Chinese Mainland have also made efforts to reduce water consumption. For Ascott Huaihai Road Shanghai and Hyatt Regency Hengqin, both hotels have retrofitted the water closets with higher efficiency models. To minimise our water consumption, our Hyatt Regency Hengqin has limited the rate of water dispensing of showerheads at 6 litres/minute. The recent developments in both hotels have saved an estimated 700 tonnes of water in Ascott Huaihai Road Shanghai, and an estimated 800 tonnes of water in Hyatt Regency Hengqin.

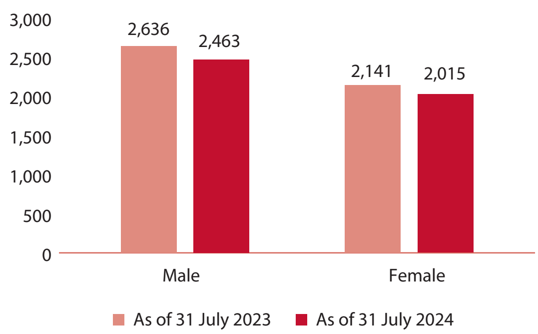
Minimising Water Consumption in Food and Beverage Operations

To minimise water consumption and promote sustainable practices, we have implemented measures, such as avoiding to defrost food items under running water. Additionally, we have upgraded the dishwashers in our restaurants to water-saving models.

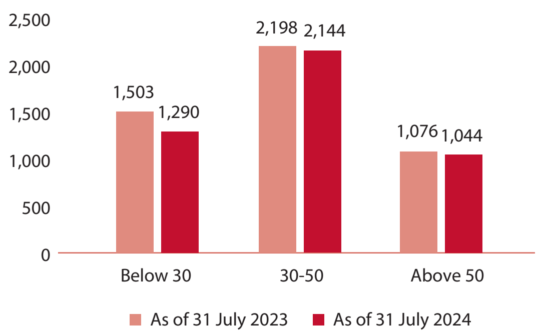
PEOPLE

Employment Practices

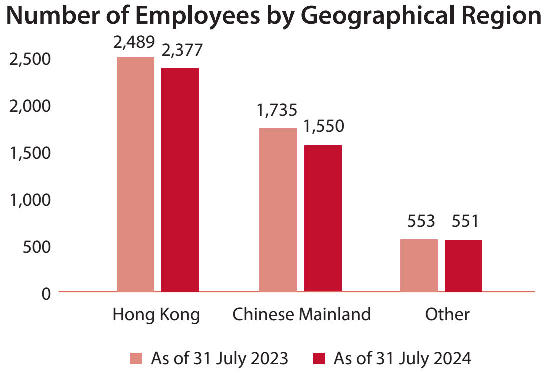
Number of Employees by Gender



Number of Employees by Age Group



Number of Employees by Geographical Region



Gender ratio
Male: Female = 1:0.8

Turnover rate
48%

The Group is committed to attracting, developing, and retaining talent as we acknowledge the importance of employees to a sustainable and successful business. We provide a supportive environment where employees can excel freely. We adhere to comprehensive policies regarding employment practices to ensure compliance with all applicable laws and regulations in Hong Kong and Chinese Mainland. Our staff 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 employees' work behaviour and conduct.

People (continued)

Employment Practices (continued)

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 staff handbook, with the assurance that their personal information will be kept 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 for a better workplace.

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

Employee Welfare

By signing the Good Employer Charter of the Labour Department and complying with all relevant laws and regulations, the Group has further affirmed our commitment to building an all-around workplace that provides everything employees need to grow professionally and personally. We aim to create a workplace that offers care, benefits, and work-life balance. In addition to standardised welfare packages, we provide medical or commercial insurance, social security, and housing benefits to employees in each region.

We also offer well-being programmes and value-added benefits to the employees. These include a variety of non-wage compensations, such as additional holidays, annual health check-ups and free entry to clubhouse facilities for employees who work in the properties in Chinese Mainland. To foster balanced lifestyles, our full-time cinema staff is offered work flexibility and mobility, including overtime allowance, travel allowance, typhoon/rainstorm allowance, and attendance bonus. In Hong Kong, we arrange monthly "Lunch Talk" sessions on work ethics, DIY workshops, outings, and departmental annual gatherings to engage employees. We prepare festive gifts for all employees such as mooncakes for traditional celebrations and enhance their sense of belonging through birthday celebrations, staff-appreciation meetings, and Global Health Week that promotes physical and mental health. We also strengthen team bonding across our operations through activities such as movie screening, fitness programmes and BBQ parties.

PEOPLE (CONTINUED)

Health and Safety

Committed to safeguarding the health and safety of our employees, the Group strives to minimise any potential occupational safety risks. We achieve this by strictly adhering to guidelines and information stipulated by the Labour Department regarding occupational safety and health. The management teams of different business units are responsible for implementing health and safety measures and providing regular safety training to all staff. For example, we have appointed fire safety ambassadors to promote fire awareness, and report or abate fire hazards. Additionally, protective equipment is also provided for our employees at all premises to prevent any health and safety hazards.

The Group highly values its employees and views them as crucial assets for long-term business development. Various specialised workshops and events focused on employee health and safety are regularly conducted. Obtaining certification is a mandatory requirement for specific positions to ensure that individuals are equipped with necessary knowledge and skills for their work. During the reporting year, there were no non-compliance cases with health and safety laws and regulations as listed in the List of Significant Laws and Regulations section.

At Construction Sites and in Building Operations

The Group aims to be meticulous when addressing potential occupational health and safety risks at construction sites. In addition to complying with Chapter 509 Occupational Safety and Health Ordinance and ensuring the compliance of our contractors with Chapter 59 Factories and Industrial Undertaking Ordinance in Hong Kong, we actively devise and implement measures to foster a safe working environment. There is at least one safety officer in every project who oversees any health and safety issues and prepare the on-site management plan. Meetings with these officers are arranged bi-weekly to identify safety hazards and discuss the appropriate measures. We arrange regular safety training sessions to ensure employees acquire the necessary knowledge to effectively respond to work-related emergencies and proactively prevent incidents from occurring. In Chinese Mainland, we have adopted several construction safety measures, including using sockets with leakage protection switches, safety ropes and safety belts during the use of cantilevered scaffolding, and ensuring operators for crane tower operations are certified.

People (continued)

Health and Safety (continued)

At Construction Sites and in Building Operations (continued)

We enforce rigorous safety protocols at all residential and commercial properties we oversee. Our property management teams have access to a safety handbook that they can refer to. The table below summarises the health and safety-related certifications our properties hold.

ISO and Other Certifications	Properties
ISO 45001:2018 Occupational health and safety management systems	CCB Tower Crocodile Center Hengqin Novotown Phase 1
Guideline of China occupational safety and health management system (GB/T 33000-2016) Level 3 Certification	Shanghai Hong Kong Plaza Shanghai May Flower Plaza

We also provide training and workshops on safety-related risks for all employees, covering all critical aspects of safety management, including fire hazards, safe production practices, and proper equipment usage. We have also organised coaching sessions with qualified trainers providing advice on working at height and health, safety and environmental management practices.

At Hotels

In our hospitality operations, the Safety Committee at Hong Kong Ocean Park Marriott Hotel and Ascott Huaihai Road Shanghai manage health and safety issues by implementing measures to improve the wellness of the employees. Training on how to respond to emergency events, fire hazards, and first-aid performing are provided to employees at the hotels we manage. Clear guidelines on emergency medical response are also implemented by the Safety Committee to ensure employee injuries are properly managed and documented.

PEOPLE (CONTINUED)

Development and Training

In an ever-evolving business environment, the Group recognises the importance of cultivating a lifelong learning culture to maximise employees' potential and align their skills with the latest market standards. Our staff handbook outlines the Group's progressive approaches towards employee development and training programmes. A wide spectrum of on-the-job learning programmes are made available for office and frontline employees to upskill their hands-on experience. To assist our officers and supervisory grade staff in improving their communication and other business abilities, staff members at officer grade and above can access the e-learning platform to learn about problem-solving skills and analyse on personality profile, which aid in enhancing of teamwork and communication.

Total Training Hours
>106,000 hours

Beyond internal programmes, we also provide financial support if our employees wish to obtain professional qualifications or attend programmes that are held externally, as pursuing career interests is vital to one's professional development.

The Group acknowledges a strong linkage between performance appraisals and employee motivation. Key Performance Indicators ("**KPIs**") have been established by most of the business units. To recognise valued performers, the annual performance assessments are conducted every year at year-end in Hong Kong, while two evaluations are held for Chinese Mainland employees every July and December. Employees with outstanding performance are offered job promotions and salary adjustments.

Capacity Building for the Property Business

We place great emphasis on enhancing the performance of our property management teams through all stages of the business cycle. New hires are welcomed with structured onboarding sessions to ensure they are familiar with organisation policies, people, and the culture. Diverse modules are also made available to improve employees' operational productivity and efficiency, ranging from fundamental occupational skills such as property safety management and sales knowledge to personal development including English communication and etiquette.

The Group also invites high calibre graduates to our Management Trainee Program to leverage the power of talented young people into the Group's strategy. During the reporting year, the Graduate Trainee Program was shortened to 12 months to focus on targeted skill acquisition within a specific functional section. Trainees engage in tailor-made programmes such as on-the-job training, professional training workshops, and visit the properties in Hong Kong. Upon the completion of the programmes, they will be assigned a position at officer grade in the property department of the Group.

People (continued)

Development and Training (continued)

Training Opportunities for Hotel Operations

The Group makes unwavering commitments to employee development and nurturing growth within its hotel operations. During the reporting year, Hong Kong Ocean Park Marriott Hotel continued their sustainable commitments by providing awareness training on Greenkey certificate implementation and running the Foundation of Leadership training for all employees to enhance their social responsibilities.

In Chinese Mainland, Ascott Huaihai Road Shanghai delivered various programmes such as first aid training, handling explosive and combustible objects, handling criminal offense, and customer service training to maintain high customer satisfaction levels. Hyatt Regency Hengqin implemented a range of training initiatives, such as skills development and leadership programmes to foster a well-rounded workforce. They also continued its Management Trainee program to onboard and coach talented fresh graduates to become a valuable part of the team.

Regardless of the locations where the Group operates, general training such as first aid programmes, fire safety and emergency management and etiquette training are delivered. These programmes ensure our workplace security.

Labour Standards

Creating an equitable, supportive, and motivating workplace is fundamental to our business. On top of the policies stipulated in the staff handbook, the Group upholds international labour standards to respect and protect the proclaimed human rights and dignity of our employees. Our Human Resources Departments are entrusted with the overall responsibility in overseeing employment-related issues and monitoring compliance with applicable laws. All potential candidates undergo a thorough screening process to ensure their background and relevant information meet the legal standards. The Group provides clear and well-defined employment and labour terms in the employment contract and does not hire employees aged under 15 to prevent forced or child labour within our operations.

Our Chinese Mainland operations also adhere strictly to laws and regulations related to forced and child labour and overtime work. In case of overtime, employees are compensated according to relevant legal policies. We also mandate that the Group's contractors comply with these stipulations. Emerging laws and regulations are closely monitored to ensure we are braced for any changes.

There were no non-compliance cases with relevant laws and regulations as listed in the List of Significant Laws and Regulations section during the reporting year.

Operating Practices

Responsible and Ethical Practices

Responsible Marketing Practices for Property Sales

The Group implements necessary measures to avoid providing any inaccurate information to our customers. We make sure all sales brochures, price lists, show flats, advertisements and sales arrangements are in strict compliance with Chapter 621 Residential Properties (First-Hand Sales) Ordinance in Hong Kong. In a bid to prevent any potential misrepresentation in our marketing materials, the contents are reviewed by external and internal solicitors as well as professional checkers. Sales Management will conduct regular meetings and reviews to all the advertisements to make sure they are in strict compliance with the Ordinances before granting consent for publication.

All Hong Kong property sales staff must acquire a salesperson's or estate agent's license and comply with the rules and regulations of the Estate Agents Ordinance, including its subsidiary legislations, the Code of Ethics, and any other guidelines issued by the Estate Agents Authority during their practices. The Sales Team is required to adhere to the best practices guidelines outlined in the Practice Notes recommended by the Sales of First-hand Residential Properties Authority periodically. The Group obtains official sales consent from the Legal Advisory and Conveyancing Office ("**LACO**") of Lands Department before publicly selling first-hand residential properties, relying on strict adherence to local government laws and regulations. In Chinese Mainland, the Group also adheres to the relevant real estate market laws and regulations to protect consumer rights under the "Urban Real Estate Administration Law of the People's Republic of China".

When compiling marketing materials, various departments including finance, project management, sales and marketing collaborate to ensure an accurate and fair representation of the project planning and surrounding facilities. As a monitoring strategy, the Group also consults our legal and management teams on marketing materials, ensuring our external promotions are free from exaggeration, false claims, and misleading information.

During the reporting year, the Group had no recordable non-compliance cases with relevant laws and regulations in Hong Kong and Chinese Mainland regarding the sales process of the properties and the marketing materials.

Responsible and Ethical Practices (continued)

Responsible Marketing Practices for Food and Beverage Services

By upholding responsible and ethical principles in our businesses, the Group takes specific measures to cater to different needs of our customers. To accommodate customers with food allergies, we include a reminder on our menus to encourage them to inform servers of their food allergy. The restaurant in charge will discuss with chefs to meet customers' specific dietary needs. During the reporting year, there were no non-compliance cases related to our marketing practices in food and beverage operations.

Service Excellence

Delivering Excellent Property Management Services

The Group aspires to offer customers with high-quality services in the property management operations. The Group periodically sends questionnaires to customers for allocating their opinions and understand their satisfaction level on the Group's services, including customer service, security service, environmental greening and construction management. Various properties have obtained certificates related to quality management and service excellence, ensuring their standards are in alignment with the industry best 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 Crocodile Center Cheung Sha Wan Plaza CCB Tower
2023 Zhuhai Property Management Demonstration Project and Safety Excellent Management Unit	Hengqin Novotown
Advanced Property Management Community and Excellent Unit	Zhongshan Palm Spring
HKQAA "Silver Seal" for Business Resilience & Community Contribution	CCB Tower

We maintained a high customer satisfaction rate across our properties during the reporting year. Notably, the nine surveyed properties in Shanghai, Guangzhou, Hengqin and Zhongshan received a customer satisfaction score that exceeded 94%.

OPERATING PRACTICES (CONTINUED)

Service Excellence (continued)

Delivering Excellent Property Management Services (continued)

In the long run, the Group understands that all feedback received is essential to improving the quality of property management services. To further enhance employee performance, Guangzhou, Shanghai and Hengqin operations have provided employees with customer service training. In Hong Kong, the Group continues to offer "Seasonal Star Award" to encourage frontline employees to maintain excellent work performance. Award-winning employees will receive bonuses and certificates issued by senior management.

The Group has put in place a set of standard complaint handling guidelines and procedures to guide the frontline staff to professionally handle complaints from customers and tenants. The Hong Kong complaint management policies are aligned to guidelines issued by the Property Management Services Authority. A person-in-charge is appointed to formally process the complaint to a complaint register, and supervise its handling and follow-up actions. We will retain all complaint information and documents for at least 3 years from the complaint's receipt. However, anonymous complaints or those pertaining to matters that occurred over 12 months ago will not be addressed, but records will be kept for future reference.

At Hengqin Novotown Phase I, complaints are categorised by severity and promptly assigned to relevant departments for investigation and response. Major complaints are escalated to the General Manager for resolution and improvement. Additionally, 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 purpose.

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 from Chinese Mainland and Hong Kong received a total of 43 complaints. Our property management teams have followed up on the complaints received and taken appropriate and detailed actions. For instance, in response to concerns regarding elevator malfunctions and cleanliness within our community, we have conducted elevator inspections, performed repairs and supervised daily cleaning quality. Furthermore, we have made adjustments to parking regulations and increased security patrols to minimise instances of improper parking.

The Group promotes direct communication with the complainants to ensure relevant complaints are properly followed up and resolved. All complaints will be duly filed to ensure future improvements of the Group.

Service Excellence (continued)

Maintaining Excellent Services in Food and Beverage and Hotel Operations

For hotel and restaurant operations, we uphold a customer-first principle to provide personalised services whilst safeguarding the safety of both customers and employees. The Group endeavours to identify potential complaints as early as possible and adopt timely corrective actions upon receiving the complaints. Every member of the management team is well-trained to handle complaints in various circumstances. As stated in the Group's management policy, we require pertinent employees to submit daily incident reports to the headquarters to ensure all issues are properly followed up.

To improve customer satisfaction at our restaurants, our restaurant in-charge will engage with dine-in customers and obtain their feedback directly to ensure we address their concerns and follow up timely. Additionally, a separate email address has been provided on the company website for customers to leave comments. Every comment will be forwarded to the department head to follow up accordingly.

To monitor the quality of our services at hotels, we strive to collect customer feedback via various channels. For instance, Ascott Huaihai Road Shanghai's customer satisfaction surveys are distributed to guests through email after the check-out procedure, achieving a latest satisfaction score of 97. All service quality-related complaints are recorded by our front desk team, and the team manager promptly notifies the operations team and initiates discussion on appropriate remedial measures and improvement suggestions. Furthermore, Hong Kong Ocean Park Marriott Hotel has an online system "Guest Voice" for customers to express their opinions after staying with the hotel. Follow-up actions are taken within 24 hours upon receiving comments to ensure customers' feedback can be properly responded to.

We have been awarded several awards, including The Most Outstanding Hotel Accommodation Service of the Year from the Hong Kong Commercial Times Business Award 2024, Best Family Hotel by Voyage Hotel & Resort Awards, Best of Hong Kong – The Distinguished Hotel Dining Award by Klook, and many more. These awards serve as a recognition to our unwavering commitment towards service excellence and customer satisfaction.

With the aim of encouraging employees to provide high quality services, our hotels also regularly evaluate and appraise their performance. Ascott Huaihai Road Shanghai conducts biannual performance evaluations to improve employees' service awareness. While Hyatt Regency Hengqin has set up the Hyatt Star Awards for outstanding employees to redeem points for complimentary buffet meals and hotel stays.

Operating Practices (continued)

Service Excellence (continued)

Ensuring Customer Satisfaction for Cinema Operations and Entertainment Business

The Group gathers feedback from customers of cinema and entertainment businesses through various channels, such as hotlines, emails, and social media platforms. All comments and complaints are handled by our customer service representatives. We also ensure that customers' enquiries are responded within a specified service target time. All communications with customers are overseen by the management team to ensure timely and reasonable responses.

In Hong Kong, the Group adheres to the Standard Operating Procedure to provide quality customer services. We provide customer service training for all employees including monthly complaint cases and guidelines, weekly site visits by operation managers. Aside from a centralised hotline, our operation managers quickly respond to customer feedback on-site and, if necessary, divert it to headquarters for further follow-up. There were no major complaint cases in the entertainment business received by the Group during the reporting year.

Customer Health and Safety

The Company understands the importance of safeguarding health and safety, and has taken various preventive actions. For instance, special technicians are employed for equipment maintenance and fire drills are held for tenants and employees.

Ensuring Customer Health and Safety in Property Management Services

In our managed properties, we have implemented strict measures to ensure the health and safety of our customers and staff. For example, at the Crocodile Center, an Indoor Air Quality ("**IAQ**") sensor has been installed to monitor the air quality of the passenger lift lobby, and the figures show that the IAQ always maintains a satisfactory level. In addition, the common areas of Crocodile Center were applied with Raze Protective Coating, a heavy-duty surface coating for sanitisation. We maintain air quality with purifiers installed in all bathrooms within Cheung Sha Wan Plaza. At CCB Tower, fire risk assessment was conducted to evaluate and ensure building's fire safety measures.

Further examples from our properties in Chinese Mainland includes air-conditioning water quality testing, regular cleaning of grease ducts, domestic water tank cleaning and water quality testing in Guangzhou, and daily inspections for fire safety, regular inspections of safety hazards, noise source inspections, and engagement of qualified units to ensure the safety of equipment operation warning in Zhongshan.

Customer Health and Safety (continued)

Ensuring Customer Health and Safety in Hotel Operations

Our staff are trained in handling theft, violent incidents, and hazardous materials. For example, at Hyatt Regency Hengqin, we passed the annual system certification audit of ISO 22000:2018 required by the Hyatt Group and undergone a professional inspection by the authoritative organisation – Intertek. As part of the Marriott International corporate standard, Hong Kong Ocean Park Marriott Hotel requires employees to undergo various training, including new employee induction, fire safety, first aid, food safety, and emergency plan training, ensuring a safe environment for our guests. Additionally, we obtained a pass in the annual third-party food safety audit conducted by Ecolab.

Safety and Hygiene in Food and Beverage Services and Cinema Operation

Food safety is crucial to our food and beverage and cinema operation. To maintain a high standard of food hygiene, 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 conducts frequent internal audits to monitor the quality of the food served to customers and provides staff with checklists on proper food handling procedures. The Group primarily purchases food from authorised suppliers to enhance source traceability and control. The Group stays informed about the latest government regulations and announcements, including the Notice of the Centre for Food Safety, and act swiftly to address relevant issues.

During the reporting year, there were no recorded incidents of non-compliance with food safety and hygiene regulations.

Data Protection and Privacy

The Group endeavours to build a trusting relationship with its customers by protecting their privacy. When handling personal data and confidential data, the Group fully abides by Chapter 486 Personal Data (Privacy) Ordinance in Hong Kong and Cybersecurity Law of the People's Republic of China ("**PRC**") strictly. Personal and confidential data will be handled with caution, and the Group only collects personal data from its employees, suppliers or customers when necessary. Data providers are well-informed 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 recorded incidents of non-compliance with data privacy.

OPERATING PRACTICES (CONTINUED)

Data Protection and Privacy (continued)

Property Business

The Group has established policies and procedures to protect customer data, including the existing Group Information Technology ("**GIT**") Operation Manual and the Lai Fung Holdings (Guangzhou) Information Management System Policy. Moreover, the Group has implemented a set of written procedures to provide guidance for property sales and management on personal data collection and handling. All information collected is stored in a strictly confidential manner and only for sales purposes. Data obtained during the sales process, including Personal Data Collection Statement, all personal data and sales records, are stored in the internal system of the Group, accessible only by management-level employees. Other staff must gain permission from the management before accessing the system to browse customer information. Terms regarding personal data privacy of employees, and information protection awareness for employees engaging with operations data and technology, are outlined in our staff handbook.

Food and Beverage Operations

The Group's food and beverage operations follow the Information Protection & 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 maintains the top priority. Various data handling procedures and policies are in place to standardise the data collection procedures in our hotel operations. For example, we respect the confidentiality of customers' personal data and only store confidential data under the discretion of our customers. Other data handling procedures and policies include the Information Protection & Cyber Security Policy, the Information Protection Awareness Guide, and compliance with the Payment Card Industry Data Security Standard. Additionally, the Group provides rigorous training of the above-mentioned content to its employees to ensure they are aware of the guidelines.

In our cinema operation, the customers' personal data, including their names, birth dates, emails and telephone numbers, is solely collected for necessary use to manage customer memberships. Customers' acknowledgement of the Personal Information Collection Statement and Privacy Policy Statement is required prior to their enrolment in the loyalty program. The statements outline appropriate steps and procedures for data collection and disposal for all relevant staff. No marketing materials will be sent to individuals who have not subscribed without their 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 data in the online ticketing system is stored in the head office's database to minimise access points. The Group collects only minimal personal information of customers for potential refunds and ticket redemption. After the service is completed, all personally identifiable information will be priority and securely destroyed.

Operating Practices (continued)

Supply Chain Management

To ensure the quality of our products and services, the Group adheres to the principles of transparency and fairness in our tendering process, as well as supply chain operation and management. We achieve this by working closely with all business partners and selecting suppliers based on various attributes, such as their quality, strength and experience.

ESG Considerations in Selecting Construction Contractors

The Group has established a comprehensive tendering procedure that specifies the required quotation for construction projects in different scales. Contractors are required to comply with the Group's standards and local regulations. For example, we ensure that our construction contractors have obtained necessary legal permits or licenses required for their operations in Hengqin. In terms of the environmental and safety performance, the Group has included the related selection criteria in the tendering process that evaluates whether the contractor's environmental and safety practices meet our standards. To guarantee that the relevant procedures are effectively carried out, all selected contractors are required to submit an Environmental Management Plan and a Safety Management Plan to the Group. Relevant parties such as new tenants working at our Shanghai construction sites must also sign a subcontractor construction safety agreement. In relation to our outsourced units, relevant parties are also expected to comply with our agreement on workplace safety. To ensure new suppliers comply with our environmental protection requirements, they must sign a confirmation to acknowledge such requirements.

The environmental and safety management plan and the environmental impact assessment have outlined the mitigation measures that the contractors must follow to minimise the negative effects of pollution and waste on the surrounding environment. Moreover, regular site visits are conducted by the management team to discuss the quality of the project and the environment, health and safety conditions 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. Furthermore, we will also examine our contractors on their professional and technical capabilities to conduct construction to the Group's standards outlined in the signed letter of commitment.

Operating Practices (continued)

Supply Chain Management (continued)

Selecting Sustainable Suppliers for Hotels

The Group has established a standardised procurement procedure for supplier selections for hotels. 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 selects suppliers based on the Hyatt Group's Supplier Code of Conduct to align with Hyatt's environmental, social, governance initiatives. The verification of all tendering papers and the suppliers' acknowledgement of our Code of Conduct must be received by our hotel partners before the bidding process to guarantee that suppliers agree to our compliance requirements.

Responsible Food Sourcing and Sustainable Supply Chain in Food and Beverage Services

To enhance procurement efficiency, we have newly developed an e-procurement system. Apart from the procurement enhancement, we strive to fulfil the growing demand for healthy and sustainable food among customers. The Group carefully selects responsible sources of food for our restaurants with regular inspections. For instance, the restaurants in Hong Kong Ocean Park Marriott Hotel collaborated with WWF to introduce a wide range of sustainable seafood options on the menu, with reference to their Seafood Guide. It helps to promote responsible consumption choices and sustainable procurement of the public. To extend our influence for a more sustainable supply chain, the Hyatt Food Safety Management System is adopted in the hotel in Hengqin, which includes procurement control procedures, identification and traceability control procedures and food fraud prevention and elimination procedures in selecting new suppliers

Furthermore, priorities will be given to suppliers who provide Aquaculture Stewardship Council (ASC), Marine Stewardship Council (MSC) or organic-certified food with ISO or Hazard Analysis Critical Control Points (HACCP) certification to ensure responsible food sourcing. Site visits with our existing suppliers are also conducted regularly to monitor their environmental and social compliances and initiatives.

Operating Practices (continued)

Integrity and Discipline

Being committed to upholding absolute integrity, fairness and discipline in the business, the Group expects its employees to strictly follow all rules and procedures in line with applicable laws and regulations. No fraud or corruption should, in any case, be tolerated regardless of the business segment, and we strive to prevent it at all costs.

Our staff handbook explicitly defines of "advantages" and outlines the procedures for employees to follow, to prevent any bribery, corruption, and conflicts of interest from happening. Our Anti-Fraud and Anti-Corruption Policy ensures that the Group operates in a high standard of integrity, openness and discipline. We also expect employees to declare or disclose presents and gifts they handle to the management as the action could be deemed suspicious and unethical. If misconduct is discovered, the person responsible will be subject to termination and legal consequences. Regular anti-fraud and anti-corruption training are provided to all employees including directors. In our food and beverage operations, we have implemented an anti-corruption requirement for our suppliers. We mandate our suppliers to sign a Declaration of Interest, ensuring their commitment to anti-corruption practices.

The Group has implemented designated training across our businesses, including anti-corruption training within our Chinese Mainland property operations. All new employees receive anti-corruption training which is included within their induction. In addition to internal training, we cooperated with the government to foster anti-corruption practices and integrity through promotional material, including posters and educational films displayed on project bulletin boards and screens. We also arranged lectures on the Anti-Corruption Law of the PRC for our staff.

Within our Hong Kong properties, Ethics at Work training was conducted by Independent Commission Against Corruption to all office employees in 2024, which helps to maintain our standard of business integrity. On top of the aforementioned training program, anti-corruption training to property management front staff was also conducted in early 2024.

Additionally, the Group also has a Whistleblowing Policy as a monitoring and control system to allow employees and relevant third parties such as customers, suppliers, creditors and debtors to report any concerns. The policy sets out how reports of inappropriate acts can be submitted, reviewed and investigated. The Group will handle all whistleblowing reports with care and treat the whistleblower's concerns fairly and properly. During the reporting year, there were no non-compliance cases in relation to bribery, extortion, fraud and money laundering in Hong Kong and Chinese Mainland. There were also no legal cases regarding corrupt practices brought against the Group or its employees during the reporting year.

Operating Practices (continued)

Intellectual Property Rights

To safeguard all intellectual property rights, the Group has implemented appropriate security measures and confidentiality agreements. All collaboration agreements with third parties in all business segments and within the Group are reviewed by the Group's legal team to avoid infringements and breaches.

Respecting Creations in our Entertainment Business

The Group recognises the importance of intellectual property in the development of the entertainment business development. The Group is committed to ensuring compliance 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 other creative works, the Group will ensure that the producers and their teams of films, television programmes and music productions are acquainted with the rights and have obtained clarifications. In case of any violations of relevant regulations and infringements, actions will be taken immediately to address the rights or related matters. During the reporting year, there were no non-compliance cases with the aforementioned laws and regulations.

Community

3 GOOD HEALTH AND WELL-BEING

17 PARTNERSHIPS FOR THE GOALS

As a responsible corporate, the Group recognises the significance of community engagement and its impact on sustainable development. We are committed to fulfilling our corporate social responsibilities by giving back to the communities in where we operate. We focus on supporting charitable organisations and the underprivileged through donations and voluntary activities. Additionally, we actively engage in local community activities to drive a positive change on a broader scale.

In Chinese Mainland, the Group has organised a variety of charity events to show our love and care to the society. During the reporting year, the Group collaborated with the local governmental authority to visit the elderly and participated in street cleaning. These endeavours demonstrated the Group's concern and dedication to the well-being of the community. The Group also proactively participated in fundraising events. We donated RMB10,000 to the Green and Beautiful Guangzhou Ecological Construction Special Fund and fundraised RMB20,000 during a charity walk in Zhongshan.

In Hong Kong, the Group collaborates with various organisations and encourages our staff to participate in volunteering events. For example, our staff volunteers participated in elderly visit organised by the Hong Kong Young Women's Christian Association in Mid-Autumn Festival. Also, we continued the Serve360 Sustainability Program to provide aid and support to those in need, and participated in food donation projects. In particular, we volunteered alongside the non-governmental organisation Holy Café, distributing meal boxes and essential items to the elderly and individuals in need within our community.

Our participation in these activities demonstrates our commitment to giving back to the community and creating a positive impact on society.

Summary of Environmental Performance Note 1

Reporting Scope

Hong Kong Property Investment

- Cheung Sha Wan Plaza
- Causeway Bay Plaza 2
- Lai Sun Commercial Centre
- Crocodile Center
- Por Yen Building
- CCB Tower
- Alto Residences

Hotel

- Hong Kong Ocean Park Marriott Hotel
- Ascott Huaihai Road Shanghai
- STARR Hotel Shanghai
- Hyatt Regency Hengqin
- Fairmont St. Andrews resort*

Hong Kong Property Development Note 2

- The Parkland (previously named as Tai Kei Leng project)
- 116 Waterloo Road project
- 79 Broadcast Drive project
- 1&1A Kotewall Road project

Food and Beverage

- CIAK-In the Kitchen
- CIAK-All Day Italian
- Beefbar
- Takumi by Daisuke Mori
- China Tang Landmark
- Howard's Gourmet
- Chiu Tang Central
- Old Bazaar Kitchen
- ZEST by Konishi
- KiKi Noodle Bar IFC
- KiKi Noodle Bar K11 MUSEA
- Canton Bistro
- Prohibition
- China Tang Beijing
- ADD+
- MOSU Hong Kong
- Rozan
- Yamato
- SẾP
- KiKi Lu Wei*
- KiKi Noodle Bar OP Mall*
- KiKi Noodle Bar Hysan Place*
- Kanesaka Hong Kong*
- Plaisance by Mauro Colagreco*

Chinese Mainland Property Investment

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

Chinese Mainland Property Development

- Hengqin Novotown Phase II

Media & Entertainment

- Wyler Centre
- Cheung Sha Wan Plaza*

Cinema

- Movie Town
- Festival Grand Cinema
- MCL Metro City Cinema
- MCL Telford Cinema
- STAR Cinema
- Grand Kornhill Cinema
- MCL South Horizons 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*
- MCL Cinema Plus+ Plaza Hollywood*

* *Newly added entity in financial year ended 31 July 2024*

Note 1: *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 25 Mar 2022)" by The Stock Exchange of Hong Kong Limited and Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 edition), unless otherwise specified.*

Note 2: *Compared with the year ended 31 July 2023, Bal Residence was removed from the reporting scope.*

Summary of Environmental Performance Note 1 (continued)

	Unit	Total		Hong Kong Property Investment		Hong Kong Property Development Note 3		Chinese Mainland Property Investment		Chinese Mainland Property Development Note 4		Hotel		Food & Beverage Note 5		Cinema		Entertainment Note 6	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
A1.1 The types of air emissions and respective emissions data																			
Nitrogen oxides ("**NOx**") emissions	kg	2,457	2,718 Note 7	0	0	57	3 Note 7	1,622	2,056 Note 7	0	0	697	566	80	91	0	0	1	2
Sulphur oxides ("**SOx**") emissions	kg	2	1	0	0	0.19	0.09 Note 7	0.44	0.39	0	0	0.68	0.34	0.28	0.29	0	0	0.20	0.11
Particulate matter ("**PM**") emissions	kg	7	2	0	0	4	0.31 Note 7	1	1	0	0	2	0.51	0	0	0	0	0.10	0.18
Total air emissions	**kg**	**2,466**	**2,721** Note 7	**0**	**0**	**61.19**	**3.40** Note 7	**1,623.44**	**2,057.39**	**0**	**0**	**699.68**	**566.85**	**80.28**	**91.29**	**0**	**0**	**1.30**	**2.29**
A1.2 GHG emissions in total and intensity Note 8																			
Direct GHG emissions (Scope 1)	tonnes CO_2e	4,099	4,274	3	3	142	34	1,707	2,123	0	0	1,530	1,334	683	760	0	0	34	20
Indirect GHG emissions (Scope 2)	tonnes CO_2e	98,799	86,516	11,359	10,398	24	63	63,158	54,548	313	511	17,689	15,091	3,221	3,141	2,968	2,668	67	96
Total GHG emissions	**tonnes CO_2e**	**102,898**	**90,790**	**11,362**	**10,401**	**166**	**97**	**64,865**	**56,671**	**313**	**511**	**19,219**	**16,425**	**3,904**	**3,901**	**2,968**	**2,668**	**101**	**116**
GHG emissions intensity	**tonnes CO_2e/m^2**	**0.04**	**0.04**	**0.06**	**0.05**	**0.01**	**0.004**	**0.04**	**0.04**	**0.001**	**0.002** Note 7	**0.05**	**0.11**	**0.36**	**0.41**	**0.07**	**0.08**	**0.03**	**0.05**

Note 3: *116 Waterloo Road project was excluded from data calculation in 2024 due to cease of project work.*

Note 4: *No recorded waste as waste disposed and recycled are handled by contractor.*

Note 5: *Kanesaka was excluded from data calculation in 2024 due to absence of data.*

Note 6: *Water consumption is managed by the central property management of the office building, and thus consumption values are not available for this ESG report.*

Note 7: *Data were restated to reflect actual situation.*

Note 8: *Natural gas is calculated with reference to "Emission Factors for Greenhouse Gas Inventories" by US EPA.*

	Unit	Total		Hong Kong Property Investment		Hong Kong Property Development Note 3		Chinese Mainland Property Investment		Chinese Mainland Property Development Note 4		Hotel		Food & Beverage Note 5		Cinema		Entertainment Note 6	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
A1.3 Total hazardous waste produced and intensity																			
Total hazardous waste produced Note 9	**kg**	**2,287**	**6,326** Note 7	**783**	**450** Note 7	**9**	**4,254** Note 7	**878**	**995**	**0**	**0**	**473**	**464**	**0**	**0**	**128**	**124**	**16**	**39**
Percentage of hazardous waste recycled	**%**	**27**	**5**	**56**	**39** Note 7	**100**	**100**	**2**	**4**	**0**	**0**	**29**	**23**	**0**	**0**	**0**	**0**	**0**	**60**
Hazardous waste intensity	**kg/m²**	**0.001**	**0.003** Note 7	**0.004**	**0.002**	**0.001**	**0.16**	**0.001**	**0.001**	**0**	**0**	**0.001**	**0.003**	**0**	**0**	**0.003**	**0.004**	**0.01**	**0.02**
A1.4 Total non-hazardous waste produced and intensity																			
Construction waste disposed Note 10	tonnes	5,546	12,594	N/A	N/A	664	5,985	4,879	6,609	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3.03	N/A
Food waste disposed Note 11	tonnes	5,867	2,708	N/A	N/A	N/A	N/A	5,808	2,691	N/A	N/A	45	1	14	16	N/A	N/A	N/A	N/A
General waste produced	tonnes	20,350	14,881	7,409	7,131	N/A	N/A	12,597	7,533	N/A	N/A	280	147	2	3	60	64	2	3
Paper disposed	tonnes	12	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12	1	N/A	N/A	N/A	N/A	N/A	N/A
Plastic disposed	tonnes	0.37	0.63	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.37	0.63	N/A	N/A	N/A	N/A	N/A	N/A
Total non-hazardous waste produced (including recycling waste)	**tonnes**	**32,222**	**36,015**	**7,475**	**7,203**	**664**	**11,479**	**23,284**	**16,833**	**N/A**	**N/A**	**702**	**397**	**32**	**36**	**60**	**64**	**5**	**3**

Note 9: Hazardous waste produced includes fluorescent lamps, chemicals, and toner cartridge waste disposed.

Note 10: Construction waste includes renovation waste, general construction waste, soil excavation, concrete, bricks, timber and steel.

Note 11: Food waste includes grease oil and waste oil.

