

FSE LIFESTYLE

ANNUAL REPORT
2024-2025

Enriching
Lifestyle

FSE

fse.lifestyle.services

Better HOME 🏠

Better LIFE 📸

Better QUALITY 🏆



#Property & Facility Management Services
#City Essential Services
#E&M Services



豐盛生活服務有限公司
FSE LIFESTYLE SERVICES LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 331

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Our Vision

Better *life*, Better *home*,
Better *quality* to You Everyday

Our Mission

We offer superior service, we create an integrated, convenient and safe living environment.

We are devoted to serve:

Our Customers

We provide customised service and maintain long term partnership.

Our Staff

We promote work-life balance and create a strong sense of belonging.

Our Community

We maintain sustainable development and contribute to community.

Our Core Values



Quality

We pursue Quality



Teamwork

We work as a Team



Integrity

We pursue Integrity



Caring

We Care



Passion

We are Passionate



Innovation

We are Innovative

About FSE Lifestyle Services Limited

FSE Lifestyle Services Limited is a listed company in the Hong Kong Stock Exchange (Stock Code: 0331.HK), whose ultimate holding company is FSE Holdings Limited. We are a leading lifestyle services conglomerate with 3 major business segments: property & facility management services, city essential services and electrical and mechanical engineering ("E&M") services.

Our services are delivered through three key segments, whose companies are the market leaders in their respective industries:

Property & Facility Management Services

- Property & Facility Management and Car Park Management – Urban Group ("Urban")
- Property Management – International Property Management Limited ("International Property Management")
- Asset Management Advisory, Property & Facility Management, and Sales & Leasing – Kiu Lok Group ("Kiu Lok")

City Essential Services

- Cleaning & Pest Control Services – Waihong Services Group ("Waihong")
- Insurance Solutions – Nova Insurance Group ("Nova")
- Technical Support & Maintenance Services – Far East Engineering Services Group ("Far East Engineering Services") and Turning Technical Services Limited ("Turning Technical Services")
- Environmental Solutions – FSE Environmental Solutions Group
- Systems Security, Guarding & Event Services – General Security Group ("General Security") and Perfect Event Services Limited ("Perfect Event")

E&M Services

- Engineering and Consultancy – FSE Engineering Group, Majestic Engineering Group and Young's Engineering Group

With their professionalism and expertise, together with the extensive synergies among the companies under FSE Lifestyle, we have built up a strong network and offer comprehensive "one-stop-shop" professional services to our clients.

Our clientele includes the HKSAR Government, multinational corporations, property owners/developers, theme parks, universities, hotels and hospitals covering both private and public facilities. We devise solutions for clients providing cost effectiveness and service excellence.

PROPERTY & FACILITY MANAGEMENT SERVICES



Urban Group

- Property & Facility Management and Car Park Management



International Property Management Limited

- Property Management



Kiu Lok Group

- Asset Management Advisory, Property & Facility Management and Sales & Leasing

CITY ESSENTIAL SERVICES



E&M SERVICES



- Cleaning & Pest Control Services



- Insurance Solutions



- Technical Support & Maintenance Services



- Environmental Solutions



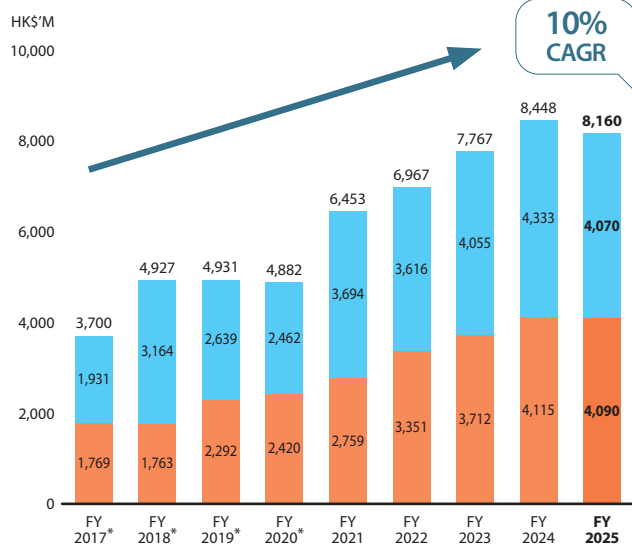
- Systems Security, Guarding & Event Services



- Engineering and Consultancy

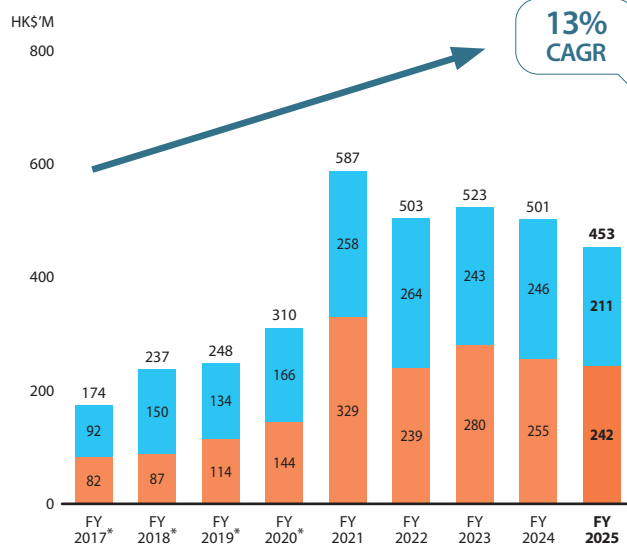
9-Year Achievements Since Listing

Revenue



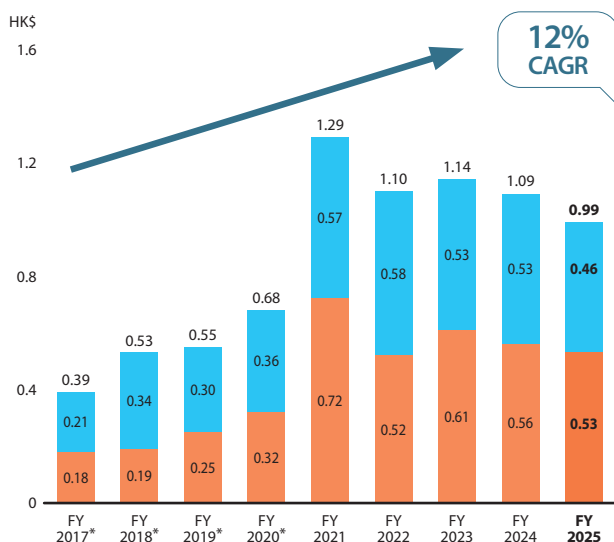
Consolidated revenue FY2025 vs FY2017: 2.2 Times

Profit Attributable to Shareholders



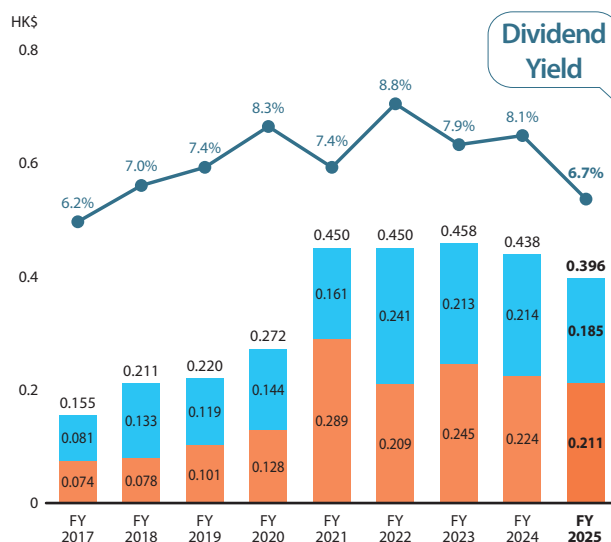
Consolidated profit attributable to shareholders
FY2025 vs FY2017: 2.6 Times

Earnings per Share



Earnings per share FY2025 vs FY2017: 2.5 Times

Dividend per Share



Dividends per share for FY2025 vs FY2017: 2.6 Times

Dividends payout ratio maintained at a stable of about 40%

First half Second half

* Reported figures per respective year's published annual results excluding subsequent restatements caused by business acquisitions.

Operational Performance

PROPERTY & FACILITY MANAGEMENT SERVICES



New and Renewed Contracts in FY2025*

29 Contracts

HK\$1,299 million

Remaining Works at 30 June 2025

HK\$1,784 million

CITY ESSENTIAL SERVICES



New and Renewed Contracts in FY2025*

344 Contracts

HK\$3,403 million

Remaining Works at 30 June 2025

HK\$6,323 million

E&M SERVICES



New and Renewed Contracts in FY2025*

55 Contracts

HK\$2,622 million

Remaining Works at 30 June 2025

HK\$6,425 million

* With net contract sum not less than HK\$1 million for each contract.

Environmental, Social and Governance

Environmental Targets

(FY2026 vs FY2025)

Fuel Consumption

▼ **1.0%**

Electricity Consumption

▼ **1.5%**

Paper Procured

▼ **3.0%**

People Development and Corporate Social Responsibility

(Year ended 30 June 2025)

Total Training Hours Attended by Staff

247,420

Total Volunteer
Service Hours

28,367

Number of Volunteers

4,908

Loyal and Sizeable Workforce

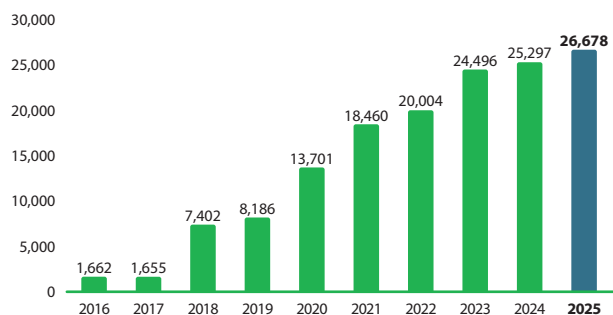
(As at 30 June 2025)

Number of Staff

26,678

(1,662 as at 30 June 2016)

Number of Staff at 30 June



9-Year Achievements Since Listing



Mega Events Clients

During July 2024 to June 2025, there were 213 mega events conducted in Hong Kong. Our Group's systems security, guarding & event services division provided services for 105 of them, representing 49% of the total. Below are some highlights:

2024

- | | |
|------------|---|
| JUL | <ul style="list-style-type: none"> - Hong Kong Sports and Leisure Expo - Ani-Com & Games Hong Kong 2024 |
| AUG | <ul style="list-style-type: none"> - Food Expo PRO - Hong Kong Computer & Communications Festival |
| SEP | <ul style="list-style-type: none"> - Philanthropy for Better Cities Forum - Jewellery & Gem WORLD Hong Kong |
| OCT | <ul style="list-style-type: none"> - Global Sources Consumer Electronics & Electronic Components Show - Fine Art Asia |
| NOV | <ul style="list-style-type: none"> - Hong Kong WinterFest – Christmas Town - Super Terminal Expo |
| DEC | <ul style="list-style-type: none"> - DesignInspire - LONGINES International Jockeys' Championship |

2025

- | | |
|------------|---|
| JAN | <ul style="list-style-type: none"> - Toys & Games Fair - Lucky Start - International Bowling Federation World Cup |
| FEB | <ul style="list-style-type: none"> - The Longines Hong Kong International Horse Show |
| MAR | <ul style="list-style-type: none"> - ComplexCon Hong Kong 2025 - Art Basel Hong Kong 2025 - BMW Hong Kong Derby - 2025 Hong Kong Reading+ |
| APR | <ul style="list-style-type: none"> - Global Sources Hong Kong Shows - Hong Kong Gifts & Premium - FWD Champions Day - Coldplay "Music of the Spheres World Tour 2025" |
| MAY | <ul style="list-style-type: none"> - Mayday 2025 Concert - JJ20 Final Lap World Tour |
| JUN | <ul style="list-style-type: none"> - Asian Football Confederation Asian Cup 2025 Qualifiers Match |

Financial Highlights

For the year ended 30 June	2025 HK\$M	2024 HK\$M	% Change
Revenue	8,159.9	8,447.9	-3.4%
Gross profit	1,053.5	1,059.2	-0.5%
Profit attributable to shareholders of the Company ⁽ⁱ⁾	453.2	501.1	-9.6%
Basic earnings per share	HK\$0.99	HK\$1.09	-9.2%

The Board recommended the declaration of a final dividend of HK18.5 cents (2024: HK21.4 cents) per ordinary share to the ordinary shareholders of the Company for the year ended 30 June 2025⁽ⁱⁱⁱ⁾.