Summary of Environmental Performance *Note 1* (continued)

	Unit	Total		Hong Kong Property Investment		Hong Kong Property Development Note 3		Chinese Mainland Property Investment		Chinese Mainland Property Development Note 4		Hotel		Food & Beverage Note 5		Cinema		Entertainment Note 6	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Percentage of non-hazardous waste recycled	%	**2**	**16**	**0.88**	**0.99**	**0.04**	**48**	**0**	**0**	**N/A**	**N/A**	**70**	**62**	**50**	**47**	**0**	**0**	**0**	**0**
Non-hazardous waste produced intensity	kg/m^2	**13**	**17** Note 7	**37**	**35**	**42**	**430**	**16**	**12**	**N/A**	**N/A**	**1.67**	**2.78**	**2.93**	**3.77**	**1.32**	**1.84**	**1.78**	**1.19**
A2.1 Direct and/or indirect energy consumption by type in total and intensity																			
Electricity consumption	mWh	172,968	151,012	23,936	21,363	62	162	108,706	93,887	539	879	28,015	23,646	4,764	4,932	6,773	5,897	173	246
Gas consumption Note 12	mWh	27,727	22,366	N/A	N/A	N/A	N/A	8,906	11,319	N/A	N/A	14,881	7,081	3,940	3,966	N/A	N/A	N/A	N/A
Diesel oil consumption	mWh	731	158	10	10	579	138	59	6	N/A	N/A	83	4	N/A	N/A	N/A	N/A	N/A	N/A
Gasoline consumption	mWh	572	346	N/A	N/A	N/A	N/A	288	256	N/A	N/A	153	19	N/A	N/A	N/A	N/A	131	71
Total energy consumption	**mWh**	**201,998**	**173,882**	**23,946**	**21,373**	**641**	**300**	**117,959**	**105,468**	**539**	**879**	**43,132**	**30,750**	**8,704**	**8,898**	**6,773**	**5,897**	**304**	**317**
Energy consumption intensity	**kWh/m^2**	**83**	**84** Note 7	**118**	**105**	**41**	**11**	**79**	**76**	**2.16**	**3.52** Note 7	**103**	**215**	**803**	**935**	**149**	**168**	**100**	**133**
A2.2 Water consumption in total and intensity																			
Water consumption Note 13	**m^3**	**1,787,858**	**1,527,265** Note 7	**135,615**	**109,835**	**872**	**5,147**	**1,217,050**	**1,070,388**	**23,660**	**37,349**	**318,776**	**217,758**	**85,011**	**78,451**	**6,874**	**8,337** Note 7	**N/A**	**N/A**
Water consumption intensity	**m^3/m^2**	**0.73**	**0.74** Note 7	**0.67**	**0.54**	**0.06**	**0.19** Note 7	**0.82**	**0.77**	**0.09**	**0.15** Note 7	**0.76**	**1.52**	**7.85**	**8.25**	**0.17**	**0.28** Note 7	**N/A**	**N/A**

Note 12: Gas consumption includes natural gas and towngas.

Note 13: Grand Kornhill Cinema and MCL Cyberport Cinema are excluded from the scope of both financial years as their water consumption is managed by the central management of the property and there are no separate water meter for the cinemas.

Summary of Social Performance

The Group [Note 14]	Unit	2024	2023
B1.1 Total workforce by gender, employment type, age group and geographical region (excluding contractors and subcontractors)			
Number of employees	No. of people	4,478	4,777
By gender			
Male	No. of people	2,463	2,636
Female	No. of people	2,015	2,141
By age group			
Below 30	No. of people	1,290	1,503
30-50	No. of people	2,144	2,198
Above 50	No. of people	1,044	1,076
By employment type			
Full time — Male	No. of people	2,159	2,207
Full time — Female	No. of people	1,662	1,875
Part time — Male	No. of people	304	361
Part time — Female	No. of people	353	334
By geographical region			
Hong Kong SAR	No. of people	2,377	2,489
Chinese Mainland	No. of people	1,550	1,735
Other	No. of people	551	553
B1.2 Employee turnover rate by gender, age group and geographical region [Note 15]			
Total employee turnover rate	%	48	40
By gender			
Male	%	49	41
Female	%	47	38
By age group			
Below 30	%	72	49
30-50	%	37	38
Above 50	%	40	31
By geographical region			
Hong Kong SAR	%	60	39
Chinese Mainland	%	39	45
Other	%	23	28

Note 14: 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 15: Turnover rate (in percentage) = Total number of employees leaving employment in the category/ Total number of employees in the category × 100% for financial year 2022/2023 and 2023/2024 including all full-time and part-time employees.

Summary of Social Performance (continued)

The Group Note 14	Unit	2024	2023
B2.1 Number and rate of work-related fatalities Note 16			
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	872	680
Number of attendance by employees attended training by gender and employee category			
By employee category			
Senior management	No. of attendance	150	122
Middle management	No. of attendance	1,216	710
General staff	No. of attendance	11,886	5,718
By gender			
Male	No. of attendance	7,579	4,061
Female	No. of attendance	5,673	2,489
B3.2 The average training hours completed per employee by gender and employee category Note 17			
By employee category			
Senior management	No. of hours	12	29
Middle management	No. of hours	24	24
General staff	No. of hours	24	21
By gender			
Male	No. of hours	24	22
Female	No. of hours	23	21
B5.1 Number of suppliers by geographical region			
Hong Kong	No. of suppliers	988	1,080 Note 7
Chinese Mainland	No. of suppliers	1,019	960 Note 7
Other	No. of suppliers	73	78 Note 7
B8.2 Resources contributed to community investment			
Cash donations and sponsorships	HKD	4,020,961	5,301,325 Note 7
Volunteering hours	Hours	30	36

Note 16: Number and rate of work-related fatalities occurred in each of the past three years including the reporting year was 0.

Note 17: Average number of training hours per employee = Total training hours in the category/Total workforce in the category.

List of Significant Laws and Regulations

Environment

Aspect A1-A3: Environmental

Hong Kong:
- Chapter 311 Air Pollution Control Ordinance
- Chapter 358 Water Pollution Control Ordinance
- Chapter 354 Waste Disposal Ordinance
- Chapter 400 Noise Control Ordinance
- Chapter 499 Environmental Impact Assessment Ordinance

Chinese Mainland:
- Environmental Protection Law of the PRC
- Atmospheric Pollution Prevention and Control Law of the PRC
- Water Pollution Prevention and Control Law of the PRC
- Law of the PRC on Prevention and Control of Pollution from Environmental Noise
- Land Administration Law of the PRC
- Regulations on the Administration of Construction Project Environmental Protection
- Law of the PRC on the Prevention and Control of Environment Pollution Caused by Solid Wastes

Employee

Aspect B1: Employment

Hong Kong:
- Chapter 57 Employment Ordinance
- Chapter 282 Employees' Compensation Ordinance
- Chapter 608 Minimum Wage Ordinance
- Chapter 480 Sex Discrimination Ordinance
- Chapter 487 Disability Discrimination Ordinance
- Chapter 527 Family Status Discrimination Ordinance
- Chapter 602 Race Discrimination Ordinance

Chinese Mainland:
- Labour Law of the PRC
- Labour Contract Law of the PRC

Aspect B2: Health and Safety

Hong Kong:
- Chapter 509 Occupational Safety and Health Ordinance
- Chapter 59 Factories and Industrial Undertakings Ordinance

Chinese Mainland:
- Work Safety Law of the PRC
- Law of the PRC on the Prevention and Control of Occupational Diseases
- Construction Law of the PRC

List of Significant Laws and Regulations (continued)

Employee (continued)

Aspect B4: Labour Standards

Hong Kong:
- Chapter 57B Employment of Children Regulations
- Chapter 57C Employment of Young Persons (Industry) Regulations

Chinese Mainland:
- Labour Laws of the PRC
- Provisions on the Prohibition of Using Child Labour

Operating Practices

Aspect B6: Product Responsibility

Hong Kong:
- Chapter 349 Hotel and Guesthouse Accommodation Ordinance
- Chapter 362 Trade Descriptions Ordinance
- Chapter 392 Film Censorship Ordinance
- Chapter 486 Personal Data (Privacy) Ordinance
- Chapter 621 Residential Properties (First-Hand Sales) Ordinance
- Chapter 612 Food Safety Ordinance
- Chapter 528 Copyright Ordinance
- Chapter 544 Prevention of Copyright Piracy Ordinance
- Chapter 559 Trade Marks Ordinance
- Food Hygiene Code

Chinese Mainland:
- Urban Real Estate Administration Law of the PRC
- Food Safety Law of the PRC
- Food Hygiene Law of the PRC
- Law of the PRC on Protection of Consumer Rights and Interests
- Cybersecurity Law of the People's Republic of China

Aspect B7: Anti-corruption

Hong Kong:
- Chapter 201 Prevention of Bribery Ordinance

Chinese Mainland:
- Criminal Law of the PRC
- Anti-corruption Law of the PRC

References to HKEX ESG Reporting Guide

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 and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Integrating Environmental Sustainability into Our Operations; Waste and Air Emissions to the Environment
A1.1	The types of emissions and respective emissions data.	Summary of Environmental Performance
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Summary of Environmental Performance
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; Greenhouse Gas Emissions and Energy; Waste and Air Emissions to the Environment
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 and Air Emissions to the Environment
Aspect A2: Greenhouse Gas Emissions and Energy (1)		
General Disclosure	Policies on the efficient use of resources, including energy and other raw materials.	Integrating Environmental Sustainability into Our Operations; Greenhouse Gas Emissions and 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
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Integrating Environmental Sustainability into Our Operations; Greenhouse Gas Emissions and Energy
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 GUIDE (CONTINUED)

Subject Areas, Aspects, General Disclosure and KPIs		Sections/ Remarks
Aspect A2: Water (2)		
General Disclosure	Policies on the efficient use of resources, including water.	Integrating Environmental Sustainability into Our Operations; Water
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Summary of Environmental Performance
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.
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; Waste and Air Emissions to the Environment; Greenhouse Gas Emissions and Energy; Water
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Integrating Environmental Sustainability into Our Operations
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Integrating Environmental Sustainability into Our Operations
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, antidiscrimination, 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

References to HKEX ESG Reporting Guide (continued)

Subject Areas, Aspects, General Disclosure and KPIs		Sections/ Remarks
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
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
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, how they are implemented and monitored.	Supply Chain Management

References to HKEX ESG Reporting Guide (continued)

Subject Areas, Aspects, General Disclosure and KPIs		Sections/ Remarks
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
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, 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

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 2024 ("**Year**") save for the deviation from code provision F.2.2.

Under code provision F.2.2, 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 15 December 2023. However, 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 an effective communication with the shareholders of the Company ("**Shareholders**") thereat.

(2) Corporate Culture and Strategy

The Company acts as an investment holding company and the principal activities of its subsidiaries (together with the Company, "**Group**") include property investment, property development, investment in and operation of hotels and restaurants, production and distribution of films and TV programs, music production and publishing, management and production of concerts, artiste management, cinema operation, cultural, leisure, entertainment and related facilities and investment holding. As a group with diversified businesses, by recognising the importance of stakeholders at the Board level and throughout the Group, we strive to provide high quality and reliable products and services, and to create values to the stakeholders through sustainable growth and continuous development.

The board of directors of the Company ("**Board**" and "**Directors**", respectively) has set out the following values to provide guidance on employees' conduct and behaviours as well as the business activities, and to ensure they are embedded throughout the Company's vision, mission, policies and business strategies:

(i) Integrity — we strive to do what is right;

(ii) Excellence — we aim to deliver excellence;

(iii) Collaboration — we are always better together;

(iv) Accountability — we are accountable for delivering on our commitments;

(v) Empathy — we care about our stakeholders — employees, customers, supply chain and the community; and

(vi) Sustainability — we are committed to a sustainable future.

The Group will continuously review and adjust, if necessary, its business strategies and keep track of the changing market conditions to ensure prompt and proactive measures will be taken to respond to the changes and meet the market needs to foster 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 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 overall business and commercial strategy of the Group as well as overall policies and guidelines. The Board has also delegated the environmental, social and governance ("**ESG**") management to the Executive Committee.

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 ten members, of whom six are EDs and the remaining four are independent non-executive directors ("**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 with INEDs representing at least one-third of the Board. The Directors who served the Board during the Year and up to the date of this Annual Report are named as follows:

Executive Directors

Lam Kin Ngok, Peter, *GBM, GBS (Chairman)*
Yang Yiu Chong, Ronald Jeffrey
Cheung Sum, Sam *(Group Chief Financial Officer)* (appointed on 1 August 2023)
Lam Hau Yin, Lester
(also alternate Director to U Po Chu)
Lam Kin Hong, Matthew
U Po Chu

Non-executive Director

Chew Fook Aun *(Deputy Chairman)* (resigned on 1 October 2023)

Independent Non-executive Directors

Chow Bing Chiu
Lam Bing Kwan
Leung Shu Yin, William
Ng Chi Ho, Dennis (appointed on 1 August 2023)

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 137 to 142.

Dr. Lam Kin Ngok, Peter, Chairman and an ED, is the son of Madam U Po Chu, an ED, the elder brother of Mr. Lam Kin Hong, Matthew, an ED, 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.

Mr. Cheung Sum, Sam and Mr. Ng Chi Ho, Dennis, who were appointed to the Board in August 2023, had obtained legal advice from a firm of solicitors under Rule 3.09D of the Listing Rules on 2 August 2023 and both of them have confirmed their understanding of the obligations as Directors.

(3) Board of Directors (continued)

(3.3) Board Independence

The Group 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 18 October 2024, the Board has reviewed the implementation and effectiveness of the following mechanisms at the Board meeting:

(a) Four out of the ten Directors are INEDs, which complies with 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.

(3) Board of Directors (continued)

(3.4) Attendance record at Board meetings

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

Directors	Number of Meetings Attended/ Number of Meetings Held
Executive Directors	
Lam Kin Ngok, Peter, *GBM, GBS*	4/4
Yang Yiu Chong, Ronald Jeffrey	4/4
Cheung Sum, Sam *	4/4
Lam Kin Hong, Matthew	4/4
Lam Hau Yin, Lester *(also alternate Director to U Po Chu)*	4/4
U Po Chu	4/4
Non-executive Director	
Chew Fook Aun **	N/A
Independent Non-executive Directors	
Chow Bing Chiu	4/4
Lam Bing Kwan	4/4
Leung Shu Yin, William	4/4
Ng Chi Ho, Dennis ***	4/4

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

* *Mr. Cheung Sum, Sam was appointed an ED on 1 August 2023.*

** *Mr. Chew Fook Aun resigned as a non-executive Director ("**NED**") on 1 October 2023.*

*** *Mr. Ng Chi Ho, Dennis was appointed an INED on 1 August 2023.*

(3.5) INEDs

The Company has complied with the requirements under Rules 3.10(1) and 3.10(2) of the Listing Rules. The former Rule requires that every board of directors of a listed issuer must include at least three INEDs and the latter Rule requires that 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 of the Nomination Committee and the Board have assessed the independence of all INEDs and are of the view that all of them are independent.

(3) BOARD OF DIRECTORS (CONTINUED)

(3.5) INEDs (continued)

All INEDs except Mr. Ng Chi Ho, Dennis, have been serving more than 9 years on the Board. The length of tenure of Messrs. Leung Shu Yin, William, Chow Bing Chiu and Lam Bing Kwan with the Company as at the date of this Annual Report was more than 22 years, 20 years and 13 years, respectively. Mr. Ng Chi Ho, Dennis has served on the Board for more than 1 year. Notwithstanding their long term services, given their extensive experience as professional accountant and 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. Pursuant to code provision B.2.4(b) of the CG Code, Mr. Ng Chi Ho, Dennis has been appointed as an additional INED on 1 August 2023.

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.

(3.6) NEDs

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

(3.7) 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 are regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. In addition, the Company has been encouraging the Directors and senior executives to enroll in a wide range of professional development courses and seminars/webinars 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 improve their relevant knowledge and skills.

(4) Directors' Induction and Continuous Professional Development (continued)

From time to time, Directors are provided with written training materials to develop and refresh their professional skills; the Group's Legal and Company Secretarial Departments also organise and arrange seminars/webinars on the latest development of applicable laws, rules and regulations for the Directors to assist them in discharging their duties.

According to the records maintained by the Company, the Directors received the following training with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the requirement of the CG Code on continuous professional development during the Year:

	Corporate Governance/ Updates on Laws, Rules & Regulations		Accounting/ Financial/Management or Other Professional Skills	
Directors	**Read Materials**	**Attend Seminars/ Webinars/ Briefings**	**Read Materials**	**Attend Seminars/ Webinars/ Briefings**
Executive Directors				
Lam Kin Ngok, Peter, *GBM, GBS*	√	√	√	—
Yang Yiu Chong, Ronald Jeffrey	√	√	√	√
Cheung Sum, Sam *	√	√	√	√
Lam Hau Yin, Lester *(also alternate Director to U Po Chu)*	√	√	√	√
Lam Kin Hong, Matthew	√	√	√	√
U Po Chu	√	√	√	—
Non-executive Director				
Chew Fook Aun **	√	√	√	√
Independent Non-executive Directors				
Chow Bing Chiu	√	√	√	√
Lam Bing Kwan	√	√	√	√
Leung Shu Yin, William	√	√	√	√
Ng Chi Ho, Dennis ***	√	√	√	√

* *Mr. Cheung Sum, Sam was appointed an ED on 1 August 2023.*

** *Mr. Chew Fook Aun resigned as a NED on 1 October 2023.*

*** *Mr. Ng Chi Ho, Dennis was appointed an INED on 1 August 2023.*

(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 23 March 2000 which currently comprises three INEDs, namely Messrs. Leung Shu Yin, William (Chairman), Chow Bing Chiu and Lam Bing Kwan 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 and must 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.

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.

(5) Board Committees (continued)

(5.1) Audit Committee (continued)

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

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**") at www.hkexnews.hk and the Company.

(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 2023, the unaudited interim results of the Company for the six months ended 31 January 2024 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 the Corporate Governance Report. Further, it has reviewed the budget for the ensuing year and the proposal for internal audit services for the three financial years ending 31 July 2026. It has also reviewed and accepted to provide pre-concurrence for provision of non-assurance services by the independent auditor of the Company ("**Independent Auditor**"). During the Year, the Audit Committee has also reviewed and recommended the Board to adopt revised Whistleblowing Policy and 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 present of management.

(5) Board Committees (continued)

(5.1) Audit Committee (continued)

(b) Work performed by the Audit Committee (continued)

On 17 October 2024, 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 report 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. The Audit Committee also 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.

(c) Attendance record at the Audit Committee meetings

The attendance record of 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
Chow Bing Chiu	3/3
Lam Bing Kwan	3/3

(5.2) Nomination Committee

The Board established a Nomination Committee on 25 January 2022, which currently comprises the chairman of the Board, namely Dr. Lam Kin Ngok, Peter, an ED and two INEDs namely, Messrs. Lam Bing Kwan and Chow Bing Chiu. Mr. Yang Yiu Chong, Ronald Jeffrey was appointed an alternate to Dr. Lam Kin Ngok, Peter.

The Company has complied with Rule 3.27A of the Listing Rules, which requires that a Nomination Committee chaired by 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 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 gender, skills, knowledge and experience) of the Board at least once annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy 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 make recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors.

The Company has adopted the Nomination Policy and Board Diversity Policy, and the Nomination Committee is responsible for reviewing these policies periodically to ensure their effectiveness and making recommendations on any proposed revisions to the Board:

(i) Nomination Policy for the Directors

The Company has adopted a 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 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 17 October 2024.

(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 perspectives 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 ten numbers, of whom six are EDs and the remaining four are INEDs. The Company has one female Director achieving gender diversity at Board level. The current Board comprises individuals who are professionals with real estate, investment, accounting, financial, general management, tourism and legal backgrounds. The Board believes that it currently has the appropriate diversity whether in terms of gender, nationality, professional background and skills.

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. Details on the gender ratio of the Group together with relevant data can be found in the ESG Report on pages 84, 105 and 106 of this Annual Report.

The Board Diversity Policy was last reviewed by the Nomination Committee on 17 October 2024.

(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 and the Board 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 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 election/re-election of the retiring Directors, namely Messrs. Yang Yiu Chong, Ronald Jeffrey, Cheung Sum, Sam, Ng Chi Ho, Dennis, Lam Bing Kwan and Leung Shu Yin, William at the AGM held on 15 December 2023, 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 17 October 2024, the Nomination Committee reviewed the Nomination Policy and the Board Diversity Policy, and considered that the said policies were appropriate and effective. Further, it reviewed biographies of the Directors, assessed the continued independence of each INED and recommended Messrs. Lam Kin Hong, Matthew and Lam Hau Yin, Lester ("**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.

(c) Attendance record at the Nomination Committee meeting

The attendance record of 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
Yang Yiu Chong, Ronald Jeffrey *(alternate to Lam Kin Ngok, Peter)*	1/1
Independent Non-executive Directors	
Chow Bing Chiu	1/1
Lam Bing Kwan	1/1

(5) Board Committees (continued)

(5.3) Remuneration Committee

The Board established a Remuneration Committee on 18 November 2005 which currently comprises four members, including three INEDs, namely Messrs. Lam Bing Kwan (Chairman), Chow Bing Chiu and Leung Shu Yin, William, and an ED, Mr. Yang Yiu Chong, Ronald Jeffrey.

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.

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

(5) Board Committees (continued)

(5.3) Remuneration Committee (continued)

(b) Work performed by the Remuneration Committee

The Remuneration Committee held one meeting during the Year to review the revised terms of reference of the Remuneration Committee and recommend the same to the Board for approval, and discuss remuneration-related matters, the payment of discretionary bonus to EDs, review of remuneration packages of EDs.

No Directors 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.

(c) Attendance record at the Remuneration Committee meeting

The attendance record of 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	
Yang Yiu Chong, Ronald Jeffrey	1/1
Independent Non-executive Directors	
Chow Bing Chiu	1/1
Lam Bing Kwan	1/1
Leung Shu Yin, William	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 is the Chairman of the Board while Mr. Yip Chai Tuck was the Chief Executive Officer of the Company until 31 January 2024. Following the stepping down of Mr. Yip Chai Tuck as the Chief Executive Officer of the Company on 1 February 2024, other duties and responsibilities of the Board and the day-to-day management of business are undertaken by other Executive Directors. This segregation ensures a clear distinction between the Chairman's responsibilities to manage the Board and other Executive Directors 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 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.

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 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.2.6 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 the 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 the code provision D.2.7 of the CG Code, the Board adopted an Anti-Fraud and Anti-Corruption Policy on 22 July 2022. It outlines guidelines and the minimum standards of conducts, 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 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 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$17,119,000 and HK$6,942,000, 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 Company and its subsidiaries (excluding Lai Sun Development Company Limited ("**LSD**") and its subsidiaries)	1,413	1,049
LSD and its subsidiaries (excluding eSun Holdings Limited ("**eSun**"), Lai Fung Holdings Limited ("**Lai Fung**") and their respective subsidiaries)	6,078	3,943
eSun and its subsidiaries	5,920	1,315
Lai Fung and its subsidiaries	3,708	635
Total	**17,119**	**6,942**

(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 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 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. Risk mitigation plans and risk owners are then established for those risks considered to be significant.

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 Independent Advisor reports to the Audit Committee and the Board of Directors for identified weakness and proposed recommendation on a timely basis to ensure prompt remediation actions are taken.

Enterprise risk management report and internal control review report are 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 on risk management and internal control systems; result 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 status of compliance with the Listing Rules. The Board and the Audit Committee consider 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.

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.

(14) Risk Management and Internal Control (continued)

Procedures and internal controls for the handling and dissemination of inside information

The Group complies with requirements of Securities & 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.

(15) Company Secretary

During the Year, the company secretary of the Company ("**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 holding at least 5% of the total voting rights of all the Shareholders having the right of voting at general meetings of the Company ("**GM Requisitionists**") can deposit a written request to convene a general meeting at the registered office of the Company ("**Registered Office**"), which is presently 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 general meeting 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 general meeting 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 general meeting will not be convened as requested.

(16) Shareholders' Rights (continued)

(16.1) Procedures for Shareholders to convene a general meeting (continued)

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 general meeting if within twenty-one (21) days of the deposit of the GM Requisitionists' request, the Board does not proceed duly to convene a general meeting for a day not more than twenty-eight (28) days after the date on which the notice convening the general meeting is given, provided that any general meeting 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 general meeting shall be repaid to the GM Requisitionists by the Company.

(16.2) Procedures for putting forward proposals at a 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 general meeting, or at least 50 registered Shareholders who have a right to vote on the resolution at the general meeting, may request the Company in writing to give to the Shareholders entitled to receive notice of the general meeting 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 general meeting.

The requisition (i) may 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 of requisition for the circulation of resolutions to be moved at general meeting, the requisition must be received by the Company not later than 6 weeks before the general meeting or (b) in the case of requisition for the circulation of statements regarding resolutions proposed at the general meeting, such requisition must be received by the Company not later than 7 days before the general meeting, 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 general meetings of the Company.

(17) Communication with Shareholders

(17.1) Shareholders' Communication Policy

A Shareholders' Communication Policy was first adopted by the Board on 29 March 2012 and has been revised on 22 July 2022, reflecting mostly the current practices of the Company for communication with its Shareholders. Such policy aims at providing the Shareholders and potential investors with ready and timely access to balanced and understandable information of the Company. The Board will review the Shareholders' Communication Policy regularly to ensure its effectiveness and compliance with the prevailing regulatory and other requirements.

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

(i) Shareholders can choose the means of receiving corporate communications such as annual reports, interim reports and circulars either in printed form or in electronic form by assessing the corporate communications published on HKEX's website at www.hkexnews.hk and the Company's website at www.laisun.com;

(ii) financial highlights, press releases and results roadshows presentations are also posted on the Company's website;

(iii) periodic announcements are made through the Stock Exchange and published on the respective websites of HKEX and the Company;

(iv) corporate information and the Articles of Association are made available on the Company's website and the latter is also posted on the website of HKEX;

(v) participate in roadshows and investors' conferences to meet Shareholders/investors, media and financial analysis;

(vi) AGMs and/or general meetings provide a forum for the Shareholders to make comments and exchange views with the Directors and senior management; and

(vii) the Share Registrar serve the Shareholders in respect of share registration, dividend payment, change of Shareholders' particulars and related matters.

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

The Board has reviewed the implementation and effectiveness of the Shareholders' Communication Policy during the Year. Having considered the multiple channels of communication and engagement in place, the Board is satisfied that the Shareholders' Communication Policy has been properly in place during the Year and is effective.

(17) Communication with Shareholders (continued)

(17.2) Attendance record at general meetings

During the Year, the Company held three general meetings (including the 2023 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*	0/3
Yang Yiu Chong, Ronald Jeffrey	2/3
Cheung Sum, Sam *	3/3
Lam Kin Hong, Matthew	1/3
Lam Hau Yin, Lester *(also alternate Director to U Po Chu)*	0/3
U Po Chu	0/3
Non-executive Director	
Chew Fook Aun **	N/A
Independent Non-executive Directors	
Chow Bing Chiu	3/3
Lam Bing Kwan	3/3
Leung Shu Yin, William	3/3
Ng Chi Ho, Dennis ***	2/3

* *Mr. Cheung Sum, Sam was appointed an ED on 1 August 2023.*

** *Mr. Chew Fook Aun resigned as a NED on 1 October 2023.*

*** *Mr. Ng Chi Ho, Dennis was appointed an INED on 1 August 2023.*

(17) Communication with Shareholders (continued)

(17.3) Details of the last general meeting

The last AGM was held at 12 noon on Friday, 15 December 2023 at Grand Ballrooms 1 and 2, Level B, Hong Kong Ocean Park Marriott Hotel, 180 Wong Chuk Hang Road, Aberdeen, Hong Kong ("**2023 AGM**"). At the 2023 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 2023 and the reports of the directors and the independent auditor of the Company thereon; (ii) the election of Mr. Yang Yiu Chong, Ronald Jeffrey and Mr. Cheung Sum, Sam as EDs and Mr. Ng Chi Ho, Dennis as INED, the re-election of Mr. Lam Bing Kwan and Mr. Leung Shu Yin, William as INEDs 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 shares of the Company ("**Shares**") not exceeding 10% of the aggregate number of the issued share capital of the Company; (v) the granting to the Directors a general mandate to issue, allot and deal with additional Shares of not exceeding 20% of the aggregate number of the issued share capital of the Company; (vi) the extension to the general mandate granted to the Directors to issue Share by adding the number of Shares bought back. The notice of the 2023 AGM and the poll results announcement in respect of the 2023 AGM were published on the websites of both HKEX and the Company on 16 November 2023 and 15 December 2023, respectively.

The last general meeting of the Company was held on Friday, 12 July 2024 at 10:00 a.m. at Grand Ballrooms 1 and 2, Level B, Hong Kong Ocean Park Marriott Hotel, 180 Wong Chuk Hang Road, Aberdeen, Hong Kong ("**2024 GM**"). At the 2024 GM, an ordinary resolution to approve, confirm and ratify the entering into of the Offer Letter; to approve the Disposal; and to authorise the Directors to implement the Offer Letter and all matters incidental thereto as set out in the notice of the 2024 GM. Further details of the 2024 GM were contained in the Company's circular dated 24 June 2024. The notice of 2024 GM and the poll results announcement in respect of the 2024 GM were published on the websites of both HKEX and the Company on 24 June 2024 and 12 July 2024, respectively.

(18) Investor Relations

To ensure our investors have a better understanding of the Company, our management engages in a proactive investor relations programme. Our EDs and Investor Relations Department communicate with research analysts and institutional investors regularly.

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

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

Biographical Details of Directors

Executive Directors

Each of the current executive directors of the Company ("**Executive Directors**") named below (except Madam U Po Chu and Mr. Lam Kin Hong, Matthew) 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 Development Company Limited ("**LSD**"), eSun Holdings Limited ("**eSun**") and Lai Fung Holdings Limited ("**Lai Fung**"). The issued shares of LSD, eSun and Lai Fung are listed and traded on the Main Board of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**"). Wisdoman Limited is the controlling shareholder of the Company, the Company is the ultimate holding company of LSD which in turn is the intermediate holding company of eSun and Lai Fung.

Dr. Lam Kin Ngok, Peter, aged 67, is the Chairman of the Company, a member of the Executive Committee of the Company and the chairman of the Nomination Committee of the Company. He has been an Executive Director since October 1987 and is a director of Wisdoman Limited (a controlling shareholder of the Company). Dr. Lam is also the chairman and an executive director of each of LSD and Lai Fung. He is also the chairman and a director of Media Asia Group Holdings Limited which were delisted from GEM of the Stock Exchange on 21 March 2023 and has accordingly become a wholly-owned subsidiary of eSun. Dr. Lam was an executive director of eSun from 15 October 1996 to 13 February 2014. Dr. Lam was an executive director of Lai Fung from 28 November 1997 to 31 October 2012. Dr. Lam retired as an executive director of Crocodile Garments Limited ("**CGL**") (a company listed on the Main Board of the Stock Exchange) on 13 December 2023.

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 Trade Development Council. 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, a non-official member of the Trade and Industry Advisory Board, a member of the general committee of the Hong Kong General Chamber of Commerce and a member under the group of regional and global collaborations of the Chief Executive's Council of Advisers. He was a trustee of The Better Hong Kong Foundation and a member of the board of West Kowloon Cultural District Foundation Limited (a wholly-owned subsidiary of West Kowloon Cultural District Authority).

Dr. Lam is the son of Madam U Po Chu (an Executive Director of the Company), the elder brother of Mr. Lam Kin Hong, Matthew (an 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. Yang Yiu Chong, Ronald Jeffrey, aged 57, was appointed an Executive Director of the Company on 2 June 2023. He is currently a member of the Executive Committee and Remuneration Committee, and an alternate to Dr. Lam Kin Ngok, Peter, the chairman of the Nomination Committee of the Company. Mr. Yang is also an executive director and chief executive officer of eSun.

Mr. Yang has over 30 years of experience in finance and investment arena in Greater China and North America. Mr. Yang has a double bachelor degree in Accounting and Finance from Boston University, the United States of America ("**USA**"). Mr. Yang held senior management position in several listed companies and the issued shares of which are listed and traded on the Stock Exchange. He was also a Responsible Officer and has participated in numerous corporate finance activities for many listed companies in Hong Kong, as well as worked in a leading international bank.

Mr. Yang joined LSD as Chief Investment Officer in September 2020 and was appointed an executive director and chief executive officer of eSun on 3 October 2023. He worked for Sing Tao News Corporation Limited ("**Sing Tao**") for over 18 years where he held senior management positions as well as serving as an executive director. The issued shares of LSD, eSun and Sing Tao are listed and traded on the Main Board of the Stock Exchange. Mr. Yang worked as senior vice president of corporate finance of Global China Technology Group Limited, and completed the acquisition of and the merger with Sing Tao. He worked for Leefung-Asco Printers Holding Limited for over 10 years where he participated and successfully completed their initial public offering on the Stock Exchange. He also worked in the corporate banking and the corporate finance department of Citibank Hong Kong after obtaining the university degree.

Mr. Cheung Sum, Sam, aged 60, was appointed an Executive Director of the Company on 1 August 2023. He is currently a member of the Executive Committee 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 LSD, eSun and Lai Fung.

Mr. Cheung was the chief financial officer of FTLife Insurance Company Limited ("**FTLife**", a wholly-owned subsidiary of NWS Holdings 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 LSD and Lai Fung from June 2007 to October 2009 and from March 2011 to August 2012. Save for FTLife, the issued shares of all the aforesaid companies are listed and traded on the Stock Exchange.

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**").

Executive Directors (continued)

Mr. Lam Kin Hong, Matthew, aged 56, was appointed an Executive Director in March 2001 and is a member of the Executive Committee and a legal adviser of the Company. Mr. Lam is an executive deputy chairman and an executive director of Lai Fung and an executive director of CGL (a company listed on the Main Board of the Stock Exchange). Save as disclosed above, Mr. Lam does not hold other directorship in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Lam graduated from University College London in the UK with a Bachelor of Science Degree and underwent training as a lawyer with Reed Smith Richards Butler, an international law firm. He is a Co-founding Partner and Managing Partner of Nixon Peabody CWL in Hong Kong, a member of The Law Society of Hong Kong and The Law Society of England and Wales.

Mr. Lam has considerable experience in property development and corporate finance in Hong Kong and Chinese Mainland. He is the vice president of the Hong Kong Real Property Federation and a standing committee member of the CPPCC in Shanghai.

Mr. Lam was appointed a Justice of the Peace in July 2021 and he received the Bronze Bauhinia Star awarded by the Government of the HKSAR on 1 July 2023. He serves as an Honorary Consul of the Republic of Estonia in Hong Kong, the chairman of the Appeal Tribunal Panel (Buildings), a member of the Consumer Council, a member of the Competition Commission, a member of the Protection of Wages on Insolvency Fund Board, a member of the Fight Crime Committee and a member of the Independent Police Complaints Council. Mr. Lam also serves as a Racing Steward at the Hong Kong Jockey Club and is a council member of the Better Hong Kong Foundation. He was a former member of the Employees Compensation Assistance Fund Board, and the Advisory Committee on Admission of Quality Migrants and Professionals.

Mr. Lam is the younger brother of Dr. Lam Kin Ngok, Peter (the Chairman, an Executive Director and controlling shareholder of the Company) and an uncle of Mr. Lam Hau Yin, Lester (an Executive Director of the Company). Apart from the aforesaid, Mr. Lam does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Lam does not have a service contract with the Company. However, in accordance with the provisions of the articles of association of the Company ("**Articles of Association**"), Mr. Lam will be subject to retirement from office as director by rotation once every three years if re-elected at the forthcoming annual general meeting of the Company ("**AGM**") and will also be eligible for re-election at future AGMs. Mr. Lam presently receives from the Company an annual remuneration of HK$350,000 as well as discretionary bonus to be determined by the Board from the time to time with reference to the results of the Company, his performance, duties and responsibilities as well as the prevailing market conditions. Mr. Lam also receives from Lai Fung, a subsidiary of the Company, an annual remuneration of HK$350,000 as well as discretionary bonus to be determined by the board in acting as the executive deputy chairman and an executive director of Lai Fung. The Nomination Committee and the Board had considered and recommended the re-election of Mr. Lam at the forthcoming AGM.

As at the date of this Annual Report, Mr. Lam does not have any interests or short positions in the shares, underlying shares and/or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("**SFO**").

Please also refer to the Note at the end of this section of "Biographical Details of Directors".

Biographical Details of Directors

Executive Directors (continued)

Mr. Lam Hau Yin, Lester, aged 43, was appointed an Executive Director in May 2006 and is a member of the Executive Committee of the Company. He is also the alternate director to Madam U Po Chu in her capacity as an Executive Director of each of the Company and Lai Fung and a non-executive director of each of LSD and eSun. Mr. Lam is an executive director of each of LSD and eSun as well as an executive director and the chief executive officer of Lai Fung. He is also a director of Wisdoman Limited (a controlling shareholder of the Company). Save as disclosed above, Mr. Lam does not hold other directorship in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Lam holds a Bachelor of Science in Business Administration degree from the Northeastern University in Boston of the 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 (the Chairman, an Executive Director and the controlling shareholder of the Company), a grandson of Madam U Po Chu (an Executive Director of the Company) and a nephew of Mr. Lam Kin Hong, Matthew (an Executive Director of the Company). Apart from the aforesaid, Mr. Lam does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Lam does not have a service contract with the Company. However, in accordance with the provisions of the Articles of Association, Mr. Lam will be subject to retirement from office as director by rotation once every three years if re-elected at the forthcoming AGM and will also be eligible for re-election at future AGMs. Mr. Lam presently does not receive any emoluments from the Company but may receive such other remuneration as well as discretionary bonus to be determined by the Board from time to time with reference to the results of the Company, his performance, duties and responsibilities as well as the prevailing market conditions. Mr. Lam also receives from LSD and Lai Fung, subsidiaries of the Company, annual remuneration of HK$1,765,680 and HK$1,608,000 as well as discretionary bonus to be determined by the Board in acting as an executive director of LSD and an executive director and the chief executive officer of Lai Fung, respectively. The Nomination Committee and the Board had considered and recommended the re-election of Mr. Lam at the forthcoming AGM.

As at the date of this Annual Report, Mr. Lam is interested or deemed to be interested within the meaning of Part XV of the SFO in a total of 28,033,218 shares and a share option comprising 6,519,095 underlying shares in the Company, representing approximately 3.17% and 0.74% of the issued share capital of the Company respectively. Mr. Lam also interested in a total of 2,794,443 shares in eSun. Save as aforesaid, Mr. Lam does not have any interests or short positions in the shares, underlying shares and/or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Please also refer to the Note at the end of this section of "Biographical Details of Directors".

Executive Directors (continued)

Madam U Po Chu, aged 99, has been a Director since December 1990 and was a Non-executive Director until re-designated as an Executive Director of the Company with effect from 27 November 2012. She is also a non-executive director of each of LSD and eSun, as well as an executive director of Lai Fung and a director of Wisdoman Limited (a controlling shareholder of the Company).