Notes:

- (i) To better illustrate the Group's financial results for both years, if excluding the effects of government grants (2025: HK\$1.6M; 2024: HK\$25.8M) in the Group's profit attributable to shareholders of the Company (2025: HK\$453.2M; 2024: HK\$501.1M), the Group would record a decrease in adjusted net profit of 5.0% to HK\$451.6M for the year ended 30 June 2025 as compared to its adjusted net profit of HK\$475.3M for the year ended 30 June 2024. For details of the related government grants, please refer to the "Summary of government grants" table in the "Management Discussion and Analysis" section on page 58.
- (ii) Together with the interim dividend of HK21.1 cents (2024: HK22.4 cents) per ordinary share paid in March 2025, total distribution of ordinary share dividends made by the Company to its ordinary shareholders for the year ended 30 June 2025 will be HK39.6 cents (2024: HK43.8 cents) per share.

For the year ended 30 June 2025, the dividend payout ratio of the Company is 40.1%, calculated based on the Group's adjusted profit for the year ended 30 June 2025 attributable to ordinary shareholders of the Company of HK\$444.7M (i.e. after deducting preferred distribution to the holder of convertible preference shares of HK\$8.5M for the year ended 30 June 2025 from profit attributable to shareholders of the Company of HK\$453.2M).

For the year ended 30 June 2024, the dividend payout ratio of the Company is 40.0%, calculated based on the Group's adjusted profit for the year ended 30 June 2024 attributable to ordinary shareholders of the Company of HK\$492.6M (i.e. after deducting preferred distribution to the holder of convertible preference shares of HK\$8.5M for the year ended 30 June 2024 from profit attributable to shareholders of the Company of HK\$501.1M).

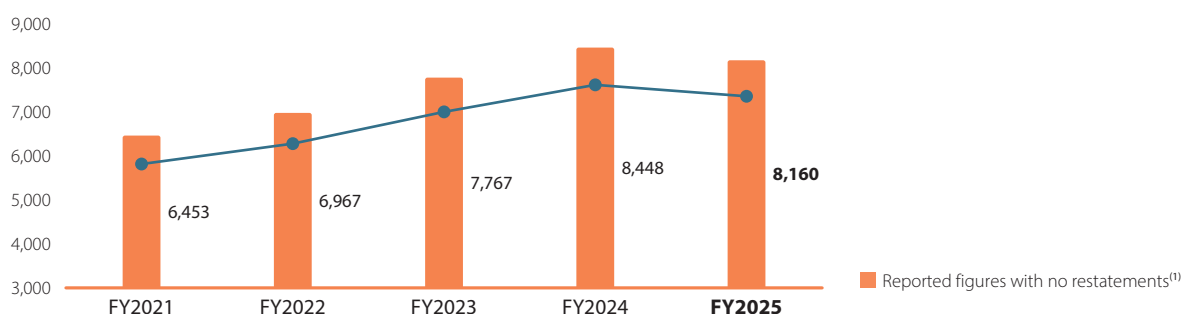
Financial Highlights

FSE Lifestyle — Consolidated

Revenue

For the year ended 30 June

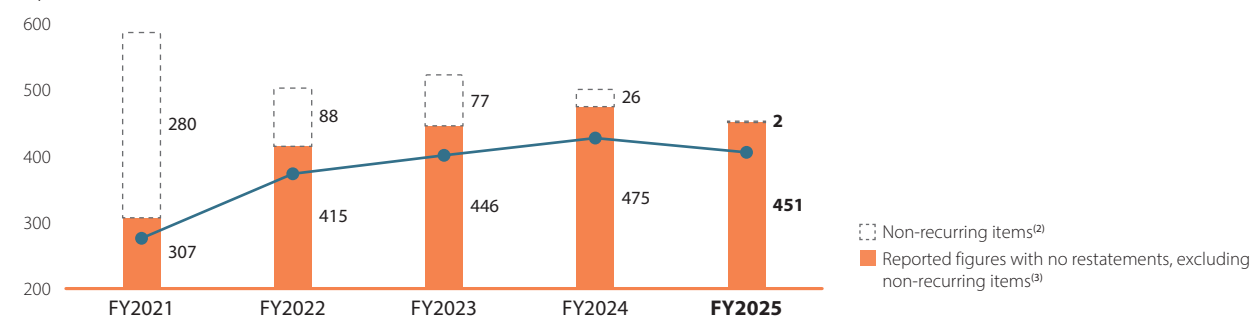
HK\$'million



Profit Attributable to Shareholders of the Company Excluding Non-recurring Items

For the year ended 30 June

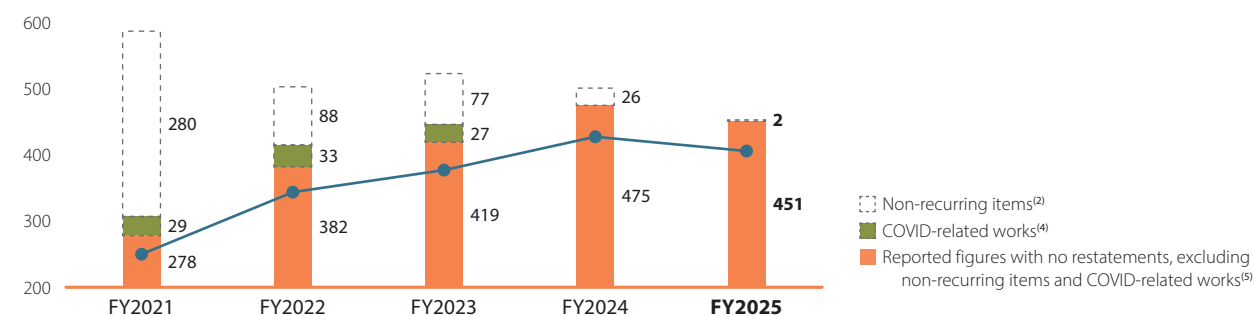
HK\$'million



Profit Attributable to Shareholders of the Company Excluding Non-recurring Items and COVID-related Works

For the year ended 30 June

HK\$'million



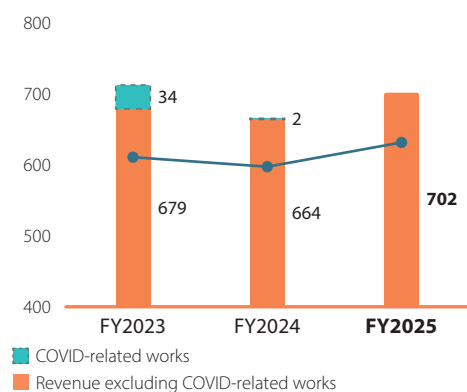
- (1) Reported figures per respective year's published annual results without including subsequent restatements caused by business acquisitions.
- (2) Non-recurring items comprising government grants of HK\$340.0M, losses related to laundry business of HK\$45.8M and one-off professional fees for acquisition of HK\$14.1M for FY2021 and government grants of HK\$88.2M for FY2022; HK\$77.0M for FY2023; HK\$25.8M for FY2024 and HK\$1.6M for FY2025.
- (3) Reported figures per respective year's published annual results without including subsequent restatements caused by business acquisitions, excluding non-recurring items per item (2) above.
- (4) Contributions from COVID-related works.
- (5) Reported figures per respective year's published annual results without including subsequent restatements caused by business acquisitions, excluding non-recurring items per item (2) and contributions from COVID-related works per item (4) above.

Property & Facility Management Services Segment

Revenue

For the year ended 30 June

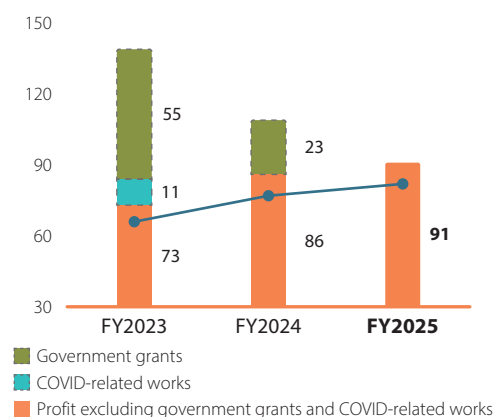
HK\$'million



Profit Attributable to Shareholders of the Company

For the year ended 30 June

HK\$'million

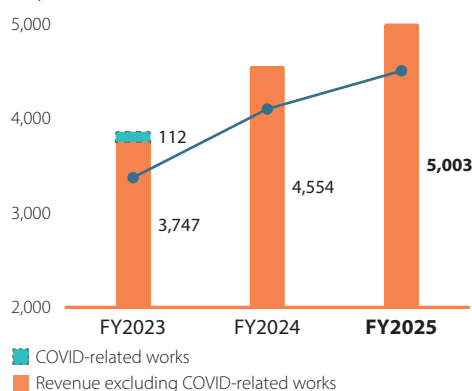


City Essential Services Segment

Revenue

For the year ended 30 June

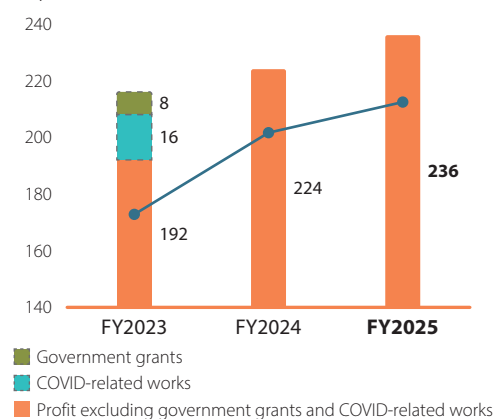
HK\$'million



Profit Attributable to Shareholders of the Company

For the year ended 30 June

HK\$'million

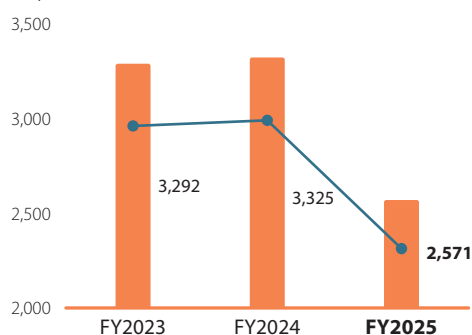


E&M Services Segment

Revenue

For the year ended 30 June

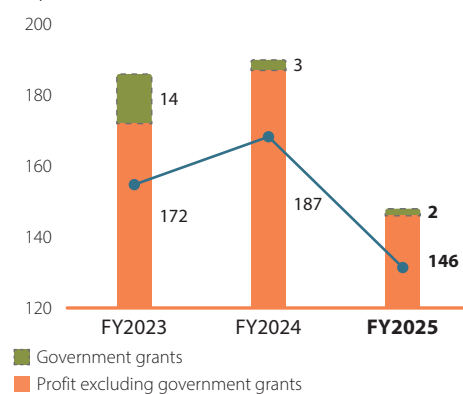
HK\$'million



Profit Attributable to Shareholders of the Company

For the year ended 30 June

HK\$'million



Major Events and Accolades

2024



Jul



HKET Excellence Awards 2024

FSE Lifestyle has been awarded the "Excellence in Quality Integrated Services Award" at the HKET Excellence Awards 2024, reflecting our commitment to excellence across all facets of our Group's businesses and operations.