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 (the Chairman, an Executive Director and the controlling shareholder of the Company) and the grandmother of Mr. Lam Hau Yin, Lester (an Executive Director of the Company).

Independent Non-Executive Directors

Mr. Chow Bing Chiu, aged 73, was appointed an Independent Non-executive Director in September 2004 and is a member of the Nomination Committee, the Audit Committee and the Remuneration Committee of the Company. Mr. Chow is also a non-executive director of CGL. The issued shares of CGL are listed and traded on the Main Board of the Stock Exchange. The Company is the ultimate holding company of LSD which in turn is the intermediate holding company of eSun and Lai Fung.

Mr. Chow obtained his Bachelor of Law degree in 1980 and qualified as a solicitor in Hong Kong in 1983. He is the senior partner of B.C. Chow & Co., Solicitors, in Hong Kong and a China-appointed Attesting Officer.

Mr. Lam Bing Kwan, aged 74, was appointed an Independent Non-executive Director in February 2011 and is the chairman of the Remuneration Committee, a member of the Nomination Committee and the Audit Committee of the Company. Mr. Lam is also an independent non-executive director of LSD and Lai Fung. The issued shares of all the aforesaid companies are listed and traded on the Main Board of the Stock Exchange. The Company is the ultimate holding company of LSD which in turn is the intermediate holding company of eSun and Lai Fung.

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.

Biographical Details of Directors

Independent Non-Executive Directors (continued)

Mr. Leung Shu Yin, William, aged 75, was appointed an Independent Non-executive Director in July 2002 and is the chairman of the Audit Committee and a member of the Remuneration Committee of the Company. Mr. Leung is also an independent non-executive director of LSD. He is also an independent non-executive director and deputy chairman of CGL. He has resigned as an independent non-executive director of Mainland Headwear Holdings Limited with effect from 1 September 2023. The issued shares of all the aforesaid companies are listed and traded on the Main Board of the Stock Exchange. The Company is the ultimate holding company of LSD 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. Mr. Leung is a practising director of two certified public accountants' firms in Hong Kong.

Mr. Ng Chi Ho, Dennis, aged 66, was appointed an Independent Non-executive Director of the Company on 1 August 2023. The Company is the ultimate holding company of LSD which in turn is the intermediate holding company of eSun and Lai Fung.

Mr. Ng is currently an independent non-executive director of China City Infrastructure Group Limited, the issued shares of which are listed and traded on the Main Board of the Stock Exchange.

Mr. Ng holds a Bachelor of Commerce Degree from The University of New South Wales, Australia and is a chartered accountant of The Chartered Accountants Australia and New Zealand and a fellow member of the HKICPA. He is also a practising certified public accountant and has extensive experience in auditing, accounting, financial management and corporate affairs.

Note:

*Mr. Lam Kin Hong, Matthew and Mr. Lam Hau Yin, Lester ("**Retiring Directors**") will retire as directors in accordance with the Articles of Association at the forthcoming AGM. Being eligible, they offer themselves for re-election thereat. For the purpose of each of the Retiring Directors' re-election thereat, save as disclosed above, there are no other matters which need to be brought to the attention of the shareholders of the Company, and there is no information which is discloseable pursuant to any of the requirements under Rule 13.51(2) of The Rules Governing the Listing of Securities on the Stock Exchange.*

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 (together, "**Group**") for the year ended 31 July 2024 ("**Year**").

Principal Activities

During the Year, the principal activities of the Group 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, cultural, leisure, entertainment and related facilities and investment holding.

Results and Dividends

Details of the consolidated loss of the Company for the Year and the state of affairs of the Company and of the Group as at 31 July 2024 are set out in the consolidated financial statements and their accompanying notes on pages 183 to 364.

The board of Directors ("**Board**") does not recommend the payment of a final dividend for the Year (2023: Nil). No interim dividend was paid or declared during the Year (2023: Nil).

Business Review

A review of the business of the Group during the Year, a discussion on the Group's future business development and 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 6 to 21 and pages 22 to 55 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 6 to 21 and Financial Highlights on page 4 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 67 to 112 and pages 113 to 136 of this Annual Report, respectively.

Distributable Reserves

At 31 July 2024, the Company had reserves available for distribution to the shareholders of the Company ("**Shareholders**") amounted to approximately HK$502,553,000.

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.

Report of the Directors

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 losses or liabilities (to the fullest extent permitted by the Companies Ordinance (Cap. 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 are named as follows:

Executive Directors ("EDs")
Lam Kin Ngok, Peter *(Chairman)*
Yang Yiu Chong, Ronald Jeffrey
Cheung Sum, Sam *(Group Chief Financial Officer)* (appointed on 1 August 2023)
Lam Hau Yin, Lester
(also alternate Director to U Po Chu)
Lam Kin Hong, Matthew
U Po Chu

Non-executive Director ("NED")
Chew Fook Aun *(Deputy Chairman)* (resigned on 1 October 2023)

Independent Non-executive Directors ("INEDs")
Chow Bing Chiu
Lam Bing Kwan
Leung Shu Yin, William
Ng Chi Ho, Dennis (appointed on 1 August 2023)

In accordance with Article 102 of the Articles of Association, Mr. Lam Kin Hong, Matthew and Mr. Lam Hau Yin, Lester ("**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 section headed "Biographical Details of Directors" of this Annual Report, the section headed "Directors' Interests" of this Report below and the Company's circular dated 14 November 2024.

Directors (continued)

All Retiring Directors have confirmed that there is no other information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

The list of directors who have served on the boards of the Company's subsidiaries during the Year and up to the date of this Report 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 137 to 142 of this Annual Report. Directors' other particulars are contained in this Report and elsewhere in this Annual Report.

Directors' Service Contracts

None of the Directors proposed for re-election at the forthcoming AGM has an unexpired service contract with the Company and/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 to 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 by 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 Development Company Limited ("**LSD**", together with its subsidiaries "**LSD 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. ("**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 terms for 2020 Management Agreement is ten years commencing from 1 May 2020 and renewable for two (2) 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 2024, the management and other services fees paid or payable by the Group to Ascott amounted to RMB5,770,000 (equivalent to approximately HK$6,236,000).

CapitaLand is an indirect substantial shareholder of Lai Fung. Lai Fung is a 55.08%-owned subsidiary of LSD whilst LSD is a 55.60%-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.

2. The May Flower Cinema Leases

Guangdong May Flower Cinema City Company Limited ("**Guangdong Cinema City**"), an indirect wholly-owned subsidiary of eSun (as lessee) entered into the Zhongshan May Flower Cinema Lease with Zhongshan Baoli Property Development Company Limited ("**Zhongshan Baoli**"), an indirect wholly-owned subsidiary of Lai Fung (as lessor) on 31 October 2015 for extension of the lease of certain premises in Zhongshan Palm Spring for a further term of 15 years.

Guangdong Cinema City (as lessee) entered into the Guangzhou May Flower Cinema Lease with Guangzhou Jieli Real Estate Company Limited ("**Guangzhou Jieli**"), an indirect wholly-owned subsidiary of Lai Fung (as lessor) on 1 November 2015 for extension of the lease of certain premises in Guangzhou May Flower Plaza for a further term of 15 years.

As announced by the Company, LSD, eSun and Lai Fung on 31 July 2020, Lai Fung has become a connected subsidiary of LSD and hence a connected person of the Company pursuant to Chapter 14A of the Listing Rules. In relation to the amounts payable as a lessee, the Company has set annual caps of RMB6,000,000 (equivalent to approximately HK$6,647,000) for each of the ten financial years ending 31 July 2030 and RMB1,500,000 (equivalent to approximately HK$1,662,000) for the financial year ending 31 July 2031. In relation to the rental and other amounts receivable as a lessor, the Company has set an annual cap of RMB9,000,000 (equivalent to approximately HK$9,970,000) for each of the ten financial years ending 31 July 2030 and RMB3,000,000 (equivalent to approximately HK$3,323,000) for the financial year ending 31 July 2031.

As announced by the Company, LSD, eSun and Lai Fung on 15 September 2022, Guangzhou Jieli and Guangdong Cinema City entered into a termination agreement ("**Guangzhou Termination Agreement**") to terminate the Guangzhou May Flower Cinema Lease in advance with effect from 15 October 2022 ("**Guangzhou Termination Date**").

Continuing Connected Transactions (continued)

2. The May Flower Cinema Leases (continued)

As the above annual caps are shared between the May Flower Cinema Leases, such annual caps for (i) the amounts payable by the lessee other than the base rent (such as the property management fees and any additional turnover rent) under the Zhongshan May Flower Cinema Lease ("**Guangdong Cinema City Caps**") and (ii) the rental and other amounts (including the property management fees and any additional turnover rent) payable to the lessors under the Zhongshan May Flower Cinema Lease ("**Zhongshan Baoli Caps**") would be revised after the termination of the Guangzhou May Flower Cinema Lease and would only be applicable to the Zhongshan May Flower Cinema Lease.

After the termination of the Guangzhou May Flower Cinema Lease, the revised Guangdong Cinema City Caps under the Zhongshan May Flower Cinema Lease would be below HK$3,000,000.

After the termination of the Guangzhou May Flower Cinema Lease, the revised Zhongshan Baoli Caps under the Zhongshan May Flower Cinema Lease would be as follows:

(i) RMB2,500,000 (equivalent to HK$2,813,000) for the period from the Guangzhou Termination Date to the financial year ended 31 July 2023;

(ii) RMB3,000,000 (equivalent to HK$3,375,000) for each of the financial years from 1 August 2023 to 31 July 2030; and

(iii) RMB1,000,000 (equivalent to HK$1,125,000) for the financial year ending 31 July 2031.

As announced by the Company, LSD, eSun and Lai Fung on 8 February 2024, Zhongshan Baoli and Guangdong Cinema City entered into a termination agreement ("**Zhongshan Termination Agreement**") to terminate the Zhongshan May Flower Cinema Lease in advance with effect from 29 February 2024 ("**Zhongshan Termination Date**").

Under the terms of the Zhongshan Termination Agreement, Guangdong Cinema City shall, inter alia, settle all arrears at an agreed amount on or before the Zhongshan Termination Date, and return to Zhongshan Baoli the Premises of Zhongshan May Flower Cinema on the Zhongshan Termination Date and the remainder of approximately 50 square meters office space on 30 June 2024. Guangdong Cinema City shall, inter alia, apply to the relevant government department(s) for the deregistration of the operating licences of the Zhongshan May Flower Cinema on or before 30 June 2024. Save for the above, neither Zhongshan Baoli nor Guangdong Cinema City is required to make any termination payment to each other.

For the period from 1 August 2023 to 29 February 2024, the rental and other amounts receivable as a lessor were RMB943,000 (equivalent to approximately HK$1,019,000).

3. Financial Assistance Framework Agreements

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

On 9 September 2022, LSD entered into the LSD-eSun Framework Agreement and the LSD-LF Framework Agreement, respectively with eSun and LF (each a connected subsidiary of LSD) in respect of financial assistance to be provided by LSD Lender Group Companies to eSun Borrower Group Companies and LF Borrower Group Companies, respectively, from time to time. Each of the two LSD Financial Assistance Framework Agreements is for an initial term of three years commencing from 1 January 2023 and expiring on 31 December 2025.

The three LSG Financial Assistance Framework Agreements and the Intercompany Loan Transactions contemplated thereunder, as well as 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.

Continuing Connected Transactions (continued)

3. Financial Assistance Framework Agreements (continued)

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

(i) the LSG-LSD Annual Caps for the LSG-LSD Loan Transactions contemplated under the LSG-LSD Framework Agreement are HK$450,000,000 for the financial year ended 31 July 2024, HK$450,000,000 and HK$450,000,000 for the respective financial years ending 31 July 2025 and 2026;

(ii) the LSG-eSun Annual Caps for the LSG-eSun Loan Transactions contemplated under the LSG-eSun Framework Agreement are HK$190,000,000 for the financial year ended 31 July 2024, HK$360,000,000 and HK$450,000,000 for the respective financial years ending 31 July 2025 and 2026;

(iii) the LSG-LF Annual Caps for the LSG-LF Loan Transactions contemplated under the LSG-LF Framework Agreement are HK$450,000,000 for the financial year ended 31 July 2024, HK$450,000,000 and HK$450,000,000 for the respective financial years ending 31 July 2025 and 2026;

(iv) the LSD-eSun Annual Caps for the LSD-eSun Loan Transactions contemplated under the LSD-eSun Framework Agreement are HK$190,000,000 for the financial year ended 31 July 2024, HK$360,000,000 and HK$485,000,000 for the respective financial years ending 31 July 2025 and 2026; and

(v) the LSD-LF Annual Caps for the LSD-LF Loan Transactions contemplated under the LSD-LF Framework Agreement are HK$3,000,000,000 for the financial year ended 31 July 2024, HK$3,000,000,000 and HK$3,000,000,000 for the respective financial years ending 31 July 2025 and 2026.

For the year ended 31 July 2024, there is no transaction under these Financial Assistance Framework Agreements.

Details of the Financial Assistance Framework Agreements are set out in the announcement dated 9 September 2022 jointly published by the Company and LSD.

4. 2023 Commercial Letting Framework Agreement

As announced on 31 July 2023, the Company, LSD, eSun and Lai Fung (collectively, "**Lai Sun Group**") entered into the 2023 commercial letting framework agreement ("**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 caps for the total value of the right-of-use assets in respect of the Transactions are HK$22,000,000 for the financial year ended 31 July 2024, HK$29,000,000 and HK$35,000,000 for the respective financial years ending 31 July 2025 and 2026; and

(ii) the annual caps for licensing and other fees other than the fixed rental payments in respect of the Transactions are HK$10,000,000 for the financial year ended 31 July 2024, HK$10,000,000 and HK$11,000,000 for the respective financial years ending 31 July 2025 and 2026.

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$25,000,000 for the financial year ended 31 July 2024, HK$26,000,000 and HK$29,000,000 for the respective financial years ending 31 July 2025 and 2026.

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

For the financial year ended 31 July 2024, in respect of the Transactions:

(i) total value of the right-of-use assets amounted to HK$4,459,000;

(ii) licensing and other fees other than the fixed rental payments paid or payable by the Group amounted to HK$3,526,000; and

(iii) annual rental, licensing fees and/or other fees received or receivable by the Group amounted to HK$15,250,000.

The Company will comply with the requirements under the connected transactions rules of the Listing Rules if any cap is exceeded, or when the 2023 Commercial Letting Framework Agreement is renewed or there are material changes to the provisions of the 2023 Commercial Letting Framework Agreement.

Continuing Connected Transactions (continued)

Under Rule 14A.55 of the Listing Rules, the INEDs have reviewed annually the CCTs listed above and confirmed that the transactions had 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 of the Company as a whole.

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 (4) 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, in 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 LSD 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 date of this Annual Report, the following Directors are considered to have interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules:

Dr. Lam Kin Ngok, Peter, Mr. Yang Yiu Chong, Ronald Jeffrey, Mr. Cheung Sum, Sam, Mr. Chew Fook Aun (up to 30 September 2023), Mr. Lam Kin Hong, Matthew, Mr. Lam Hau Yin, Lester and Madam U Po Chu (together, "**Interested Directors**") held shareholdings or other interests and/or directorships in companies/entities engaged in the businesses of property investment and development in Hong Kong and Chinese Mainland, including LSD, Lai Fung and Crocodile Garments Limited.

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

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

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, the concerts and albums of the above companies and those of the Group.

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

Directors' Right to Acquire Shares or Debentures

Save as disclosed in the sections headed "Share Option Schemes" and "Directors' Interests" of this Report and 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.

Share Option Schemes

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**") which became effective on 19 December 2022 ("**Effective Date**"). The share option scheme adopted by the Company on 11 December 2015 ("**2015 Share Option Scheme**") were terminated on 16 December 2022 ("**Termination**"). 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 options to them as incentives or rewards and to attract, retain or 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 and employees of the Group and related entities, and 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 2024 was 58,891,593 Shares (representing approximately 6.67% of the Company's issued shares as at 31 July 2024). The service provider sublimit at the beginning and the end of the financial year ended 31 July 2024 was 5,889,159 Shares (representing approximately 0.67% of the Company's issued shares as at 31 July 2024).

During the year ended 31 July 2024, 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 2024, share options comprising a total of 16,360,101 underlying Shares granted under the 2015 Share Option Scheme were outstanding.

The Company (continued)

Information on the movements of share options under the 2015 Share Option Scheme during the Year is set out below:

Name and category of participants	Date of grant of share options *(Note 1)*	As at 1 August 2023	Granted during the Year	Exercised during the Year	Lapsed during the Year	As at 31 July 2024	Exercise period of share options	Exercise price of share options HK$ per share *(Note 2)*
		Number of underlying Shares comprised in share options						
Directors								
Lam Kin Ngok, Peter	19/06/2017	448,197 *(Note 4)*	—	—	—	448,197	19/06/2017 - 18/06/2027	11.155 *(Note 4)*
Lam Kin Ngok, Peter	25/01/2022	1,383,820 *(Notes 3 & 4)*	—	—	—	1,383,820	25/01/2022 - 24/01/2032	3.673 *(Note 4)*
Chew Fook Aun *(Note 6)*	19/06/2017	5,135,275 *(Note 4)*	—	—	(5,135,275) *(Note 6)*	—	19/06/2017 - 18/06/2027	11.155 *(Notes 4 & 6)*
Lam Hau Yin, Lester	19/06/2017	5,135,275 *(Note 4)*	—	—	—	5,135,275	19/06/2017 - 18/06/2027	11.155 *(Note 4)*
Lam Hau Yin, Lester	25/01/2022	1,383,820 *(Notes 3 & 4)*	—	—	—	1,383,820	25/01/2022 - 24/01/2032	3.673 *(Notes 3 & 4)*
Total		**13,486,387**	**—**	**—**	**(5,135,275)**	**8,351,112**		
Other employee participants								
In aggregate	28/07/2017	5,135,899 *(Note 4)*	—	—	—	5,135,899	28/07/2017 - 27/07/2027	12.226 *(Note 4)*
In aggregate	25/01/2022	3,031,265 *(Notes 3 & 4)*	—	—	(158,175) *(Note 5)*	2,873,090	25/01/2022 - 24/01/2032	3.673 *(Notes 3 & 4)*
Total		**8,167,164**	**—**	**—**	**(158,175)**	**8,008,989**		
Grand Total		**21,653,551**	**—**	**—**	**(5,293,450)**	**16,360,101**		

Share Option Schemes (continued)

The Company (continued)

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 total of 5,499,200 options were granted to eligible participants on 25 January 2022, among of which, a total of 5,249,200 options were granted to directors, substantial shareholder of the Company and their associates including 1,312,300 options were granted to Dr. Lam Ho Yi and 1,312,300 options were granted to Mr. Lam Hau Nang, Lucas under the 2015 Share Option Scheme.*

4. *On 3 January 2023, the exercise price of and the number of Shares entitled to be subscribed for under the outstanding share options have been adjusted in the following manner following the completion of 1-for-2 rights issue of the Company ("**2022 Rights Issue**"):*

Name and category of participants	***Number of underlying Shares comprised in share options before the 2022 Rights Issue***	***Exercise price of share options before the 2022 Rights Issue*** *HK$ per share*	***Adjusted number of underlying Shares comprised in share options after the 2022 Rights Issue***	***Adjusted exercise price of share options after the 2022 Rights Issue*** *HK$ per share*
Directors				
Lam Kin Ngok, Peter	*425,033*	*11.763*	*448,197*	*11.155*
Lam Kin Ngok, Peter	*1,312,300*	*3.874*	*1,383,820*	*3.673*
Chew Fook Aun	*4,869,867*	*11.763*	*5,135,275*	*11.155*
Lam Hau Yin, Lester	*4,869,867*	*11.763*	*5,135,275*	*11.155*
Lam Hau Yin, Lester	*1,312,300*	*3.874*	*1,383,820*	*3.673*
Other employee participants, *in aggregate*	*4,870,459*	*12.893*	*5,135,899*	*12.226*
Other employee participants, *in aggregate*	*2,874,600*	*3.874*	*3,031,265*	*3.673*
Total	***20,534,426***		***21,653,551***	

Share Option Schemes (continued)

The Company (continued)

Notes: (continued)

5. *A share option comprising a total of 158,175 underlying Shares granted on 25 January 2022 had been lapsed in August 2023 under the 2015 Share Option Scheme.*

6. *Mr. Chew Fook Aun resigned as Deputy Chairman and non-executive director of the Company on 1 October 2023. A share option comprising a total of 5,135,275 underlying Shares granted to him on 19 June 2017 had been lapsed in December 2023 under the 2015 Share Option Scheme.*

During the Year, there were a total of 158,175 options granted to an eligible participant lapsed in August 2023 and there were a total of 5,135,275 options granted to a former director lapsed in December 2023. Apart from the mentioned above, no share options were granted, vested, exercised, lapsed or cancelled in accordance with the terms of the 2015 Share Option Scheme and the 2022 Share Option Scheme during the Year.

As at the date of this Report, (i) no further options could be granted under the 2015 Share Option Scheme and a maximum number of 16,360,101 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 1.85% of Shares in issue as at the date of this Report; and (ii) no share options have been granted under the 2022 Share Option Scheme since the Effective Date, therefore, a maximum number of 58,891,593 Shares are available for grant and issue under the 2022 Share Option Scheme, representing approximately 6.67% of the Shares in issue as at the date of this Report.

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

Share Option Schemes (continued)

LSD

At the annual general meeting of LSD held on 16 December 2022, the shareholders of LSD approved the adoption of a new share option scheme ("**LSD 2022 Share Option Scheme**") which became effective on 19 December 2022 ("**LSD Effective Date**"). The LSD 2022 Share Option Scheme has also been approved by the Shareholders of the Company at its annual general meeting held on 16 December 2022. The share option scheme adopted by LSD on 11 December 2015 ("**LSD 2015 Share Option Scheme**") and the share option scheme adopted by LSD on 22 December 2006 ("**LSD 2006 Share Option Scheme**") were terminated on 16 December 2022 and 11 December 2015, respectively ("**LSD Termination**"). Following the LSD Termination, no further share options shall be granted under the LSD 2015 Share Option Scheme and the LSD 2006 Share Option Scheme but the outstanding options granted thereunder shall continue to be valid and exercisable in accordance with the respective terms of the LSD 2015 Share Option Scheme and the LSD 2006 Share Option Scheme.

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

The principal terms of the LSD 2022 Share Option Scheme are set out in the circular of LSD dated 17 November 2022. The number of shares available for grant under the LSD 2022 Share Option Scheme at the beginning and the end of the financial year ended 31 July 2024 was 96,888,588 LSD Shares (representing approximately 6.67% of LSD's issued shares as at 31 July 2024). The service provider sublimit at the beginning and the end of the financial year ended 31 July 2024 was 9,688,858 LSD Shares (representing approximately 0.67% of LSD's issued shares as at 31 July 2024).

During the year ended 31 July 2024, a share option comprising 179,262 underlying LSD Shares granted to certain eligible participants under the LSD 2015 Share Option Scheme lapsed in August 2023 and no share options had been granted under the LSD 2022 Share Option Scheme. Accordingly, there were no shares of LSD that might be issued in respect of share options granted under LSD 2022 Share Option Scheme during the Year.

As at 31 July 2024, share options comprising a total of 193,176 underlying LSD shares granted under the LSD 2006 Share Option Scheme and share options comprising a total of 524,166 underlying LSD shares granted under the LSD 2015 Share Option Scheme, respectively were outstanding.

Share Option Schemes (continued)

LSD (continued)

Information on the movements of the LSD share options under the LSD 2006 Share Option Scheme and the LSD 2015 Share Option Scheme during the Year is set out below:

Category of participants	Date of grant of LSD share options *(Note 1)*	Number of underlying LSD Shares comprised in LSD share options: As at 1 August 2023	Granted during the Year	Exercised during the Year	Lapsed during the Year	As at 31 July 2024	Exercise period of LSD share options	Exercise price of LSD share options HK$ per share *(Note 2)*
Employee participants *(Note 4)*	21/01/2015	193,176	—	—	—	193,176	21/01/2015 - 20/01/2025	7.192
	22/01/2016	69,652	—	—	—	69,652	22/01/2016 - 21/01/2026	4.048
	20/01/2017	69,652	—	—	—	69,652	20/01/2017 - 19/01/2027	7.019
	26/01/2021	255,395	—	—	—	255,395	26/01/2021 - 25/01/2031	5.476
	25/01/2022	308,729	—	—	(179,262) *(Note 3)*	129,467	25/01/2022 - 24/01/2032	4.397
Total		**896,604**	**—**	**—**	**(179,262)**	**717,342**		

Notes:

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

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

3. *A share option comprising a total of 179,262 underlying LSD Shares had been lapsed in August 2023 under the LSD 2015 Share Option Scheme.*

4. *Employee participants include the employees of the LSD Group.*

Share Option Schemes (continued)

LSD (continued)

During the Year, there were a total of 179,262 LSD share options had been lapsed under the LSD 2015 Share Option Scheme in August 2023. Apart from the mentioned above, no LSD share options were granted, vested, exercised, lapsed or cancelled in accordance with the terms of the LSD 2006 Share Option Scheme, the LSD 2015 Share Option Scheme and the LSD 2022 Share Option Scheme during the Year.

As at the date of this Report, (i) no further options could be granted under the LSD 2006 Share Option Scheme and a maximum number of 193,176 shares of LSD are available for issue in relation to the underlying LSD Shares comprised in the subsisting option granted under the LSD 2006 Share Option Scheme and remained outstanding, representing approximately 0.01% of the LSD Shares in issue as at the date of this Report; (ii) no further options could be granted under the LSD 2015 Share Option Scheme and a maximum number of 524,166 shares of LSD are available for issue in relation to the underlying LSD Shares comprised in the subsisting option granted under the LSD 2015 Share Option Scheme and remained outstanding, representing approximately 0.04% of the LSD Shares in issue as at the date of this Report; and (iii) no share options have been granted under the LSD 2022 Share Option Scheme since LSD Effective Date, therefore, a maximum number of 96,888,588 LSD Shares are available for grant and issue under the LSD 2022 Share Option Scheme, representing approximately 6.67% of the LSD Shares in issue as at the date of this Report.

Further details of the LSD 2006 Share Option Scheme, the LSD 2015 Share Option Scheme and the LSD 2022 Share Option Scheme are set out in note 41 to the financial statements.

eSun

On 11 December 2015, eSun adopted a share option scheme ("**eSun 2015 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 eSun 2015 Share Option Scheme is 124,321,216, being 10% of the total issued eSun Shares on the date of the approval of the eSun 2015 Share Option Scheme.

Upon the closing of eSun's offers on 22 August 2018, all outstanding share options granted under the eSun 2015 Share Option Scheme had been cancelled. On 21 January 2022, eSun granted share options under the eSun 2015 Share Option Scheme to the eligible participants entitling them 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 (i.e. 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.

The eSun 2015 Share Option Scheme was terminated and a new share option scheme ("**eSun 2022 Share Option Scheme**") was adopted by eSun's shareholders ("**eSun Shareholders**") at its annual general meeting held on 16 December 2022. The eSun 2022 Share Option Scheme has also been approved by shareholders of both the Company and LSD 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)

eSun (continued)

The number of eSun Shares available for grant under the eSun 2015 Share Option Scheme before its termination was 122,821,216. Upon termination of the eSun 2015 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 eSun 2015 Share Option Scheme.

Unless otherwise cancelled or amended, the eSun 2022 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 eSun 2022 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 eSun 2022 Share Option Scheme were 149,185,459 and 14,918,545 eSun Shares (being 10% and 1% of the total issued eSun Shares) as at the eSun Effective Date and (being 8.50% and 0.85 % of the total issued eSun Shares) at the beginning and the end of the financial year ended 31 July 2024 respectively.

The purpose of the eSun 2022 Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants (including but not limited to the directors, chief executives, employees and service providers of the eSun Group as well as the related entity participants (as defined in the eSun 2022 Share Option Scheme)) 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 eSun 2022 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 eSun 2022 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 2024 and the date of this Report, share options comprising a total of 700,000 underlying eSun Shares (representing approximately 0.04% of the total issued eSun Shares as at those dates (i.e. 1,755,876,866)) granted under the eSun 2015 Share Option Scheme were outstanding, and no further share options can be granted under the eSun 2015 Share Option Scheme upon its termination on 16 December 2022. Therefore, a total number of 149,885,459 eSun Shares are available for issue under the eSun 2015 Share Option Scheme and the eSun 2022 Share Option Scheme, representing approximately 8.54% of the total issued eSun Shares as at those dates.

Share Option Schemes (continued)

eSun (continued)

Information on the movements of the eSun share options under the eSun 2015 Share Option Scheme during the Year is set out below:

		Number of underlying eSun shares comprised in eSun share options						
Category of grantees	**Date of grant of eSun share options** *(Note 1)*	**As at 1 August 2023**	**Granted during the Year**	**Exercised during the Year**	**Cancelled/ lapsed during the Year**	**As at 31 July 2024**	**Exercise period of eSun share options**	**Exercise price of eSun share options** HK$ per share *(Note 2)*
Eligible participants								
Employee	21/01/2022	400,000	–	–	–	400,000	21/01/2022 - 20/01/2032	0.50
Other eligible participants	21/01/2022	1,100,000	–	–	(800,000) *(Note 3)*	300,000	21/01/2022 - 20/01/2032	0.50
Total		**1,500,000**	**–**	**–**	**(800,000)**	**700,000**		

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.*

3. *A share option comprising 800,000 underlying eSun Shares granted to an eligible participant under the eSun 2015 Share Option Scheme on 21 January 2022 at the exercise price of HK$0.50 per eSun Share lapsed on 15 August 2023.*

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

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

Lai Fung

The share option scheme adopted by Lai Fung on 18 December 2012 ("**Lai Fung 2012 Share Option Scheme**") had expired on 17 December 2022 ("**Expiration Date**"). Following the Expiration Date, no further share options shall be granted under the Lai Fung 2012 Share Option Scheme but the outstanding share options granted thereunder shall continue to be valid and exercisable in accordance with the terms of the Lai Fung 2012 Share Option Scheme. As at 31 July 2024, share options comprising a total of 730,000 underlying shares granted under the Lai Fung 2012 Share Option Scheme were outstanding.

At the annual general meeting of Lai Fung held on 16 December 2022, a new share option scheme ("**Lai Fung 2022 Share Option Scheme**") was adopted for the purpose of recognising the contribution or future contribution of the Eligible Participants (as defined in the Lai Fung 2022 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 Lai Fung 2022 Share Option Scheme has also been approved by the shareholders of the Company and LSD at their respective annual general meetings and became effective on 19 December 2022 ("**Lai Fung Effective Date**"). Unless otherwise cancelled or amended, the Lai Fung 2022 Share Option Scheme will remain in force for 10 years from the Lai Fung Effective Date. The principal terms of the Lai Fung 2022 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 Lai Fung 2022 Share Option Scheme at the beginning and the end of the financial year ended 31 July 2024 was 33,103,344 Lai Fung Shares (representing 10% of Lai Fung's issued shares as at 31 July 2024). The service provider sublimit at the beginning and the end of the financial year ended 31 July 2024 was 3,310,334 Lai Fung Shares (representing 1% of Lai Fung's issued shares as at 31 July 2024).

During the year ended 31 July 2024, no share options had been granted under the Lai Fung 2022 Share Option Scheme. Accordingly, there were no shares of Lai Fung that might be issued in respect of share options granted under the Lai Fung 2022 Share Option Scheme during the Year.

Share Option Schemes (continued)

Lai Fung (continued)

Information on the movements of the Lai Fung share options under the Lai Fung 2012 Share Option Scheme during the Year is set out below:

Category of grantees	Date of grant of Lai Fung share options *(Note 1)*	Number of underlying Lai Fung Shares comprised in Lai Fung share options: As at 1 August 2023	Granted during the Year	Exercised during the Year	Lapsed during the Year	As at 31 July 2024	Exercise period of Lai Fung share options	Exercise price of Lai Fung share options HK$ per share *(Note 2)*
Employee participants								
	16/01/2015	60,000	–	–	–	60,000	16/01/2015 - 15/01/2025	8.00
	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		**590,000**	**–**	**–**	**–**	**590,000**		
Related entity participants								
	19/01/2018	40,000	–	–	–	40,000	19/01/2018 - 18/01/2028	13.52
	21/01/2022	200,000	–	–	(100,000)	100,000	21/01/2022 - 20/01/2032	5.75
Total		**240,000**	**–**	**–**	**(100,000)**	**140,000**		
Grand Total		**830,000**	**–**	**–**	**(100,000)**	**730,000**		

Share Option Schemes (continued)

Lai Fung (continued)

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 Lai Fung 2012 Share Option Scheme and the Lai Fung 2022 Share Option Scheme during the Year.

As at the date of this Report, (i) no further options could be granted under the Lai Fung 2012 Share Option Scheme and a maximum number of 730,000 shares of Lai Fung are available for issue in relation to the underlying shares comprised in the subsisting option granted under the Lai Fung 2012 Share Option Scheme and remained outstanding, representing approximately 0.22% of the shares in issue as at the date of this Report; and (ii) options to subscribe for a maximum of 33,103,344 shares in Lai Fung could be granted under the Lai Fung 2022 Share Option Scheme, representing approximately 10% of the shares of Lai Fung in issue as at the date of this Report.

Further details of the Lai Fung 2012 Share Option Scheme and the Lai Fung 2022 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 2024 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:

Directors' Interests (continued)

(a) The Company

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

Name of Director	Capacity	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Approximate % of total interests to total issued Shares *(Note 1)*
Lam Kin Ngok, Peter *(Note 5)*	Beneficial owner/ Owner of controlled corporations	112,211,038	Nil	258,168,186 *(Note 2)*	1,832,017 *(Notes 3 & 4)*	372,211,241	42.14%
U Po Chu *(Note 5)*	Beneficial owner	1,857,430	Nil	Nil	Nil	1,857,430	0.21%
Lam Hau Yin, Lester *(Note 5)*	Beneficial owner	28,033,218	Nil	Nil	6,519,095 *(Notes 3 & 4)*	34,552,313	3.91%

Notes:

1. *The percentage has been compiled based on the total number of issued Shares as at 31 July 2024 (i.e. 883,373,901 Shares).*

2. *As at 31 July 2024, Dr. Lam Kin Ngok, Peter was deemed to be interested in 258,168,186 Shares (representing approximately 29.23% of the Company's issued share capital) by virtue of his 100% interest in the issued share capital of Wisdoman Limited which directly owned 258,168,186 Shares.*

(a) The Company (continued)

Notes: (continued)

3. *A share option was granted by the Company to each of Dr. Lam Kin Ngok, Peter and Mr. Lam Hau Yin, Lester, the particulars of which before 2022 Rights Issue are set out below:*

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

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

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

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

Directors' Interests (continued)

(b) Associated Corporations

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

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

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

Notes:

1. *The percentage has been compiled based on the total number of issued LSD Shares as at 31 July 2024 (i.e. 1,453,328,830 LSD Shares).*

2. *As at 31 July 2024, the Company and two of its wholly-owned subsidiaries, namely Joy Mind Limited and Zimba International Limited, beneficially owned in aggregate 808,084,296 LSD Shares, representing approximately 55.60% of the issued share capital of LSD. As such, Dr. Lam Kin Ngok, Peter was deemed to be interested in the same 808,084,296 LSD Shares (representing approximately 55.60% of the issued share capital of LSD) by virtue of, in aggregate, his personal (including underlying shares) and deemed interests of approximately 42.14% in the issued share capital of the Company.*

   The Company pledged approximately 208,513,987 LSD Shares as security pursuant to its 7.70% secured guaranteed notes due 2018 under a share charge dated 24 July 2014. The amount has been repaid in full.

3. *Madam U Po Chu is the widow of the late Mr. Lim Por Yen whose estate includes an interest of 8,718,829 LSD Shares, representing approximately 0.60% of the issued share capital of LSD.*

(b) Associated Corporations (continued)

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

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

Name of Director	Capacity	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Approximate % of total interests to total issued eSun Shares *(Note 1)*
Lam Kin Ngok, Peter *(Note 3)*	Beneficial owner/ Owner of controlled corporations	2,794,443	Nil	1,113,260,072 *(Note 2)*	Nil	1,116,054,515	63.56%
Lam Hau Yin, Lester	Beneficial owner	2,794,443	Nil	Nil	Nil	2,794,443	0.16%

Notes:

1. *The percentage has been compiled based on the total number of issued eSun Shares as at 31 July 2024 (i.e. 1,755,876,866 eSun Shares).*

2. *As at 31 July 2024, the Company was interested in 808,084,296 LSD Shares, representing approximately 55.60% of the issued share capital of LSD. Transtrend Holdings Limited ("**Transtrend**"), a wholly-owned subsidiary of LSD, was interested in 1,113,260,072 eSun Shares, representing approximately 63.40% of the issued share capital of eSun. As such, Dr. Lam Kin Ngok, Peter was deemed to be interested in the same 1,113,260,072 eSun Shares (representing approximately 63.40% of the issued share capital of eSun) by virtue of, in aggregate, his personal (including underlying shares) and deemed interests of approximately 42.14% and 55.67% in the issued share capital of the Company and LSD, respectively.*

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

Directors' Interests (continued)

(b) Associated Corporations (continued)

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

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

Name of Director	Capacity	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Approximate % of total interests to total issued Lai Fung Shares *(Note 1)*
Lam Kin Ngok, Peter *(Note 3)*	Owner of controlled corporations	Nil	Nil	182,318,266 *(Note 2)*	Nil	182,318,266	55.08%

Notes:

1. *The percentage has been compiled based on the total number of issued Lai Fung Shares as at 31 July 2024 (i.e. 331,033,443 Lai Fung Shares).*

2. *As at 31 July 2024, LSD was interested or deemed to be interested in 182,318,266 Lai Fung Shares, of which 180,600,756 Lai Fung Shares were beneficially owned by Holy Unicorn Limited, a wholly-owned subsidiary of LSD and 1,717,510 Lai Fung Shares were beneficially owned by Transtrend, representing approximately 55.08% of the issued share capital of Lai Fung. As such, Dr. Lam Kin Ngok, Peter was deemed to be interested in the same 182,318,266 Lai Fung Shares (representing approximately 55.08% of the issued share capital of Lai Fung) by virtue of, in aggregate, his approximate 42.14% and 55.67% personal (including underlying shares) and deemed interests in the issued share capital of the Company and LSD, respectively.*

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

Directors' Interests (continued)

(b) Associated Corporations (continued)

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

Long position in the 5% guaranteed medium term notes due 2026

Name of Director	Capacity	Nature of Interests	Principal amount
Lam Kin Ngok, Peter	Beneficial owner	Personal	USD13,500,000 *(Note)*

Note: Dr. Lam Kin Ngok, Peter purchased USD1,000,000 Lai Sun MTN Limited 5% guaranteed medium term notes on 6 December 2023. During the Year, the principal amount was increased from USD12,500,000 to USD13,500,000.

Save as disclosed above, as at 31 July 2024, 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 under the SFO, recorded in the Register of Directors and Chief Executive, notified under the Securities Code or otherwise known by the Directors.

Interests of Substantial Shareholders and Other Persons

As at 31 July 2024, so far as it is known by or otherwise notified by any Director or the chief executive of the Company, the particulars of the corporations or individuals, who had 5% or more interests in the following long positions in the Shares and underlying Shares 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 Shares in issue *(Note 1)*
Lam Kin Ngok, Peter *(Note 2)*	Beneficial owner/ Owner of controlled corporations	Personal and corporate	372,211,241	42.14%
Wisdoman Limited *(Note 2)*	Beneficial owner	Corporate	258,168,186 *(Note 3)*	29.23%
Yu Cheuk Yi	Beneficial owner	Personal	185,690,000 *(Note 4)*	21.02% *(Note 4)*
Yu Siu Yuk	Beneficial owner	Personal	185,690,000 *(Note 4)*	21.02% *(Note 4)*

Notes:

1. *The percentage has been compiled based on the total number of issued Shares as at 31 July 2024 (i.e. 883,373,901 Shares).*
2. *Dr. Lam Kin Ngok, Peter, a Director of the Company, is also a director of Wisdoman Limited.*
3. *Dr. Lam Kin Ngok, Peter was deemed to be interested in 258,168,186 Shares owned by Wisdoman Limited by virtue of his 100% interests in the issued share capital of Wisdoman Limited.*
4. *Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk jointly held 185,690,000 Shares (21.02%) according to shareholdings shown in the last Individual Substantial Shareholder Notice (Form 1) filed for an event on 22 May 2023.*

Save as disclosed above, the Directors are not aware of any other corporation or individual (other than a Director or the chief executive of the Company) who, as at 31 July 2024, had the Voting Entitlements or 5% or more interests or short positions in the Shares or underlying Shares of the Company as recorded in the Register of Shareholders.

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 under development are set out in the "Particulars of Major Properties" of this Annual Report.

Principal Subsidiaries

Particulars of the Company's, LSD's, eSun's and Lai Fung's principal subsidiaries as at 31 July 2024 are set out in note 50 to the financial statements.

Charitable Contributions

During the Year, the Group made charitable contributions totaling HK$3,762,000.

Summary of Financial Information

A summary of the results, 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 56 and 57.

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.

Purchase, Sale or Redemption of Listed Securities

On 28 July and 9 September 2021, Lai Sun MTN Limited ("**LS MTN**", a wholly-owned subsidiary of LSD), issued guaranteed notes in an aggregate principal amount of US$500,000,000. The notes are guaranteed by LSD, have a term of five years and bear interest at a fixed interest rate of 5% per annum payable semi-annually in arrears ("**Guaranteed Notes**"). The Guaranteed Notes are listed on the Stock Exchange.

On 17 April 2024, LS MTN repurchased the Guaranteed Notes in a principal amount of US$5,000,000, for an aggregate consideration (with accrued interest) of approximately US$3,369,000 (equivalent to approximately HK$26,386,000) in the open market. The repurchased Guaranteed Notes were cancelled on 24 April 2024.

On 17 May 2024, LS MTN repurchased the Guaranteed Notes in a principal amount of US$2,000,000, for an aggregate consideration (with accrued interest) of approximately US$1,356,000 (equivalent to approximately HK$10,635,000) in the open market. The repurchased Guaranteed Notes were cancelled on 19 June 2024.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 July 2024.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the issued Shares were held by the public (i.e. the prescribed public float applicable to the Company under the Listing Rules) during the Year and up to the date of this Report.

Corporate Governance

Particulars of the Company's corporate governance practices are set out in the Corporate Governance Report of this Annual Report on pages 113 to 136.

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 the Company considers all the INEDs to be independent.

Equity-Linked Agreements

For the year ended 31 July 2024, the Company has not entered into any equity-linked agreements, save for options granted under the section of Share Option Schemes set out in this Annual Report.

Review by Audit Committee

The Audit Committee of the Company ("**Audit Committee**") currently comprises three members, namely Messrs. Leung Shu Yin, William, Lam Bing Kwan and Chow Bing Chiu, the INEDs of the Company. 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 the 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
18 October 2024

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 2023/2024
Annual results announcement	18 October 2024
Last time and date for lodging transfer documents with share registrars to ascertain entitlement to attending and voting at the 2024 annual general meeting ("**AGM**")	4:30 p.m. on 9 December 2024
2024 AGM	13 December 2024

	For Financial Year 2024/2025
Interim results announcement	on or before 31 March 2025
Annual results announcement	on or before 31 October 2025

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 2023-2024 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 13 December 2024. Details of the AGM are set out in the notice of the AGM which constitutes part of the circular of the Company dated 14 November 2024. Notice of the AGM and the proxy form are also available on the Company's website.

Independent Auditor's Report

EY 安永

To the members of Lai Sun Garment (International) Limited
(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of Lai Sun Garment (International) Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 183 to 364, which comprise the consolidated statement of financial position as at 31 July 2024, 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 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") 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**") 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**"), and we have 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.

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 MATTERS (CONTINUED)

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 2024 were approximately HK$2,715 million and HK$1,323 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.
Estimation of fair values of investment properties	
Investment properties are stated at fair value. The carrying amount of investment properties as at 31 July 2024 was approximately HK$37,096 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. We also evaluated the objectivity, independence and competency of the valuers. We then assessed the Group's disclosures of investment properties.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
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 2024, the carrying amounts of these properties under development and completed properties for sale were approximately HK$4,795 million and HK$3,729 million, respectively. During the year, write-down of approximately HK$431 million and HK$182 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 assessment 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; and (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 and costs necessary to complete the development by comparing with market available data and management development budget, on a sample basis.

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 HKFRSs 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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.

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

18 October 2024

Consolidated Income Statement

Year ended 31 July 2024

	Notes	2024 HK$'000	2023 HK$'000
TURNOVER	6	**6,096,141**	4,994,591
Cost of sales		**(4,492,125)**	(4,195,305)
Gross profit		**1,604,016**	799,286
Other revenue and gains	6	**480,983**	359,274
Selling and marketing expenses		**(279,931)**	(241,182)
Administrative expenses		**(839,684)**	(956,369)
Other operating expenses		**(1,706,040)**	(1,428,736)
Fair value losses on investment properties, net	15	**(927,888)**	(890,366)
LOSS FROM OPERATING ACTIVITIES	7	**(1,668,544)**	(2,358,093)
Finance costs	8	**(1,403,086)**	(1,214,342)
Share of profits and losses of associates		**11,671**	(2,643)
Share of profits and losses of joint ventures		**(796,305)**	(10,346)
LOSS BEFORE TAX		**(3,856,264)**	(3,585,424)
Tax	11	**(399,715)**	56,378
LOSS FOR THE YEAR		**(4,255,979)**	(3,529,046)
Attributable to:			
Owners of the Company		**(2,167,836)**	(1,665,400)
Non-controlling interests		**(2,088,143)**	(1,863,646)
		(4,255,979)	(3,529,046)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	13		
Basic and diluted		**(HK$2.454)**	(HK$2.159)

Consolidated Statement of Comprehensive Income

Year ended 31 July 2024

	2024 HK$'000	2023 HK$'000
LOSS FOR THE YEAR	**(4,255,979)**	(3,529,046)
OTHER COMPREHENSIVE (EXPENSE)/INCOME		
Other comprehensive (expense)/income that may be reclassified to profit or loss in subsequent periods:		
Changes in fair values of financial assets at fair value through other comprehensive income	**—**	1,945
Exchange realignments	**(229,062)**	(1,204,420)
Share of other comprehensive (expense)/income of associates	**(1,459)**	4,786
Share of other comprehensive income of joint ventures	**83**	3,047
Release of exchange reserve upon disposal of interest in an associate	**535**	—
Release of exchange reserve upon dissolution and deregistration of subsidiaries	**(5,090)**	(11,118)
Reclassification of reserve upon return of capital from subsidiaries	**—**	(285)
	(234,993)	(1,206,045)
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	**(158,886)**	(12,356)
Surplus on revaluation of properties upon reclassification to investment properties	**7,218**	—
	(151,668)	(12,356)
OTHER COMPREHENSIVE EXPENSE FOR THE YEAR	**(386,661)**	(1,218,401)
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	**(4,642,640)**	(4,747,447)
Attributable to:		
Owners of the Company	**(2,329,469)**	(1,993,592)
Non-controlling interests	**(2,313,171)**	(2,753,855)
	(4,642,640)	(4,747,447)

Consolidated Statement of Financial Position

31 July 2024

	Notes	2024 HK$'000	2023 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	**5,636,816**	6,212,812
Right-of-use assets	16(a)	**3,804,930**	4,500,380
Investment properties	15	**37,095,818**	38,281,121
Film rights	18	**22,092**	24,366
Film and TV program products	19	**61,431**	61,059
Music catalogs	20	**—**	—
Goodwill	21	**219,792**	221,977
Other intangible assets	22	**108,146**	109,630
Investments in associates	23	**438,865**	397,806
Investments in joint ventures	24	**6,131,952**	6,807,047
Financial assets at fair value through other comprehensive income	25	**119,364**	1,700,052
Financial assets at fair value through profit or loss	26	**941,274**	977,114
Derivative financial instruments	27	**6,537**	—
Debtors	33	**489,237**	477,974
Deposits, prepayments, other receivables and other assets	28	**217,399**	597,159
Deferred tax assets	39	**1,945**	1,858
Pledged and restricted bank balances and time deposits	29	**104,468**	126,472
Total non-current assets		**55,400,066**	60,496,827
CURRENT ASSETS			
Properties under development	17	**4,794,588**	5,379,037
Completed properties for sale	30	**3,728,569**	4,374,885
Films and TV programs under production and film investments	31	**277,468**	306,142
Inventories		**47,131**	66,614
Financial assets at fair value through profit or loss	26	**70,948**	95,258
Derivative financial instruments	27	**—**	748
Debtors	33	**416,567**	352,245
Deposits, prepayments, other receivables and other assets	28	**1,295,922**	788,323
Prepaid tax		**66,726**	162,381
Pledged and restricted bank balances and time deposits	29	**1,302,755**	1,288,746
Cash and cash equivalents	29	**2,827,083**	3,709,057
		14,827,757	16,523,436
Assets classified as held for sale	32	**113,744**	1,758
Total current assets		**14,941,501**	16,525,194

Consolidated Statement of Financial Position

31 July 2024

	Notes	2024 HK$'000	2023 HK$'000
CURRENT LIABILITIES			
Creditors, other payables and accruals	34	**2,484,740**	3,072,146
Deposits received, deferred income and contract liabilities	35	**565,484**	1,297,329
Lease liabilities	16(b)	**263,543**	243,712
Tax payable		**706,014**	500,075
Bank borrowings	37	**2,523,016**	6,014,821
Other borrowings	38	**34,485**	34,412
		6,577,282	11,162,495
Liabilities directly associated with the assets classified as held for sale	32	**11,499**	—
Total current liabilities		**6,588,781**	11,162,495
NET CURRENT ASSETS		**8,352,720**	5,362,699
TOTAL ASSETS LESS CURRENT LIABILITIES		**63,752,786**	65,859,526
NON-CURRENT LIABILITIES			
Lease liabilities	16(b)	**642,414**	838,125
Bank borrowings	37	**18,730,871**	15,859,828
Other borrowings	38	**757,105**	737,720
Guaranteed notes	36	**4,232,145**	4,263,654
Deferred tax liabilities	39	**4,112,822**	4,218,012
Other payables and accruals	34	**899,114**	909,044
Long-term deposits received	35	**239,534**	213,361
Total non-current liabilities		**29,614,005**	27,039,744
		34,138,781	38,819,782
EQUITY			
Equity attributable to owners of the Company			
Share capital	40	**2,178,944**	2,178,944
Reserves	42	**13,782,603**	16,111,774
		15,961,547	18,290,718
Non-controlling interests		**18,177,234**	20,529,064
		34,138,781	38,819,782

Lam Kin Ngok, Peter
Director

Cheung Sum, Sam
Director

Consolidated Statement of Changes in Equity

Year ended 31 July 2024

	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	Revaluation reserve — property, plant and equipment 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 2022	1,731,861	362,515	99,732	6,973	55,494	2,241,769	30,933	(55,475)	14,800,781	19,274,583	23,799,104	43,073,687
Loss for the year	—	—	—	—	—	—	—	—	(1,665,400)	(1,665,400)	(1,863,646)	(3,529,046)
Other comprehensive (expense)/income that may be reclassified to profit or loss in subsequent periods:												
Changes in fair values of financial assets at fair value through other comprehensive income	—	1,945	—	—	—	—	—	—	—	1,945	—	1,945
Exchange realignments	—	—	—	—	—	—	—	(323,463)	—	(323,463)	(880,957)	(1,204,420)
Share of other comprehensive income of associates	—	—	—	—	—	—	—	1,820	—	1,820	2,966	4,786
Share of other comprehensive income of joint ventures	—	—	—	—	—	—	—	1,672	—	1,672	1,375	3,047
Release of exchange reserve upon dissolution and deregistration of subsidiaries	—	—	—	—	—	—	—	(3,295)	—	(3,295)	(7,823)	(11,118)
Reclassification of reserve upon return of capital from subsidiaries	—	—	—	—	—	—	—	(83)	—	(83)	(202)	(285)
Other comprehensive 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	—	(6,788)	—	—	—	—	—	—	—	(6,788)	(5,568)	(12,356)
Total comprehensive expense for the year	—	(4,843)	—	—	—	—	—	(323,349)	(1,665,400)	(1,993,592)	(2,753,855)	(4,747,447)
Net proceeds from rights issue (note 40(a))	447,083	—	—	—	—	—	—	—	—	447,083	—	447,083
Dividends paid to non-controlling interests of subsidiaries	—	—	—	—	—	—	—	—	—	—	(69,025)	(69,025)
Advance from a non-controlling interest of a subsidiary	—	—	—	—	—	—	—	—	—	—	4,318	4,318
Capital contributions from non-controlling interests of subsidiaries	—	—	—	—	—	—	—	—	—	—	20,309	20,309
Release of reserve upon lapse of share options	—	—	(244)	—	—	—	—	—	244	—	—	—
Release of reserve upon lapse of share options issued by subsidiaries	—	—	—	—	—	—	—	—	28,481	28,481	(28,481)	—
Subscription of shares of a subsidiary pursuant to a rights issue (note 50(a))	—	—	—	—	—	(9,512)	—	—	—	(9,512)	363,496	353,984
Transfer to statutory reserve	—	—	—	—	—	—	8,176	—	(8,176)	—	—	—
Acquisition of additional interest in a subsidiary (note 50(a))	—	—	—	—	—	656,587	—	—	—	656,587	(717,016)	(60,429)
Dissolution of a subsidiary	—	—	—	—	—	117	—	—	(574)	(457)	457	—
Deemed disposal of a subsidiary (note 50(b))	—	—	—	—	—	(112,455)	—	—	—	(112,455)	(90,243)	(202,698)
At 31 July 2023	2,178,944	357,672*	99,488*	6,973*	55,494*	2,776,506*	39,109*	(378,824)*	13,155,356*	18,290,718	20,529,064	38,819,782

Consolidated Statement of Changes in Equity

Year ended 31 July 2024

	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	Revaluation reserve — property, plant and equipment 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 2023	2,178,944	357,672	99,488	6,973	55,494	2,776,506	39,109	(378,824)	13,155,356	18,290,718	20,529,064	38,819,782
Loss for the year	–	–	–	–	–	–	–	–	(2,167,836)	(2,167,836)	(2,088,143)	(4,255,979)
Other comprehensive (expense)/income that may be reclassified to profit or loss in subsequent periods:												
Exchange realignments	–	–	–	–	–	–	–	(75,432)	–	(75,432)	(153,630)	(229,062)
Share of other comprehensive expense of associates	–	–	–	–	–	–	–	(658)	–	(658)	(801)	(1,459)
Share of other comprehensive income of joint ventures	–	–	–	–	–	–	–	53	–	53	30	83
Release of exchange reserve upon disposal of interest in an associate	–	–	–	–	–	–	–	297	–	297	238	535
Release of exchange reserve upon dissolution and deregistration of subsidiaries	–	–	–	–	–	–	–	(1,807)	–	(1,807)	(3,283)	(5,090)
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	–	(86,296)	–	–	–	–	–	–	–	(86,296)	(72,590)	(158,886)
Surplus on revaluation of properties upon reclassification to investment properties (note 14)	–	–	–	–	2,210	–	–	–	–	2,210	5,008	7,218
Total comprehensive (expense)/income for the year	–	(86,296)	–	–	2,210	–	–	(77,547)	(2,167,836)	(2,329,469)	(2,313,171)	(4,642,640)
Dividends paid to non-controlling interests of subsidiaries	–	–	–	–	–	–	–	–	–	–	(61,176)	(61,176)
Advance from a non-controlling interest of a subsidiary	–	–	–	–	–	–	–	–	–	–	21,560	21,560
Release of reserve upon lapse of share options	–	–	(27,970)	–	–	–	–	–	27,970	–	–	–
Release of reserve upon lapse of share options issued by subsidiaries	–	–	–	–	–	–	–	–	298	298	(298)	–
Transfer to statutory reserve	–	–	–	–	–	–	12,636	–	(12,636)	–	–	–
Release of fair value reserve upon the disposal of a financial asset at fair value through other comprehensive income of a subsidiary	–	(790,588)	–	–	–	–	–	–	790,588	–	–	–
Dissolution of a subsidiary	–	–	–	–	–	–	–	–	–	–	1,255	1,255
At 31 July 2024	2,178,944	(519,212)*	71,518*	6,973*	57,704*	2,776,506*	51,745*	(456,371)*	11,793,740*	15,961,547	18,177,234	34,138,781

* These reserve accounts comprise the consolidated reserves of HK$13,782,603,000 (2023: HK$16,111,774,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 31 July 2024

	Notes	2024 HK$'000	2023 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(3,856,264)**	(3,585,424)
Adjustments for:			
Finance costs	8	**1,403,086**	1,214,342
Share of profits and losses of associates		**(11,671)**	2,643
Share of profits and losses of joint ventures		**796,305**	10,346
Fair value losses on investment properties, net	15	**927,888**	890,366
Depreciation of property, plant and equipment	7	**364,968**	416,924
Depreciation of right-of-use assets	7	**370,867**	373,508
Impairment of property, plant and equipment	7	**226,257**	191,413
Impairment of right-of-use assets	7	**238,708**	5,202
Loss/(gain) on disposal/write-off of items of property, plant and equipment	7	**14,241**	(123)
Loss on disposal of right-of-use assets		**2,234**	—
Write-down of completed properties for sale to net realisable value	7	**182,137**	321,337
Write-down of properties under development to net realisable value	7	**430,600**	858,000
Amortisation of film rights	7	**2,274**	3,747
Amortisation of film and TV program products	7	**68,522**	35,641
Amortisation of music catalogs	7	**—**	663
Amortisation of other intangible assets	7	**376**	1,994
Impairment of films and TV programs under production	7	**9,956**	2,472
Impairment of other intangible assets	7	**—**	27,601
Fair value changes from film investments	7	**2,568**	4,614
Fair value changes from entertainment events organised by co-investors	7	**(8,314)**	(1,366)
Write-off of other intangible assets		**—**	1,150
Impairment/(reversal of impairment) of debtors, net	7	**1,172**	(323)
Impairment of advances and other receivables	7	**17,746**	32,552
Impairment of amounts due from joint ventures	7	**793**	2,207
Impairment of amounts due from associates	23	**597**	—
Impairment of inventories	7	**13,671**	2,544
Reversal of impairment of property, plant and equipment	7	**—**	(3,006)
Reversal of impairment of right-of-use assets	7	**—**	(7,687)
Write-back of impairment of advances and other receivables	28	**(5,874)**	(1,313)
Write-back of impairment of amounts due from associates	23	**—**	(639)
Write-back of impairment of amounts due from joint ventures	6(d)	**(15,259)**	—
Gains on dissolution/deregistration of subsidiaries	7	**(3,835)**	(844)
Gain on disposal of a joint venture		**(264)**	—
Gain on disposal of an associate	6(d)	**(56,202)**	—
Gain on termination of leases	16(c)	**(1,349)**	(1,214)
Fair value losses on financial assets at fair value through profit or loss, net	7	**75,752**	14,765
Fair value (gains)/losses on financial liabilities at fair value through profit or loss		**(372)**	204
Losses/(gains) on disposal of financial liabilities at fair value through profit or loss		**39**	(1,084)
Fair value (gains)/losses on cross currency swaps	7	**(6,537)**	26,873
Fair value gains on foreign currency forward contract	7	**(618)**	(17)
Derecognition loss on rental receivables	7	**828**	4,553
Interest income	6(d)	**(195,853)**	(173,316)
Interest income from finance lease contract	6(d)	**(19,708)**	(19,533)
Rent concessions related to COVID-19	6(d)	**—**	(1,790)
Other rent concessions	6(d)	**—**	(999)
Dividend income from financial assets at fair value through other comprehensive income	6(d)	**(31,100)**	(36,300)
Dividend income from financial assets at fair value through profit or loss		**(1,656)**	(837)

Consolidated Statement of Cash Flows

Year ended 31 July 2024

	Notes	2024 HK$'000	2023 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES (continued)			
Gain on lease modification	6(d)	**(27,652)**	—
Gain on repurchase of guaranteed notes	6(d)	**(18,510)**	(2,195)
Foreign exchange differences, net		**45,931**	(6,521)
		936,478	601,130
Increase in properties under development		**(268,053)**	(386,407)
Decrease in completed properties for sale		**1,263,329**	858,644
Decrease in assets classified as held for sale		**1,542**	—
Decrease/(increase) in inventories		**5,821**	(9,273)
Additions of films and TV programs under production	31	**(141,770)**	(64,199)
(Increase)/decrease in film investments		**(68,965)**	25,257
Decrease/(increase) in film and TV program products	19	**156,619**	(80)
Additions of film rights		**—**	(8,951)
(Increase)/decrease in debtors		**(56,313)**	28,511
Decrease in a financial asset at fair value through profit or loss		**6,536**	31
(Increase)/decrease in deposits, prepayments, other receivables and other assets		**(207,183)**	161,348
(Decrease)/increase in creditors, other payables and accruals		**(680,646)**	86,912
(Decrease)/increase in deposits received, deferred income and contract liabilities		**(25,381)**	64,895
Cash generated from operations		**922,014**	1,357,818
Interest received		**195,375**	175,056
Interest paid on bank borrowings		**(1,517,924)**	(1,138,321)
Interest paid on other payable		**—**	(932)
Interest paid on guaranteed notes		**(213,648)**	(350,779)
Hong Kong profits tax paid, net		**(14,773)**	(31,460)
Chinese Mainland taxes paid, net		**(109,138)**	(421,045)
Overseas taxes paid, net		**(20,264)**	(10,900)
Net cash flows used in operating activities		**(758,358)**	(420,563)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of items of property, plant and equipment		**(144,555)**	(190,489)
Additions to investment properties		**(399,919)**	(305,841)
Deposits paid for additions to investment properties		**—**	(299)
Acquisition of financial assets at fair value through other comprehensive income		**(78)**	—
Acquisition of financial assets at fair value through profit or loss		**(163,443)**	(80,298)
Increase in financial liabilities at fair value through profit or loss		**333**	880
Decrease/(increase) in derivative financial instruments		**1,366**	(731)
Proceeds from disposal of equity investment at fair value through other comprehensive income		**1,421,920**	49
Proceeds from disposal of financial assets at fair value through profit or loss		**140,621**	93,671
Proceeds from disposal of items of property, plant and equipment		**25,454**	2,738
Proceeds from disposal of right-of-use assets		**64,742**	—
Proceeds from disposal of an associate		**51,443**	—
Proceeds from disposal of a joint venture		**860**	—
Proceeds from redemption of a financial asset at fair value through other comprehensive income		**—**	117,584
Investment in joint ventures		**(52,990)**	(25,001)
Acquisition of an associate		**(391)**	(4,613)

	Notes	2024 HK$'000	2023 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES (continued)			
Advances to associates		**(30,816)**	(70,637)
Repayment from associates		**851**	1,820
Dividend received from an associate		**3,125**	—
Advances to joint ventures		**(217,516)**	(180,379)
Repayment from joint ventures		**119,574**	212,986
Dividends received from joint ventures		**41,723**	—
Dividends received from financial assets at fair value through other comprehensive income		**31,100**	36,300
Dividends received from financial assets at fair value through profit or loss		**1,656**	837
Decrease in pledged and restricted bank balances and time deposits		**1,390**	1,055,984
Net cash flows from investing activities		**896,450**	664,561
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank borrowings raised		**10,134,379**	9,478,309
Repayment of bank borrowings		**(10,750,687)**	(5,657,859)
Redemption and repurchase of guaranteed notes		**(36,334)**	(5,876,038)
Bank financing charges		**(39,387)**	(37,968)
Lease payments	16(b)	**(227,616)**	(240,319)
Decrease in other payables		**(33,315)**	—
Decrease in put option liabilities		**—**	(32,250)
Repayment of other borrowings		**—**	(6,915)
Dividends paid to non-controlling interests of subsidiaries		**(61,176)**	(69,025)
Capital contributions from non-controlling interests of subsidiaries		**—**	20,309
Net proceeds from rights issue	40(a)	**—**	447,083
Net proceeds from rights issue of a subsidiary	50(a)	**—**	353,984
Acquisition of additional interests in a subsidiary	50(a)	**—**	(60,429)
Advance from a non-controlling interest of a subsidiary		**21,560**	4,318
Deemed disposal of a subsidiary and acquisition of additional interests in a subsidiary	50(b)	**—**	(202,698)
Net cash flows used in financing activities		**(992,576)**	(1,879,498)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(854,484)**	(1,635,500)
Cash and cash equivalents at beginning of year		**3,709,057**	5,447,861
Effect of foreign exchange rate changes, net		**(27,441)**	(103,304)
CASH AND CASH EQUIVALENTS AT END OF YEAR		**2,827,132**	3,709,057
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Non-pledged and non-restricted cash and bank balances		**2,502,966**	2,612,478
Non-pledged and non-restricted time deposits		**324,117**	1,096,579
Cash and cash equivalents as stated in the consolidated statement of financial position		**2,827,083**	3,709,057
Cash and bank balance included in assets classified as held for sale	32	**49**	—
		2,827,132	3,709,057

Notes to Financial Statements

31 July 2024

1. Corporate and Group Information

Lai Sun Garment (International) 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.

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 Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) 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. Non-current assets classified as held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 2.4. 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)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 July 2024. 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 following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 17	*Insurance Contracts*
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to HKAS 8	*Definition of Accounting Estimates*
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to HKAS 12	*International Tax Reform — Pillar Two Model Rules*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "**2020 Amendments**")
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "**2022 Amendments**")

The Group has early applied the 2020 Amendments and the 2022 Amendments in the current year's financial statements. The adoption of the above new and revised standards has had no significant financial effect on the financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[5]
Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*[1]
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*[1]
Amendments to HKAS 21	*Lack of Exchangeability*[2]
HKFRS 18	*Presentation and Disclosure in Financial Statements*[4]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[4]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[3]
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[3]

1 Effective for annual periods beginning on or after 1 January 2024
2 Effective for annual periods beginning on or after 1 January 2025
3 Effective for annual periods beginning on or after 1 January 2026
4 Effective for annual periods beginning on or after 1 January 2027
5 No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application but is not yet in the position to state whether these new and revised HKFRSs 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.

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.

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.

2.4 Material Accounting Policies (continued)

Business combinations and goodwill (continued)

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

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.

2.4 Material Accounting Policies (continued)

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, assets classified as held for sale and goodwill), 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.

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

2.4 Material Accounting Policies (continued)

Related parties (continued)

(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.

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, as further explained in the accounting policy for "Non-current assets held for sale". 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.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation (continued)

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the income statement. Any subsequent revaluation surplus is credited to the income statement to the extent of the deficit previously charged. An annual transfer from the revaluation reserve to retained profits is made for the difference between the depreciation based on the revalued carrying amount of an asset and the depreciation based on the asset's original cost. On disposal of a revalued asset, the relevant portion of the revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

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%

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.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investment properties

Investment properties are interests in land and buildings (including 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 the policy stated under "Property, plant and equipment and depreciation" above.

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.

If the fair value of an investment property under construction is at present not reliably determinable but is expected to be reliably determinable when construction is completed, such investment property under construction is stated at cost until either its fair value becomes reliably determinable or construction is completed, whichever is earlier.

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.

2.4 Material Accounting Policies (continued)

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.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets and its sale must be highly probable.

Non-current assets (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

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 lives 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 the 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 losses 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.

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.

2.4 Material Accounting Policies (continued)

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.

(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 any 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 14 years
Other properties	2 to 10 years
Equipment	5 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".

2.4 Material Accounting Policies (continued)

Leases (continued)

Group as a lessee (continued)

(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.

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 terms 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.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

Group as a lessor (continued)

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.

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.

2.4 Material Accounting Policies (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

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 the 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.

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.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Subsequent measurement (continued)

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.

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 only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

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.

2.4 Material Accounting Policies (continued)

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.

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).

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

General approach (continued)

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 options 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, supplies used in hotel and restaurant operation, video products 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.

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.

2.4 Material Accounting Policies (continued)

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

- 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.

2.4 Material Accounting Policies (continued)

Income tax (continued)

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.

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.

2.4 Material Accounting Policies (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

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.

(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.

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(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.

(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.

2.4 Material Accounting Policies (continued)

Revenue recognition (continued)

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' right 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).

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.

(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.

2.4 Material Accounting Policies (continued)

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.

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.

2.4 Material Accounting Policies (continued)

Foreign currencies (continued)

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.

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.

2.4 Material Accounting Policies (continued)

Employee benefits (continued)

Share-based payments (continued)

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.

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:

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 indication of 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 indication of 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 2024 were approximately HK$2,715 million (2023: HK$2,838 million) and HK$1,323 million (2023: HK$1,380 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 for 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.

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease.

The Group includes the renewal period as part of the lease term for leases of leased properties.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

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.

The 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 2024 was approximately HK$37,096 million (2023: HK$38,281 million).

3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty (continued)

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.

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 goodwill and trademarks with indefinite useful lives

The Group determines whether goodwill and trademarks with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units or the fair value of a trademark to which the goodwill and trademarks with indefinite useful lives are allocated. Estimating the value in use and fair value requires the Group to make an estimate of the expected future cash flows from the cash-generating units or trademarks and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Details of goodwill and trademarks with indefinite useful lives are disclosed in notes 21 and 22 to the financial statements.

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.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

3. Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty (continued)

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 and provides building management services;

(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;

4. Segment Information (continued)

(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 as well as the distribution of video format products derived from these films and films licensed-in by the Group;

(g) the cinema operation segment engages in the operation of cinemas in Hong Kong and Chinese Mainland;

(h) the theme park operation segment engages in the development and operation of theme parks in Chinese Mainland; and

(i) the "others" segment mainly comprises luxury yachting business, the provision of property management services, leasing agency services and building services.

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, interest income from bank deposits, gain on disposal of an associate, dividend income from financial assets at fair value through other comprehensive income, and other unallocated revenue, gains and expenses 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, assets classified as held for sale and other unallocated corporate assets as these assets are managed on a group basis.

Segment liabilities mainly exclude bank borrowings, other borrowings, guaranteed notes, tax payable, deferred tax liabilities, put option liabilities included in creditors, other payables and accruals, liabilities directly associated with the assets classified as held for sale 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.

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		Theme park operation		Others		Consolidated	
	2024 HK$'000	2023 HK$'000	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000
Segment revenue (note 6(a)):																				
Sales to external customers	**1,529,479**	946,639	**1,363,522**	1,255,622	**1,191,418**	977,696	**544,564**	552,594	**387,082**	372,458	**340,950**	113,116	**439,506**	525,066	**15,065**	18,877	**284,555**	232,523	**6,096,141**	4,994,591
Intersegment sales	**–**	–	**44,956**	47,408	**1,157**	662	**2,850**	2,975	**–**	–	**14,697**	19,286	**4,209**	5,543	**–**	–	**28,054**	29,258	**95,923**	105,132
Other revenue and gains	**30,098**	31,024	**28,360**	23,790	**62**	1,393	**6,414**	4,963	**10,841**	7,572	**1,476**	2,612	**46,877**	17,617	**2,053**	657	**118,912**	84,808	**245,093**	174,436
Total	**1,559,577**	977,663	**1,436,838**	1,326,820	**1,192,637**	979,751	**553,828**	560,532	**397,923**	380,030	**357,123**	135,014	**490,592**	548,226	**17,118**	19,534	**431,521**	346,589	**6,437,157**	5,274,159
Elimination of intersegment sales																			**(95,923)**	(105,132)
Total																			**6,341,234**	5,169,027
Segment results	**(490,759)**	(1,066,931)	**753,765**	613,584	**(117,386)**	(201,492)	**(238,502)**	(142,811)	**35,873**	12,214	**(21,918)**	(48,615)	**(356,069)**	(55,503)	**(126,165)**	(295,797)	**111,975**	57,509	**(449,186)**	(1,127,842)
Unallocated other revenue and gains																			**235,890**	184,838
Fair value losses on investment properties, net	**–**	–	**(927,888)**	(890,366)	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(927,888)**	(890,366)
Unallocated expenses																			**(527,360)**	(524,723)
Loss from operating activities																			**(1,668,544)**	(2,358,093)
Finance costs																			**(1,403,086)**	(1,214,342)
Share of profits and losses of associates	**76**	350	**(353)**	(1,640)	**(647)**	(755)	**10,304**	(527)	**–**	–	**–**	–	**–**	–	**–**	–	**3,452**	1,245	**12,832**	(1,327)
Share of profits and losses of associates – unallocated																			**(1,161)**	(1,316)
Share of profits and losses of joint ventures	**(469,036)**	47,340	**(267,538)**	(35,965)	**(16,678)**	(9,881)	**–**	–	**229**	(744)	**(69)**	(55)	**(44,686)**	(11,000)	**–**	–	**1,473**	(41)	**(796,305)**	(10,346)
Loss before tax																			**(3,856,264)**	(3,585,424)
Tax																			**(399,715)**	56,378
Loss for the year																			**(4,255,979)**	(3,529,046)

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 2024 HK$'000	Property development and sales 2023 HK$'000	Property investment 2024 HK$'000	Property investment 2023 HK$'000	Hotel operation 2024 HK$'000	Hotel operation 2023 HK$'000	Restaurant and F&B product sales operations 2024 HK$'000	Restaurant and F&B product sales operations 2023 HK$'000	Media and entertainment 2024 HK$'000	Media and entertainment 2023 HK$'000
Segment assets	**9,614,538**	10,773,356	**37,730,362**	38,921,349	**8,093,670**	8,472,812	**523,999**	718,675	**213,613**	235,392
Investments in associates	**2,534**	2,242	**73,483**	74,211	**162,617**	166,442	**14,012**	1,003	**–**	–
Investments in associates — unallocated										
Investments in joint ventures	**1,523,511**	1,931,531	**4,276,672**	4,584,710	**56,910**	73,474	**16,652**	–	**22,458**	8,957
Unallocated assets										
Assets classified as held for sale	**–**	1,758	**–**	–	**–**	–	**–**	–	**–**	–
Assets classified as held for sale — unallocated										
Total assets										
Segment liabilities	**462,168**	1,222,994	**785,929**	1,245,546	**298,160**	353,423	**204,619**	177,675	**117,555**	138,987
Bank borrowings										
Guaranteed notes										
Other borrowings										
Unallocated liabilities										
Liabilities directly associated with the assets classified as held for sale										
Total liabilities										

	Film and TV program 2024 HK$'000	Film and TV program 2023 HK$'000	Cinema operation 2024 HK$'000	Cinema operation 2023 HK$'000	Theme park operation 2024 HK$'000	Theme park operation 2023 HK$'000	Others 2024 HK$'000	Others 2023 HK$'000	Consolidated 2024 HK$'000	Consolidated 2023 HK$'000
Segment assets	**755,494**	773,501	**606,155**	1,088,189	**739,312**	852,827	**990,089**	1,025,364	**59,267,232**	62,861,465
Investments in associates	**–**	–	**–**	–	**–**	–	**8,791**	4,221	**261,437**	248,119
Investments in associates — unallocated									**177,428**	149,687
Investments in joint ventures	**37**	106	**26,862**	25,999	**–**	–	**208,850**	182,270	**6,131,952**	6,807,047
Unallocated assets									**4,389,774**	6,953,945
Assets classified as held for sale	**–**	–	**–**	–	**–**	–	**–**	–	**–**	1,758
Assets classified as held for sale — unallocated									**113,744**	–
Total assets									**70,341,567**	77,022,021
Segment liabilities	**442,975**	432,776	**886,195**	1,026,379	**32,049**	95,128	**474,542**	453,977	**3,704,192**	5,146,885
Bank borrowings									**21,253,887**	21,874,649
Guaranteed notes									**4,232,145**	4,263,654
Other borrowings									**791,590**	772,132
Unallocated liabilities									**6,209,473**	6,144,919
Liabilities directly associated with the assets classified as held for sale									**11,499**	–
Total liabilities									**36,202,786**	38,202,239

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		Theme park operation		Others		Consolidated	
	2024 HK$'000	2023 HK$'000	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000
Depreciation of property, plant and equipment	**548**	659	**13,853**	15,645	**228,122**	238,451	**31,357**	32,570	**323**	834	**6**	163	**45,752**	45,421	**23,961**	60,760	**5,751**	6,549	**349,673**	401,052
Depreciation of property, plant and equipment – unallocated																			**15,295**	15,872
																			364,968	416,924
Depreciation of right-of-use assets	**–**	–	**1,454**	1,700	**150,514**	151,384	**58,525**	49,861	**128**	131	**978**	1,351	**112,749**	119,473	**5,149**	7,400	**13,023**	10,557	**342,520**	341,857
Depreciation of right-of-use assets – unallocated																			**28,347**	31,651
																			370,867	373,508
Impairment of property, plant and equipment	**–**	–	**–**	–	**–**	–	**62,146**	16,372	**318**	211	**48**	610	**87,179**	–	**76,180**	173,642	**386**	578	**226,257**	191,413
Impairment of right-of-use assets	**–**	–	**–**	–	**–**	–	**44,102**	2,452	**–**	633	**2,700**	883	**190,551**	–	**–**	–	**1,355**	1,234	**238,708**	5,202
Impairment of other intangible assets	**–**	–	**–**	–	**–**	–	**–**	27,601	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	27,601
Reversal of impairment of right-of-use assets	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	(7,687)	**–**	–	**–**	–	**–**	(7,687)
Loss/(gain) on disposal/write-off of items of property, plant and equipment	**182**	5	**–**	183	**–**	20	**10,913**	1	**–**	2	**–**	9	**2,422**	(380)	**154**	–	**527**	(6)	**14,198**	(166)
Loss on disposal/write-off of items of property, plant and equipment – unallocated																			**43**	43
																			14,241	(123)
Amortisation of film rights	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**2,274**	3,747	**–**	–	**–**	–	**–**	–	**2,274**	3,747
Amortisation of film and TV program products	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**68,522**	35,641	**–**	–	**–**	–	**–**	–	**68,522**	35,641
Amortisation of music catalogs	**–**	–	**–**	–	**–**	–	**–**	–	**–**	663	**–**	–	**–**	–	**–**	–	**–**	–	**–**	663
Amortisation of other intangible assets	**–**	–	**–**	–	**–**	–	**376**	1,629	**–**	–	**–**	–	**–**	–	**–**	–	**–**	365	**376**	1,994
Impairment of films and TV programs under production	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**9,956**	2,472	**–**	–	**–**	–	**–**	–	**9,956**	2,472
Write-down of properties under development to net realisable value	**430,600**	858,000	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**430,600**	858,000
Write-down of completed properties for sale to net realisable value	**182,137**	321,337	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**182,137**	321,337
Impairment/(reversal of impairment) of debtors, net	**–**	–	**161**	(607)	**–**	–	**1,032**	–	**(163)**	206	**142**	78	**–**	–	**–**	–	**–**	–	**1,172**	(323)
Impairment of advances and other receivables	**–**	–	**–**	–	**–**	–	**1,841**	–	**10,284**	4,671	**5,621**	–	**–**	–	**–**	–	**–**	–	**17,746**	4,671
Impairment of advances and other receivables – unallocated																			**–**	27,881
																			17,746	32,552

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 2024 HK$'000	2023 HK$'000	Property investment 2024 HK$'000	2023 HK$'000	Hotel operation 2024 HK$'000	2023 HK$'000	Restaurant and F&B product sales operations 2024 HK$'000	2023 HK$'000	Media and entertainment 2024 HK$'000	2023 HK$'000	Film and TV program 2024 HK$'000	2023 HK$'000	Cinema operation 2024 HK$'000	2023 HK$'000	Theme park operation 2024 HK$'000	2023 HK$'000	Others 2024 HK$'000	2023 HK$'000	Consolidated 2024 HK$'000	2023 HK$'000
Impairment of amounts due from joint ventures	**–**	–	**–**	–	**–**	–	**–**	–	**793**	1,175	**–**	1,032	**–**	–	**–**	–	**–**	–	**793**	2,207
Derecognition loss on rental receivables	**–**	–	**828**	4,553	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**828**	4,553
Impairment of inventories	**–**	–	**–**	–	**–**	–	**188**	590	**13,769**	1,075	**–**	1,199	**–**	–	**–**	–	**(286)**	(320)	**13,671**	2,544
Capital expenditure, net	**168**	335	**(85,972)**	469,438	**18,020**	9,571	**106,871**	84,730	**449**	439	**58**	193	**74,840**	91,524	**2,540**	28,919	**7,510**	14,943	**124,484**	700,092
Capital expenditure — unallocated																			**4,623**	8,510
																			129,107	708,602

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	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	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	**2,649,547**	2,290,276	**2,589,497**	1,935,899	**78,655**	77,144	**484,189**	439,506	**294,253**	251,766	**6,096,141**	4,994,591
Other revenue	**200,223**	127,744	**41,487**	45,397	**1,163**	64	**12**	812	**2,208**	419	**245,093**	174,436
Total	**2,849,770**	2,418,020	**2,630,984**	1,981,296	**79,818**	77,208	**484,201**	440,318	**296,461**	252,185	**6,341,234**	5,169,027
Segment assets												
Non-current assets	**19,936,950**	21,860,407	**24,238,252**	24,538,984	**2,672,705**	3,025,908	**425,450**	461,578	**353,337**	364,958	**47,626,694**	50,251,835
Current assets	**6,276,701**	6,201,832	**4,626,382**	5,692,944	**48,562**	50,354	**205,190**	194,638	**483,703**	469,862	**11,640,538**	12,609,630
Total	**26,213,651**	28,062,239	**28,864,634**	30,231,928	**2,721,267**	3,076,262	**630,640**	656,216	**837,040**	834,820	**59,267,232**	62,861,465

Information about major customers

For both the years ended 31 July 2024 and 31 July 2023, 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	**2024 HK$'000**	2023 HK$'000
Lease payments paid or payable to an associate	(i), (ii)	**455**	359
Interest income received or receivable from advance to joint ventures	(i)	**104,959**	74,106
Production fee paid or payable to joint ventures	(i)	**3,500**	3,430
Advertising and promotion expenses paid or payable to a joint venture	(i)	**360**	875
Sale of products and management fee income received or receivable from a joint venture	(i)	**2,628**	2,722
Film releasing income received or receivable from joint ventures	(i)	**2,649**	1,821

Certain related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). However, these transactions are exempted from the announcement and reporting requirement as they are below de minimis threshold under the Listing Rules.