UNSDG Achievement Awards 2024 by the Green Council

FSE Lifestyle has won both the Sustainable Organization Award and the Project Award at the UNSDG Achievement Awards 2024, recognising our unwavering commitment to sustainability.

Jul

The 19th Occupational Health Award 2023-24

Urban has been granted the Joyful@Healthy Workplace Best Practices Award in the "Occupational Health Award 2023-24", commending its continuous endeavors in developing an inclusive and healthy workplace culture.

Kai Tak Sports Initiative Sponsor Award - Gold

FSE Engineering Group received "Kai Tak Sports Initiative Sponsor Award - Gold" from Community Project by Kai Tak Sports Park to recognise its contributions to promoting sports and enhancing the physical and mental well-being of the public.



Aug



BOCHK Corporate Low-Carbon Environmental Leadership Awards

FSE Lifestyle, Urban, Kiu Lok, Waihong, Nova and FSE Engineering Group, have been awarded the BOCHK Corporate Low-Carbon Environmental Leadership Awards by the Federation of Hong Kong Industries in recognition of their active participation in environmentally conscious practices.

Aug

ARC Awards International

FSE Lifestyle's 2022-2023 Annual Report has been awarded Bronze in the Printing & Production category and received Honors in the Interior Design category for Service Provision Companies at the 38th ARC Awards International Competition. The report showcases a harmonious blend of graphical presentation and data, delivering clear and concise messaging.



Sep

Good Employer Charter 2024

FSE Engineering Group was honoured as "Good Employer Charter 2024" by Labour Department in recognition of adopting employee-oriented good human resource management practices and implementing family-friendly employment measures.



Sep

HKB National Business Awards by Hong Kong Business

FSE Lifestyle has been honored with the HKB National Business Award for Excellence in Conglomerates, recognising our achievements in corporate social responsibility initiatives within the Hong Kong business arena.

Hong Kong Commercial Times Business Awards 2024

FSE Lifestyle has won the HKCT Business Award 2024, reflecting our exceptional performance in innovative service solutions that continuously enhance market competitiveness and create new service directions for the industry.



Oct

FSE Grand Awards Presentation

Themed "Stars of the Year, Striving for a Breakthrough," the Awards Presentation Ceremony highlighted the remarkable achievements of FSE Lifestyle's outstanding staff and service teams. It also recognised business units that have made significant contributions to the sustainable development of the community.



Major Events and Accolades



ESG認證嘉許暨永續發展論壇2024
Outstanding ESG Enterprises Recognition Scheme 2024

ESG年度榮譽成就大獎

Nov

♥️ 💬 📌

Outstanding ESG Enterprises Recognition Scheme 2024

FSE Lifestyle has received five recognitions at the Outstanding ESG Enterprises Recognition Scheme 2024 by Sing Tao and Hong Kong Polytechnic University, including the Prestigious ESG Accomplishment of the Year, Outstanding ESG Environmental Performance Award, Outstanding ESG Social Performance Award, Outstanding ESG Corporate Governance Performance Award and ESG Commendation Certification.

IFAPC Outstanding Listed Company Awards

FSE Lifestyle was awarded by the Hong Kong Institute of Financial Analysts and Professional Commentators (IFAPC) for the ninth consecutive year, recognising our efforts and significant performance in maintaining the highest level of transparency and achieving sustainable business performance.




Nov

♥️ 💬 📌

2024 FSE Sustainable Seminar

300 guests and executives from FSE Lifestyle and its business units participated in this annual signature event, themed "Maintaining Sustainable Growth." We were honored to invite industry experts and professional trainers to share their insightful and enlightening experiences.



Dec

♥️ 💬 📌

ListCo Excellence Awards by am730 and Ifeng

FSE Lifestyle has received the ListCo Excellence Awards for the second consecutive year, alongside 18 other outstanding listed companies. This recognition is a testament to our exceptional performance in business development, innovation and social responsibility.

Acquisition of Beijing Nova Insurance Services Limited



FSE Lifestyle has completed the acquisition of Beijing Nova to enhance geographical diversification and expand its insurance solutions business. This strategic move has the potential to increase profitability and deliver higher returns for shareholders. It will also create synergistic benefits through cross-selling opportunities, boost brand awareness and provide a competitive advantage.

2025



Jan

Hong Kong Business High Flyers Awards 2025 by Hong Kong Business Magazine

FSE Lifestyle has won the Conglomerates category at the Hong Kong Business High Flyers Awards 2025 for our commitment to innovation, customer-centricity and social responsibility.

Second KPMG ESG 50 Awards 2024 by KPMG China

FSE Lifestyle has won the Outstanding Social Pioneers Award at the Second KPMG ESG 50 Awards 2024 for actively fostering social equity, recognising our significant contributions to eliminating discrimination and promoting equal employment opportunities.



Mar

Sing Tao Service Awards 2024

FSE Lifestyle was awarded the Sing Tao Service Award in the category of Innovative Services Conglomerate by Sing Tao Daily, marking our third consecutive year receiving this honor. This recognition embodies our commitment to innovation, customer focus, and high-quality service.

ESG Green Development & Carbon Neutrality Awards by am730

300 guests and executives from FSE Lifestyle and its business units participated in this annual signature event, themed "Maintaining Sustainable Growth." We were honored to invite industry experts and professional trainers to share their insightful and enlightening experiences.



Waihong 60th Anniversary Dinner

On 18 March 2025, Waihong celebrated its 60 years of innovation and dedication with over 500 esteemed guests and dedicated staff members, altogether honoring its rich history, valuing its team and partners, and looking forward to a future of continued growth and success.



Feb

Corporate Excellence Awards 2024

Urban was honored with a bronze award in the "Corporate Excellence Awards 2024" by the Methodist Centre for the Healthy Corporate Award Scheme, in recognition of its commitment to cultivating a healthy workplace culture.

Major Events and Accolades



Mar



HR Excellence Awards 2024/2025

FSE Lifestyle and its business units, FSE Engineering Group and Nova, have been honored with the HR Excellence Awards 2024/2025, presented by the Hong Kong Institute of Human Resource Management in recognition of our achievements in cultivating a culture of equality and enjoyment in the workplace while actively fulfilling our social responsibilities.



Apr



Corporate Excellence Awards of Customer Service Excellence Program of Hong Kong International Airport

Waihong won the Corporate Excellence Award of Customer Service Excellence Program held by Hong Kong International Airport in recognition of the remarkable efforts of airport staff in delivering unrivalled experience for passengers and customers.



Apr



FSE Caring Day 2025

In partnership with the Tung Wah Group of Hospitals this year, we visited and delivered goodie bags to 650 elderly residents in care homes. This signature event has fostered a culture of community service and has contributed to building a sustainable society in Hong Kong.



Outstanding Security Guards 2024-2025

General Security was honored with the Outstanding Security Guards Award for 2024-2025 by the Chamber of Security Industry. This prestigious recognition highlights the company's exceptional performance and commitment to excellence in providing top-notch security services and ensuring client safety.



"Mediate First" Pledge Star Logo

Five companies within the FSE Lifestyle Group have received the "Mediate First" Pledge Star Logo Award from the Department of Justice, including FSE Lifestyle, Urban, Kiu Lok and Nova. This award recognizes our commitment to promoting and adopting mediation as a means to resolve conflicts.



Mentor Pioneer Award for ESG Connect from HKQAA

FSE Lifestyle has been awarded the Mentor Pioneer Award for ESG Connect for the second consecutive year at the Hong Kong Green and Sustainability Contribution Awards Ceremony 2025 organized by the Hong Kong Quality Assurance Agency ('HKQAA') for its commitment to fostering the development of the ESG ecosystem.

Ming Pao ESG Award 2025

FSE Lifestyle has won both the ESG Excellence Award and the Elite of Sustainability Performance Award at the Ming Pao ESG Award 2025, recognising our remarkable achievements in ESG and our positive impact on Hong Kong's society and economy.



Corporate Brand Awards of Excellence 2025

Urban has been honored with the Excellence in Property and Facility Management Award by Hong Kong Economic Journal at the "Corporate Brand Awards of Excellence 2025". This prestigious recognition underscores our unwavering commitment to innovation, sustainability, and exceptional service in property and facility management.



Shenzhen Innovative Exchange Tour

FSE Lifestyle held a learning tour in Shenzhen, aiming at fostering cross-regional collaboration. This tour includes visit to Huawei's headquarters, Vanke Chuangzhi Cloud Center and Tian'an Cyber Park. Participants were inspired by the innovative developments in the Greater Bay Area through experts' sharing.

CHAIRMEN'S STATEMENT



FSE Lifestyle will be listed in Hong Kong for 10 years in the coming December 2025, we have remained steadfast in our strategic priorities. Our three business pillars have enabled us to cross-sell, capture synergies and lessen cyclical exposure.

Mr. Doo Wai Hoi, William *BBS, JP*
Chairman and Executive Director

All our businesses are industry or market trailblazers. The Group has continued to demonstrate resilience and strategic prudence, navigating market challenges with discipline, aiming for growth, managing risks and operational excellence.

Dr. Cheng Kar Shun, Henry *GBM, GBS*
Chairman and Non-executive Director

To Our Shareholders:

On behalf of the board of directors (the “Board”) of FSE Lifestyle Services Limited (the “Company”, together with its subsidiaries, the “Group”), we are pleased to present the annual results of the Company for the year ended 30 June 2025 (“FY2025” or the “Year”).

Resilience in Navigating Market Challenges with a Trio-Interactive Strategy for Service Economy Leadership

In the coming December 2025, the Company will be listed in Hong Kong for 10 years. We operate in a very competitive market, with growingly demanding clients, and an increasingly complex macroeconomic environment, exerting pressure on our margins and requiring disciplined execution, prudent risk management and relentless innovation. Thus, we have remained steadfast in our strategic priorities: diversifying our client base, strengthening internal controls over business operations, fortifying contingency planning to mitigate counterparty risks, and deepening our capabilities to deliver quality, efficiency and value.

Since listing, through organic growth and acquisitions, we have built a resilient, multi-segment platform with three core segments:



Property & Facility Management Services:

including Property & Facility Management, Car Park Management, Asset Management Advisory, Property Sales & Leasing



City Essential Services:

including Cleaning & Pest Control, Insurance Solutions, Technical Support & Maintenance, Environmental Solutions and Systems Security, Guarding & Event Services



E&M Services:

including Engineering and Consultancy

Their breadth and the fact they complement each other have enabled us to cross-sell, capture synergies and lessen cyclical exposure. Today, our Property & Facility Management Services and City Essential Services together account for more than half of the Group’s revenue, gross profit and net profit.

Proven Market Leadership

All our businesses are industry or market trailblazers. According to Frost & Sullivan market research released in September 2025 (“F&S Research”), excluding management companies owned by property developers, our Property & Facility Management Group was managing the most units in residential estates and car parks and area in non-residential properties, our Cleaning & Pest Control Services also ranked first in the environmental hygiene services industry, our Insurance Solutions business took the top spot beating insurance brokers founded and based in Hong Kong, and our Systems Security, Guarding and E&M businesses placed second among its peers.

Chairmen's Statement

The Group has continued to demonstrate resilience and strategic prudence, navigating market challenges with discipline, aiming for growth, managing risks and operational excellence. Over the years, particularly relative to our performance in FY2016, the Company has achieved remarkable financial progress. Our consolidated revenue more than doubled by the end of FY2025. In parallel, profit attributable to shareholders nearly tripled, and earnings per share saw a more than 130% surge, telling us that our growth initiatives have been effective.

Relative to our performance in FY2016, the Company's consolidated revenue more than doubled by the end of FY2025, profit attributable to shareholders nearly tripled and earnings per share saw a more than 130% surge.

Seamless implementation of "3+3" Trio-Interactive Strategy and Growth Initiatives

Looking ahead, we will keep adhering to our proven trio-interactive strategy emphasising safety and health, stakeholder engagement, and training and development, instrumental to helping us overcome difficulties and challenges, cement foundation, and drive long-term growth and competitiveness.

Number of training hours	FY2026 Target	FY2025 Actual	% Change
Safety ⁽ⁱ⁾	120,000	109,895	9.2%
Stakeholders Engagement and Soft Skills ⁽ⁱⁱ⁾	67,820	61,650	10.0%
Technical	82,180	75,875	8.3%
Total ⁽ⁱⁱⁱ⁾	270,000	247,420	9.1%

Safety and Health

Safeguarding the well-being of our workforce, we ensure work safety by using relevant technologies; cultivate a culture of vigilance and mitigate risks and working by the highest safety standards stated in the revised Occupational Safety and Health Ordinance (Cap. 509). The Group has increased targeted safety training hours for FY2026 by 9.2% to 120,000 hours⁽ⁱ⁾.

Stakeholders Engagement

To win in the increasingly competitive market, we need to engage stakeholders so we may understand and meet their evolving demands. We thus equip our employees with relevant skills conducive to fortifying client relationship. The Group has increased targeted stakeholders engagement and soft skills training hours for FY2026 by 10.0% to 67,820 hours⁽ⁱⁱ⁾.

Training and Development

For succession planning, we have continually expanded our recruitment channels and optimised the organisation of different business units to improve management capabilities. People-centric at all times, we tailor training programmes to nurture a capable workforce, particularly young talent. The Group has increased targeted training hours for FY2026, covering personal capabilities, occupational health and safety, by 9.1% to 270,000 hours⁽ⁱⁱⁱ⁾.

Growth Initiatives

We fortified our marketing strategies, fostered cross-selling opportunities, enhanced brand equity through meticulous Environmental Social and Governance (“ESG”) practices and technological integration – embracing digitalisation including Artificial Intelligence (“AI”) and Internet of Things (“IoT”) to gain insights of customer needs and elevate customer satisfaction. Through strategic mergers and acquisitions to diversify services and expand geographic presence, the Group has bolstered its businesses, as exemplified by the recent acquisition of Beijing Nova Insurance Services Limited (“Beijing Nova”).

The Group recorded profit attributable to shareholders of HK\$453.2 million for the Year. Excluding the impact of government grants, its adjusted net profit would decrease by 5.0% to HK\$451.6 million as compared to \$475.3 million recorded in last year. The decrease mainly resulted from lower contribution from the E&M segment primarily due to delays of certain design and construction projects in Hong Kong, which this difficult market conditions may last for 2 to 3 years. Such effect was partly offset by the strong performance of the city essential services segment (namely the systems security, guarding & event services, cleaning & pest control, technical support & maintenance and insurance solutions businesses) driven by more new contracts secured, and the stable performance of the property & facility management services segment. Despite the economic headwinds, the Group has secured a satisfactory number of contracts (HK\$7.9 billion) during the Year, and with a remaining contract sum of over HK\$14.5 billion. At its shrewd financial management, the Group had a healthy balance sheet with a net cash position and net gearing ratio at zero for the Year. The Board has proposed a final dividend of HK18.5 cents per share for the Year. Including the interim dividend of HK21.1 cents per ordinary share for the six months ended 31 December 2024, total dividend for the Year is HK39.6 cents per ordinary share, representing a payout ratio of 40.1%.

Property & Facility Management Services

Our Property & Facility Management Group, which comprises Urban, International Property Management and Kiu Lok, is among the largest independent property and car park management service providers in Hong Kong. Armed with experience of more than 50 years, we provide property management services, building renovation and refurbishment, leasing and tenancy management to improve people’s living conditions. The segment has a clientele that presents opportunities to the Group to cross sell its different services. Our teams are made up of qualified professionals collectively holding over 400 Tier 1 and Tier 2 property management licences. We are currently servicing more than 300 property management contracts, covering at least 150,000 residential units, 3.5 million square metres of commercial properties and approximately 40,000 car park spaces.

Chairmen's Statement

According to the F&S Research, the property management services market will worth HK\$66.7 billion by 2030, expanding at a CAGR of 3.5% between 2026 and 2030. With the Government promising to ensure stable housing and land supply in the next decade, we shall pace and strategically diversify our portfolio with emphasis on public housing and subsidized sales flats. Notwithstanding facing stiff competition from mainland property management companies, the Group will keep embracing change with an open mind and innovation, and render people centred total service solutions, to increase competitiveness. We are also strengthening internal governance and operational controls while investing in developing our professional teams, ensuring their skills and engagement levels meet the evolving demands of clients and regulatory standards. With the city pushing for Smart City development, we see pursuing technological upgrades as paramount. We are progressively integrating modern management systems and information technology solutions including IoT devices, AI-powered automation, and data analytics to support smart estate management practices for meeting burgeoning customer preference for sustainable, green, and technology-driven living environments.

City Essential Services

Cleaning & Pest Control Services – According to the F&S Research, Waihong is the biggest environmental hygiene services provider in Hong Kong. Currently, the Hong Kong Government alone awards cleaning service contracts worth about HK\$4 billion a year. That demand explains the resources Waihong has put in to strengthen its competitiveness and maintain revenue from the government and quasi-government sectors at more than 50% of its total. Apart from growing business in the government-related sector, the residential and commercial portfolios of Waihong have also steadily grown, with contracts of more than HK\$1.9 billion secured during the Year.

To cope with growing market demand, as found in the aforementioned F&S Research, as well as alleviate pressure from labour shortage on its margin, Waihong has been importing labour via the Enhanced Supplementary Labour Scheme, plus introducing advanced information systems and robots to improve productivity, cost advantage and risk control. It has continued to optimize its tendering strategy and recruit talent, stressing green waste management, and targeting high-end premier office buildings, shopping malls and hotels which value high quality services and innovation. With heightened public awareness of environmental hygiene post pandemic, we are optimistic about the future of the industry.

Insurance Solutions – As the F&S Research mentioned, Nova is the largest local insurance broker in Hong Kong, with a 37-year track record making solid gross insurance brokerage revenue from providing corporate and individual clients with one-stop risk management and insurance solutions, including but not limited to property, casualty, construction, employee benefits and cybersecurity. Amid prevailing economic uncertainties, companies are looking for comprehensive solutions and professional advice to help them address risks of their different business activities. To cater to that growing demand, we shall work hard at maintaining close client relationship, helping clients identify uninsured areas and widen our network through tightening ties with industry associations and international partners.

On 27 December 2024, we completed acquiring Beijing Nova, a national insurance broker founded in 2003 and regulated by the National Financial Regulatory Administration in the PRC. Beijing Nova provides a full spectrum of professional insurance services to clients across China, the world's second largest and one of the fastest growing insurance markets. The acquisition has expanded our geographic footprint, enhanced our cross-border service capabilities especially in the Greater Bay Area and presented our existing operations with massive cross selling opportunities.

We have acquired Beijing Nova, a national insurance broker, to expand our geographic footprint and enhanced our cross-border service capabilities especially in the GBA.

Technical Support & Maintenance Services – This division, comprising Far East Engineering Services and Turning Technical Services, sees growing demand for term maintenance services, major alterations, additions and system upgrades from various commercial and residential buildings, hospitals, government properties and educational institutions. With Hong Kong implementing the Climate Action 2050 Carbon Neutral Policy, demand of buildings for energy conservation and decarbonisation, including chiller plant upgrade or replacement, will grow. Last year, we launched a pilot zero-carbon chiller system for a commercial complex in Tsuen Wan West with our high-quality services gaining market recognition and bringing in another zero carbon-related contract for a prestigious commercial building in Kwun Tong. Furthermore, transforming certain hotels into student housing has been a growing trend which we are actively examining. In Macau, the division was awarded several hotel related renovation and system enhancement contracts during the Year.

Environmental Solutions – Environmental Solutions, encompassing three business lines: Environment Solutions, Smart Solutions and Green Solutions, aims to seize the booming opportunities from growing public concern and awareness of environmental issues and sustainability.

Environment Solutions – We focus on water treatment, indoor air quality (“IAQ”) monitoring, and environmental consultancy and assessment services that are increasingly critical to building performance, regulatory compliance and occupant well-being.

Smart Solutions – Our extra low voltage team is developing innovative offerings in building management and environmental monitoring systems, leveraging AI, IoT and 5G applications to improve energy efficiency and carbon management. We continue to scale up our Electric Vehicle (“EV”) charging infrastructure for residential properties and have installed charging equipment for more than 3,000 parking spaces.

Green Solutions – Benefiting from government greening policies, urban planning initiatives and support schemes, our landscape services are expanding. We deliver landscape design, tree sales and planting, and comprehensive arboricultural and horticultural services to prestigious clients, helping the city adapt to climate risks and advance sustainability goals.

Chairmen's Statement

Systems Security, Guarding & Event Services – General Security, which holds all three local security service licences, is the second largest security & guarding services provider in Hong Kong according to the F&S Research. In the coming years, with the Government intending to actively promote the mega event tourism economy, and land and housing supply remaining stable, the security service market is expected to grow to HK\$34.7 billion in worth by 2030, representing a CAGR of 4.7% between 2026 and 2030 according to this research. During the Year, it had participated in about 49% of the 213 mega events in Hong Kong, showing its competence in concurrently serving multiple events held on the same day with total attendance reaching more than 100,000. As for Perfect Event, it has continued to meet the service needs of local conferences, conventions and exhibitions. Well aware of advancing electronic security especially alarm systems, video surveillance and integrated platforms reshaping property and facility management, we are expanding our security system solutions portfolio, pushing for maximum synergies with our Environmental Solutions division, to help us capture emerging opportunities.

E&M Services

Hong Kong

The Group's E&M Services segment, which comprises FSE Engineering Group, Majestic Engineering Group and Young's Engineering Group, is currently one of the two dominant service providers in Hong Kong. Its large-scale ongoing projects included the District Court at Caroline Hill Road, Tuen Mun South Extension MTRC Station, the New Public Market in Tin Shui Wai, public housing/dedicated rehousing estate at Kwu Tung North New Town and Building 1 of Hong Kong – Shenzhen Innovation and Technology Park. Tenders submitted or being prepared included the Urban Renewal Authority's Joint User Complex at Sham Shui Po and public housing at Ma On Shan.

We have proven technological strengths and differentiated competencies, such as BIM, MiC and MiMEP, the Group boasts advantage in landing future large-scale projects.