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 to the related parties, right-of-use assets of approximately HK$1,804,000 (2023: HK$462,000) and lease liabilities of approximately HK$1,841,000 (2023: HK$476,000) related to the leases with a related party were recognised in the consolidated statement of financial position as at 31 July 2024. During the year ended 31 July 2024, depreciation of these right-of-use assets of approximately HK$1,366,000 (2023: HK$1,382,000) and finance costs on these lease liabilities of approximately HK$97,000 (2023: HK$49,000) were recognised in the consolidated income statement.

(b) Compensation of key management personnel of the Group

	2024 HK$'000	2023 HK$'000
Short term employee benefits	**57,480**	73,269
Pension scheme contributions	**236**	237
Total compensation paid to key management personnel	**57,716**	73,506

Further details of directors' and the chief executive officer's emoluments are included in note 9 to the financial statements.

6. Turnover and Other Revenue and Gains

An analysis of turnover is as follows:

	2024 HK$'000	2023 HK$'000
Turnover from contracts with customers:		
Sale of properties	**1,529,479**	946,639
Building management fee income	**251,079**	216,476
Income from hotel operation	**1,191,418**	977,696
Income from restaurant and F&B product sales operations	**544,564**	552,594
Distribution commission income, licence income from and sale of film and TV program products and film rights	**334,023**	105,163
Box-office takings, concessionary income and related income from cinemas	**439,506**	525,066
Entertainment event income	**255,119**	208,410
Sale of game products	**55,593**	98,257
Album sales, licence income and distribution commission income from music publishing and licensing	**59,346**	53,011
Artiste management fee income	**17,024**	12,780
Advertising income	**6,927**	7,953
Income from theme park operation	**15,065**	18,877
Others	**284,555**	232,524
	4,983,698	3,955,446
Turnover from other source:		
Rental income	**1,112,443**	1,039,145
Total turnover	**6,096,141**	4,994,591
Timing of recognition of turnover from contracts with customers:		
At a point in time	**4,115,611**	3,193,573
Over time	**868,087**	761,873
	4,983,698	3,955,446

6. TURNOVER AND OTHER REVENUE AND GAINS (CONTINUED)

(a) Disaggregated revenue information

	For the year ended 31 July 2024									
	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$'000	Theme park operation HK$'000	Others HK$'000	Consolidated HK$'000
Type of goods or services										
Sale of properties	1,529,479	–	–	–	–	–	–	–	–	1,529,479
Building management fee income	–	251,079	–	–	–	–	–	–	–	251,079
Income from hotel operation	–	–	1,191,418	–	–	–	–	–	–	1,191,418
Income from restaurant and F&B product sales operations	–	–	–	544,564	–	–	–	–	–	544,564
Distribution commission income, licence income from and sale of film and TV program products and film rights	–	–	–	–	–	334,023	–	–	–	334,023
Box-office takings, concessionary income and related income from cinemas	–	–	–	–	–	–	439,506	–	–	439,506
Entertainment event income	–	–	–	–	255,119	–	–	–	–	255,119
Sale of game products	–	–	–	–	55,593	–	–	–	–	55,593
Album sales, licence income and distribution commission income from music publishing and licensing	–	–	–	–	59,346	–	–	–	–	59,346
Artiste management fee income	–	–	–	–	17,024	–	–	–	–	17,024
Advertising income	–	–	–	–	–	6,927	–	–	–	6,927
Income from theme park operation	–	–	–	–	–	–	–	15,065	–	15,065
Others	–	–	–	–	–	–	–	–	284,555	284,555
Total turnover from contracts with customers	1,529,479	251,079	1,191,418	544,564	387,082	340,950	439,506	15,065	284,555	4,983,698
Turnover from other source – rental income	–	1,112,443	–	–	–	–	–	–	–	1,112,443
Total turnover	1,529,479	1,363,522	1,191,418	544,564	387,082	340,950	439,506	15,065	284,555	6,096,141

6. Turnover and Other Revenue and Gains (continued)

(a) Disaggregated revenue information (continued)

	For the year ended 31 July 2024									
	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$'000	Theme park operation HK$'000	Others HK$'000	Consolidated HK$'000
Geographical markets										
Hong Kong	347,129	95,953	427,593	490,047	296,228	47,701	425,419	–	43,695	2,173,765
Chinese Mainland and Macau	1,182,350	150,093	279,694	54,517	65,262	264,394	14,087	15,065	–	2,025,462
United Kingdom	–	5,033	–	–	500	496	–	–	–	6,029
Vietnam	–	–	484,131	–	–	58	–	–	–	484,189
Others	–	–	–	–	25,092	28,301	–	–	240,860	294,253
Total turnover from contracts with customers	1,529,479	251,079	1,191,418	544,564	387,082	340,950	439,506	15,065	284,555	4,983,698
Turnover from other source – rental income	–	1,112,443	–	–	–	–	–	–	–	1,112,443
Total turnover	1,529,479	1,363,522	1,191,418	544,564	387,082	340,950	439,506	15,065	284,555	6,096,141
Timing of recognition of turnover from contracts with customers										
At a point in time	1,529,479	–	636,799	544,564	362,216	340,950	439,506	–	262,097	4,115,611
Over time	–	251,079	554,619	–	24,866	–	–	15,065	22,458	868,087
Total turnover from contracts with customers	1,529,479	251,079	1,191,418	544,564	387,082	340,950	439,506	15,065	284,555	4,983,698
Turnover from other source – rental income	–	1,112,443	–	–	–	–	–	–	–	1,112,443
Total turnover	1,529,479	1,363,522	1,191,418	544,564	387,082	340,950	439,506	15,065	284,555	6,096,141

6. Turnover and Other Revenue and Gains (continued)

(a) Disaggregated revenue information (continued)

	For the year ended 31 July 2023									
	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$'000	Theme park operation HK$'000	Others HK$'000	Consolidated HK$'000
Type of goods or services										
Sale of properties	946,639	–	–	–	–	–	–	–	–	946,639
Building management fee income	–	216,476	–	–	–	–	–	–	–	216,476
Income from hotel operation	–	–	977,696	–	–	–	–	–	–	977,696
Income from restaurant and F&B product sales operations	–	–	–	552,594	–	–	–	–	–	552,594
Distribution commission income, licence income from and sale of film and TV program products and film rights	–	–	–	–	–	105,163	–	–	–	105,163
Box-office takings, concessionary income and related income from cinemas	–	–	–	–	–	–	525,066	–	–	525,066
Entertainment event income	–	–	–	–	208,410	–	–	–	–	208,410
Sale of game products	–	–	–	–	98,257	–	–	–	–	98,257
Album sales, licence income and distribution commission income from music publishing and licensing	–	–	–	–	53,011	–	–	–	–	53,011
Artiste management fee income	–	–	–	–	12,780	–	–	–	–	12,780
Advertising income	–	–	–	–	–	7,953	–	–	–	7,953
Income from theme park operation	–	–	–	–	–	–	–	18,877	–	18,877
Others	–	–	–	–	–	–	–	–	232,524	232,524
Total turnover from contracts with customers	946,639	216,476	977,696	552,594	372,458	113,116	525,066	18,877	232,524	3,955,446
Turnover from other source – rental income	–	1,039,145	–	–	–	–	–	–	–	1,039,145
Total turnover	946,639	1,255,621	977,696	552,594	372,458	113,116	525,066	18,877	232,524	4,994,591

6. TURNOVER AND OTHER REVENUE AND GAINS (CONTINUED)

(a) Disaggregated revenue information (continued)

	For the year ended 31 July 2023									
	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$'000	Theme park operation HK$'000	Others HK$'000	Consolidated HK$'000
Geographical markets										
Hong Kong	59,614	85,236	287,978	495,964	298,262	55,290	508,416	–	44,997	1,835,757
Chinese Mainland and Macau	887,025	123,027	250,214	56,630	30,044	37,736	16,650	18,877	–	1,420,203
United Kingdom	–	8,213	–	–	–	647	–	–	–	8,860
Vietnam	–	–	439,504	–	–	2	–	–	–	439,506
Others	–	–	–	–	44,152	19,441	–	–	187,527	251,120
Total turnover from contracts with customers	946,639	216,476	977,696	552,594	372,458	113,116	525,066	18,877	232,524	3,955,446
Turnover from other source – rental income	–	1,039,145	–	–	–	–	–	–	–	1,039,145
Total turnover	946,639	1,255,621	977,696	552,594	372,458	113,116	525,066	18,877	232,524	4,994,591
Timing of recognition of turnover from contracts with customers										
At a point in time	946,639	–	497,596	552,594	346,097	113,116	525,066	–	212,465	3,193,573
Over time	–	216,476	480,100	–	26,361	–	–	18,877	20,059	761,873
Total turnover from contracts with customers	946,639	216,476	977,696	552,594	372,458	113,116	525,066	18,877	232,524	3,955,446
Turnover from other source – rental income	–	1,039,145	–	–	–	–	–	–	–	1,039,145
Total turnover	946,639	1,255,621	977,696	552,594	372,458	113,116	525,066	18,877	232,524	4,994,591

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:

	2024	2023
	HK$'000	HK$'000
Sale of properties	**720,820**	457,818
Other operations	**131,331**	27,320
	852,151	485,138

(b) Performance obligations

Information about the Group's performance obligations is in 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	**2024** **HK$'000**	2023 HK$'000
Other revenue and gains			
Interest income from bank deposits		**80,467**	86,256
Other interest income		**115,386**	87,060
Dividend income from financial assets at fair value through other comprehensive income		**31,100**	36,300
Fair value gains on cross currency swaps	27	**6,537**	—
Gain on disposal of an associate		**56,202**	—
Interest income from finance lease contract		**19,708**	19,533
Government grants*		**5,215**	8,442
Gain on lease modifications	16(c)	**27,652**	—
Gain on repurchase of guarantee notes		**18,510**	2,195
Write-back of impairment of amounts due from joint ventures	24	**15,259**	—
Fair value changes from entertainment events organised by co-investors		**8,314**	1,366
Foreign exchange differences, net		**—**	19,677
Rent concessions related to COVID-19	16(b), (c)	**—**	1,790
Other rent concessions	16(b), (c)	**—**	999
Others		**96,633**	95,656
		480,983	359,274

* During the years ended 31 July 2024 and 2023, government grants mainly represented the amount received under the "Anti-epidemic Fund" of the Government of the Hong Kong Special Administrative Region. 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	2024 HK$'000	2023 HK$'000
Cost of completed properties sold		**1,287,935**	738,688
Cost of inventories sold		**369,111**	365,678
Cost of film rights, licence rights and film and TV program products		**257,461**	75,048
Cost of artiste management services and services for entertainment events provided		**230,139**	176,873
Cost of theatrical releasing and concessionary sales		**161,028**	190,842
Depreciation of property, plant and equipment^	14	**364,968**	416,924
Depreciation of right-of-use assets^	16(a), (c)	**370,867**	373,508
Impairment of property, plant and equipment*	14	**226,257**	191,413
Reversal of impairment of property, plant and equipment@	14	**—**	(3,006)
Impairment of right-of-use assets*	16(a), (c)	**238,708**	5,202
Reversal of impairment of right-of-use assets	16(a), (c)	**—**	(7,687)@
Loss/(gain) on disposal/write-off of items of property, plant and equipment		**14,241***	(123)@
Write-down of properties under development to net realisable value#	17	**430,600**	858,000
Write-down of completed properties for sale to net realisable value#	30	**182,137**	321,337
Staff costs (including directors' and chief executive officer's remuneration — note 9):			
Wages and salaries		**1,358,337**	1,343,378
Pension scheme contributions##		**51,297**	51,598
		1,409,634	1,394,976
Capitalised in properties under development/ investment properties under construction/ construction in progress		**(44,044)**	(51,037)
Total		**1,365,590**	1,343,939
Auditor's remuneration		**17,119**	17,207
Lease payments not included in the measurement of lease liabilities		**30,539**	37,771
Contingent rents incurred for:			
Entertainment events#		**16,719**	14,251
Cinema*		**26,966**	27,564
Total	16(c)	**74,224****	79,586**

7. Loss from Operating Activities (continued)

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

	Notes	2024 HK$'000	2023 HK$'000
Minimum lease income under operating leases		**(1,105,415)**	(1,030,083)
Contingent rents		**(7,028)**	(9,062)
Total operating lease income		**(1,112,443)**	(1,039,145)
Less: Outgoings		**126,283**	115,333
Net rental income		**(986,160)**	(923,812)
Impairment of films and TV programs under production#	31	**9,956**	2,472
Fair value change from film investments*	31	**2,568**	4,614
Fair value changes from entertainment events organised by co-investors@		**(8,314)**	(1,366)
Amortisation of film rights#		**2,274**	3,747
Amortisation of film and TV program products#	19	**68,522**	35,641
Amortisation of music catalogs#		**—**	663
Amortisation of other intangible assets*	22	**376**	1,994
Impairment/(reversal of impairment) of debtors, net	33	**1,172***	(323)@
Impairment of advances and other receivables*	28	**17,746**	32,552
Impairment of amounts due from joint ventures*	24	**793**	2,207
Gains on dissolution/deregistration of subsidiaries@		**(3,835)**	(844)
Fair value (gains)/losses on cross currency swaps	27	**(6,537)@**	26,873*
Fair value gains on foreign currency forward contract@	27	**(618)**	(17)
Fair value losses on financial assets at fair value through profit or loss, net*		**75,752**	14,765
Derecognition loss on rental receivables*		**828**	4,553
Impairment of inventories#		**13,671**	2,544
Impairment of other intangible assets*	22	**—**	27,601
Foreign exchange differences, net		**47,202***	(19,677)@
Service fee for operation of a club in hotel operation in Vietnam*		**58,211**	57,574

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$665,553,000 (2023: HK$722,783,000) are included in "other operating expenses" on the face of the consolidated income statement.

** Lease payments of approximately HK$42,641,000 (2023: HK$46,101,000) are included in "other operating expenses" on the face of the consolidated income statement.

As at 31 July 2024 and 31 July 2023, 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	**2024 HK$'000**	2023 HK$'000
Interest on bank borrowings		**1,461,999**	1,107,001
Interest on guaranteed notes		**221,188**	324,204
Interest on other borrowings		**19,979**	18,613
Interest on lease liabilities	16(b),(c)	**42,200**	40,890
Bank financing charges		**121,782**	132,010
Interest on put option liabilities		**4,474**	4,612
		1,871,622	1,627,330
Less: Amount capitalised in construction in progress	14	**(6,915)**	(29,835)
Amount capitalised in properties under development	17	**(434,273)**	(334,165)
Amount capitalised in investment properties under construction	15	**(27,348)**	(48,988)
		1,403,086	1,214,342

Where funds have been borrowed generally and used for the purpose of obtaining qualifying assets, capitalisation rates ranging from 6.0% to 8.8% (2023: 4.9% to 7.0%) have been applied to the expenditure on the individual assets for the year ended 31 July 2024.

9. Directors' and Chief Executive Officer's Remuneration

Directors' and chief executive officer's remuneration for the year, 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, is as follows:

	2024 **HK$'000**	2023 HK$'000
Fees	**3,474**	3,493
Other emoluments:		
Salaries, allowances and benefits in kind	**54,006**	69,776
Pension scheme contributions	**236**	237
	54,242	70,013
	57,716	73,506
Capitalised in properties under development/ investment properties under construction/ construction in progress	**(3,156)**	(2,649)
	54,560	70,857

9. Directors' and Chief Executive Officer's Remuneration (continued)

The remuneration paid to executive directors, independent non-executive directors and the chief executive officer during the year were as follows:

	Notes	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Pension scheme contributions HK$'000	Total HK$'000
2024					
Executive directors:					
Lam Kin Ngok, Peter	(a)	99	31,157	—	31,256
Yang Yiu Chong, Ronald Jeffrey	(b)	—	3,753	48	3,801
Cheung Sum, Sam	(c)	—	5,000	70	5,070
Lam Hau Yin, Lester (also alternate to U Po Chu)	(d)	—	3,374	36	3,410
Lam Kin Hong, Matthew	(e)	24	1,112	55	1,191
U Po Chu	(f)	211	5,884	—	6,095
		334	50,280	209	50,823
Non-executive director:					
Chew Fook Aun	(g)	600	—	—	600
Independent non-executive directors:					
Chow Bing Chiu		350	—	—	350
Lam Bing Kwan	(h)	1,050	—	—	1,050
Leung Shu Yin, William	(i)	700	—	—	700
Ng Chi Ho, Dennis	(j)	350	—	—	350
		2,450	—	—	2,450
Chief executive officer:					
Yip Chai Tuck	(k)	90	3,726	27	3,843
		3,474	54,006	236	57,716

9. Directors' and Chief Executive Officer's Remuneration (continued)

	Notes	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Pension scheme contributions HK$'000	Total HK$'000
2023					
Executive directors:					
Lam Kin Ngok, Peter	(a)	228	31,844	3	32,075
Yang Yiu Chong, Ronald Jeffrey	(b)	49	561	3	613
Chew Fook Aun	(g)	—	15,257	66	15,323
Lam Hau Yin, Lester (also alternate to U Po Chu)	(d)	—	3,374	36	3,410
Lam Kin Hong, Matthew	(e)	48	1,524	75	1,647
U Po Chu	(f)	298	7,857	—	8,155
		623	60,417	183	61,223
Non-executive director:					
Chew Fook Aun	(g)	590	—	—	590
Independent non-executive directors:					
Chow Bing Chiu		350	—	—	350
Lam Bing Kwan	(h)	1,050	—	—	1,050
Leung Shu Yin, William	(i)	700	—	—	700
		2,100	—	—	2,100
Chief executive officer:					
Yip Chai Tuck	(k)	180	9,359	54	9,593
		3,493	69,776	237	73,506

9. Directors' and Chief Executive Officer's Remuneration (continued)

Notes:

(a) The amounts included fees and salaries paid by Lai Sun Development Company Limited ("**LSD**") of HK$13,976,000, eSun Holdings Limited ("**eSun**") and its subsidiaries (collectively the "**eSun Group**") of HK$11,342,000 and Lai Fung Holdings Limited ("**Lai Fung**") of HK$2,796,000 (2023: fees, salaries and pension scheme contributions paid by LSD of HK$14,337,000, the eSun Group of HK$11,648,000 and Lai Fung of HK$2,867,000).

(b) Mr. Yang Yiu Chong, Ronald Jeffrey was appointed as an executive director of the Company with effect from 2 June 2023. The amounts included salaries and pension scheme contributions paid by LSD of HK$3,322,000 and the eSun Group of HK$261,000 (2023: paid by LSD of HK$563,000).

(c) Mr. Cheung Sum, Sam was appointed as an executive director of the Company with effect from 1 August 2023 and is also the Group chief financial officer of the Company. The amounts included salaries and pension scheme contributions paid by LSD of HK$2,620,000, the eSun Group of HK$316,000 and Lai Fung of HK$1,819,000 (2023: Nil).

(d) The amounts included salaries and pension scheme contributions paid by LSD of HK$1,784,000 and Lai Fung of HK$1,626,000 (2023: paid by LSD of HK$1,784,000 and Lai Fung of HK$1,626,000).

(e) The amounts included salaries and pension scheme contributions paid by Lai Fung of HK$782,000 (2023: HK$1,197,000).

(f) The amounts included fees paid by LSD of HK$187,000 and salaries paid by Lai Fung of HK$3,172,000 (2023: fees paid by LSD of HK$250,000 and salaries paid by Lai Fung of HK$4,258,000).

(g) Mr. Chew Fook Aun resigned as an executive director and was re-designated as a non-executive director of the Company with effect from 2 June 2023 and resigned as a non-executive director of the Company with effect from 1 October 2023. The amounts included fees paid by LSD of HK$200,000 and Lai Fung of HK$200,000 (2023: fees, salaries and pension scheme contributions paid by LSD of HK$7,255,000, the eSun Group of HK$3,537,000 and Lai Fung of HK$3,734,000).

(h) The amounts included fees paid by LSD of HK$350,000 and Lai Fung of HK$350,000 (2023: paid by LSD of HK$350,000 and Lai Fung of HK$350,000).

(i) The amounts included fees paid by LSD of HK$350,000 (2023: HK$350,000).

(j) Mr. Ng Chi Ho, Dennis was appointed as an independent non-executive director of the Company with effect from 1 August 2023.

(k) Mr. Yip Chai Tuck stepped down as the chief executive officer with effect from 1 February 2024. The amounts included fees, salaries and pension scheme contributions paid by LSD of HK$1,691,000 and the eSun Group of HK$1,308,000 from 1 August 2023 to 31 January 2024 (For the year ended 31 July 2023: paid by LSD of HK$4,654,000 and the eSun Group of HK$2,616,000).

There were no other emoluments payable to the independent non-executive directors during the year (2023: Nil).

There was no arrangement under which a director or the chief executive officer waived or agreed to waive any remuneration during the year (2023: Nil).

10. EMPLOYEES' REMUNERATION

The five highest paid employees during the year included two directors (2023: three directors and the chief executive officer), details of whose remuneration are set out in note 9 above. Details of the remuneration of the remaining three (2023: one) highest paid employees who are neither a director nor the chief executive officer of the Company as at the end of the reporting period are as follows:

	2024	2023
	HK$'000	HK$'000
Salaries, allowances and benefits in kind	**22,652**	6,931
Pension scheme contributions	**190**	18
	22,842	6,949
Capitalised in properties under development/ investment properties under construction/ construction in progress	**(2,122)**	(1,459)
	20,720	5,490

The remuneration of the remaining three (2023: one) of the five highest paid employees fell within the following bands:

	Number of employees	
	2024	2023
HK$6,000,001 to HK$6,500,000	**1**	—
HK$6,500,001 to HK$7,000,000	**—**	1
HK$7,000,001 to HK$7,500,000	**1**	—
HK$9,000,001 to HK$9,500,000	**1**	—
	3	1

11. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2023: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%).

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

	2024 HK$'000	2023 HK$'000
Current tax		
— Hong Kong		
Charge for the year	**24,611**	13,517
Overprovision in prior years	**(4,527)**	(919)
	20,084	12,598
— Chinese Mainland		
CIT		
Charge for the year	**153,029**	100,227
LAT		
Charge for the year	**225,244**	211,693
	378,273	311,920
— Elsewhere		
Charge for the year	**29,081**	19,126
Overprovision in prior years	**(3,597)**	—
	25,484	19,126
	423,841	343,644
Deferred tax (note 39)	**(24,126)**	(400,022)
Tax charge/(credit) for the year	**399,715**	(56,378)

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/(credit) at the effective tax rate is as follows:

	2024 **HK$'000**	2023 HK$'000
Loss before tax	**(3,856,264)**	(3,585,424)
Add/(less): Share of profits and losses of associates	**(11,671)**	2,643
Share of profits and losses of joint ventures	**796,305**	10,346
Loss before tax attributable to the Group	**(3,071,630)**	(3,572,435)
Tax at the statutory tax rate of 16.5% (2023: 16.5%)	**(506,818)**	(589,451)
Higher tax rate for other countries	**(22,327)**	(98,247)
Adjustments in respect of current tax of previous periods	**(8,124)**	(919)
Income not subject to tax	**(56,670)**	(36,891)
Expenses not deductible for tax purposes	**498,727**	511,434
Tax losses utilised from previous periods	**(27,571)**	(19,097)
Tax losses not recognised	**366,001**	394,871
Deferred tax assets written off	**181,110**	—
Effect of two-tiered profits tax rates regime	**(165)**	(165)
Provision for LAT	**225,244**	211,693
Tax effect of provision for LAT	**(56,311)**	(52,923)
Other temporary differences	**(196,316)**	(349,175)
Withholding tax on the distributable earnings of the subsidiaries established in Chinese Mainland	**1,001**	(28,853)
Withholding tax on the interest income from the subsidiaries established in Chinese Mainland	**1,934**	1,345
Tax charge/(credit) for the year	**399,715**	(56,378)

12. Dividend

No final dividend was declared for the years ended 31 July 2024 and 2023.

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$2,167,836,000 (2023: HK$1,665,400,000), and the weighted average number of ordinary shares of 883,374,000 (2023: 771,294,000) in issue during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 July 2024 and 2023 in respect of a dilution relating to share options as the impact of the share options of the Company, LSD, 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 2022		5,952,284	453,477	753,177	439,283	37,592	96,313	121,921	1,593,993	315,248	9,763,288
Finance costs capitalised	8	–	–	–	–	–	–	–	–	29,835	29,835
Additions		–	–	32,399	17,507	2,997	8,027	351	–	28,949	90,230
Disposals/write-off		–	–	(38,481)	(9,077)	(900)	(2,337)	–	–	–	(50,795)
Adjustments		(30,601)	–	–	–	–	–	–	(2,154)	–	(32,755)
Exchange realignment		(79,617)	(17,075)	(28,502)	(6,992)	(975)	(561)	–	(104,811)	(16,241)	(254,774)
At 31 July 2023 and 1 August 2023		**5,842,066**	**436,402**	**718,593**	**440,721**	**38,714**	**101,442**	**122,272**	**1,487,028**	**357,791**	**9,545,029**
Finance costs capitalised	8	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**6,915**	**6,915**
Additions		**–**	**–**	**101,770**	**40,911**	**5,675**	**4,588**	**14**	**–**	**10,721**	**163,679**
Transfer to investment properties		**–**	**(31,743)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(31,743)**
Transfer to assets classified as held for sale	32	**–**	**(92,914)**	**(10,127)**	**(10,984)**	**–**	**–**	**–**	**–**	**–**	**(114,025)**
Disposals/write-off		**–**	**(19,760)**	**(96,923)**	**(42,836)**	**(4,824)**	**(5,354)**	**–**	**–**	**–**	**(169,697)**
Exchange realignment		**(15,586)**	**(3,097)**	**(3,903)**	**(5,303)**	**(550)**	**(3,741)**	**–**	**(21,044)**	**(3,257)**	**(56,481)**
At 31 July 2024		**5,826,480**	**288,888**	**709,410**	**422,509**	**39,015**	**96,935**	**122,286**	**1,465,984**	**372,170**	**9,343,677**

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 2022		845,213	85,771	535,863	295,060	29,619	56,476	61,340	972,186	–	2,881,528
Depreciation provided during the year	7	205,198	17,752	49,402	53,603	3,585	16,308	13,092	57,984	–	416,924
Impairment during the year	7	–	–	12,569	3,378	–	1,824	–	173,642	–	191,413
Reversal of impairment during the year	7	–	–	(3,006)	–	–	–	–	–	–	(3,006)
Disposals/write-off		–	–	(37,468)	(7,548)	(867)	(2,298)	–	–	–	(48,181)
Exchange realignment		(19,705)	(899)	(16,794)	(5,910)	(857)	(952)	–	(61,344)	–	(106,461)
At 31 July 2023 and 1 August 2023		**1,030,706**	**102,624**	**540,566**	**338,583**	**31,480**	**71,358**	**74,432**	**1,142,468**	**–**	**3,332,217**
Depreciation provided during the year	7	**185,791**	**30,052**	**57,531**	**41,876**	**2,857**	**12,495**	**12,646**	**21,720**	**–**	**364,968**
Impairment during the year	7	**–**	**–**	**133,956**	**14,821**	**–**	**1,300**	**–**	**21,023**	**55,157**	**226,257**
Transfer to investment properties		**–**	**(12,753)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(12,753)**
Transfer to assets classified as held for sale	32	**–**	**(21,176)**	**(10,050)**	**(10,921)**	**–**	**–**	**–**	**–**	**–**	**(42,147)**
Disposals/write-off		**–**	**(3,975)**	**(92,788)**	**(24,325)**	**(4,682)**	**(4,233)**	**–**	**–**	**–**	**(130,003)**
Exchange realignment		**(4,062)**	**(356)**	**(3,887)**	**(4,636)**	**(390)**	**(4,903)**	**–**	**(13,444)**	**–**	**(31,678)**
At 31 July 2024		**1,212,435**	**94,416**	**625,328**	**355,398**	**29,265**	**76,017**	**87,078**	**1,171,767**	**55,157**	**3,706,861**
Net carrying amount:											
At 31 July 2024		**4,614,045**	**194,472**	**84,082**	**67,111**	**9,750**	**20,918**	**35,208**	**294,217**	**317,013**	**5,636,816**
At 31 July 2023		4,811,360	333,778	178,027	102,138	7,234	30,084	47,840	344,560	357,791	6,212,812

14. Property, Plant and Equipment (continued)

At 31 July 2024, the HK Hotel comprising hotel properties, leasehold improvements, furniture, fixtures and equipment and computers, named "Hong Kong Ocean Park Marriott Hotel", with carrying amounts of approximately HK$2,689,946,000 (2023: HK$2,804,819,000), HK$20,039,000 (2023: HK$25,179,000), HK$3,029,000 (2023: HK$5,173,000) and HK$2,247,000 (2023: HK$2,891,000), respectively, totalling HK$2,715,261,000 (2023: HK$2,838,062,000); 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 amounts of approximately HK$2,268,620,000 (2023: HK$2,340,027,000) were pledged to banks to secure banking facilities granted to the Group (note 37).

As at 31 July 2024, the Group had conducted impairment tests on the long-term assets mainly related to completed theme parks (each treated as a cash-generating unit ("**CGU**")), theme parks under construction, cinema and restaurant and F&B product sales included in property, plant and equipment.

Completed theme parks
The carrying amount of certain CGU was in excess of its recoverable amount. Accordingly, a provision for impairment of HK$21,023,000 (2023: HK$173,642,000) was charged to the consolidated income statement for the year.

Theme parks under construction
The Group determined to cease the relevant development and engaged an external valuer to perform valuation on the land and building portion of certain theme park to determine the recoverable amount and no impairment was identified. Provision for impairment of HK$55,157,000 (2023: Nil) in aggregate in relation to the portion other than the land and building was charged to the consolidated income statement for the year.

Cinema
During the year ended 31 July 2024, the impairment loss of HK$87,179,000 (2023: Nil) represented the write-down of the carrying amounts of certain plant and equipment to their recoverable amounts because the market conditions were out of management's expectation. Last year, the reversal of impairment loss of HK$3,006,000 represented the write-back of the carrying amounts of certain plant and equipment of certain cinemas to their recoverable amounts because favourable changes on the cinema operation have been taken place during the year ended 31 July 2023.

Restaurant and F&B products sales
The carrying amounts of the CGU were in excess of their recoverable amounts given the market conditions were out of management's expectation. Accordingly, a provision for impairment of approximately HK$62,146,000 (2023: HK$16,372,000) was charged to the consolidated income statement for the year.

The estimated recoverable amounts as at 31 July 2024 were determined based on their value in use amounts estimated using discount rates ranging from 10% to 12% (2023: 10% to 12%).

Certain property, plant and equipment of HK$18,990,000 (2023: Nil) were transferred to investment properties. These properties were revalued at HK$26,208,000 (2023: Nil) with revaluation surplus of HK$7,218,000 (2023: Nil) credited to property revaluation reserve.

15. INVESTMENT PROPERTIES

	2024 HK$'000	2023 HK$'000
Completed investment properties	**36,553,818**	37,894,121
Investment properties under construction	**542,000**	387,000
	37,095,818	38,281,121

	Notes	2024 HK$'000	2023 HK$'000
Carrying amount at beginning of year		**38,281,121**	39,773,022
Additions		**180,786**	53,163
Transfer from property, plant and equipment	14	**26,208**	—
Transfer from right-of-use assets	16(a)	**2,810**	—
Other additions, net		**(277,490)**	411,654
Finance costs capitalised	8	**27,348**	48,988
Fair value losses, net@		**(927,888)**	(890,366)
Exchange realignment		**(217,077)**	(1,115,340)
Carrying amount at end of year		**37,095,818**	38,281,121

@ Included in the current year's fair value losses of HK$927,888,000 on investment properties were fair value gains from Lai Fung and its subsidiaries (the "**Lai Fung Group**") amounting to HK$446,483,000 that were partly attributable to the actual construction cost incurred being lower than the accrued amount by approximately HK$283,900,000 in aggregate for certain recently completed investment properties upon finalisation of final account with major contractors.

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$35,260,438,000 (2023: HK$35,658,551,000) were pledged to banks to secure banking facilities granted to the Group (note 37).

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 2024 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$14,737,880,000 (2023: HK$15,564,670,000), HK$2,670,738,000 (2023: HK$3,025,651,000) and HK$19,687,200,000 (2023:HK$19,690,800,000), 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)
2024

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$12 to HK$248	The higher the market rent, the higher the fair value
		Capitalisation rate	2.8% 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$328	The higher the market rent, the higher the fair value
		Capitalisation rate	3.75% to 7.5%	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$13,500	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$302,000	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)

2024 (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$17,940	The higher the GDV, the higher the fair value
		Estimated development costs	HK$11.7 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$24,800 to HK$28,000	The higher the GDV, the higher the fair value
		Budgeted costs to completion	HK$667,600,000	The higher the budgeted costs to completion, the lower the fair value
		Developer's profit margin	16%-20%	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)

2023

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$12 to HK$314	The higher the market rent, the higher the fair value
		Capitalisation rate	2.5% 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$327	The higher the market rent, the higher the fair value
		Capitalisation rate	3.75% to 7.5%	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$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)

2023 (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$18,660	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	12%	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$26,000 to HK$29,000	The higher the GDV, the higher the fair value
		Budgeted costs to completion	HK$818,000,000	The higher the budgeted costs to completion, the lower the fair value
		Developer's profit margin	20%	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 (2023: Nil).