Looking ahead, despite the Hong Kong Government stressing infrastructure-led urban development especially the Northern Metropolis and the Construction Industry Council expecting average E&M construction expenditure to exceed HK\$57 billion in fiscal year 2026/27, the local E&M services market is very competitive with the private property market in turmoil and rising counterparty risks. Those trends are likely to continue in the foreseeable future. To tackle the challenges ahead, the management is making efforts to optimise the Group's tendering strategy and cost management. With proven technological strengths and differentiated competencies, such as Building Information Modelling ("BIM"), Modular Integrated Construction ("MiC") and Multi-trade integrated Mechanical, Electrical & Plumbing ("MiMEP"), the Group boasts advantage in landing future large-scale projects.

Mainland China

During the Year, the Chinese Government implemented more active fiscal policies and prudent monetary policies, plus measures to stimulate domestic demand, stabilize and support recovery of the real estate market. Priding over 40 years of industry experience and reputable brands, and as one of the few Hong Kong-based E&M general engineering contractors with Class I qualification in Mainland China, the Group is optimistic about expanding its project coverage and winning new contracts in the vast market. In the past year, we have taken up sizeable mixed-use development projects in major cities such as Shenzhen, Shanghai, Hangzhou and Kunming. The Group will continue to strengthen business presence in Mainland China, capitalizing on its supply/installation expertise and well-established brand.

Macau

During the Year, the Central Government rolled out favourable measures to provide strong support to the Macau economy and its tourism sector. In 2023, the six casino operators, who have been granted concession for another 10 years, promised to collectively invest close to US\$15 billion to help the city become a world-class tourist destination. As such, relevant investment and E&M tenders, guest rooms renovation and MICE space enhancement, are expected to increase this year. Infrastructure improvement to attract more tourists will also brace economic recovery and related construction contracts. As a major E&M service provider of more than 20 years in Macau, we stand prime in capturing those business opportunities.

Conclusion

The Group is confident of its development prospects despite the many challenges ahead. It will continue to seek new business opportunities to expand its operations and maximise shareholder value.

We will keep adhering to our proven trio-interactive strategy emphasizing safety and health, stakeholder engagement and training and development, to drive long-term growth and competitiveness.

On behalf of the Board, we would like to express our sincere gratitude to all shareholders, customers and business partners for their unwavering support of the Group. We also like to thank the management team and all employees for their tireless efforts. As always, we remain fully committed to ensuring the Group's long-term development and ability to provide fair returns to shareholders.

Dr. Cheng Kar Shun, Henry
Chairman

Mr. Doo Wai Hoi, William
Chairman

Hong Kong, 26 September 2025

Board of Directors and Senior Management

Board of Directors

Dr. Cheng Kar Shun, Henry *GBM, GBS*

Chairman and Non-executive Director

Dr. Cheng, aged 78, was appointed as the Chairman and Non-executive Director of the Company in August 2015. Dr. Cheng assumes an advisory role in respect of the overall strategic planning of the Group. Dr. Cheng has substantial corporate management experiences in a wide range of industries and has been assuming management roles in various listed public companies in Hong Kong, including the Chairman and an executive director of New World Development Company Limited, CTF Services Limited (formerly known as NWS Holdings Limited) and Chow Tai Fook Jewellery Group Limited, and the Chairman and a non-executive director of i-CABLE Communications Limited. Dr. Cheng is the Chairman of the Advisory Council for The Better Hong Kong Foundation. He was a Standing Committee Member of the Twelfth Chinese People's Political Consultative Conference of The People's Republic of China. Dr. Cheng was awarded the Gold Bauhinia Star and the Grand Bauhinia Medal in 2001 and 2017 respectively by the Government of the Hong Kong Special Administrative Region. Dr. Cheng is the brother and brother-in-law of Mrs. Doo Cheng Sau Ha, Amy and Mr. Doo Wai Hoi, William respectively, with Mrs. Doo Cheng Sau Ha, Amy being one of the controlling shareholders of the Company. He is also the uncle of Mr. Doo William Junior Guilherme and the cousin of Mr. Poon Lock Kee, Rocky's spouse.

Mr. Doo Wai Hoi, William *BBS, JP*

Chairman and Executive Director

Mr. Doo, aged 81, was appointed as the Chairman and Executive Director of the Company in March 2024. He was the alternate director to Dr. Cheng Kar Shun, Henry from December 2021 to March 2024. He is the Vice-chairman and non-executive director of New World Development Company Limited and an independent non-executive director of Shanghai Industrial Urban Development Group Limited, both being listed public companies in Hong Kong. Mr. Doo is a non-executive director of Lifestyle International Holdings Limited which was a listed public company in Hong Kong where its listing was withdrawn on 20 December 2022.

Mr. Doo is the Chairman and director of Fungseng Prosperity Holdings Limited. He is a Justice of the Peace appointed by the Government of the Hong Kong Special Administrative Region, and was awarded the Bronze Bauhinia Star by the Government of the Hong Kong Special Administrative Region in 2021. He is also the Honorary Consul General of the Kingdom of Morocco in Hong Kong and Macau, and a Governor of the Canadian Chamber of Commerce in Hong Kong. He was promoted to the Officier de l'Ordre National de la Légion d'Honneur by the Republic of France in 2019. Mr. Doo is the spouse of Mrs. Doo Cheng Sau Ha, Amy, being one of the controlling shareholders of the Company, and father of Mr. Doo William Junior Guilherme. He is also the brother-in-law of Dr. Cheng Kar Shun, Henry.





Mr. Lam Wai Hon, Patrick

Executive Vice-Chairman and Chief Executive Officer

(also acts as alternate director to Dr. Cheng Kar Shun, Henry)

Mr. Lam, aged 63, was appointed as an Executive Director and a member of the Remuneration Committee of the Board in April 2016, and became the Vice-Chairman of the Company in January 2017, and was redesignated as Executive Vice-Chairman of the Company in June 2022. He was further appointed as the alternate Director to Dr. Cheng in March 2024 and the Chief Executive Officer of the Company and a member of the Nomination Committee of the Board in July 2024. He is on the boards of various members of the Group, and is responsible for the overall strategic planning of the Group. Mr. Lam is currently an executive director and the chief executive officer of FSE Holdings Limited, a controlling shareholder of the Company. He was a non-executive director of CTF Services Limited (formerly known as NWS Holdings Limited), a listed public company in Hong Kong, up to his retirement on 25 November 2020 when he was appointed as the alternate director to Mr. Doo William Junior Guilherme, a non-executive director of CTF Services Limited. Mr. Lam is a fellow of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Accountants in England and Wales, and the Chartered Professional Accountants of Ontario, Canada. He is a council member of The Hong Kong Management Association, and a member of the Board of Governors of the Technological and Higher Education Institute of Hong Kong (THEi). He is also acting Chairman of the Asia Advisory Board of the Ivey Business School, Western University, Canada; a founding director of the University of Edinburgh Hong Kong Foundation; and a Member of the Hong Kong Essex Global Leader Network, University of Essex. In addition, Mr. Lam is a Governor of the Canadian Chamber of Commerce in Hong Kong. Mr. Lam is a Chevalier of the Order of National Merit of France and an honorary Doctor of Laws of the Ivey Business School, Western University, Canada.

Board of Directors and Senior Management



Mr. Doo William Junior Guilherme *BBS, JP*

Executive Director

Mr. Doo, aged 51, joined the Group in June 2014 and is an Executive Director of the Company and a member of each of the Remuneration Committee and the Nomination Committee of the Board. He also sits on the boards of various companies within the Group, and is primarily responsible for the overall strategic planning, overseeing business development and major management decisions for the Group. Mr. Doo is also an executive director and Deputy Chief Executive Officer of FSE Holdings Limited, a controlling shareholder of the Company. Mr. Doo is a solicitor admitted in Hong Kong and is currently a non-practising solicitor in England and Wales. Mr. Doo is a Member of the National Committee of the Fourteenth Chinese People's Political Consultative Conference. He is a Justice of the Peace of Hong Kong, and is awarded the Bronze Bauhinia Star by the Government of the Hong Kong Special Administrative Region. Prior to joining the Group, Mr. Doo had legal practice experience in one of the largest global law firms specialising in finance and corporate transactions. Mr. Doo is a non-executive director of CTF Services Limited (formerly known as NWS Holdings Limited) and an independent non-executive director of The Bank of East Asia, Limited, both being listed public companies in Hong Kong. He is also an independent director of Shengyi Technology Co., Ltd., a listed public company in Shanghai. Mr. Doo is the son of Mr. Doo Wai Hoi, William and Mrs. Doo Cheng Sau Ha, Amy, with Mrs. Doo Cheng Sau Ha, Amy being one of the controlling shareholders of the Company. Mr. Doo is also the nephew of Dr. Cheng Kar Shun, Henry and his mother is the cousin of Mr. Poon Lock Kee, Rocky's spouse.



Mr. Lee Kwok Bong

Executive Director

Mr. Lee, aged 54, joined the Group in July 2010 and is an Executive Director of the Company, Chairman of the Risk Management Committee and a member of the ESG Committee of the Board. He is also on the boards of various companies within the Group. Mr. Lee is primarily responsible for the overall strategic planning and financial management of the Group. He has been the Chief Financial Officer of FSE Holdings Limited, a controlling shareholder of the Company, since August 2010.

Mr. Lee holds a Bachelor's degree in Business Administration in Accounting, a Master of Science degree in Finance and a Bachelor's degree in Chinese Legal System. He is an associate member of the Hong Kong Institute of Certified Public Accountants, a member and a Chartered Global Management Accountant of the American Institute of Certified Public Accountants. Mr. Lee has more than 30 years of experience in auditing, financial management, accounting and corporate governance in Hong Kong and the PRC.



Mr. Soon Kweong Wah

Executive Director

Mr. Soon, aged 66, joined the Group in May 1983 and is an Executive Director of the Company and a member of the ESG Committee and the Risk Management Committee of the Board. Mr. Soon also sits on the boards of various companies within the Group, and is primarily responsible for the overall operational management and business performance control of the Group's E&M engineering installation business in Hong Kong, as well as directing the research and analysis on the business opportunities and assessing potential markets and projects for this business unit.

Mr. Soon holds a Bachelor's degree in engineering and a Master's degree in engineering from the University of Hong Kong. He also holds a Master's degree in finance from The City University of Hong Kong and an Executive Master of Business Administration degree in management from the Richard Ivey School of Business (Asia) (now known as Ivey Business School), the University of Western Ontario (also known as Western University) in Canada. Mr. Soon has over 40 years of experience in the building services sector and installation of construction industries, and has handled various renowned engineering and construction projects of the Group in Hong Kong, Macau, PRC and South East Asia.

Mr. Soon is an active member of various academic institutions and external associations. He is now a Finance and Administration Committee Chairman of the Hong Kong Federation of Electrical and Mechanical Contractors Limited and a Council Member of the Hong Kong E&M Contractors' Association Limited. He is a chartered engineer of the Engineering Council in the United Kingdom, a registered professional engineer in building services and electrical engineering of the Hong Kong Engineers Registration Board, and a fellow member of the Hong Kong Institution of Engineers, where he also served as the appointed member of its Building Services Discipline Advisory Panel from 2011 to 2017. Mr. Soon was the Chairman of the Chartered Institution of Building Services Engineers (Hong Kong Region) from 2007 to 2008 and is now a fellow member of the institution.

Board of Directors and Senior Management



Dr. Cheng Chun Fai

Executive Director

Dr. Cheng, aged 67, joined the Group in April 2018 and was appointed as an Executive Director of the Company and the Chairman of the ESG Committee of the Board in January 2021 and February 2022 respectively, and is primarily responsible for business development and operation of the Group. He is also a director of certain subsidiaries of the Company and Director of Operations and Corporate Development in FSE Holdings Limited, a controlling shareholder of the Company. Before joining the Group, Dr. Cheng has worked for New World Group for over 30 years. Dr. Cheng obtained a Master of Business Administration from the University of South Australia in 2008, a Master of Laws in Chinese Business Law from the Open University of Hong Kong in 2010 and a Doctor of Philosophy in Business Administration from the Bulacan State University in 2012. He has over 25 years' experience in operational management in different industries. He is also the Chairman of the Executive Committee of The Council of Hong Kong Professional Associations Limited and a member of the executive committee, the chairperson of the Fundraising and Social Enterprise Committee of The Hong Kong Society for Rehabilitation. Dr. Cheng is the Chairman of Program Think Tank on Property Management of City University of Hong Kong. He is a member of the Hospital Governing Committee and the Hospital Safety Committee of MacLehose Medical Rehabilitation Centre of Hong Kong West Cluster.



Mr. Chan Ju Wai

Executive Director, Chief Financial Officer and Company Secretary

Mr. Chan, aged 57, joined the Group in May 2001 and is an Executive Director, the Chief Financial Officer and Company Secretary of the Company. Mr. Chan also serves as a director of certain subsidiaries of the Company and as the company secretary of various subsidiaries of the Company. Mr. Chan is primarily responsible for overseeing the Group's financial management, treasury, investor relations, legal and corporate governance functions.

Mr. Chan has accumulated more than 30 years of professional experience in auditing, finance and accounting having worked at an international accounting firm, multinational corporation and publicly listed companies. He holds a Master's degree with distinction in accountancy from the Lingnan University in Hong Kong and a Master's degree with credit in Business Administration from the University of Sunderland in the United Kingdom. He is currently a fellow of the Institute of Public Accountants in Australia, the Institute of Certified Management Accountants in Australia and the Institute of Financial Accountants in the United Kingdom. Additionally, he was inducted as a member of the Lingnan University Chapter of Beta Gamma Sigma, the international honor society for collegiate schools of business.



Mr. Poon Lock Kee, Rocky ^{MH}

Non-Executive Director

Mr. Poon, aged 69, joined the Group in February 1989 and was appointed as the Chief Executive Officer and Executive Director of the Company in December 2015. He was then re-designated as Non-executive Director of the Company in July 2024. He is also a director in a subsidiary of the Company. Mr. Poon is a member of the American Society of Mechanical Engineers, a Chartered Engineer of the Engineering Council in the United Kingdom, and a fellow of the Chartered Institution of Building Services Engineers in the United Kingdom, the Hong Kong Institute of Engineers and Hong Kong Institute of Construction Managers. Mr. Poon is the Life President of the Hong Kong Federation of Electrical & Mechanical Contractors Limited, Past President of the Hong Kong E&M Contractors' Association Limited, President of the Macau Air-Conditioning & Refrigeration Chamber of Commerce, President of Macau Electrical Chamber of Commerce, Vice President of the 11th Council (2023-2026) of Macau Construction Association, a director of the Macao Chamber of Commerce and Non-official member of the Town Planning Board of the Hong Kong SAR Government. Mr. Poon was awarded the Medal of Merit - Professions by the Macau SAR Government in September 2019 and awarded the Medal of Honour by the Hong Kong SAR Government in July 2023. Mr. Poon is a Deputy Chairman of the Shaoguan Overseas Friendship Association (Hong Kong & Macau Region), a member of the Trust Committee of the Henry Fok Foundation, and a director of Macau Urban Renewal Limited. Mr. Poon is the cousin-in-law of Dr. Cheng Kar Shun, Henry and Mrs. Doo Cheng Sau Ha, Amy, with Mrs. Doo Cheng Sau Ha, Amy being one of the controlling shareholders of the Company.



Mr. Kwong Che Keung, Gordon

Independent Non-executive Director

Mr. Kwong, aged 76, was appointed as an Independent Non-executive Director of the Company and the Chairman of the Audit Committee of the Board in November 2015. Mr. Kwong is also an independent non-executive director of a number of listed public companies in Hong Kong, including Agile Group Holdings Limited, Chow Tai Fook Jewellery Group Limited, COSCO SHIPPING International (Hong Kong) Co., Ltd., Henderson Investment Limited and Henderson Land Development Company Limited. He was an independent non-executive director of CTF Services Limited (formerly known as NWS Holdings Limited), a listed public company in Hong Kong, and Piraeus Port Authority S.A., a listed public company in Athens, Greece, up to his retirement on 21 November 2022 and 8 July 2025 respectively. Mr. Kwong graduated with a Bachelor of Social Science degree from the University of Hong Kong in 1972 and was qualified as a Chartered Accountant in the Institute of Chartered Accountants in England and Wales. He was a partner of Price Waterhouse (now known as PricewaterhouseCoopers) from 1984 to 1998 and an independent member of the Council of the Stock Exchange from 1992 to 1997, during which he had acted as the convener of both the Compliance Committee and the Listing Committee of the Stock Exchange. Mr. Kwong is a fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants.

Board of Directors and Senior Management



Mr. Hui Chiu Chung, Stephen *JP* **Independent Non-executive Director**

Mr. Hui, aged 78, was appointed as an Independent Non-executive Director of the Company, and the Chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee of the Board in November 2015. Mr. Hui has 50 years of experience in the securities and investment industry. He had for years been serving as a member and Second Vice-chairman of Council of the Stock Exchange, a member of the Advisory Committee of the Hong Kong Securities and Futures Commission, a director of the Hong Kong Securities Clearing Company Limited, a member of the Listing Committee of the Stock Exchange, an appointed member of the Securities and Futures Appeal Tribunal, a member of Standing Committee on Company Law Reform, a member of the Committee on Real Estate Investment Trusts of the Hong Kong Securities and Futures Commission, an appointed member of the Hong Kong Institute of Certified Public Accountants Investigation Panel A and also a government appointed independent non-executive director of Hong Kong Exchanges and Clearing Limited. He was also an appointed member of Zhuhai Municipal Committee of the Chinese People's Political Consultative Conference from 2006 to 2017 and was a member of Hengqin New Area Development Advisory Committee, and Hong Kong and Macao Legal Issues Expert Group of The Administrative Committee of Hengqin New Area, Zhuhai. Mr. Hui is an independent non-executive director of a number of listed public companies in Hong Kong, including Agile Group Holdings Limited, China South City Holdings Limited (in liquidation) and Gemdale Properties and Investment Corporation Limited. He is also a non-executive director of Luk Fook Holdings (International) Limited, also a listed public company in Hong Kong, and an independent non-executive director of Lifestyle International Holdings Limited which was a listed public company in Hong Kong where its listing was withdrawn on 20 December 2022. He was an independent non-executive director of HK Acquisition Corporation (which was a listed public company in Hong Kong where its listing was withdrawn on 29 October 2024) and SINOPEC Engineering (Group) Co., Ltd (a listed public company in Hong Kong) up to his resignation on 30 October 2024 and 8 November 2024 respectively. Mr. Hui is a fellow of The Hong Kong Institute of Directors and a senior fellow of the Hong Kong Securities and Investment Institute.



Mr. Lee Kwan Hung, Eddie **Independent Non-executive Director**

Mr. Lee, aged 60, was appointed as an Independent Non-executive Director of the Company, and the Chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee of the Board in November 2015. Mr. Lee is an independent non-executive director of a number of listed public companies in Hong Kong, including Embry Holdings Limited, Newton Resources Ltd, Ten Pao Group Holdings Limited and Tenfu (Cayman) Holdings Company Limited. He was an independent non-executive director of Red Star Macalline Group Corporation Ltd. and NetDragon Websoft Holdings Limited, both being listed public companies in Hong Kong, up to his retirement on 15 August 2023 and 5 June 2025 respectively. He obtained a Bachelor of Laws (Honours) degree from the University of Hong Kong in 1988 and was admitted as a solicitor in Hong Kong in 1991 and in the United Kingdom in 1997. He was a partner of Woo, Kwan, Lee & Lo and is currently a consultant of Howse Williams. Mr. Lee was successively a manager and a senior manager of the Listing Division of the Stock Exchange from December 1992 to April 1994.



Dr. Tong Yuk Lun, Paul

Independent Non-executive Director

Dr. Tong, aged 84, was appointed as an Independent Non-executive Director of the Company in April 2016. He is now a member of each of the Remuneration Committee, the Nomination Committee and the ESG Committee of the Board. Dr. Tong holds a Bachelor of Science degree in Engineering and a Master of Science degree in Engineering from the University of Hong Kong, and a Doctor of Philosophy degree from the Victoria University of Manchester. Dr. Tong is a member of the Institute of Civil Engineers, London and the Hong Kong Institution of Engineers, and has solid and extensive experience in the construction industry.



Ms. Leung Wan Chong Christine

Independent Non-executive Director

Ms. Leung, aged 44, was appointed as an Independent Non-executive Director of the Company in February 2024. She is also a member of the Audit Committee, the Nomination Committee and the ESG Committee of the Board. She has practiced as a barrister in Hong Kong for over 15 years. She obtained a Bachelor's degree in Economics from the London School of Economics and Political Sciences in 2002, a Postgraduate Diploma in Law from the College of Law, United Kingdom in 2003 and a Postgraduate Certificate in Laws ("PCLL") from the University of Hong Kong in 2005. She was called to the Bar in Hong Kong in 2006. Ms. Leung has a broad-based criminal and civil practice, undertaking work in all aspects of contractual and commercial disputes and personal injury. She was a lecturer for the Practising Certificate Law Examination at the Hong Kong Institute of Certified Public Accountant and a lecturer of corporate and business law for the Association of Chartered Certified Accountants from 2007 to 2013. Ms. Leung has also been a non-clinical lecturer for PCLL at the Faculty of Law at the University of Hong Kong since 2022. Ms. Leung is an independent non-executive director of TK Group (Holdings) Limited, the shares of which are listed on the Main Board of the Stock Exchange.

Ms. Leung is serving on various advisory committees of the Hong Kong Government and social service offices. She has served as a board member of the Hong Kong Dance Company from October 2020, co-opted member of the audit committee of the West Kowloon Cultural District Authority from January 2021, member of the Committee on the Promotion of Civic Education of the Home Affairs Bureau from April 2021, member of the Advisory Committee on Post-service Employment of Civil Servants from July 2021, member of the Agency for Voluntary Services – Planning & Services Committee of the Hong Kong Volunteer Recognition Scheme Organizing Committee from December 2021, chairman of the Appeal Tribunal Panel (Buildings) from December 2021, council member of the Hong Kong Committee for UNICEF from July 2022, member of District Fight Crime Committee (Kowloon City District) from April 2024 and member of the Independent Commission on Remuneration for Members of the District Councils from August 2025.

Senior Management

Corporate Management

Mr. Kwan Chun Kit, Terry

Director of Human Resources

Mr. Kwan, aged 55, rejoined the Group in November 2021 and is the Director of Human Resources of the Company and the E&M Engineering Group. Mr. Kwan is also a member of the ESG Committee of the Board and he first joined the Group in 2019. Mr. Kwan is responsible for the overall human resources management, strategic human capital planning, talent development and management, employer branding, compensation and benefits, and performance management.

Mr. Kwan has over 30 years of human resources management experience in hotel, convention and exhibition fields. He graduated from the hotel management school “Les Roches” of Switzerland and completed a professional development program in Human Resources Management from Cornell University of New York. He is a member of the Career Development Advisory Committee of Hong Kong Metropolitan University. He was also a member of the Industry Advisory Committee of the School of Hotel and Tourism Management of The Hong Kong Polytechnic University from 2014 to 2019.