16. LEASES

The Group as a lessee

The Group has lease contracts for certain cinema related properties, other properties and equipment for its operations. Leases of cinema related properties generally have lease terms between 2 and 14 years, while other properties generally have lease terms between 2 and 10 years. Leases of equipment generally have lease terms of 5 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 2022		4,043,806	711,093	165,846	679	4,921,424
Additions		—	87,925	61,308	842	150,075
Lease modification		—	(114,820)	3,704	—	(111,116)
Termination		—	—	(94)	—	(94)
Depreciation charged	7, 16(c)	(173,470)	(115,710)	(83,709)	(619)	(373,508)
Impairment loss recognised	7, 16(c)	—	—	(4,420)	(782)	(5,202)
Reversal of impairment loss recognised	7, 16(c)	—	7,687	—	—	7,687
Exchange realignment		(90,459)	(195)	1,742	26	(88,886)
At 31 July 2023 and 1 August 2023		**3,779,877**	**575,980**	**144,377**	**146**	**4,500,380**
Additions		**—**	**—**	**58,811**	**—**	**58,811**
Transfer to investment properties	15	**(2,810)**	**—**	**—**	**—**	**(2,810)**
Transfer to assets classified as held for sale	32	**(41,707)**	**—**	**—**	**—**	**(41,707)**
Lease modification		**—**	**(22,210)**	**3,110**	**1,145**	**(17,955)**
Termination		**—**	**—**	**(911)**	**—**	**(911)**
Disposal/write-off		**(66,976)**	**—**	**—**	**—**	**(66,976)**
Depreciation charged	7, 16(c)	**(170,287)**	**(108,985)**	**(91,071)**	**(524)**	**(370,867)**
Impairment loss recognised	7, 16(c)	**—**	**(190,551)**	**(48,157)**	**—**	**(238,708)**
Exchange realignment		**(14,046)**	**(29)**	**(253)**	**1**	**(14,327)**
At 31 July 2024		**3,484,051**	**254,205**	**65,906**	**768**	**3,804,930**

16. LEASES (CONTINUED)

The Group as a lessee (continued)

(a) Right-of-use assets (continued)

Cinema

During the year ended 31 July 2024, the impairment loss of HK$190,551,000 (2023: Nil) represented the write-down of the carrying amounts of right-of-use assets of certain properties and equipment to their recoverable amounts because the market conditions were out of management's expectation. The reversal of impairment loss of HK$7,687,000 represented the write-back of the carrying amounts of right-of-use assets of certain cinema related properties to their recoverable amounts because favourable changes on the cinema operation have been taken place during the year ended 31 July 2023.

Restaurant and F&B products sales

During the year ended 31 July 2024, the impairment loss of HK$44,102,000 (2023: HK$2,452,000) represented the write-down of the carrying amounts of right-of-use assets of other properties and equipment to their recoverable amounts because the market conditions were out of the management's expectation.

The estimated recoverable amounts as at 31 July 2024 were determined based on their value in use amounts estimated using discount rates ranging from 10% to 12% (2023: 10% to 12%).

At 31 July 2024, certain of the Group's right-of-use assets with a carrying amount of HK$2,955,204,000 (2023: HK$3,151,616,000), of which HK$1,323,108,000 (2023: HK$1,379,611,000) 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).

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	**2024** **HK$'000**	2023 HK$'000
Carrying amount at 1 August		**1,081,837**	1,248,042
Additions		**58,072**	156,856
Accretion of interest recognised during the year	8, 16(c)	**42,200**	40,890
Lease modification		**(45,607)**	(118,466)
Payments		**(227,616)**	(240,319)
Termination		**(2,260)**	(1,308)
Rent concessions related to COVID-19	6(d), 16(c)	**—**	(1,790)
Other rent concessions	6(d), 16(c)	**—**	(999)
Exchange realignment		**(669)**	(1,069)
Carrying amount at 31 July		**905,957**	1,081,837
Analysed into:			
Current portion		**263,543**	243,712
Non-current portion		**642,414**	838,125
		905,957	1,081,837

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	2024 HK$'000	2023 HK$'000
Interest on lease liabilities	8, 16(b)	**42,200**	40,890
Depreciation charge of right-of-use assets	7, 16(a)	**370,867**	373,508
Impairment of right-of-use assets	7, 16(a)	**238,708**	5,202
Reversal of impairment of right-of-use assets	7, 16(a)	**—**	(7,687)
Expense relating to short-term leases and other leases with remaining lease terms less than one year and leases of low-value assets	7	**19,221**	24,051
Variable lease payments not included in the measurement of lease liabilities	7	**55,003**	55,535
Rent concessions related to COVID-19	6(d), 16(b)	**—**	(1,790)
Other rent concessions	6(d), 16(b)	**—**	(999)
Gain on termination of leases		**(1,349)**	(1,214)
Gain on lease modification	6(d)	**(27,652)**	—
Total amount charged to consolidated income statement		**696,998**	487,496

(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 commenced are disclosed in note 52(c) to the financial statements.

16. LEASES (CONTINUED)

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$1,112,443,000 (2023: HK$1,039,145,000), details of which are included in note 6 to the financial statements.

At 31 July 2024, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2024 **HK$'000**	2023 HK$'000
Within one year	**877,268**	921,919
One to two years	**650,861**	621,554
Two to three years	**403,683**	402,302
Three to four years	**273,056**	249,211
Four to five years	**208,556**	200,639
After five years	**371,057**	442,256
	2,784,481	2,837,881

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	2024 HK$'000	2023 HK$'000
At beginning of year, at cost		**5,379,037**	5,578,110
Additions		**284,409**	386,408
Interest and bank financing charges capitalised	8	**434,273**	334,165
Transfer to completed properties for sale		**(843,604)**	—
Realisation of foreseeable loss on finance lease contract		**—**	(1,444)
Disposal		**(16,356)**	—
Write-down of properties under development to net realisable value	7	**(430,600)**	(858,000)
Exchange realignment		**(12,571)**	(60,202)
At end of year, at cost		**4,794,588**	5,379,037

As at 31 July 2024, certain of the Group's properties under development with a total carrying amount of approximately HK$4,088,524,000 (2023: HK$4,718,765,000) were pledged to banks to secure banking facilities granted to the Group (note 37).

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 2024 and 31 July 2023 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% (2023: 13.5%) and a long term growth rate of 2.3% (2023: 1%) for the relevant assets.

19. Film and TV Program Products

	Notes	HK$'000
Cost:		
At 1 August 2022		443,830
Additions		80
Transfer from films and TV programs under production	31	35,473
Exchange realignment		(14,114)
At 31 July 2023 and 1 August 2023		**465,269**
Additions		**45**
Transfer from films and TV programs under production	31	**225,513**
Sale of film and TV program products		**(156,664)**
Exchange realignment		**(2,701)**
At 31 July 2024		**531,462**
Accumulated amortisation:		
At 1 August 2022		382,656
Provided during the year	7	35,641
Exchange realignment		(14,087)
At 31 July 2023 and 1 August 2023		**404,210**
Provided during the year	7	**68,522**
Exchange realignment		**(2,701)**
At 31 July 2024		**470,031**
Net carrying amount:		
At 31 July 2024		**61,431**
At 31 July 2023		61,059

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 2024 and 31 July 2023 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% (2023: 13.5%) and a long term growth rate of 2.3% (2023: 1%) 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 2022	245,212
Exchange realignment	14,185
At 31 July 2023 and 1 August 2023	**259,397**
Exchange realignment	**(2,185)**
At 31 July 2024	**257,212**
Accumulated impairment:	
At 1 August 2022 , 31 July 2023, 1 August 2023 and 31 July 2024	**37,420**
Net carrying amount:	
At 31 July 2024	**219,792**
At 31 July 2023	221,977

21. GOODWILL (CONTINUED)

Impairment testing of goodwill

CNI CGU

Goodwill of HK$215,950,000 (2023: HK$218,135,000) arising from the acquisition of additional equity interests in CNI (as defined in note 50 to the financial statements) and its subsidiaries during the year ended 31 July 2018 was allocated to a 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 the impairment test of the CNI CGU are set out in note 22 to the financial statements.

F&B CGU A

Goodwill of HK$5,161,000 (2023: 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 (2023: 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 12.0% (2023: 13.0%).

Assumptions were used in the value in use calculation of the F&B CGU A for the years ended 31 July 2024 and 2023. 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.

F&B CGU B

Goodwill of HK$36,101,000 (2023: 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.

21. Goodwill (continued)

Impairment testing of goodwill (continued)

F&B CGU B (continued)

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

	Note	Trademarks HK$'000	Customer relationships HK$'000	Online movie platform HK$'000	Total HK$'000
Cost:					
At 1 August 2022		121,796	16,713	586	139,095
Write-off		(1,150)	—	(586)	(1,736)
Exchange realignment		7,353	259	—	7,612
At 31 July 2023 and 1 August 2023		**127,999**	**16,972**	**—**	**144,971**
Exchange realignment		**(1,089)**	**(38)**	**—**	**(1,127)**
At 31 July 2024		**126,910**	**16,934**	**—**	**143,844**
Accumulated amortisation and impairment:					
At 1 August 2022		—	5,626	586	6,212
Amortisation provided during the year	7	—	1,994	—	1,994
Impairment during the year	7	20,272	7,329	—	27,601
Write-off		—	—	(586)	(586)
Exchange realignment		—	120	—	120
At 31 July 2023 and 1 August 2023		**20,272**	**15,069**	**—**	**35,341**
Amortisation provided during the year	7	**—**	**376**	**—**	**376**
Exchange realignment		**—**	**(19)**	**—**	**(19)**
At 31 July 2024		**20,272**	**15,426**	**—**	**35,698**
Net carrying amount:					
At 31 July 2024		**106,638**	**1,508**	**—**	**108,146**
At 31 July 2023		107,727	1,903	—	109,630

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 the CNI CGU

The recoverable amount of the CNI CGU has been determined based on a value in use calculation using three-year (2023: 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 (2023: three-year) period is 1.5% (2023: 1.5%). The discount rate applied to the cash flow projections is 12% (2023: 13%). The terminal growth rate applied to the cash flow projections is 1.5% (2023: 1.5%).

Assumptions were used in the value in use calculation of the CNI CGU for the years ended 31 July 2024 and 2023. 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.

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% (2023: 13%). The terminal growth rate applied to the cash flow projections is 1.9% (2023: 1.9%).

Assumptions were used in the value in use calculation of F&B CGU B for the years ended 31 July 2024 and 2023. 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

	2024 **HK$'000**	2023 HK$'000
Share of net assets	**173,745**	98,385
Amounts due from associates	**362,463**	397,676
Provision for impairment	**(97,343)**	(98,255)
	265,120	299,421
Total	**438,865**	397,806

The amounts due from associates are unsecured, interest-free, except for amounts due from associates of approximately HK$7,717,000 (2023: HK$7,940,000) to the Group as at 31 July 2024 which bear interest at the prevailing market rate, 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:

	2024 **HK$'000**	2023 HK$'000
At the beginning of the year	**98,255**	97,123
Impairment loss	**597**	—
Write-back of impairment loss	**—**	(639)
Disposal	**(771)**	—
Exchange realignment	**(738)**	1,771
At the end of the year	**97,343**	98,255

The associates are accounted for using the equity method in these financial statements. During the year ended 31 July 2024, the Group received dividend income amounting to HK$3,125,000 from an associate (2023: Nil).

23. Investments in Associates (continued)

As at 31 July 2024 and 31 July 2023, 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.

Aggregate financial information of associates that are not individually material:

	2024 HK$'000	2023 HK$'000
The Group's share of profits/(losses)	**11,671**	(2,643)
The Group's share of other comprehensive (expense)/income	**(1,459)**	4,786
The Group's share of total comprehensive income	**10,212**	2,143

24. Investments in Joint Ventures

	2024 HK$'000	2023 HK$'000
Share of net assets	**4,497,135**	5,280,975
Amounts due from joint ventures	**1,669,151**	1,575,079
Provision for impairment#	**(34,334)**	(49,007)
	1,634,817	1,526,072
Total	**6,131,952**	6,807,047

As at 31 July 2024, an impairment of HK$34,334,000 (2023: HK$49,007,000) was recognised for amounts due from joint ventures with gross carrying amounts of HK$53,412,000 (2023: HK$54,193,000) because these joint ventures have been loss-making for some time.

24. Investments in Joint Ventures (continued)

Except for the amount of HK$1,500,000 due from a joint venture as at 31 July 2023 which was unsecured, interest-free and repayable on the third anniversary date of the drawdown date of such loan, 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.

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:

	Notes	**2024** **HK$'000**	2023 HK$'000
At the beginning of the year		**49,007**	53,420
Impairment loss recognised	7	**793**	2,207
Write-back of impairment loss	6(d)	**(15,259)**	—
Exchange realignment		**(207)**	(6,620)
At the end of the year		**34,334**	49,007

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 2024, the Group received dividend income amounting to HK$41,723,000 from joint ventures (2023: Nil).

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 HKFRSs and complies with the Group's accounting policies.

24. Investments in Joint Ventures (continued)

Diamond Path Limited and its subsidiaries (the "Diamond Path Group")

The Diamond Path Group, a 50%-owned joint venture of LSD, was principally engaged in the development of a residential/commercial project in Hong Kong. The project, "Alto Residences", is located at 29 Tong Yin Street, Tseung Kwan O, Hong Kong.

	31 July 2024 HK$'000	31 July 2023 HK$'000
Current assets	**811,535**	515,722
Non-current assets	**804,534**	1,632,274
Total assets	**1,616,069**	2,147,996
Current liabilities	**(70,323)**	(59,350)
Non-current liabilities	**(62,030)**	(111,743)
Total liabilities	**(132,353)**	(171,093)
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	**40,660**	39,570
Non-current financial liabilities (excluding creditors, other payables and accruals)	**(61,970)**	(38,434)

	Year ended 31 July 2024 HK$'000	Year ended 31 July 2023 HK$'000
Turnover	**297,979**	325,537
(Loss)/profit and total comprehensive (expense)/income for the year	**(493,187)**	120,868
The above (loss)/profit and total comprehensive (expense)/income for the year include the following:		
Interest income	**411**	1,314
Depreciation	**(6,875)**	(6,917)
Interest expense	**(1,635)**	(1,058)
Tax	**(7,749)**	(19,496)

24. Investments in Joint Ventures (continued)

Diamond Path Limited and its subsidiaries (the "Diamond Path Group") (continued)

Reconciliation of the above summarised financial information of the Diamond Path Group to the carrying amount of the interest in the Diamond Path Group recognised in the financial statements is as follows:

	31 July 2024 HK$'000	31 July 2023 HK$'000
Net assets of the Diamond Path Group	**1,483,716**	1,976,903
LSD 50% ownership interest in the Diamond Path Group	**741,858**	988,452
Amount due to the Diamond Path Group	**(252,310)**	(151,175)
Carrying amount of the Group's interest in the Diamond Path Group	**489,548**	837,277

Diamond String Limited ("Diamond String")

Diamond String, a 50%-owned joint venture of LSD, principally held a property for rental in Hong Kong. The property, "CCB Tower", is located at 3 Connaught Road Central, Hong Kong.

	31 July 2024 HK$'000	31 July 2023 HK$'000
Current assets	**448,395**	437,859
Non-current assets	**9,089,053**	9,711,731
Total assets	**9,537,448**	10,149,590
Current liabilities	**(23,990)**	(27,025)
Non-current liabilities	**(1,777,870)**	(1,776,992)
Total liabilities	**(1,801,860)**	(1,804,017)

24. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Diamond String Limited ("Diamond String") (continued)

	31 July 2024 HK$'000	31 July 2023 HK$'000
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	**485,778**	466,393
Current financial liabilities (excluding creditors, other payables and accruals)	**(5,928)**	(7,588)
Non-current financial liabilities (excluding creditors, other payables and accruals)	**(1,740,687)**	(1,741,101)

	Year ended 31 July 2024 HK$'000	Year ended 31 July 2023 HK$'000
Turnover	**228,859**	222,988
Loss and total comprehensive expense for the year	**(531,985)**	(71,555)
The above loss and total comprehensive expense for the year include the following:		
Interest income	**3,489**	2,755
Depreciation	**(229)**	(213)
Interest expense	**(104,283)**	(85,318)
Tax	**(9,429)**	(11,379)

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 2024 HK$'000	31 July 2023 HK$'000
Net assets of Diamond String	**7,735,588**	8,345,573
LSD 50% ownership interest in Diamond String	**3,867,794**	4,172,786
Amount due from Diamond String	**393,522**	393,522
Carrying amount of the Group's interest in Diamond String	**4,261,316**	4,566,308

King Empire International Limited and its subsidiary (the "King Empire International Group")

The King Empire International Group, a 15%-owned joint venture of LSD, is principally engaged in the development of a residential project located at Wong Chuk Hang, Hong Kong.

	31 July 2024 HK$'000	31 July 2023 HK$'000
Current assets	**15,093,731**	15,418,635
Current liabilities	**(8,337,814)**	(7,323,041)
Non-current liabilities	**(8,161,762)**	(8,096,999)
Total liabilities	**(16,499,576)**	(15,420,040)
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	**150,677**	130,193
Current financial liabilities (excluding creditors, other payables and accruals)	**(8,306,580)**	(7,304,128)
Non-current financial liabilities (excluding creditors, other payables and accruals)	**(4,200,000)**	(4,200,000)
Interest expense (capitalised as current asset)	**697,338**	540,040

24. Investments in Joint Ventures (continued)

King Empire International Limited and its subsidiary (the "King Empire International Group") (continued)

	Year ended 31 July 2024 HK$'000	Year ended 31 July 2023 HK$'000
Loss and total comprehensive expense for the year	**(1,404,439)**	(691)

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 2024 HK$'000	31 July 2023 HK$'000
Net liabilities of the King Empire International Group	**(1,405,845)**	(1,405)
LSD 15% ownership interest in the King Empire International Group	**(210,877)**	(211)
Amount due from the King Empire International Group	**1,245,987**	1,095,619
Carrying amount of the Group's interest in the King Empire International Group	**1,035,110**	1,095,408

Aggregate financial information of joint ventures that are not individually material:

	Year ended 31 July 2024 HK$'000	Year ended 31 July 2023 HK$'000
The Group's share of losses	**(73,053)**	(34,899)
The Group's share of other comprehensive income	**83**	3,047
The Group's share of total comprehensive expense	**(72,970)**	(31,852)

	2024 HK$'000	2023 HK$'000
Aggregate carrying amount of the Group's investments in joint ventures that are not individually material	**345,978**	308,054

25. Financial Assets at Fair Value Through Other Comprehensive Income

	Notes	**2024 HK$'000**	2023 HK$'000
Financial assets at fair value through other comprehensive income			
Listed investment, at fair value	(i)	**13,860**	21,541
Unlisted investments, at fair value	(ii)	**105,504**	1,678,511
		119,364	1,700,052

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) As at 31 July 2023, included in unlisted investments was an equity interest in Bayshore Development Group Limited ("**Bayshore**") of approximately HK$1,576,268,000. The principal activity of Bayshore is property investment. During the year ended 31 July 2024, the Group disposed of the equity interest in Bayshore to realise the value of its property investment and enhance the cash flow of the Group. The fair value on the date of sale and the accumulated gains on disposal were HK$1,421,920,000, of which HK$790,588,000 was recognised in the Group's other comprehensive income and transferred to retained profits. During the year ended 31 July 2024, the Group received dividends in the amounts of HK$30,900,000 (2023: HK$36,000,000) from Bayshore.

26. Financial Assets at Fair Value Through Profit or Loss

	Notes	**2024** **HK$'000**	2023 HK$'000
Listed investments	(i)	**70,948**	23,725
Unlisted investments	(ii)	**941,274**	1,048,647
		1,012,222	1,072,372
Less: Portion classified as current		**(70,948)**	(95,258)
Non-current portion		**941,274**	977,114

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

	Notes	**2024** **HK$'000**	2023 HK$'000
Cross currency swap agreements (the "**CCSs**")			
— For LSD 2017 Guaranteed Notes (the "**CCS — LSD 2017 Notes**")	(a)	**—**	—
— For Lai Fung 2018 Guaranteed Notes (the "**CCS — LF 2018 Notes**")	(b)	**—**	—
— For LSD 2021 Guaranteed Notes (the "**CCS — LSD 2021 Notes**")	(c)	**6,537**	—
Foreign currency forward contract		**—**	748
		6,537	748
Less: Portion classified as current		**—**	(748)
Non-current portion		**6,537**	—

27. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The movements in the financial assets arising from the derivative financial instruments during the year are as follows:

	CCS — LSD 2017 Notes HK$'000	CCS — LF 2018 Notes HK$'000	CCS — LSD 2021 Notes HK$'000	CCSs Total HK$'000	Foreign currency forward contract HK$'000
Carrying amount as at 1 August 2022	20,922	4,551	—	25,473	—
Fair value (losses charged)/gains credited to the consolidated income statement (note 7)	(20,922)	(5,951)	—	(26,873)	17
Settlement upon maturity	—	1,400	—	1,400	731
Carrying amount as at 31 July 2023 and 1 August 2023	**—**	**—**	**—**	**—**	**748**
Fair value gains credited to the consolidated income statement (note 7)	**—**	**—**	**6,537**	**6,537**	**618**
Settlement upon maturity	**—**	**—**	**—**	**—**	**(1,366)**
Carrying amount as at 31 July 2024	**—**	**—**	**6,537**	**6,537**	**—**

(a) CCS — LSD 2017 Notes

During the year ended 31 July 2018, the Group has entered into the CCS — LSD 2017 Notes with financial institutions with an aggregate nominal amount of US$400,000,000 in connection with the guaranteed notes matured and fully redeemed during the year ended 31 July 2023.

Pursuant to the terms of the CCS — LSD 2017 Notes, the Group received an amount semi-annually in arrears calculated based on a fixed rate of 4.6% per annum on the aggregate notional amount of US$400,000,000 during the term of five years, and paid an amount semi-annually in arrears calculated based on a fixed rate of 4.28% per annum on the aggregate notional amount of HK$3,121,400,000 (being the HK$ equivalent amount of US$400,000,000 translated at a contracted exchange rate of US$1 to HK$7.8035) during the term of five years. Upon maturity in September 2022, the Group received the aggregate notional amount of US$400,000,000 and paid the aggregate notional amount of HK$3,121,400,000.

The CCS — LSD 2017 Notes were not designated for hedge purposes and were measured at fair value through profit or loss. Changes in the fair value of the CCS — LSD 2017 Notes amounting to HK$20,922,000 were charged to the consolidated income statement during the year ended 31 July 2023.

27. Derivative Financial Instruments (continued)

(b) CCS — LF 2018 Notes

During the year ended 31 July 2018, the Lai Fung Group has entered into the CCS — LF 2018 Notes with the financial institutions with an aggregate nominal amount of US$350,000,000 in connection with the guaranteed notes matured and fully redeemed during the year ended 31 July 2023.

Pursuant to the terms of the CCS — LF 2018 Notes, the Lai Fung Group received an amount semi-annually calculated based on a fixed rate of 5.65% per annum on the aggregate notional amount of US$350,000,000 during the period from 18 January 2018 to 18 January 2023 before each Interest Payment Date — LF 2018 Notes (as defined in note 36(d)), and paid an amount semi-annually calculated based on a fixed rate of 5.37% per annum on the aggregate notional amount of HK$2,738,225,000 (being the HK$ equivalent amount of US$350,000,000 translated at a contracted exchange rate of US$1 to HK$7.8235) during the period from 18 January 2018 to 18 January 2023 before each Interest Payment Date — LF 2018 Notes. Right before 18 January 2023, the Lai Fung Group received the aggregate notional amount of US$350,000,000 and paid the aggregate notional amount of HK$2,738,225,000.

The CCS — LF 2018 Notes were not designated for hedge purposes and were measured at fair value through profit or loss. Changes in the fair value of the CCS — LF 2018 Notes amounting to HK$5,951,000 were charged to the consolidated income statement during the year ended 31 July 2023.

(c) CCS – LSD 2021 Notes

During the year ended 31 July 2024, the Group has entered into the CCS – LSD 2021 Notes with financial institutions with an aggregate nominal amount of US$150,000,000 in connection with the guaranteed notes as detailed in note 36(b) 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$150,000,000 during the term of two years, and paid an amount semi-annually in arrears calculated based on fixed rates of 4.50% to 4.52% per annum on the aggregate notional amount of HK$1,170,000,000 (being the HK$ equivalent amount of US$150,000,000 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 will receive the aggregate notional amount of US$150,000,000 and will pay the aggregate notional amount of HK$1,170,000,000.

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$6,537,000 were credited to the consolidated income statement during the year (2023: Nil).

28. Deposits, Prepayments, Other Receivables and Other Assets

	2024 **HK$'000**	2023 HK$'000
Loan receivables:		
Variable-rate mortgage loan receivables	**31,277**	41,993
Deposits, prepayments, other receivables and other assets	**1,482,044**	1,343,489
	1,513,321	1,385,482
Less: Portion classified as current	**(1,295,922)**	(788,323)
Non-current portion	**217,399**	597,159

Movements in the loss allowance for impairment of financial assets included in deposits, prepayments, other receivables and other assets are as follows:

	Note	**2024** **HK$'000**	2023 HK$'000
At the beginning of the reporting period		**147,924**	123,247
Impairment loss recognised	7	**17,746**	32,552
Write-back of impairment loss recognised		**(5,874)**	(1,313)
Write-off		**—**	(5,348)
Exchange realignment		**(225)**	(1,214)
At the end of the reporting period		**159,571**	147,924

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$159,571,000 (2023: HK$147,924,000) 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 for which there was no recent history of default and past due amounts, and the loss allowance was assessed to be minimal as at 31 July 2024 and 2023.

29. Pledged and Restricted Bank Balances and Time Deposits and Cash and Cash Equivalents

	2024 HK$'000	2023 HK$'000
Cash and bank balances	**3,264,640**	3,516,884
Time deposits	**969,666**	1,607,391
	4,234,306	5,124,275
Less: Non-current portion of pledged balances:		
Bank balances pledged for bank borrowings	**(28,724)**	(50,066)
Time deposits pledged for bank borrowings	**(75,744)**	(58,407)
Time deposit pledged for a bank guarantee*	**—**	(17,999)
	(104,468)	(126,472)
Less: Current portion of pledged balances:		
Bank balances pledged for bank borrowings	**(312,452)**	(356,206)
Bank balances pledged for banking facilities**	**(500)**	(500)
Time deposits pledged for banking borrowings	**(499,653)**	(376,103)
Time deposits pledged for banking facilities**	**—**	(31,686)
Time deposit pledged for a bank guarantee*	**(18,536)**	—
Time deposits pledged for a forward contract arrangement	**—**	(8,307)
	(831,141)	(772,802)
Less: Current portion of restricted balances***:		
Bank balances	**(419,998)**	(497,634)
Time deposits	**(51,616)**	(18,310)
	(471,614)	(515,944)
	(1,302,755)	(1,288,746)
Cash and cash equivalents	**2,827,083**	3,709,057

29. PLEDGED AND RESTRICTED BANK BALANCES AND TIME DEPOSITS AND CASH AND CASH EQUIVALENTS (CONTINUED)

* The balance of HK$18,536,000 (2023: HK$17,999,000) was pledged to a bank in respect of a bank guarantee for an associate.

** The balances included an aggregate amount of HK$500,000 (2023: HK$31,186,000) pledged to certain banks in respect of a guarantee and a standby letter of credit issued by the banks.

*** In accordance with the relevant laws and regulations imposed by the government authorities concerned or 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 2024, the balance was HK$445,745,000 (2023: HK$466,046,000) 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 2024, the balance was HK$22,862,000 (2023: HK$23,084,000) 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 2024, the balance was HK$2,915,000 (2023: HK$8,411,000) 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 2024, the balance was HK$92,000 (2023: HK$18,403,000) 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 2024, such VND and RMB denominated cash and bank balances and time deposits of the Group amounted to approximately HK$179,407,000 (2023: HK$177,336,000) and approximately HK$1,465,418,000 (2023: HK$2,222,700,000), 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 2024, write-down of completed properties for sale of approximately HK$182,137,000 (2023: HK$321,337,000) was charged to the consolidated income statement.

As at 31 July 2024, certain of the Group's completed properties for sale with a total carrying amount of approximately HK$1,237,867,000 (2023: HK$449,669,000) were pledged to banks to secure banking facilities granted to the Group (note 37).

31. Films and TV Programs Under Production and Film Investments

	Notes	**2024** **HK$'000**	2023 HK$'000
Films and TV programs under production	(i)	**172,908**	267,598
Film investments, at fair value	(ii)	**104,560**	38,544
		277,468	306,142

Notes:

(i) Films and TV programs under production

	Notes	**2024** **HK$'000**	2023 HK$'000
At the beginning of the reporting period		**267,598**	245,389
Additions		**141,770**	64,199
Transfer to film and TV program products	19	**(225,513)**	(35,473)
Impairment#	7	**(9,956)**	(2,472)
Exchange realignment		**(991)**	(4,045)
At the end of the reporting period		**172,908**	267,598

The impairment of films and TV programs under production was made based on management's estimation of the recoverable amount against the carrying amount.

31. Films and TV Programs Under Production and Film Investments (continued)

Notes: (continued)

(ii) Film investments, at fair value

	Note	2024 HK$'000	2023 HK$'000
Film investments classified as financial assets at fair value through profit or loss:			
At the beginning of the reporting period		**38,544**	71,720
Additions		**92,787**	6,247
Changes in fair value	7	**(2,568)**	(4,614)
Settlement		**(23,822)**	(31,504)
Exchange realignment		**(381)**	(3,305)
At the end of the reporting period		**104,560**	38,544

32. Assets and Liabilities Classified as Held For Sale

(a) LSD and a wholly-owned subsidiary of LSD have entered into an offer letter with an independent third party to dispose the equity interest of Hong Kong Hill Limited ("**Hong Kong Hill**") on 3 May 2024. The disposal of Hong Kong Hill is expected to be completed in January 2025. The assets and liabilities of Hong Kong Hill were classified as "Assets classified as held for sale" and "Liabilities directly associated with the assets classified as held for sale", respectively, as at 31 July 2024.

32. Assets and Liabilities Classified As Held for Sale (continued)

(a) (continued)

The major classes of assets and liabilities of Hong Kong Hill classified as held for sale as at 31 July are as follows:

	Notes	**2024** **HK$'000**
Property, plant and equipment	14	**71,878**
Right-of-use assets	16(a)	**41,707**
Deposits and prepayments		**108**
Pledged bank balance		**2**
Bank balance		**49**
Assets classified as held for sale		**113,744**
Other payables		**(90)**
Deferred tax liability	39	**(11,409)**
Liabilities directly associated with the assets classified as held for sale		**(11,499)**

As at 31 July 2024, certain property, plant and equipment, right-of-use assets and bank balance with carrying amounts of approximately HK$71,739,000, HK$41,707,000 and HK$2,000, respectively, were pledged to a bank to secure a banking facility granted to the Group (note 37).

(b) Balances as at 31 July 2023 included units of serviced apartments located in Zhongshan (namely, STARR Resort Residence Zhongshan) which were offered for sale with carrying amounts of approximately HK$1,758,000. The serviced apartments were previously classified as property, plant and equipment. Management had committed to a plan to sell with an active program to locate buyers already initiated and the disposal was expected to be completed in the ensuing year. As a result, the serviced apartments were transferred to assets classified as held for sale since then. The units of serviced apartments were disposed of during the year ended 31 July 2024.

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:

	2024 HK$'000	2023 HK$'000
Trade receivables:		
Not yet due or less than 30 days past due	**321,468**	243,867
31 — 60 days past due	**20,756**	40,414
61 — 90 days past due	**8,545**	9,534
Over 90 days past due	**62,283**	54,305
	413,052	348,120
Finance lease receivables, not yet due (Note)	**492,752**	482,099
	905,804	830,219
Less: Portion classified as current	**(416,567)**	(352,245)
Non-current portion	**489,237**	477,974

The movements in the loss allowance for the impairment of debtors are as follows:

	Note	2024 HK$'000	2023 HK$'000
At beginning of year		**55,263**	55,418
Impairment losses, net	7	**1,172**	(323)
Write-off		**—**	(593)
Exchange realignment		**916**	761
At end of year		**57,351**	55,263

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 risks 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.

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 2024 and 2023, the Group estimated that the ECLs for finance lease receivables were insignificant.

33. DEBTORS (CONTINUED)

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 2024		**Past due**			
	Current to 30 days	**30 to 90 days**	**Over 90 days**	**Over 90 days – specific provision**	**Total**
Expected credit loss rate	**0%**	**1%**	**0%**	**100%**	**12%**
Gross carrying amount (HK$'000)	**321,967**	**29,451**	**62,309**	**56,676**	**470,403**
Expected credit losses (HK$'000)	**499**	**151**	**25**	**56,676**	**57,351**

As at 31 July 2023		Past due			
	Current to 30 days	30 to 90 days	Over 90 days	Over 90 days – specific provision	Total
Expected credit loss rate	0%	0%	0%	100%	14%
Gross carrying amount (HK$'000)	244,383	50,040	54,396	54,564	403,383
Expected credit losses (HK$'000)	516	92	91	54,564	55,263

Note:

The breakdown of finance lease receivables:

	2024 HK$'000	2023 HK$'000
Lease payments receivables		
Not later than 1 year	**3,515**	4,125
Later than 1 year but not later than 2 years	**6,482**	4,394
Later than 2 years but not later than 3 years	**10,861**	9,178
Later than 3 years but not later than 4 years	**16,413**	10,818
Later than 4 years but not later than 5 years	**21,937**	16,364
Later than 5 years	**675,000**	696,330
	734,208	741,209
Less: Unearned finance lease income relating to lease payments receivables	**(241,456)**	(259,110)
Present value of lease payments receivables	**492,752**	482,099
Add: Present value of unguaranteed residual value	**—**	—
Net investment in the finance lease	**492,752**	482,099
Less: Accumulated expected credit losses	**—**	—
Total	**492,752**	482,099

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:

	2024 **HK$'000**	2023 HK$'000
Creditors:		
Not yet due or less than 30 days past due	**217,298**	255,742
31 — 60 days past due	**21,825**	29,228
61 — 90 days past due	**9,629**	7,824
Over 90 days past due	**37,525**	109,536
	286,277	402,330
Other payables and accruals	**1,993,534**	2,464,780
Put option liabilities (Note)	**1,104,043**	1,114,080
	3,383,854	3,981,190
Less: Portion classified as current	**(2,484,740)**	(3,072,146)
Non-current portion	**899,114**	909,044

The creditors and other creditors are non-interest-bearing and normally with an average credit term of one to three months.

Note:

On 19 January 2020, Winfield Concept Limited ("**Winfield**"), a subsidiary owned by Lai Fung and LSD (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$890,237,000 (2023: HK$900,726,000)), equal to the amount of capital contribution made by Da Hengqin in cash to Laisun Creative Culture, are 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.

34. Creditors, Other Payables and Accruals (continued)

Note: (continued)

On 31 December 2018, Rosy Commerce Holdings Limited ("**Rosy Commerce**", a company indirectly owned by Lai Fung and eSun as to 80% and 20%, respectively) and China Cinda (HK) Asset Management Co., Limited ("**Cinda**"), an independent third party, entered into two investment agreements (the "**Cinda Agreements**"). Pursuant to the Cinda Agreements, Cinda agrees to invest, by way of share subscription and/or share sale, in two wholly-owned subsidiaries of Rosy Commerce, namely Harmonic Run Limited ("**HRL**") and Glorious Stand Limited ("**GSL**") at considerations of approximately US$27,366,000 and approximately US$8,386,000, respectively, (the "**HRL Consideration**" and "**GSL Consideration**", collectively the "**Consideration**") (the "**Cinda Transaction**"). The Cinda Transaction was completed on 25 January 2019 (the "**Cinda Completion Date**") and Cinda became a holder of 30% equity interests in each of HRL and GSL.

On the Cinda Completion Date, Rosy Commerce and Cinda further entered into two shareholders' agreements, pursuant to the buy-back clause contained therein, upon the occurrence of certain triggering events during the six- year investment period, Rosy Commerce has a contractual obligation to buy-back the 30% equity interests in each of HRL and GSL from Cinda at an aggregate amount equal to the Considerations. Accordingly, financial liabilities, being the amount equal to the considerations, were recorded as put option liabilities under "Creditors, other payables and accruals" of the consolidated statement of financial position as at the end of the reporting period.

Further details of the Cinda Transaction are set out in a joint announcement of the Company, LSD, eSun and Lai Fung dated 2 January 2019.

35. Deposits Received, Deferred Income and Contract Liabilities

An analysis of the deposits received, deferred income and contract liabilities is as follows:

	2024 **HK$'000**	2023 HK$'000
Deposits received and deferred income	**567,126**	568,777
Contract liabilities (Note)	**237,892**	941,913
	805,018	1,510,690
Less: Portion classified as current	**(565,484)**	(1,297,329)
Non-current portion	**239,534**	213,361

35. Deposits Received, Deferred Income and Contract Liabilities (continued)

Note:

Details of contract liabilities are as follows:

	2024 HK$'000	2023 HK$'000
Contract liabilities arising from:		
Sales of properties	**95,386**	775,685
Other operations	**142,506**	166,228
	237,892	941,913

As at 1 August 2022, 31 July 2023 and 31 July 2024, the Group's total contract liabilities of HK$677,885,000, HK$941,913,000 and HK$237,892,000, 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 2024 and 2023 was mainly due to the net effect of recognition of revenue and receipt of advance from customers.

36. Guaranteed Notes

	Notes	2024 HK$'000	2023 HK$'000
HK$385,000,000 4.9% — 5.25% guaranteed notes ("**LSD 2022 Notes**")	(a)	**381,492**	380,545
US$493,000,000 (2023: US$500,000,000) 5% guaranteed notes ("**LSD 2021 Notes**")	(b)	**3,850,653**	3,883,109
		4,232,145	4,263,654
Analysed into:			
Guaranteed notes repayable:			
In the second year		**3,850,653**	—
In the third to fifth years, inclusive		**381,492**	4,061,952
Beyond five years		**—**	201,702
		4,232,145	4,263,654

36. Guaranteed Notes (continued)

Notes:

(a) LSD 2022 Notes

On 9 and 10 November 2021, Lai Sun MTN Limited ("**Lai Sun MTN**"), a wholly-owned subsidiary of LSD, issued guaranteed notes in an aggregate principal amount of HK$385,000,000. The LSD 2022 Notes are guaranteed by LSD, 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.

	2024 **HK$'000**	2023 HK$'000
Guaranteed notes	**385,000**	385,000
Issue expenses	**(3,508)**	(4,455)
Carrying amount at the end of the reporting period	**381,492**	380,545

(b) LSD 2021 Notes

On 28 July and 9 September 2021, Lai Sun MTN issued guaranteed notes in an aggregate principal amount of US$500,000,000. The LSD 2021 Notes are guaranteed by LSD, have a term of five years and bear interest at a fixed interest rate of 5% per annum payable semi-annually in arrears. The LSD 2021 Notes are 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.

On 17 April and 17 May 2024, the guaranteed notes in 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.

	2024 **HK$'000**	2023 HK$'000
Guaranteed notes	**3,862,014**	3,900,150
Issue expenses	**(11,361)**	(17,041)
Carrying amount at the end of the reporting period	**3,850,653**	3,883,109
Fair value of the LSD 2021 Notes	**2,723,415**	2,764,466

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 2024 and 31 July 2023.

In connection with certain LSD 2021 Notes, the Group entered into the CCS — LSD 2021 Notes with financial institutions, which have 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 4.50% to 4.52% per annum. Details of the CCS — LSD 2021 Notes are set out in note 27(c) to the financial statements.

37. Bank Borrowings

	Effective annual interest rate (%)	**2024 HK$'000**	2023 HK$'000
Current			
Bank borrowings — secured	3.2 — 8.8 (2023: 3.9 — 8.9)	**2,420,964**	5,330,787
Bank borrowings — unsecured	3.9 — 5.9 (2023: 6.2 — 8.3)	**102,052**	684,034
		2,523,016	6,014,821
Non-current			
Bank borrowings — secured	3.2 — 8.8 (2023: 3.9 — 10.8)	**18,524,794**	15,531,979
Bank borrowings — unsecured	5.9 (2023: 4.3 — 6.2)	**206,077**	327,849
		18,730,871	15,859,828
		21,253,887	21,874,649
Analysed into:			
Bank borrowings repayable:			
Within one year		**2,523,016**	6,014,821
In the second year		**9,050,433**	1,707,054
In the third to fifth years, inclusive		**6,841,927**	12,678,809
Beyond five years		**2,838,511**	1,473,965
		21,253,887	21,874,649

37. BANK BORROWINGS (CONTINUED)

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:

(i) 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$2,994,773,000 (2023: HK$3,171,212,000) (notes 14 and 32), HK$1,364,815,000 (2023: HK$1,422,595,000) (notes 16(a) and 32), HK$17,187,738,000 (2023: HK$18,356,651,000) (note 15), HK$3,220,415,000 (2023: HK$3,920,055,000) (note 17) and HK$783,772,000 (2023: HK$220,547,000) (note 30), respectively;

(ii) floating charges over all assets of certain subsidiaries of the Group with an aggregate carrying amount of approximately HK$15,972,070,000 (2023: HK$16,737,298,000), 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$2,994,773,000 (2023: HK$3,171,213,000), HK$1,364,815,000 (2023: HK$1,422,595,000), HK$6,503,738,000 (2023: HK$7,107,651,000) and HK$3,220,415,000 (2023: HK$3,920,055,000) and HK$783,772,000 (2023: HK$220,547,000), respectively, are also included in note (i) above;

(iii) 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$2,060,847,000 (2023: HK$2,006,877,000) (note 14);

(iv) mortgages over certain right-of-use assets of the Group with an aggregate carrying amount of HK$1,632,096,000 (2023: HK$1,729,021,000) (note 16(a));

(v) mortgages over certain properties under development of the Group with an aggregate carrying amount of HK$868,109,000 (2023: HK$798,710,000) (note 17);

(vi) mortgages over certain investment properties of the Group with an aggregate carrying amount of HK$18,072,700,000 (2023: HK$17,301,900,000) (note 15);

(vii) mortgages over certain completed properties for sale of the Group with an aggregate carrying amount of HK$454,095,000 (2023: HK$229,122,000) (note 30);

(viii) charges over certain bank balances and time deposits of the Group with an aggregate carrying amounts of approximately HK$935,611,000 (2023: HK$899,274,000) (notes 29 and 32); and

(ix) charges over the shares of certain subsidiaries held by the Group (note 50).

38. Other Borrowings

	Notes	Effective annual interest rate (%)	2024 HK$'000	2023 HK$'000
Current:				
Other borrowing — unsecured	(i)	—	**34,485**	34,412
Non-current:				
Interest-bearing other borrowings — unsecured	(ii), (v)	5.9 (2023: 5.9)	**305,085**	296,576
Other borrowing — unsecured	(iii), (v)	—	**50,360**	50,953
Note payable — unsecured	(iv), (v)	5.9 (2023: 5.9)	**401,660**	390,191
			757,105	737,720
			791,590	772,132
Maturity profile:				
Within one year			**34,485**	34,412
In the second year			**757,105**	737,720
			791,590	772,132

38. Other Borrowings (continued)

Notes:

(i) On the Cinda Completion Date, Rosy Commerce and Cinda entered into two shareholders' loan agreements pursuant to which, Cinda provided non-interest-bearing initial shareholders' loans of US$4,414,000 and US$883,000 to HRL and GSL, respectively (the "**HRL Shareholder's Loan**" and "**GSL Shareholder's Loan**"). Such shareholders' loans are repayable upon the earlier of, inter alia, the sixth anniversary of the date of the two shareholders' loan agreements; or the occurrence of the buy-back triggering events mentioned in note 34 to the financial statements.

On 21 June 2023, Rosy Commerce and Cinda entered into a sale and purchase agreement, pursuant to which Rosy Commerce has agreed to purchase from Cinda the 30% equity interest of GSL at the amount equal to the GSL Consideration and take assignment of the GSL Shareholder's Loan (the "**Acquisition**") with an aggregate amount of approximately US$9,269,000 in instalments (the "**Total Consideration**"). As a result, the put option liabilities relating to the GSL Consideration were reclassified to "other payables" under "creditors, accruals and other payables" of the consolidated statement of financial position.

The Acquisition was completed on 27 November 2023 upon payment of the total consideration in full. Further details of the Acquisition are set out in a joint announcement of the Company, LSD and Lai Fung dated 21 June 2023.

(ii) The unsecured other borrowings represented amounts due to the late Mr. Lim Por Yen which bear interest at The Hongkong and Shanghai Banking Corporation Limited prime rate per annum except for the accrued interest portion with an amount of HK$160,402,000 (2023: HK$151,893,000) which is interest-free.

(iii) The unsecured other borrowing represented an amount due to the late Mr. Lim Por Yen which is interest-free.

(iv) The unsecured note payable represented a loan note payable to the late Mr. Lim Por Yen which bears interest at The Hongkong and Shanghai Banking Corporation Limited prime rate per annum except for the accrued interest portion with an amount of HK$206,660,000 (2023: HK$195,191,000).

(v) At the request of the Group, the joint executrixes of the estate of the late Mr. Lim Por Yen confirmed with the Group that no demand for the repayment of the outstanding other borrowings or the related interest would be made within one year from the end of the respective reporting periods.

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:

	2024 **HK$'000**	2023 HK$'000
Deferred tax assets	**1,945**	1,858
Deferred tax liabilities	**(4,112,822)**	(4,218,012)
	(4,110,877)	(4,216,154)

39. Deferred Tax (continued)

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 2022		(1,068,015)	(1,735,421)	(2,139,811)	(149,316)	194,867	(31,427)	(4,929,123)
Deferred tax (charged)/credited to the consolidated income statement during the year	11	(61,749)	350,588	17,202	28,853	54,246	10,882	400,022
Deferred tax utilised during the year		—	—	—	56,531	—	—	56,531
Exchange realignment		50,269	75,832	143,824	—	(12,183)	(1,326)	256,416
At 31 July 2023 and 1 August 2023		**(1,079,495)**	**(1,309,001)**	**(1,978,785)**	**(63,932)**	**236,930**	**(21,871)**	**(4,216,154)**
Deferred tax (charged)/credited to the consolidated income statement during the year	11	**(69,156)**	**232,342**	**751**	**(1,001)**	**255**	**42,045**	**205,236**
Deferred tax assets written off during the year	11	**—**	**—**	**—**	**—**	**(181,110)**	**—**	**(181,110)**
Deferred tax utilised during the year		**—**	**—**	**—**	**26,456**	**—**	**—**	**26,456**
Transfer to liabilities directly associated with the assets classified as held for sale	32	**11,898**	**—**	**—**	**—**	**(489)**	**—**	**11,409**
Exchange realignment		**9,560**	**10,804**	**25,280**	**—**	**(2,201)**	**(157)**	**43,286**
At 31 July 2024		**(1,127,193)**	**(1,065,855)**	**(1,952,754)**	**(38,477)**	**53,385**	**20,017**	**(4,110,877)**

At 31 July 2024, the Group had tax losses arising in Hong Kong of approximately HK$9.5 billion (2023: HK$8.4 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 2024, the Group had tax losses arising in Chinese Mainland of HK$2.2 billion (2023: HK$1.8 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.

39. DEFERRED TAX (CONTINUED)

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% (2023: 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 2024, 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$12 million as at 31 July 2024 (2023: HK$15 million).

40. SHARE CAPITAL

	2024		2023	
	Number of shares	**Total amount HK$'000**	Number of shares	Total amount HK$'000
Issued and fully paid ordinary shares	**883,373,901**	**2,178,944**	883,373,901	2,178,944

A summary of movements in the Company's share capital is as follows:

	Note	**Number of shares in issue**	**Total amount** HK$'000
At 1 August 2022		588,915,934	1,731,861
Rights issue	a	294,457,967	447,083
At 31 July 2023, 1 August 2023 and 31 July 2024		**883,373,901**	**2,178,944**

Note:

a. During the year ended 31 July 2023, the Company completed a rights issue of 294,457,967 shares on the basis of one rights share for every two existing shares of the Company at a subscription price of HK$1.58 per share. The net proceeds from the rights issue were approximately HK$447.1 million.

41. Share Option Schemes

(a) The Company

2006 Share Option Scheme

On 22 December 2006, the Company adopted a share option scheme (the "**2006 Share Option Scheme**") for the purpose of providing incentives and rewards to eligible participants for their contribution or would-be contribution to the Group, to enable the Group to recruit and retain high-calibre employees and to attract human resources that are valuable to the Group. Eligible participants of the 2006 Share Option Scheme include the directors (including executive, non-executive and independent non-executive directors), employees of the Group, agents or consultants of the Group, and any employee of the shareholder or any member of the Group or any holder of any securities issued by any member of the Group. The 2006 Share Option Scheme became effective on 29 December 2006. Unless otherwise terminated or amended, the 2006 Share Option Scheme would remain in force for a period of 10 years from 29 December 2006. The 2006 Share Option Scheme was terminated upon the adoption of the 2015 Share Option Scheme (as defined below) on 11 December 2015.

The maximum number of the Company's shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the 2006 Share Option Scheme and any other schemes of the Company must not exceed 30% of the shares in issue at any time. The total number of shares which may be issued upon exercise of all share options to be granted under the 2006 Share Option Scheme and any other schemes of the Company must not in aggregate exceed 10% of the shares of the Company in issue as at the date of adopting the 2006 Share Option Scheme, but the Company may seek approval of its shareholders in a general meeting to refresh the 10% limit under the 2006 Share Option Scheme.

The total number of shares issued and to be issued upon exercise of the share options granted and to be granted to each eligible participant except a substantial shareholder or an independent non-executive director of the Company or any of their associates (including both exercised and outstanding options) in any 12-month period up to the date of grant must not exceed 1% of the Company's shares in issue at the date of grant. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting of the Company.

Each grant of share options to a director, chief executive or substantial shareholder of the Company, or to any of their associates, is subject to approval in advance by the independent non-executive directors of the Company. In addition, any grant of share options 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 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, is subject to shareholders' approval in advance in a general meeting of the Company.

41. SHARE OPTION SCHEMES (CONTINUED)

(a) The Company (continued)

2006 Share Option Scheme (continued)

The offer of a grant of share options may be accepted within 28 days from the date of offer to be accompanied by payment of a consideration of HK$1 by the grantee. The exercise period of the share options granted is determinable by the directors of the Company save that such period must not be more 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, but must not be less than 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, which must be a trading day; and (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets 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.

2015 Share Option Scheme

At the annual general meeting of the Company held on 11 December 2015, the shareholders of the Company approved the adoption of a new share option scheme (the "**2015 Share Option Scheme**") which became effective on 23 December 2015 and the termination of the 2006 Share Option Scheme. Upon the termination of the 2006 Share Option Scheme, no further options can be granted thereunder but the 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.

The purpose of the 2015 Share Option Scheme is designed 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 and motivate high-calibre eligible participants in line with the performance goals of the relevant entities. Eligible participants include but are not limited to the directors and any employee of the Group. 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.

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 as at the date of adopting the 2015 Share Option Scheme; (ii) shall not exceed 30% of the shares of the Company in issue 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 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 in the respective general meetings.

41. SHARE OPTION SCHEMES (CONTINUED)

(a) The Company (continued)

2015 Share Option Scheme (continued)

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 the Company. 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 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 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 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 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.

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.

41. Share Option Schemes (continued)

(a) The Company (continued)

2022 Share Option Scheme (continued)

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 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 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 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 in the 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 the Company. 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 in the 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 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 option had been granted under the 2006 Share Option Scheme, the 2015 Share Option Scheme and the 2022 Share Option Scheme. Details of the movements of share options outstanding under the 2006 Share Option Scheme and the 2015 Share Option Scheme during the year are as follows:

	2024 Number of underlying shares comprised in the Company's share options	**2024** Weighted average exercise price per share* HK$	2023 Number of underlying shares comprised in the Company's share options	2023 Weighted average exercise price per share* HK$
Outstanding at beginning of year	**21,653,551**	**9.405**	20,741,503	9.869
Adjustment during the year (Note)	**—**	**—**	1,130,410	—
Lapsed during the year	**(5,293,450)**	**10.931**	(218,362)	4.684
Outstanding at end of year	**16,360,101**	**8.912**	21,653,551	9.405

Note: On 3 January 2023 , the exercise price of and the number of shares entitled to be subscribed for under the outstanding share options had been adjusted due to rights issue of the Company.

The exercise prices and exercise periods of the Company's share options outstanding as at the end of the reporting period are as follows:

2024

Number of underlying shares comprised in the Company's share options	**Exercise price per share* HK$**	**Exercise period**
5,583,472	**11.155**	**19/06/2017 to 18/06/2027**
5,135,899	**12.226**	**28/07/2017 to 27/07/2027**
5,640,730	**3.673**	**25/01/2022 to 24/01/2032**
16,360,101		

41. Share Option Schemes (continued)

(a) The Company (continued)

2023

Number of underlying shares comprised in the Company's share options	Exercise price per share* HK$	Exercise period
10,718,747	11.155	19/06/2017 to 18/06/2027
5,135,899	12.226	28/07/2017 to 27/07/2027
5,798,905	3.673	25/01/2022 to 24/01/2032
21,653,551		

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

Other than the movement of the share options as detailed above, during the year, no options were granted, vested, exercised, cancelled or lapsed in accordance with the terms of the 2006 Share Option Scheme, the 2015 Share Option Scheme and the 2022 Share Options Scheme.

As at 31 July 2024, a total of 16,360,101 underlying shares comprised in share options were outstanding, which relate to share options granted under the 2015 Share Option Scheme, representing approximately 1.85% of the Company's shares in issue as at that date.

41. Share Option Schemes (continued)

(b) LSD

LSD 2006 Share Option Scheme

On 22 December 2006, LSD adopted a share option scheme (the "**LSD 2006 Share Option Scheme**") for the purpose of providing incentives or rewards to eligible participants for their contribution or would-be contribution to LSD, to enable LSD to recruit and retain high-calibre employees and to attract human resources that are valuable to LSD. Eligible participants of the LSD 2006 Share Option Scheme include the directors (including executive, non-executive and independent non-executive directors), employees of LSD, agents or consultants of LSD, and employees of the shareholder or any member of LSD or any holder of any securities issued by any member of LSD. The LSD 2006 Share Option Scheme became effective on 29 December 2006. Unless otherwise terminated or amended, the LSD 2006 Share Option Scheme would remain in force for 10 years from 29 December 2006. The LSD 2006 Share Option Scheme was terminated upon the adoption of the LSD 2015 Share Option Scheme (as defined below) on 11 December 2015.

The maximum number of LSD shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the LSD 2006 Share Option Scheme and any other schemes of LSD must not exceed 30% of the LSD total number of shares in issue from time to time. The total number of shares which may be issued upon exercise of all share options to be granted under the LSD 2006 Share Option Scheme and any other schemes of LSD shall not exceed 10% of the total number of shares of LSD in issue as at the date of adopting the LSD 2006 Share Option Scheme unless LSD seeks the approval of its shareholders in a general meeting to refresh the 10% limit under the LSD 2006 Share Option Scheme.

The total number of shares issued and to be issued upon exercise of the share options granted to each eligible participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of LSD total number of shares in issue. Any further grant of share options representing in aggregate over 1% of the total number of LSD shares in issue must be separately approved by the shareholders in general meetings of LSD.

41. Share Option Schemes (continued)

(b) LSD (continued)

LSD 2006 Share Option Scheme (continued)

Each grant of share options to a director, chief executive or substantial shareholder of LSD, or to any of their respective associates, shall be subject to approval by the independent non-executive directors of LSD. Any grant of share options to a substantial shareholder or an independent non-executive director of LSD, or to any of their respective associates, representing in aggregate over 0.1% of the shares of LSD in issue or having an aggregate value (based on the closing price of LSD shares at the date of grant) in excess of HK$5 million, in the 12-month period up to and including the date of such grant must be approved by shareholders in general meetings of LSD.

The offer of a grant of share options shall be accepted within 28 days from the date of offer and acceptance shall be made with a remittance in favour of LSD of HK$1 by way of consideration for the grant. The exercise period of the share options granted is determinable by the directors of LSD save that such period shall not be more than 10 years from the date of grant of the share options.

The exercise price of share options is determinable by the directors of LSD, but shall not be lower than the highest of (i) the closing price of LSD shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant, which must be a trading day; and (ii) the average closing price of LSD shares as stated in the Stock Exchange's daily quotation sheets 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 LSD.

LSD 2015 Share Option Scheme

On 11 December 2015, LSD adopted a new share option scheme (the "**LSD 2015 Share Option Scheme**") and terminated the LSD 2006 Share Option Scheme. 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 LSD 2015 Share Option Scheme is to recognise the contribution or future contribution of the eligible participants to LSD 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 LSD. The LSD 2015 Share Option Scheme became effective on 23 December 2015. Upon the termination of the LSD 2015 Share Option Scheme at the annual general meeting of LSD 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 LSD 2015 Share Option Scheme.

41. Share Option Schemes (continued)

(b) LSD (continued)

LSD 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 LSD 2015 Share Option Scheme (i) shall not exceed 10% of the shares of LSD in issue at the date of adopting the LSD 2015 Share Option Scheme; (ii) shall not exceed 30% of the shares of LSD in issue from time to time; and (iii) to each eligible participant and within any 12-month period, is limited to 1% of the shares of LSD in issue 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 LSD and the shareholders of the Company (so long as LSD is a subsidiary of the Company under the Listing Rules) in the respective general meetings.

Share options granted to a director, chief executive or substantial shareholder of LSD, or to any of their associates, are subject to approval in advance by the independent non-executive directors of each of LSD and the Company (so long as LSD 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 LSD, or to any of their associates, in excess of 0.1% of the shares of LSD in issue at any time or with an aggregate value (based on the closing price of LSD 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 LSD and the shareholders of the Company (so long as LSD is a subsidiary of the Company 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 LSD, 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 LSD, which shall be at least the highest of (i) the closing price of LSD 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 LSD 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 LSD.

41. Share Option Schemes (continued)

(b) LSD (continued)

LSD 2022 Share Option Scheme

On 16 December 2022 (the "**LSD Adoption Date**"), LSD adopted of a new share option scheme (the "**LSD 2022 Share Option Scheme**") and terminated the LSD 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 LSD 2006 Share Option Scheme and the LSD 2015 Share Option Scheme. The purpose of the LSD 2022 Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants (as defined in the LSD 2022 Share Option Scheme) for their contribution to LSD 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 LSD and the Related Entities (as defined in the LSD 2022 Share Option Scheme). Eligible Participants include but are not limited to the directors, chief executive, employees of LSD and related entity and the service providers. The LSD 2022 Share Option Scheme shall strengthen the many long-term relationships that the Eligible Participants may have with LSD. The LSD 2022 Share Option Scheme became effective on 19 December 2022 (the "**LSD 2022 Share Option Scheme Effective Date**"). Unless otherwise altered or terminated, the LSD 2022 Share Option Scheme will be valid and effective for a period of 10 years commencing on the LSD 2022 Share Option Scheme Effective Date.

The maximum number of shares which may be issued upon the exercise of all share options to be granted under the LSD 2022 Share Option Scheme and any other share option schemes and share award schemes of LSD (i) shall not in aggregate exceed 10% of shares of LSD in issue at the LSD Adoption Date; (ii) to the Service Provider (as defined in the LSD 2022 Share Option Scheme), shall not exceed 1% of shares of LSD in issue at the LSD Adoption Date; and (iii) to each Eligible Participant in the LSD 2022 Share Option Scheme and within any 12-month period, is limited to 1% of shares of LSD in issue 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 LSD (so long as LSD is a subsidiary of the Company under the Listing Rules) in the respective general meetings after three years from the LSD Adoption Date or the last refreshment.

Share options granted to Eligible Participants (as defined in the LSD 2022 Share Option Scheme), including a director, chief executive or substantial shareholder of LSD, or to any of their respective associates, are subject to the approval by the independent non-executive directors of each of the Company and LSD (so long as LSD 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 LSD, or to any of their respective associates, in excess of 0.1% of the relevant class of shares of LSD, 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 LSD (so long as the LSD is a subsidiary of the Company under the Listing Rules) in the respective general meetings.

41. Share Option Schemes (continued)

(b) LSD (continued)

LSD 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 LSD 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 LSD 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 LSD 2022 Share Option Scheme) at the discretion of the board of directors of LSD in the circumstances as set out in the LSD 2022 Share Option Scheme.

The exercise price of the share options is determinable by the directors of LSD, which shall be at least the highest of (i) the closing price of LSD 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 LSD 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 LSD.

41. Share Option Schemes (continued)

(b) LSD (continued)

During the year, no share option had been granted under the LSD 2006 Share Option Scheme, the LSD 2015 Share Option Scheme and the LSD 2022 Share Option Scheme. Details of the movements of LSD share options outstanding under the LSD 2006 Share Option Scheme and the LSD 2015 Share Option Scheme during the year are as follows:

	2024		2023	
	Number of underlying shares comprised in LSD share options	**Weighted average exercise price per LSD share***	Number of underlying shares comprised in LSD share options	Weighted average exercise price per LSD share*
		HK$		HK$
Outstanding at beginning of year	**896,604**	**5.483**	10,962,687	10.948
Adjustment during the year (Note)	**—**	**—**	(4,094)	—
Lapsed during the year	**(179,262)**	**4.397**	(10,061,989)	13.771
Outstanding at end of year	**717,342**	**5.755**	896,604	5.483

Note: On 30 January 2023, the exercise price of and the number of shares entitled to be subscribed for under the outstanding share options had been adjusted due to rights issue of LSD.

The exercise prices and exercise periods of LSD share options outstanding as at the end of the reporting period are as follows:

2024

Number of underlying shares comprised in LSD share options	**Exercise price per LSD share***	**Exercise period**
	HK$	
193,176	**7.192**	**21/01/2015 to 20/01/2025**
69,652	**4.048**	**22/01/2016 to 21/01/2026**
69,652	**7.019**	**20/01/2017 to 19/01/2027**
255,395	**5.476**	**26/01/2021 to 25/01/2031**
129,467	**4.397**	**25/01/2022 to 24/01/2032**
717,342		

41. Share Option Schemes (continued)

(b) LSD (continued)

The exercise prices and exercise periods of LSD share options outstanding as at the end of the reporting period are as follows: (continued)

2023

Number of underlying shares comprised in LSD share options	Exercise price per LSD share* HK$	Exercise period
193,176	7.192	21/01/2015 to 20/01/2025
69,652	4.048	22/01/2016 to 21/01/2026
69,652	7.019	20/01/2017 to 19/01/2027
255,395	5.476	26/01/2021 to 25/01/2031
308,729	4.397	25/01/2022 to 24/01/2032
896,604		

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

Other than the movements of the share options as detailed above, no options were granted, vested, exercised, cancelled or lapsed in accordance with the terms of the LSD 2006 Share Option Scheme, the LSD 2015 Share Option Scheme and the LSD 2022 Share Option Scheme.

As at 31 July 2024, a total of 717,342 LSD underlying shares comprised in share options were outstanding, of which 193,176 LSD underlying shares relate to share options granted under the LSD 2006 Share Option Scheme and 524,166 LSD underlying shares relate to share options granted under the LSD 2015 Share Option Scheme, represented approximately 0.01% and 0.04% of LSD shares in issue, respectively, as at that date.

41. SHARE OPTION SCHEMES (CONTINUED)

(c) eSun

eSun 2015 Share Option Scheme

On 11 December 2015 (the "**eSun 2015 Adoption Date**"), eSun adopted a new share option scheme (the "**eSun 2015 Share Option Scheme**") . The purpose of the eSun 2015 Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants (as defined in the eSun 2015 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 eSun 2015 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 eSun 2015 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 eSun 2015 Share Option Scheme.

The principal terms of the eSun 2015 Share Option Scheme are:

(i) The maximum number of shares in respect of which share options may be granted under the eSun 2015 Share Option Scheme and any other share option schemes of eSun (i) shall not in aggregate exceed 10% of the total issued eSun shares on the eSun 2015 Adoption Date; (ii) shall not exceed 30% of the total issued eSun shares from time to time; and (iii) to each Eligible Participant in the eSun 2015 Share Option Scheme and within any 12-month period, is limited to 1% of the total issued eSun shares 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 LSD (so long as eSun is a subsidiary of LSD 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 LSD (so long as eSun is a subsidiary of LSD 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 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 LSD (so long as eSun is a subsidiary of LSD under the Listing Rules) in the respective general meetings.

41. SHARE OPTION SCHEMES (CONTINUED)

(c) eSun (continued)

eSun 2015 Share Option Scheme (continued)

The principal terms of the eSun 2015 Share option Scheme are: (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 eSun 2015 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.

eSun 2022 Share Option Scheme

At the annual general meeting of eSun held on 16 December 2022 (the "**eSun 2022 Adoption Date**"), the shareholders of eSun approved the adoption of a new share option scheme (the "**eSun 2022 Share Option Scheme**") which became effective on 19 December 2022 (the "**eSun 2022 Share Option Scheme Effective Date**"). Unless otherwise cancelled or amended, the eSun 2022 Share Option Scheme will remain in force for 10 years from the eSun 2022 Share Option Scheme Effective Date, which will expire on 19 December 2032.

The purpose of the eSun 2022 Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants (including but not limited to the directors, chief executives, employees and service providers of the eSun Group as well as the related entity participants (as defined in the eSun 2022 Share Option Scheme)) 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 eSun 2022 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)

(c) eSun (continued)

eSun 2022 Share Option Scheme (continued)

The principal terms of the eSun 2022 Share Option Scheme are:

(i) The maximum number of shares in respect of which share options may be granted under the eSun 2022 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 on the eSun 2022 Adoption Date (i.e. 149,185,459 shares); (ii) to the Service Provider(s) (as defined in the eSun 2022 Share Option Scheme), shall not exceed 1% of the number of the total issued eSun shares on the eSun 2022 Adoption Date (i.e. 14,918,545 shares); and (iii) to each Eligible Participant in the eSun 2022 Share Option Scheme and within any 12-month period, is limited to 1% of the total issued eSun shares 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 LSD and/or the Company (so long as eSun is a subsidiary of LSD and/or the Company under the Listing Rules) in the respective general meetings after three years of the eSun 2022 Adoption Date or the last refreshment.

(ii) Share options granted to an Eligible Participant (as defined in the eSun 2022 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 LSD and/or the Company (so long as eSun is a subsidiary of LSD and/or 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 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 LSD and/or the Company (so long as eSun is a subsidiary of LSD and/or the Company 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 eSun 2022 Share Option Scheme.

41. Share Option Schemes (continued)

(c) eSun (continued)

eSun 2022 Share Option Scheme (continued)

The principal terms of the eSun 2022 Share Option Scheme are: (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 eSun 2022 Share Option Scheme) at the discretion of the board of directors of eSun in the circumstances as set out in the eSun 2022 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 2024 and 2023, no share option had been granted under the eSun 2015 Share Option Scheme and the eSun 2022 Share Option Scheme. Details of the movement of the share options outstanding under the eSun 2015 Share Option Scheme during the year are as follows:

	2024		2023	
	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	**1,500,000**	**0.50**	1,500,000	0.50
Lapsed during the year	**(800,000)**	**0.50**	—	—
Outstanding at end of year	**700,000**	**0.50**	1,500,000	0.50

41. SHARE OPTION SCHEMES (CONTINUED)

(c) eSun (continued)

The exercise price and exercise period of the share options outstanding as at the end of the reporting period are as follows:

2024

Number of underlying shares comprised in eSun share options	**Exercise price per eSun share* HK$**	**Exercise period**
700,000	**0.50**	**21/01/2022 to 20/01/2032**

2023

Number of underlying shares comprised in eSun share options	Exercise price per eSun share* HK$	Exercise period
1,500,000	0.50	21/01/2022 to 20/01/2032

* The exercise price of the 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 share options as detailed above, no share options were granted, vested, exercised, cancelled or lapsed in accordance with the terms of the eSun 2015 Share Option Scheme and the eSun 2022 Share Option Scheme during the years ended 31 July 2024 and 2023.

As at 31 July 2024, a total of 700,000 (2023: 1,500,000) underlying eSun shares relating to share options granted under the eSun 2015 Share Option Scheme were outstanding and they represented approximately 0.04% (2023: 0.09%) of the total issued eSun shares as at that date.

41. Share Option Schemes (continued)

(d) Lai Fung

Lai Fung 2012 Share Option Scheme

On 18 December 2012 (the "**Lai Fung 2012 Adoption Date**"), Lai Fung adopted a share option scheme (the "**Lai Fung 2012 Share Option Scheme**"). Unless otherwise cancelled or amended, the Lai Fung 2012 Share Option Scheme will remain in force for 10 years from the Lai Fung 2012 Adoption Date. The purpose of the Lai Fung 2012 Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants (as defined in the Lai Fung 2012 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 Lai Fung 2012 Share Option Scheme). Eligible Participants include but are not limited to the directors and any employees of Lai Fung Group. The Lai Fung 2012 Share Option Scheme expired on 17 December 2022. Upon expiration of the Lai Fung 2012 Share Option Scheme, no further share options shall be granted under the Lai Fung 2012 Share Option Scheme but the outstanding share options granted thereunder shall continue to be valid and exercisable in accordance with the terms of the Lai Fung 2012 Share Option Scheme.

The maximum number of shares which may be issued upon the exercise of all options to be granted under the Lai Fung 2012 Share Option Scheme (i) shall not exceed 10% of the shares of Lai Fung in issue on the Lai Fung 2012 Adoption Date; (ii) shall not exceed 30% of the shares of Lai Fung in issue 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 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 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.

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 a share 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)

(d) Lai Fung (continued)

Lai Fung 2022 Share Option Scheme

On 16 December 2022 (the "**Lai Fung 2022 Adoption Date**"), Lai Fung adopted a new share option scheme (the "**Lai Fung 2022 Share Option Scheme**") which became effective on 19 December 2022 (the "**Lai Fung 2022 Share Option Scheme Effective Date**"). The purpose of the Lai Fung 2022 Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants (as defined in the Lai Fung 2022 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 Lai Fung 2022 Share Option Scheme will remain in force for 10 years from the Lai Fung 2022 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 Lai Fung 2022 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 on the Lai Fung 2022 Adoption Date ("**Scheme Mandate Limit**"); and (ii) shall not exceed 1% of the shares of Lai Fung in issue on the Lai Fung 2022 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 of Lai Fung at the date of grant.

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 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 Lai Fung 2022 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.

41. Share Option Schemes (continued)

(d) Lai Fung (continued)

Lai Fung 2022 Share Option Scheme (continued)

Save for the circumstances as set out in the Lai Fung 2022 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)

(d) Lai Fung (continued)

During the year, no share option had been granted under the Lai Fung 2012 Share Option Scheme and the Lai Fung 2022 Share Option Scheme. Details of the movements of Lai Fung share options outstanding under the Lai Fung 2012 Share Option Scheme during the year are as follows:

	2024		2023	
	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	**830,000**	**9.196**	8,440,690	11.003
Lapsed during the year	**(100,000)**	**5.750**	(7,610,690)	11.200
Outstanding at end of year	**730,000**	**9.668**	830,000	9.196

The exercise prices and exercise periods of the outstanding share options under the Lai Fung 2012 Share Option Scheme as at the end of the reporting period are as follows:

2024

Number of underlying shares comprised in Lai Fung share options	**Exercise price per Lai Fung share* HK$**	**Exercise period**
60,000	**8.000**	**16/01/2015 to 15/01/2025**
190,000	**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**
160,000	**5.750**	**21/01/2022 to 20/01/2032**
730,000		

41. Share Option Schemes (continued)

(d) Lai Fung (continued)

2023

Number of underlying shares comprised in Lai Fung share options	Exercise price per Lai Fung share* HK$	Exercise period
60,000	8.000	16/01/2015 to 15/01/2025
190,000	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
260,000	5.750	21/01/2022 to 20/01/2032
830,000		

* The exercise price of the 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 share options comprising 100,000 Lai Fung underlying shares granted under the Lai Fung 2012 Share Option Scheme, no share options were granted, vested, exercised, lapsed or cancelled in accordance with the terms of the Lai Fung 2012 Share Option Scheme and the Lai Fung 2022 Share Option Scheme during the year.

As at 31 July 2024, no share option had been granted under the Lai Fung 2022 Share Option Scheme and a total of 730,000 Lai Fung underlying shares relating to share options granted under the Lai Fung 2012 Share Option Scheme were outstanding, represented approximately 0.22% of the Lai Fung shares in issue as at that date.

42. Reserves

The amounts of the Group's reserves and the movements therein for the years ended 31 July 2024 and 2023 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 (i) the subscription of shares of LSD pursuant to a rights issue during the year ended 31 July 2016 and (ii) the acquisition of the additional equity interests in subsidiaries.

43. Partly-Owned Subsidiaries with Material Non-Controlling Interests

Details of the Group's subsidiary that has material non-controlling interests are set out below. The summarised financial information below represents amounts after fair value adjustments and before intragroup eliminations.

LSD

	2024 **HK$'000**	2023 HK$'000
Current assets	**14,862,600**	16,434,997
Non-current assets	**52,798,075**	57,785,477
Total assets	**67,660,675**	74,220,474
Current liabilities	**(6,550,232)**	(11,120,774)
Non-current liabilities	**(28,603,190)**	(26,028,741)
Total liabilities	**(35,153,422)**	(37,149,515)
Equity attributable to owners of the Company	**14,330,019**	16,541,895
Non-controlling interests	**18,177,234**	20,529,064
Total equity	**32,507,253**	37,070,959

43. Partly-Owned Subsidiaries with Material Non-Controlling Interests (continued)

LSD (continued)

	Year ended 31 July 2024 HK$'000	Year ended 31 July 2023 HK$'000
Turnover	**5,998,861**	4,901,537
Cost of sales	**(4,468,932)**	(4,173,809)
Other revenue	**480,266**	357,822
Fair value losses on investment properties, net	**(817,288)**	(812,687)
Expenses (including share of profits and losses of associates and joint ventures)	**(5,326,985)**	(3,715,972)
Loss for the year	**(4,134,078)**	(3,443,109)
Loss attributable to owners of the Company	**(2,045,935)**	(1,579,463)
Loss attributable to non-controlling interests	**(2,088,143)**	(1,863,646)
Loss for the year	**(4,134,078)**	(3,443,109)
Other comprehensive expense attributable to owners of the Company	**(166,239)**	(330,262)
Other comprehensive expense attributable to non-controlling interests	**(225,028)**	(890,209)
Other comprehensive expense for the year	**(391,267)**	(1,220,471)
Total comprehensive expense attributable to owners of the Company	**(2,212,174)**	(1,909,725)
Total comprehensive expense attributable to non-controlling interests	**(2,313,171)**	(2,753,855)
Total comprehensive expense for the year	**(4,525,345)**	(4,663,580)
Net cash flows used in operating activities	**(763,844)**	(379,596)
Net cash flows from investing activities	**899,151**	559,106
Net cash flows used in financing activities	**(977,200)**	(1,453,691)
Net decrease in cash and cash equivalents	**(841,893)**	(1,274,181)

44. Commitments

The Group had the following commitments not provided for in the financial statements at the end of the reporting period:

	2024 HK$'000	2023 HK$'000
Contracted, but not provided for		
Purchase of items of property, plant and equipment	**12,795**	58,896
Additions to investment properties	**3,727**	1,656
Construction, development and resettlement costs	**242,863**	223,938
	259,385	284,490

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:

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

(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 2024, in respect of these guarantees, the contingent liabilities of the Group amounted to approximately HK$594,086,000 (2023: HK$731,643,000).