Mr. Leung Wai Shing, Bevis

General Manager – Corporate Affairs

Mr. Leung, aged 61, is the General Manager – Corporate Affairs of the Group and also the Joint Managing Director of Urban Group. He has over 30 years of proven experience and exposure in real estate and land administration, property investment and development, property and facilities management. He specializes in corporate development, marketing and communications, as well as internal control and governance. Mr. Leung is a seasoned crisis communication strategist, adept at maintaining stakeholder trust and safeguarding organisational reputation.

Mr. Leung joined Urban Group in 1994 and has been actively participating in all business development, corporate management and affairs, quality control, operations in property and facility management, integrated marketing communications, customer relationship management, brand building, risk management and corporate governance activities.

Mr. Leung holds a Bachelor's Degree in Journalism (majoring in Public Relations and Advertising), and a Master's in Business Administration from the Keele University in UK in 1991 and a Postgraduate Diploma in Mass Communications from the Leicester University in 2000. He also obtained a Master's in Real Estate (Land Administration) from The University of Hong Kong in 2006 and a Master's in Financial Management from the Middlesex University in UK in 2016.

Currently, he is Treasurer of the Hong Kong Association of Property Management Companies Limited and the member of Security and Guarding Services Industry Authority. He is a member of The Chartered Institute of Marketing of the UK and a Chartered Marketer. He is also a Fellow Member of the Hong Kong Institute of Directors and a Member of The Hong Kong Institute of Facility Management.





Ms. Lai Yuen Ching, Annie
Director of Business Development

Ms. Lai, aged 58, joined the Group in January 2025 and is the Director of Business Development of the Group. Her key responsibilities include partnership management, strategy development, and collaboration of new business opportunities.

Ms. Lai holds a Master of Business Administration degree from the University of Hull in the United Kingdom. Prior to joining the Group, she held management positions in a state-owned enterprise in Hong Kong for over 20 years. Her extensive experience covers various sectors including engineering, property management, and city essential services. Furthermore, she is also specialising in different areas including strategic investment, project development and asset management.

Property & Facility Management, Agency Services

Dr. Cheng Kam Wah
Managing Director – Urban Group and International Property Management

Dr. Cheng, aged 66, has been the Managing Director of Urban Group and International Property Management since February 2002. Dr. Cheng has over 45 years substantial experiences in real estate, property asset management and facility services. He is responsible for the formulation of strategic directions, corporate business development, operations and management systems enhancement as well as new market development activities of Urban Group and International Property Management.

Dr. Cheng holds a Bachelor of Science Degree (Hons) in Estate Management from the University of Reading, UK, a Master Degree in Business Administration from the University of Hull, UK, and a Doctor of Philosophy Degree in Business and Management from the University of South Australia, Australia. He is a Fellow of the Hong Kong Institute of Housing, the Chartered Institute of Housing, the Hong Kong Institute of Surveyors, the Royal Institution of Chartered Surveyors, the Hong Kong Institute of Directors, the Hong Kong Institute of Facility Management, the Hong Kong Institute of Real Estate Administrators. He is also a Registered Professional Housing Manager, a Registered Professional Surveyor (General Practice) (Property and Facility Management), a Fellow Professional Facility Manager and a Licensed Estate Agent.

Currently, Dr. Cheng is the President of The Hong Kong Association of Property Management Companies Limited, Vice President of the Property Management Industry Training Advisory Committee of Education Bureau and Vice President of HKU SPACE ALUMNI.



Board of Directors and Senior Management



Mr. Chow Wing Kit, Eric

Director and General Manager – Kiu Lok Group

Mr. Chow, aged 58, currently serves as Director and General Manager of Kiu Lok Group, is responsible for leading the overall operational management of Kiu Lok. His duties encompass asset management, property management, as well as leasing and sales agency services.

Mr. Chow joined Kiu Lok in 2023 and brings over 30 years of extensive experience in property management, real estate investment, and leasing and sales.

He holds a Master's degree in Business Administration from Collège de Paris and holds key positions in several professional organisations, including vice president of the Hong Kong Institute of Certified Property Managers, vice president of The Federation of Hong Kong Property Management Industry Limited, and is a founding member of Hong Kong Property and Facilities Management Association of the Greater Bay Area. Additionally, he is a member of the Chartered Institute of Housing (CIH) and The Hong Kong Institute of Housing. Mr. Chow is licensed as a Property Management Practitioner (Tier 1) and a licensed Estate Agent in Hong Kong, possessing comprehensive professional qualifications and a distinguished standing in the industry.

City Essential Services



Mr. Chung Wai Man

Managing Director – Waihong Services Group

Mr. Chung, aged 67, is the Managing Director of Waihong Services Group. He joined Waihong in 1978 which has become a member of the Group since April 2018. Mr. Chung has accumulated over 40 years' experience in the cleaning and environmental industry, and is responsible for the stipulation of business directions, management control and operation systems enhancement as well as new market development activities of the Group's sanitation, cleaning and environmental services businesses.

Mr. Chung holds a Bachelor of Business Administration in Corporate Administration. He was the Executive Committee and the Chairperson of Tendering Principles Sub-Committee of the Environmental Contractors Management Association (2013–2017). He was also the Chief Secretary of Environmental Services Contractors Alliance (Hong Kong) in 2013–2017.



Ms. Sze Kut

Director and General Manager – Waihong Services Group

Ms. Sze, aged 52, joined Waihong Services Group in 2010 and was appointed as the Director and General Manager of Waihong Services Group in June 2025. Ms. Sze is primarily responsible for the overall management of Waihong, including finance, procurement, operations and corporate administration functions of Waihong.

Before joining Waihong, Ms. Sze has worked for an international audit firm. She has also worked for New World Group in the Merger and Acquisition division and also worked as financial controller of subsidiaries of NWS Holdings Group (now known as CTF Services Group).

Ms. Sze graduated from The University of Maryland at College Park with a Bachelor's degree in Accounting and obtained a Master of Science Degree in Finance from The University of Michigan-Dearborn.

She is currently the Chairperson of Tendering Principles Sub-Committee of The Environmental Contractors Management Association.



Ms. Au Fung Ming, Rebecca

Managing Director – Nova Insurance Group

Ms. Au, aged 56, joined Nova Insurance in 1994 and is the Managing Director of Nova Insurance Group overseeing Nova Insurance Group's operations in Hong Kong, Macau and China. Her responsibilities include managing business development and corporate administrative management across these regions. In addition to this role, she contributes to the Group's overall strategic direction and operational excellence.

Ms. Au holds a Master Degree of Laws in Chinese Business Law from The Chinese University of Hong Kong and a Master Degree of Professional Accounting from the Hong Kong Polytechnic University. She is a Fellow Member of the Association of Chartered Certified Accountants, and an Associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.

With Ms. Au's broad spectrum of professional knowledge and extensive experience spans more than three decades, she develops and oversees initiatives and strategies resulting in driving long term success of Nova Insurance Group.

Board of Directors and Senior Management



Mr. Wong Chip King, Conrad

Managing Director – Beijing Nova

Mr. Wong, aged 59, joined the Nova Insurance Group in 2013 and is responsible for managing our China operation. Graduated from the University of Hong Kong, Mr. Wong brought with him over 30 years solid experience in insurance having worked in leading insurance broking firm and credit insurer. Prior to joining Nova Insurance, Mr. Wong was Commercial Director of the world's largest credit insurer, responsible for all commercial activities including market management, distribution and underwriting in Greater China and Korea. At his time as a broker, he was involved in handling all types of property and casualty insurance for large corporates and very familiar with the London market.

In addition to his current position, Mr. Wong serves as the principal liaison with international business partners including global broker networks. He is responsible for cultivating and managing strategic relationships, as well as exploring collaborative opportunities that drive business growth.



Mr. Yu Shek Chung

Director and General Manager – Technical Support and Maintenance Group

Mr. Yu, aged 53, joined the Group in 1996 and is the Director and General Manager of Far East Engineering Services Limited. He is mainly responsible for the overall management and business performance control of the technical support and maintenance business in both Hong Kong and Macau, as well as operating the research and analysis on the business opportunities and assessing potential markets and projects for the business units. Mr. Yu has over 25 years' experience in the E&M engineering business in Hong Kong.

Mr. Yu holds a Bachelor's degree in Manufacturing Engineering from McMaster University, Canada and a Master's degree in Building Services Engineering from The University of Hong Kong. He is currently a member of The Hong Kong Institution of Engineers, a member of Chartered Institution of Building Services Engineers, a fellow member of Society of Operations Engineers, a chartered environmentalist of Society of the Environment, a member of Hong Kong Institute of Facility Management, a registered energy assessor of Electrical and Mechanical Services Department and a registered professional engineer in the Engineers Registration Board of Hong Kong. Besides, Mr. Yu is an Authorised Signatory of Registered Specialist Contractors (Ventilation Works Category) in Hong Kong.



Mr. Ko Ngai Chun

Director and General Manager – FSE Environmental Solutions Group

Mr. Ko, aged 40, joined the Group in July 2016 and is the Director and General Manager of FSE Environmental Solutions Group. He is responsible for the overall management and business development of the environmental and landscaping business and trading of building materials of the Group.

Mr. Ko holds a Bachelor's degree in Science in Accounting and Finance from the University of Warwick in the United Kingdom. He is a member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group, he had worked in an international accounting firm and financial institution.



Mr. Lai Yuk Tim

Director and General Manager – General Security Group

Mr. Lai, aged 65, joined the General Security Group in 2011 and is the Director and General Manager of General Security Group and Perfect Event Services Limited, and is also the General Manager – Corporate Development of FSE Holdings Limited, a controlling shareholder of the Company. He is responsible for formulating strategic planning, corporate business development and management of the security services and event services of the Group.

Mr. Lai has over 40 years of extensive experience in security and facility management field. Prior to joining General Security Group, Mr. Lai was the Senior Group Manager of Urban Group and the Director and General Manager of Urban Parking Limited under NWS Holdings Limited.

Mr. Lai is the Vice-Chairman of Chamber of Security Industry since 2016. He is appointed as a Specialist of the Hong Kong Council for Accreditation of Academic and Vocational Qualification till 30 September 2025 and is appointed by Education Bureau as the member of Industry Training Advisory Committee of Qualifications Framework from January 2022 to December 2024. He is a fellow member cum the Vice Chairman of the External Affairs & PR Committee of Chartered Institute of Housing. Mr. Lai is also a fellow member of Hong Kong Institute of Housing and full member of Institute of Shopping Centre Management.

Board of Directors and Senior Management

E&M Services

Mr. Au Kai Ming, Francis

Managing Director – FSE Engineering Group

Mr. Au, aged 63, joined the Group in October 2023 and is the Managing Director of the FSE Engineering Group. He is responsible for overseeing the commercial team, leading the business development team, and promoting business and cross-selling for the group of companies.

Mr. Au graduated from the University of Reading in the UK and joined a leading international consultancy company, and he was the Growth Director of Greater China overseeing the operation and management of the business in Hong Kong, Macau and Mainland China. He has over 35 years of experience in quantity surveying services of many types of construction projects, including civil and infrastructure works, residential, commercial, industrial, educational, healthcare and hospitality projects.