45. Contingent Liabilities (continued)

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

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

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 2024

	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	—	—	265,120	265,120
Due from joint ventures	—	—	1,634,817	1,634,817
Financial assets at fair value through other comprehensive income	—	119,364	—	119,364
Financial assets at fair value through profit or loss	1,012,222	—	—	1,012,222
Derivative financial instruments	6,537	—	—	6,537
Film investments	104,560	—	—	104,560
Trade receivables	—	—	413,052	413,052
Finance lease receivables	—	—	492,752	492,752
Financial assets included in deposits, prepayments, other receivables and other assets	14,180	—	1,067,454	1,081,634
Pledged and restricted bank balances and time deposits	—	—	1,407,223	1,407,223
Cash and cash equivalents	—	—	2,827,083	2,827,083
	1,137,499	119,364	8,107,501	9,364,364

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 2023

	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	—	—	299,421	299,421
Due from joint ventures	—	—	1,526,072	1,526,072
Financial assets at fair value through other comprehensive income	—	1,700,052	—	1,700,052
Financial assets at fair value through profit or loss	1,072,372	—	—	1,072,372
Derivative financial instruments	748	—	—	748
Film investments	38,544	—	—	38,544
Trade receivables	—	—	348,120	348,120
Finance lease receivables	—	—	482,099	482,099
Financial assets included in deposits, prepayments, other receivables and other assets	1,845	—	928,303	930,148
Pledged and restricted bank balances and time deposits	—	—	1,415,218	1,415,218
Cash and cash equivalents	—	—	3,709,057	3,709,057
	1,113,509	1,700,052	8,708,290	11,521,851

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 2024

	Financial liabilities at amortised cost HK$'000
Financial liabilities included in creditors, other payables and accruals	**3,123,050**
Financial liabilities included in deposits received, deferred income and contract liabilities	**453,476**
Lease liabilities	**905,957**
Bank borrowings	**21,253,887**
Other borrowings	**791,590**
Guaranteed notes	**4,232,145**
	30,760,105

31 July 2023

	Financial liabilities at amortised cost HK$'000
Financial liabilities included in creditors, other payables and accruals	3,754,901
Financial liabilities included in deposits received, deferred income and contract liabilities	445,812
Lease liabilities	1,081,837
Bank borrowings	21,874,649
Other borrowings	772,132
Guaranteed notes	4,263,654
	32,192,985

47. Fair Value Hierarchy of Financial Instruments

Financial instruments for which fair value is disclosed

Except for the guaranteed notes with fair value in aggregate of approximately HK$2,723,415,000 (2023: HK$2,764,466,000) 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 2024					
Financial assets					
Financial assets at fair value through other comprehensive income	25	**13,860**	**—**	**105,504**	**119,364**
Financial assets at fair value through profit or loss	26	**70,948**	**756,783**	**184,491**	**1,012,222**
Derivative financial instruments	27	**—**	**—**	**6,537**	**6,537**
Financial assets included in deposits, prepayments, other receivables and other assets		**—**	**—**	**14,180**	**14,180**
Film investments	31	**—**	**—**	**104,560**	**104,560**
		84,808	**756,783**	**415,272**	**1,256,863**

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 2023					
Financial assets					
Financial assets at fair value through other comprehensive income	25	21,541	—	1,678,511	1,700,052
Financial assets at fair value through profit or loss	26	23,725	851,905	196,742	1,072,372
Derivative financial instruments	27	—	748	—	748
Financial assets included in deposits, prepayments, other receivables and other assets		—	—	1,845	1,845
Film investments	31	—	—	38,544	38,544
		45,266	852,653	1,915,642	2,813,561

During the year ended 31 July 2024, there were no transfer of fair value measurement between Level 1 and Level 2 for both financial assets and financial liabilities (2023: Nil).

During the year ended 31 July 2024, there were no transfers into or out of Level 3 for both financial assets and liabilities (2023: 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

	2024 **HK$'000**	2023 HK$'000
At beginning of year	**1,678,511**	1,690,878
Additions	**78**	—
Disposal	**(1,421,920)**	—
Total losses recognised in other comprehensive income	**(151,165)**	(12,367)
At end of year	**105,504**	1,678,511

(ii) Financial assets at fair value through profit or loss

	2024 **HK$'000**	2023 HK$'000
At beginning of year	**196,742**	150,460
Additions	**33,292**	34,530
Total (losses)/gains recognised in the income statement	**(4,777)**	14,170
Settlement	**(39,988)**	(421)
Exchange realignment	**(778)**	(1,997)
At end of year	**184,491**	196,742

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.

47. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

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 portfolio provided by the fund managers.

For the derivative financial instruments in Level 2, the Group relies on bank valuations to determine the fair value of the instruments. The fair value of the instruments was estimated at the end of the reporting period using observable market data. Key observable inputs in the valuations are foreign exchange spot rates, strike rates, volatility, time to expiration and risk free rate.

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 value of the equity interest in Bayshore, classified as financial assets at fair value through other comprehensive income, has been estimated using the fair value of investment properties held by Bayshore, which is mainly determined by income approach. Income approach is an approach to valuation that provides an indication of value by converting future cash flows to a single current capital value. The current capital value is projected based on discounted cash flow method. It is a process of valuing an investment property or asset by undertaking an estimation of future cash flows and taking into account the time value of money.

(ii) Fair values of the equity interest in certain investee companies have been determined by equity value allocation model with Black-Scholes option pricing formula. Under this valuation methodology, the underlying total equity values have been determined based on the most recent transactions of share subscriptions by the independent third-party investors in the investee companies as well as other unobservable inputs.

Fair values of the equity interest in an investee company has been determined by Guideline Public Company Method under market approach. Under this valuation methodology, the underlying total equity value has been determined based on the valuation multiple of Guideline Public Companies as well as other unobservable inputs.

Fair values of the equity interest in certain investee companies 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.

47. Fair Value Hierarchy of Financial Instruments (continued)

Valuation techniques (continued)

Fair value measurement using significant unobservable inputs (Level 3) (continued)

(iii) Derivative financial instruments — CCSs 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.

Information about fair value measurement using significant unobservable inputs (Level 3)

31 July 2024

	Valuation technique	Significant unobservable inputs	Value of unobservable inputs	Notes
Financial assets at fair value through other comprehensive income	Market approach	Equity value volatility	**60.72%**	1
		Expected time to exit	**7.9 years**	2
		EV/S	**0.66x to 2.00x**	3
Financial assets at fair value through profit or loss	Market approach	Equity value volatility	**60.72% — 68.08%**	1
		Expected time to exit	**1.3 — 7.9 years**	2
Derivative financial instruments — CCSs	Discounted cash flow with swaption approach	Expected exposure at default — counterparty	**HK$2.76 million to HK$3.24 million**	4
		Expected exposure at default — the Group	**HK$1.13 million to HK$3.61 million**	5
		Credit spread — counterparty	**12.06 basis point to 44.56 basis point**	6
		Credit spread — the Group	**899.10 basis point to 1,194.35 basis point**	7
		Loss given default ratio — counterparty non-performance risk	**60%**	8
		Loss given default ratio — own credit risk	**60%**	9

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 2023

	Valuation technique	Significant unobservable inputs	Value of unobservable inputs	Notes
Financial assets at fair value through other comprehensive income	Market approach	Equity value volatility	56.21%	1
		Expected time to exit	4.0 years	2
		EV/S	0.70x to 3.22x	3
	Income approach	Average monthly market rent per square foot	HK$133	10
		Capitalisation rate	2.85%	11
Financial assets at fair value through profit or loss	Market approach	Equity value volatility	56.21% — 83.40%	1
		Expected time to exit	2.0 — 4.0 years	2

Notes:

1. The higher the equity value volatility, the higher the fair value
2. The longer the expected time to exit, the higher the fair value
3. The higher the enterprise value to sales, the higher the fair value
4. The higher the expected exposure at default — counterparty, the lower the fair value of CCSs
5. The higher the expected exposure at default — the Group, the higher the fair value of CCSs
6. The higher the credit spread — counterparty, the lower the fair value of CCSs
7. The higher the credit spread — the Group, the higher the fair value of CCSs
8. The higher the loss given default ratio — counterparty non-performance risk, the lower the fair value of CCSs
9. The higher the loss given default ratio — own credit risk, the higher the fair value of CCSs
10. The higher the average monthly market rent per square foot, the higher the fair value
11. The higher the capitalisation rate, the lower the fair value

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:

(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.

48. Financial Risk Management Objectives and Policies (continued)

(i) Fair value and cash flow interest rate risks (continued)

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
2024	**0.5**	**86,640**
2023	0.5	85,240

(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.

48. Financial Risk Management Objectives and Policies (continued)

(ii) Foreign currency risk (continued)

Other than the abovementioned, the remaining monetary assets and liabilities of the Group were denominated in Pound Sterling, Euro, Malaysian Ringgit and VND 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 foreign currency rates and considers hedging significant foreign currency exposure should the additional need arise.

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
2024			
If US$/HK$ weakens against RMB	**5%**	**22,026**	**4,976**
If US$/HK$ strengthens against RMB	**5%**	**(20,980)**	**(4,884)**
2023			
If US$/HK$ weakens against RMB	5%	19,155	4,117
If US$/HK$ strengthens against RMB	5%	(18,095)	(4,008)

* 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.

48. Financial Risk Management Objectives and Policies (continued)

(iii) Credit risk (continued)

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 interests of certain subsidiaries and unlisted equity investments of the respective borrowers.

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 2024

	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**	265,120	–	–	–	265,120
Doubtful**	–	–	97,343	–	97,343
Due from joint ventures					
Normal**	1,600,479	–	–	–	1,600,479
Doubtful**	–	–	68,672	–	68,672
Trade receivables*	–	–	–	470,403	470,403
Finance lease receivables*	–	–	–	492,752	492,752
Financial assets included in deposits, prepayments, other receivables and other assets					
Normal**	1,067,454	–	–	–	1,067,454
Doubtful**	–	–	104,903	–	104,903
Pledged and restricted bank balances and time deposits	1,407,223	–	–	–	1,407,223
Cash and cash equivalents	2,827,083	–	–	–	2,827,083
	7,167,359	–	270,918	963,155	8,401,432

(iii) Credit risk (continued)

Maximum exposure and year-end staging (continued)

As at 31 July 2023

	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**	299,421	—	—	—	299,421
Doubtful**	—	—	98,255	—	98,255
Due from joint ventures					
Normal**	1,520,886	—	—	—	1,520,886
Doubtful**	—	—	54,193	—	54,193
Trade receivables*	—	—	—	403,383	403,383
Finance lease receivables*	—	—	—	482,099	482,099
Financial assets included in deposits, prepayments, other receivables and other assets					
Normal**	928,303	—	—	—	928,303
Doubtful**	—	—	80,747	—	80,747
Pledged and restricted bank balances and time deposits	1,415,218	—	—	—	1,415,218
Cash and cash equivalents	3,709,057	—	—	—	3,709,057
	7,872,885	—	233,195	885,482	8,991,562

* 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:

	2024			
	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	**2,232,813**	**—**	**890,237**	**3,123,050**
Financial liabilities included in deposits received, deferred income and contract liabilities	**213,942**	**239,534**	**—**	**453,476**
Lease liabilities	**288,230**	**598,696**	**108,709**	**995,635**
Bank borrowings	**3,774,951**	**17,561,496**	**15,764,580**	**37,101,027**
Other borrowings	**34,485**	**776,572**	**—**	**811,057**
Guaranteed notes	**203,938**	**4,551,231**	**—**	**4,755,169**
Inflow of derivative financial instruments	**(170,873)**	**(176,258)**	**—**	**(347,131)**
Outflow of derivative financial instruments	**152,373**	**157,541**	**—**	**309,914**
	6,729,859	**23,708,812**	**16,763,526**	**47,202,197**

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)

	2023			
	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	2,854,175	—	900,726	3,754,901
Financial liabilities included in deposits received, deferred income and contract liabilities	232,453	213,359	—	445,812
Lease liabilities	282,307	582,842	359,377	1,224,526
Bank borrowings	7,297,315	16,516,050	1,661,976	25,475,341
Other borrowings	34,412	757,676	—	792,088
Guaranteed notes	205,858	4,535,265	215,763	4,956,886
	10,906,520	22,605,192	3,137,842	36,649,554

48. Financial Risk Management Objectives and Policies (continued)

(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.

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, guaranteed notes and other borrowings, 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:

	2024 **HK$'000**	2023 HK$'000
Bank borrowings	**21,253,887**	21,874,649
Guaranteed notes	**4,232,145**	4,263,654
Other borrowings	**791,590**	772,132
Less: Pledged and restricted bank balances and time deposits	**(1,407,223)**	(1,415,218)
Cash and cash equivalents	**(2,827,083)**	(3,709,057)
Net debt	**22,043,316**	21,786,160
Equity attributable to owners of the Company	**15,961,547**	18,290,718
Gearing ratio	**138%**	119%

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:

	2024 **HK$'000**	2023 HK$'000
NON-CURRENT ASSETS		
Property, plant and equipment	**613**	200
Right-of-use assets	**387**	117
Investment properties	**698,800**	739,400
Investments in subsidiaries	**6,823,165**	6,820,104
Investments in associates	**7,751**	8,125
Financial assets at fair value through other comprehensive income	**14,116**	9,470
Financial assets at fair value through profit or loss	**51,224**	34,353
Pledged bank balances and time deposits	**2,613**	3,598
Deferred rental benefits	**204**	128
Total non-current assets	**7,598,873**	7,615,495
CURRENT ASSETS		
Debtors	**421**	566
Deposits, prepayments and other receivables	**3,395**	3,490
Pledged and restricted bank balances and time deposits	**27,719**	24,433
Cash and cash equivalents	**16,747**	29,874
Total current assets	**48,282**	58,363
CURRENT LIABILITIES		
Creditors, other payables and accruals	**7,194**	5,881
Deposits received	**3,513**	3,564
Lease liabilities	**275**	120
Tax payable	**283**	454
Bank borrowings	**14,000**	14,000
Total current liabilities	**25,265**	24,019
NET CURRENT ASSETS	**23,017**	34,344
TOTAL ASSETS LESS CURRENT LIABILITIES	**7,621,890**	7,649,839
NON-CURRENT LIABILITIES		
Lease liabilities	**119**	—
Bank borrowings	**502,285**	516,285
Other borrowings	**467,050**	453,714
Deferred tax liabilities	**2,362**	2,270
Long-term deposits received	**4,061**	4,414
Total non-current liabilities	**975,877**	976,683
	6,646,013	6,673,156

49. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

	2024 **HK$'000**	2023 HK$'000
EQUITY		
Share capital	**2,178,944**	2,178,944
Reserves (Note)	**4,467,069**	4,494,212
	6,646,013	6,673,156

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:

	Revaluation reserve-property, plant and equipment HK$'000	Share option reserve HK$'000	Fair value reserve-financial assets HK$'000	Capital reduction reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 August 2022	55,494	99,732	(1,453)	6,973	4,357,660	4,518,406
Loss for the year	—	—	—	—	(26,264)	(26,264)
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:						
Changes in fair values of financial assets at fair value through other comprehensive income	—	—	1,945	—	—	1,945
Other comprehensive 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	—	—	125	—	—	125
Total comprehensive income/(expense) for the year	—	—	2,070	—	(26,264)	(24,194)
Release of reserve upon lapse of share options	—	(244)	—	—	244	—
At 31 July 2023 and 1 August 2023	**55,494**	**99,488**	**617**	**6,973**	**4,331,640**	**4,494,212**
Loss for the year	**—**	**—**	**—**	**—**	**(31,749)**	**(31,749)**
Other comprehensive 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	**—**	**—**	**4,606**	**—**	**—**	**4,606**
Total comprehensive income/(expense) for the year	**—**	**—**	**4,606**	**—**	**(31,749)**	**(27,143)**
Release of reserve upon lapse of share options	**—**	**(27,970)**	**—**	**—**	**27,970**	**—**
At 31 July 2024	**55,494**	**71,518**	**5,223**	**6,973**	**4,327,861**	**4,467,069**

50. Particulars of Principal Subsidiaries

Particulars of the Company's principal subsidiaries as at 31 July 2024 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	—	55.60	Property development and sales
Camper & Nicholsons International S.A. ("**CNI**") @@	Luxembourg	EUR941,625	—	54.64	Brokerage, charter, marketing, management and crew placement of luxury yachts
Cape Nga Holding Company Limited @@	Thailand	THB1,225,000	—	55.60	Investment holding
Capital Court Limited @@	Hong Kong	HK$1	—	55.60	Hotel operation
Chains Caravelle Hotel Joint Venture Company Limited ("**CCHJV**") ###@	Vietnam	US$23,175,577	—	14.46	Hotel operation
Charming Jade Limited ^^^ @@	Hong Kong	HK$1	—	38.02	Restaurant operation
Frontier Dragon Limited @@	British Virgin Islands/ United Kingdom	US$1	—	55.60	Property investment
Furama Hotel Enterprises Limited @@	Hong Kong	HK$102,880,454	—	55.60	Investment holding
Furama Hotels and Resorts International Limited @@	British Virgin Islands/ Hong Kong	US$1,000,000	—	55.60	Provision of management services
Fusion Century Limited ^^^ @@	Hong Kong	HK$100	—	28.52	Restaurant operation
Gainful Limited @@	Hong Kong	HK$1	—	55.60	Property development
Gainlong Limited @@	Hong Kong	HK$1	—	55.60	Property development
Gainplace Limited @@	Hong Kong	HK$1	—	55.60	Property development and sale

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 Direct	Indirect	Principal activities
Gilroy Company Limited @@	Hong Kong	HK$10,000	—	55.60	Property investment
Glynhill Hotels and Resorts (Vietnam) Pte Ltd @@	Singapore/Vietnam	S$2	—	55.60	Provision of management and consultancy services to hotel owners
Glynhill Investments (Vietnam) Pte Ltd ("**GIV**") @	Singapore	S$2	—	28.36	Investment holding
Gold Fusion Limited @@	Hong Kong	HK$1	—	55.60	Property development
Greatful Limited ^^^ @@	Hong Kong	HK$100	—	38.02	Restaurant operation
Hazelway Limited @@	Hong Kong	HK$1	—	35.76	Restaurant operation
Hibright Limited @@	Hong Kong	HK$1	—	55.60	Provision of finance
Hong Kong Go Hospitality Group Limited @@	Hong Kong	HK$10,000	—	46.20	Restaurant operation
Intercontinental Development and Services Limited @@	Hong Kong	HK$300,000	—	55.60	Property investment
KiKi Dining Limited @@	Hong Kong	HK$1	—	46.20	Restaurant operation
Joy Mind Limited	Hong Kong	HK$2	100.00	—	Investment holding
King Faithful Limited ^^^ @@	Hong Kong	HK$100	—	34.98	Restaurant operation
Kingland Century Limited @@	Hong Kong	HK$1	—	55.60	Property development and sale
Kingright International Limited @@	Hong Kong	HK$1	—	55.60	Golf apparel retailing
Kolot Property Services Limited @@	Hong Kong	HK$780,002	—	55.60	Property management
LSD (Listed on the Stock Exchange) (Note (a))	Hong Kong	HK$6,240,081,730	—	55.60	Property investment and 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 Direct	Indirect	Principal activities
Lai Sun Dining Limited ^^^ @@	Hong Kong	HK$1	—	38.02	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	—	38.02	Investment holding
Lai Sun International Finance (2012) Limited @@	British Virgin Islands/ Hong Kong	US$1	—	55.60	Treasury operation
Lai Sun MTN @@	Hong Kong	HK$1	—	55.60	Treasury operation
Lai Sun Real Estate Agency Limited @@	Hong Kong	HK$2	—	55.60	Property management and real estate agency
Laurel Coast Limited @@	Hong Kong	HK$1,000,000	—	46.20	Restaurant operation
LSD Bonds (2017) Limited @@	British Virgin Islands/ Hong Kong	US$1	—	55.60	Treasury operation
Mazy Lamp Limited ^^^ @@	Hong Kong	HK$1,000,000	—	28.14	Restaurant operation
Mighty Style Limited ^^^ @@	Hong Kong	HK$1	—	38.02	Restaurant operation
Milirich Investment Limited @@	Hong Kong	HK$2	—	55.60	Property development and sale
Modern Charm Limited ^^^ @@	Hong Kong	HK$10,000	—	38.02	Restaurant operation
Nice Plus Limited ^^^ @@	Hong Kong	HK$1	—	38.02	Restaurant operation
Oceania Gem Limited @@	Hong Kong	HK$1	—	46.20	Restaurant operation
Oriental Style Limited @@	Hong Kong	HK$1	—	55.60	Property development and sale

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 Direct	Percentage of equity attributable to the Company Indirect	Principal activities
Oriental Wood Limited @@	Hong Kong	HK$1	—	55.60	Investment holding
Peakflow Profits Limited @@	British Virgin Islands/ Hong Kong	US$1	—	55.60	Investment holding
Pleasure King Limited ^^^@@	Hong Kong	HK$1,000	—	26.62	Restaurant operation
Porchester Assets Limited ("**Porchester**") @	British Virgin Islands/ Hong Kong	US$100	—	28.36	Investment holding
Really Star Limited ^^^ @@	Hong Kong	HK$4,600	—	35.97	Restaurant operation
Rolling Star Limited @@	Hong Kong	HK$1	—	55.60	Provision of finance
Royal Team Limited ^^^ @@	Hong Kong	HK$10,000	—	33.46	Restaurant operation
Silver Fusion Limited ^^^ @@	Hong Kong	HK$500,000	—	38.02	Restaurant operation
Superise Limited ^^^ @@	Hong Kong	HK$400	—	21.26	Restaurant operation
Transformation International Limited @@	British Virgin Islands/ Hong Kong	US$1	—	55.60	Investment holding
Transtrend Holdings Limited @@	Hong Kong	HK$20	—	55.60	Investment holding
Unipress Investments Limited	Hong Kong	HK$1	100.00	—	Property investment
Unit Power Limited @@	Hong Kong	HK$1	—	55.60	Property investment
Wellway Limited @@	Hong Kong	HK$1	—	55.60	Property development
Winstead Limited @@	Hong Kong	HK$1	—	55.60	Property development and sale
Zimba 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 Direct	Indirect	Principal activities
西雙版納麟瓏茶室飲料有限公司 ("麟瓏茶室") △@@	PRC/ Chinese Mainland	RMB100,000,000#	—	33.36	Sales of beverage products
eSun (Listed on the Stock Exchange) (Note (b))@@	Bermuda/Hong Kong	HK$877,938,433	—	35.25	Investment holding
Capital Artists Limited ^^	Hong Kong	HK$44,394,500	—	35.25	Music production and distribution and film investment
Champ Universe Limited ^^	Hong Kong	HK$1	—	35.25	Provision of management services
East Asia Music (Holdings) Limited ^^	Hong Kong	HK$10,000	—	35.25	Music production and distribution and film investment
eSun High-Tech Limited ^^	Hong Kong	HK$2	—	35.25	Investment in and licensing of film rights
Fascinating Screens Limited ^^	Hong Kong	HK$1,000,001	—	35.25	Cinema operation
Fortunate Sound Limited ^^	Hong Kong	HK$1	—	35.25	Music production and distribution
Fortune Spark Limited ^^	Hong Kong	HK$10,000,000	—	35.25	Cinema operation
Glynhill International Limited ^^	Hong Kong	HK$915,631,997	—	35.25	Investment holding and provision of management service
Intercontinental Film Distributors (H.K.) Limited ^^	Hong Kong	HK$700,400	—	33.49	Film distribution
Intercontinental Group Holdings Limited ^^	Cayman Islands/ Hong Kong	US$50,000	—	33.49	Investment holding
Kaleidoscope International Limited ^^	British Virgin Islands/ Hong Kong	US$1	—	35.25	Property 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 Direct	Indirect	Principal activities
Lam & Lamb Entertainment Limited ^^	Hong Kong	HK$1	—	35.25	Provision of artiste management services and entertainment activity production
Lauro Game Entertainment Limited ^^	Hong Kong	HK$100,000	—	33.49	Trading of gaming products
Media Asia Group Holdings Limited ("**MAGHL**")^^	Incorporated in the Cayman Islands and continued in Bermuda/ Hong Kong	HK$29,863	—	35.25	Investment holding
Media Asia Distribution (Beijing) Co., Ltd. ^^ ##	PRC/ Chinese Mainland	RMB130,000,000#	—	35.25	Film distribution
Media Asia Distribution (HK) Limited ^^	Hong Kong	HK$2	—	35.25	Film distribution and film library management
Media Asia Distribution Ltd. ^^	British Virgin Islands/ Hong Kong	US$80	—	35.25	Film distribution, licensing of film rights and film investment
Media Asia Entertainment Group Limited ^^	Bermuda/Hong Kong	HK$100	—	35.25	Investment holding
Media Asia Entertainment Limited ^^	Hong Kong	HK$100	—	35.25	Entertainment activity production, and event and film investments
Media Asia Films (BVI) Ltd. ^^	British Virgin Islands/ Hong Kong	US$7	—	35.25	Film production, licensing of films and investment holding
Media Asia Film International Limited ^^	British Virgin Islands/ Hong Kong	US$100	—	35.25	Film investment and production and event 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 Direct	Indirect	Principal activities
Media Asia Film Production Limited ^^	Hong Kong	HK$100	—	35.25	Investment holding and film production
Media Asia Group Limited ^^	Hong Kong	HK$2	—	35.25	Investment holding and provision of management services
Media Asia Holdings Ltd. ^^	British Virgin Islands/ Hong Kong	US$6,831	—	35.25	Investment holding
Media Asia Music Limited ^^	Hong Kong	HK$1	—	35.25	Music production and distribution and event investments
Media Asia Talent Management Limited ^^	Hong Kong	HK$1	—	35.25	Provision of artiste management services
Media Asia TV Program Distribution Limited ^^	Hong Kong	HK$1	—	35.25	Licensing of television dramas
Media Asia TV Program Production (HK) Limited ^^	Hong Kong	HK$1	—	24.68	TV program production
Mega Star Video Distribution (HK) Limited ^^	Hong Kong	HK$2	—	35.25	Licensing of film rights and sale of video products
Multiplex Cinema Limited. ^^	Hong Kong	HK$71,000,000	—	33.49	Cinema operation
Perfect Advertising & Production Company Limited ^^	Hong Kong	HK$10,000	—	33.49	Provision of advertising services, video duplication services, and translating and subtitling of TV programs
Rich & Famous Talent Management Group Limited ^^	Hong Kong	HK$100	—	26.44	Provision of artiste management services

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 Direct	Percentage of equity attributable to the Company Indirect	Principal activities
Silver Motion Limited ^^	Hong Kong	HK$1	—	35.25	Cinema operation
廣東五月花電影城有限公司 ("廣東五月花")^^##	PRC/ Chinese Mainland	RMB120,000,000#	—	35.25	Cinema operation
東亞豐麗演出經紀(北京)有限公司^^ ##	PRC/ Chinese Mainland	RMB25,000,000#	—	35.25	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#	—	35.25	Entertainment activity production
Lai Fung (Listed on the Stock Exchange)@@	Cayman Islands/ Hong Kong	HK$1,655,167,215	—	30.62	Investment holding
Canvex Limited ^	Hong Kong	HK$2	—	30.62	Property investment
Eastern Power Limited ^	Hong Kong	HK$1	—	30.62	Investment holding
Eternal Medal Limited ^	Hong Kong	HK$1	—	30.62	Investment holding
Fore Bright Limited ^	Hong Kong	HK$1	—	30.62	Investment holding
Frank Light Development Limited ^	Hong Kong	HK$19,999,999	—	30.62	Investment holding
Gentle Holdings Limited ^	Hong Kong	HK$1	—	30.62	Investment holding
Goldthorpe Limited ^	British Virgin Islands/ Hong Kong	US$1	—	30.62	Investment holding
Good Strategy Limited ^	British Virgin Islands/ Chinese Mainland	US$1	—	30.62	Property investment
Grand Wealth Limited ^	Hong Kong	HK$2	—	30.62	Investment holding
Grosslink Investment Limited ^	Hong Kong	HK$2	—	30.62	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 Direct	Percentage of equity attributable to the Company Indirect	Principal activities
Guangzhou Gentle Real Estate Company Limited ^ ##	PRC/ Chinese Mainland	US$1,000,000#	—	30.62	Property development
Guangzhou Grand Wealth Properties Limited ^ ##	PRC/ Chinese Mainland	HK$280,000,000#	—	30.62	Property development and investment
Guangzhou Guang Bird Property Development Limited ("**Guangzhou Guang Bird**") ^ ##	PRC/ Chinese Mainland	US$79,600,000#	—	30.62	Property investment
Guangzhou Honghui Real Estate Development Company Limited ^ ##	PRC/ Chinese Mainland	RMB79,733,004#	—	30.62	Property development and investment
Guangzhou Jieli Real Estate Company Limited ^ ##	PRC/ Chinese Mainland	HK$168,000,000#	—	30.62	Property investment
Hankey Development Limited ^	Hong Kong	HK$10,000	—	30.62	Investment holding
Kingscord Investment Limited ^	Hong Kong	HK$2	—	30.62	Investment holding
Lai Fung Company Limited ^	Hong Kong	HK$20	—	30.62	Investment holding
Manful Concept Limited ^	Hong Kong	HK$2	—	30.62	Investment holding
Nicebird Company Limited ^	Hong Kong	HK$2	—	30.62	Investment holding
Pearl Merge Limited ^	Hong Kong	HK$1	—	35.62	Investment holding
Rosy Commerce ^	British Virgin Islands/ Hong Kong	US$100	—	35.62	Investment holding
Shanghai Hankey Real Estate Development Company Limited ^ ##	PRC/ Chinese Mainland	US$47,600,000#	—	30.62	Property investment
Shanghai HKP Property Management Limited ^ ##	PRC/ Chinese Mainland	US$150,000#	—	30.62	Property management

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 Direct	Indirect	Principal activities
Shanghai Hu Xin Real Estate Development Company Limited ^ ##	PRC/ Chinese Mainland	US$40,000,000#	—	30.62	Property development and investment
Shanghai Li Xing Real Estate Development Company Limited ^ ##	PRC/ Chinese Mainland	US$36,000,000#	—	30.62	Property investment
Shanghai Wa Yee Real Estate Development Company Limited ^ Δ	PRC/ Chinese Mainland	US$10,000,000#	—	29.10	Property development and investment
Shanghai Zhabei Plaza Real Estate Development Company Limited ^ ##	PRC/ Chinese Mainland	US$79,800,000#	—	30.62	Property investment
Sunlite Investment Limited ^	Hong Kong	HK$2	—	30.62	Investment holding
Supreme Motion Limited ^	Hong Kong	HK$1	—	30.62	Investment holding
Wide Angle Development Limited ^	Hong Kong	HK$2	—	30.62	Investment holding
Winfield ^	Hong Kong	HK$1	—	35.62	Investment holding
Win Merge Limited ^	Hong Kong	HK$1	—	35.62	Investment holding
Zhongshan Bao Li Properties Development Company Limited ("**Zhongshan Bao Li**")^ ##	PRC/ Chinese Mainland	HK$705,000,000#	—	30.62	Property development and investment
廣州高樂物業管理有限公司^ø	PRC/ Chinese Mainland	RMB1,100,000#	—	30.62	Property management
上海麗港物業管理有限公司^ø	PRC/ Chinese Mainland	RMB500,000#	—	30.62	Property management

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 Direct	Indirect	Principal activities
上海閘北廣場物業管理有限公司^##	PRC/ Chinese Mainland	RMB2,000,000#	—	30.62	Property management
上海麗星房地產發展有限公司^##	PRC/ Chinese Mainland	RMB10,000,000#	—	30.62	Property development
中山高樂物業管理有限公司^Ø	PRC/ Chinese Mainland	RMB500,000#	—	30.62	Property management
珠海橫琴創新方商業管理有限公司^##	PRC/ Chinese Mainland	RMB5,000,000#	—	30.62	Property management
珠海橫琴麗新文創天地有限公司 (“**麗新文創**”) ^Δ	PRC/ Chinese Mainland	RMB2,280,379,000#	—	35.62	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#	—	30.62	Property development and investment
珠海橫琴創新方娛樂有限公司 ^##	PRC/ Chinese Mainland	RMB500,000,000#	—	35.62	Development and operation of and investment in cultural, leisure, entertainment and related facilities
珠海橫琴創新方文化創意有限公司^##	PRC/ Chinese Mainland	RMB52,000,000#	—	35.62	Development and operation of and investment in cultural, leisure, entertainment and related facilities

50. Particulars of Principal Subsidiaries (continued)

Subsidiaries of LSD

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 廣東五月花 of which the capital of RMB20,000,000 (equivalent to approximately HK$21,566,000) and Media Asia Distribution (Beijing) Co., Ltd. of which the capital of RMB29,480,000 (equivalent to approximately HK$31,788,000) were unpaid as at 31 July 2024.

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$77,903,000), RMB736,443,000 (equivalent to approximately HK$794,094,000), and RMB1,035,610,000 (equivalent to approximately HK$1,116,681,000), respectively, was unpaid as at 31 July 2024. Subsequent to 31 July 2024, the registered capital of 創新方發展 of RMB10,000,000 (equivalent to approximately HK$10,783,000) has been paid up.

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 2024, the paid-up registered capital of Zhongshan Bao Li was HK$705,000,000 and subsequent to 31 July 2024, it has been further reduced to HK$694,150,000.

Registered as wholly-foreign-owned enterprises under the laws of the PRC

This subsidiary has registered capital rather than issued share capital.

△ 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 LSD (2023: 68.39%).

@ LSD owns a 51% (2023: 51%) equity interest in Porchester, which in turn, through GIV, a wholly-owned subsidiary of Porchester, owns a 51% (2023: 51%) interest in CCHJV. By virtue of the 51% (2023: 51%) equity interest in CCHJV held by LSD through the 51%-owned Porchester, an effective equity interest of 26.01% (2023: 26.01%) in CCHJV was held by LSD. Accordingly, the Company holds effective equity interest of 28.36% (2023: 28.36%) in Porchester and 14.46% (2023: 14.46%) in CCHJV.

@@ They are subsidiaries of LSD (other than subsidiaries of eSun and Lai Fung).

50. Particulars of Principal Subsidiaries (continued)

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).

As at 31 July 2024, the Group had unpaid capital contributions of approximately HK$127,840,000 (2023: HK$120,587,000) to six (2023: four) non-wholly-owned subsidiaries which are not included in the above table.

Notes:

(a) Interests in LSD

For the year ended 31 July 2023

During the year ended 31 July 2023, LSD completed a rights issue of 484,442,943 shares on the basis of one rights share for every two existing shares of LSD at a subscription price of HK$1.64 each. The net proceeds from the rights issue received by LSD were approximately HK$777 million. The subscription of LSD shares pursuant to a rights issue resulted in a decrease in other reserve of approximately HK$9,512,000 and an increase of non-controlling interests of approximately HK$363,496,000 in the consolidated statement of changes in equity.

During the year ended 31 July 2023, the Company also acquired additional equity interest in LSD at a cash consideration of approximately HK$60,429,000. As a result, the Group's effective equity interest in LSD increased from 53.19% to 55.60%. The transaction was accounted for as equity transaction. The change in the Group's shareholding interest in LSD resulted in an increase in other reserve of approximately HK$656,587,000 and a decrease of non-controlling interests of approximately HK$717,016,000 in the consolidated statement of changes in equity.

(b) Interest in eSun

For the year ended 31 July 2023

Further to the joint announcement of the Company, LSD, eSun, MAGHL and Perfect Sky (a wholly-owned subsidiary of eSun, "**Offeror**") dated 10 November 2022 and 17 March 2023 and the scheme document jointly issued by eSun, the Offeror and MAGHL dated 12 January 2023, among others, in respect of the proposed merger of MAGHL by eSun and the Offeror ("**Proposal**") by way of a scheme of arrangement ("**Scheme**"), all the conditions to the Proposal and the Scheme were fulfilled on 16 March 2023 and the Scheme became effective.

Since then, MAGHL became a wholly-owned subsidiary of eSun. eSun allotted and issued 264,022,268 new ordinary shares on 27 March 2023 and paid a total cash consideration of approximately HK$194.3 million and the related transaction costs of approximately HK$8.4 million. Upon the completion, the equity interest of LSD in eSun was diluted from 74.62% to 63.40%. The transaction was accounted for as an equity transaction. The change in the Group's equity interest in eSun resulted in a decrease in other reserve of approximately HK$112,455,000 and a decrease in non-controlling interests of approximately HK$90,243,000 in the consolidated statement of changes in equity.

51. Particulars of Principal Joint Ventures

Particulars of the Group's principal joint ventures as at 31 July 2024 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 Path Limited	British Virgin Islands/ Hong Kong	Ordinary	27.80	Investment holding (Diamond Path Group is principally engaged in property development and investment)
Diamond String Limited	Hong Kong	Ordinary	27.80	Property investment
King Empire International Limited	British Virgin Islands/ Hong Kong	Ordinary	8.34	Investment holding (King Empire International Group is principally engaged in property development)

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 2024, the Group had non-cash additions and modifications to right-of-use assets of HK$40,856,000 (2023: HK$38,959,000) and lease liabilities of HK$12,465,000 (2023: HK$38,390,000), 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 2022	18,281,244	10,151,175	764,019	1,240,322	1,248,042
Changes from financing cash flows	3,820,450	(5,876,038)	(6,915)	(32,250)	(240,319)
Amortisation of bank financing charges	58,443	—	—	—	—
Interest expense	—	—	18,614	—	40,890
Amortisation of guaranteed notes issue expenses	—	25,043	—	—	—
Additions	—	—	—	—	156,856
Lease modification	—	—	—	—	(118,466)
Termination	—	—	—	—	(1,308)
Rent concessions related to COVID-19	—	—	—	—	(1,790)
Other rent concessions	—	—	—	—	(999)
Reclassified to other payables	—	—	—	(33,283)	—
Foreign exchange movements	(285,488)	(36,526)	(3,586)	(60,709)	(1,069)
At 31 July 2023 and 1 August 2023	**21,874,649**	**4,263,654**	**772,132**	**1,114,080**	**1,081,837**
Changes from financing cash flows	**(616,308)**	**(36,334)**	**—**	**—**	**(227,616)**
Amortisation of bank financing charges	**56,515**	**—**	**—**	**—**	**—**
Interest expense	**—**	**—**	**19,979**	**—**	**42,200**
Amortisation of guaranteed notes issue expenses	**—**	**7,093**	**—**	**—**	**—**
Gain on repurchase of guaranteed notes	**—**	**(18,510)**	**—**	**—**	**—**
Additions	**—**	**—**	**—**	**—**	**58,072**
Lease modification	**—**	**—**	**—**	**—**	**(45,607)**
Termination	**—**	**—**	**—**	**—**	**(2,260)**
Foreign exchange movements	**(60,969)**	**16,242**	**(521)**	**(10,037)**	**(669)**
At 31 July 2024	**21,253,887**	**4,232,145**	**791,590**	**1,104,043**	**905,957**

[#] The amount is included in creditors, other payables and accruals.

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2024 HK$'000	2023 HK$'000
Within operating activities	**(74,224)**	(79,586)
Within financing activities	**(227,616)**	(240,319)
	(301,840)	(319,905)

53. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 18 October 2024.

LAI SUN GARMENT (INTERNATIONAL) LIMITED