Mr. Au is a Fellow of the Hong Kong Institute of Surveyors, the Royal Institution of Chartered Surveyors, and the Hong Kong Institute of Facility Management. He is also a Registered Professional Surveyor (Quantity Surveyor), and he served as Chairman of Association of Consultant Quantity Surveyors from 2015 to 2019. Mr. Au furthered his profession through prestigious programmes such as the Major Projects Leadership Programme of the Saïd Business School - University of Oxford. He received the Chief Executive's Commendation for Community Service in recognition of his contribution to Construction Industry in 2023 and QS Awards of Excellence from Hong Kong Institute of Surveyors in 2024. Mr. Au is also serving in Committee on Construction Business Development and Productivity, and Governance and Quality Committee of Construction Industry Council and Hong Kong Green Building Council respectively.

Mr. Cheung Chi Wai

Deputy Managing Director – FSE Engineering Group

Mr. Cheung, aged 61, joined the Group in 1989 and is the Deputy Managing Director of the FSE Engineering Group. He is mainly responsible for the overall management and business performance control of the Group's E&M engineering projects, and supervision of contracts managers, project managers and engineers as well as operating the research and analysis on the business opportunities and assessing potential markets and projects for the business units. Mr. Cheung has over 35 years' experience in the E&M engineering business in Hong Kong, Macau and Mainland China.

Mr. Cheung holds a Bachelor's degree in Building Services Engineering and a Master's degree in Fire and Safety Engineering from The Hong Kong Polytechnic University. He is currently a member of The Hong Kong Institution of Engineers, a member of Chartered Institution of Building Services Engineers, a fellow member of Society of Operations Engineers, a chartered environmentalist of Society of the Environment, a member of Institution of Fire Engineers, a registered energy assessor of Electrical and Mechanical Services Department and a registered professional engineer in the Engineers Registration Board of Hong Kong. Besides, Mr. Cheung is an Authorized Signatory of Registered Specialist Contractors (Ventilation Works Category) and a registered licensed plumber in Hong Kong.





Mr. Lee Wa Yip

Director and General Manager (Mainland China) – FSE Engineering Group

Mr. Lee, aged 60, first joined the Group in December 1992 and had worked for the Group for over 15 years during the period from 1992 to 2009. Mr. Lee rejoined the Group in June 2012 and is the Director and General Manager of our E&M Engineering operations in Mainland China. He is responsible for the overall project administration and business marketing for Mainland China projects. He has over 35 years' experience in quantity surveying and E&M project administration in Mainland China.

Mr. Lee holds a Bachelor's degree of Science in Quantity Surveying from the University of Hong Kong and a Postgraduate Certificate in Construction Project Management from the City University of Hong Kong. Mr. Lee is a member of the Hong Kong Institute of Surveyors and the Royal Institution of Chartered Surveyors.

Corporate Governance Report

Corporate Governance Practice

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of its shareholders and enhance the corporate value of the Group. The Company has applied the principles of the corporate governance code (the “Corporate Governance Code”) contained in Appendix C1 to the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) to its corporate governance structure and practices in the manner as described in this report. Throughout the Year, the Company had complied with all the code provisions set out in the Corporate Governance Code, with the exception of code provision F.2.2.

Code provision F.2.2 requires the chairman of the board to attend the annual general meeting. Both Dr. Cheng Kar Shun, Henry and Mr. Doo Wai Hoi, William, the Chairmen of the Board, were unable to attend the annual general meeting of the Company held on 25 November 2024 (the “2024 AGM”) due to their prior commitments to other important engagements. Mr. Lam Wai Hon, Patrick, the alternate director to Dr. Cheng Kar Shun, Henry, and also the Executive Vice-Chairman of the Board and Chief Executive Officer, who took the chair of the 2024 AGM, together with

other members of the Board who attended the 2024 AGM, was of sufficient caliber for answering questions at the 2024 AGM.

Vision and Values

The Company instils a corporate culture across the Group based on its commitment to quality, integrity, innovation, passion, caring and teamwork. The Board plays a leading role in defining the vision, setting strategy in alignment with these core values for sustainability and continuous development of the Group.

Our Vision

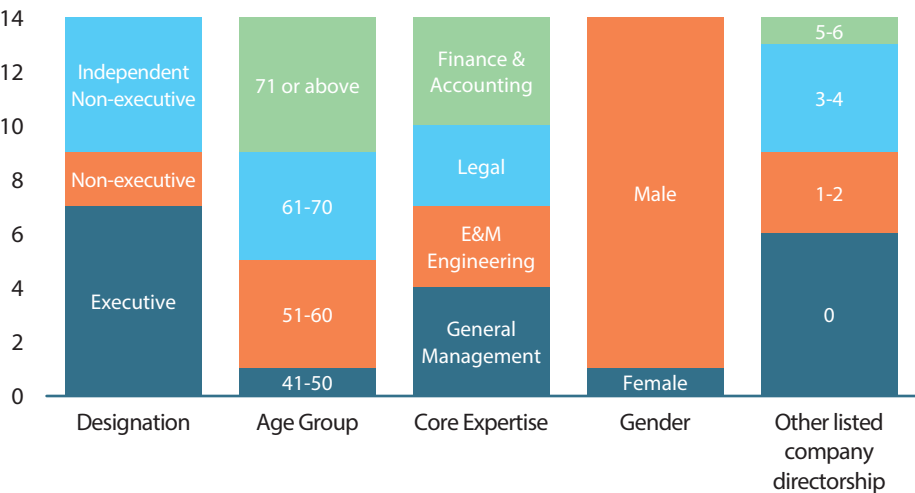
**Better Life, Better Home,
Better Quality to You Everyday**

Board of Directors

Composition and responsibilities

The Board currently comprises 14 Directors, including 2 Non-executive Directors, 7 Executive Directors and 5 Independent Non-executive Directors. An analysis of the current Board composition is set out in the following chart:

No. of Directors



The names, biographical details and relationship amongst them, if any, are set out on pages 24 to 39 in the section “Board of Directors and Senior Management”.

While the Board is collectively responsible for the management and operations of the Company, the Chairmen of the Board provide leadership to the Board in carrying out its duties. The Executive Directors, together with the senior management of the Company, are delegated with responsibilities in the day-to-day management of the Company and make operational and business decisions.

Diversity policy

The Board has adopted a Board diversity policy which recognises and embraces the benefits of a Board that possess a balance of skills, knowledge, professional experience, expertise and diversity of perspectives appropriate to the requirement of the businesses of the Group. In ensuring diversity of the Board, gender, age, cultural and educational background will also be taken into account. All Board appointments are based on meritocracy and considered with due regard for the benefits of diversity on the Board.

Our Board members are from different educational backgrounds, comprising business executives, finance and accounting professionals, legal professionals and engineering experts.

The Nomination Committee and the Board recognise the importance and benefits of gender diversity at the Board level. Female representation of the Board now accounts for approximately 7%.

The Board also places emphasis on diversity across all levels of the Group and has adopted a workforce diversity policy. We are committed to fostering an inclusive working environment for people from diverse backgrounds including their age, gender or gender reassignment, sex or sexual orientation, ethnic origin or nationality, marital or family status and disability. The gender diversity of the overall workforce of the Group is balanced, with a slightly higher number of female employees. Female representation at the senior management level has improved from 7% in FY2024 to 20% as at 26 September 2025. The Board will periodically monitor the gender composition of the Board and workforce and set targets and measurable objectives if and as needed based on the Group’s business needs and development plans. The Company will continue to take gender diversity into consideration during recruitment such that there is a pipeline of female senior management and potential successors to the Board in the future. Further details on the gender ratio of the Group can be found in the Environmental, Social and Governance (“ESG”) Report for FY2025 of the Group published together with this annual report.

Nomination policy

A nomination policy (the “Nomination Policy”) for documenting the current procedures and practices for the nomination of Directors was approved by the Board in December 2018, which is applicable to both new appointments and re-appointments of Directors.

Corporate Governance Report

In accordance with the Nomination Policy, the procedures and process in respect of the nomination of Directors are summarised below:

1. The Nomination Committee shall invite nomination of candidates from the members of the Board, if any, for its consideration. The Nomination Committee may also put forward candidates who are not proposed by members of the Board.
2. For filling a casual vacancy or appointing an additional member to the Board, the Nomination Committee shall make recommendations for the Board's consideration and approval.
3. For proposing candidates to stand for election or re-election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation to shareholders of the Company.
4. Shareholders of the Company may also propose candidate for election as a Director at a general meeting in accordance with the procedures posted on the Company's website.

The following factors would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate:

- reputation for integrity;
- qualifications, skills and experience that are relevant to the business of the Group;
- commitment in respect of available time to carry out duties as a director;
- independence in character and judgement to act in the best interest of all shareholders of the Company;
- contribution to the Company's Board diversity policy; and
- any other perspectives that meet the current and anticipated needs of the Board.

In case of nominating the candidate for appointment/ re-appointment as an Independent Non-executive Director, in addition to the above selection criteria, the independence of the candidate would be assessed with reference to the independence criteria as set out in the Listing Rules.

Corporate governance functions

The Board is collectively responsible for performing the corporate governance duties which have been formalised into written terms of reference approved by the Board, including but not limited to developing, reviewing and monitoring the Group's policies, systems and practices in relation to its corporate governance and compliance with the relevant legal and regulatory requirements. The Board has reviewed the disclosures in this Corporate Governance Report.

Independent views to the Board

The Company has established mechanisms to ensure independent views are available to the Board, a summary of which is set out below:

(i) Composition

The Board ensures the appointment of at least one-third of its members being Independent Non-executive Directors. Further, Independent Non-executive Directors will be appointed to Board Committees as far as practicable to ensure independent views are available.

(ii) Board decision making

Directors (including Independent Non-executive Directors) are entitled to seek further information from management on the matters to be discussed at Board and Board committee meetings and independent advice from external professional advisers at the Company's expense.

(iii) The Group maintains a culture of open discussions across multiple management levels. Directors and senior management are encouraged to express their own views.

Directors' continuous professional development

Directors are encouraged to participate in continuous professional development. A record of participation in various professional development programs provided by each Director is kept by the Legal and Company Secretarial Department. Based on the details so provided, a summary of training received by the Directors for the Year is set out as follows:

	Giving talks or attending seminars/conferences/forums	Reading journals and updates on relevant rules and regulations and the Company's industry
Non-executive Directors		
Dr. Cheng Kar Shun, Henry (<i>Chairman</i>)	✓	✓
Mr. Poon Lock Kee, Rocky	✓	✓
Executive Directors		
Mr. Doo Wai Hoi, William (<i>Chairman</i>)	✓	✓
Mr. Lam Wai Hon, Patrick (<i>Executive Vice-Chairman & Chief Executive Officer</i>)	✓	✓
Mr. Doo William Junior Guilherme	✓	✓
Mr. Lee Kwok Bong	✓	✓
Mr. Soon Kweong Wah	✓	✓
Dr. Cheng Chun Fai	✓	✓
Mr. Chan Ju Wai ⁽¹⁾	✓	✓
Mr. Wong Shu Hung ⁽²⁾	✓	✓
Independent Non-executive Directors		
Mr. Kwong Che Keung, Gordon	✓	✓
Mr. Hui Chiu Chung, Stephen	✓	✓
Mr. Lee Kwan Hung, Eddie	✓	✓
Dr. Tong Yuk Lun, Paul	–	✓
Ms. Leung Wan Chong Christine	✓	✓

Notes:

(1) Appointed on 1 April 2025.

(2) Resigned on 1 April 2025.

Mr. Chan Ju Wai, who was appointed as an Executive Director on 1 April 2025, has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 11 March 2025. Mr. Chan has confirmed that he understood his obligations as a Director.

Board performance

To provide opportunities for improvement to the Board's effectiveness, the Board conducted a self-

assessment evaluation in December 2024 by way of inviting Directors to complete a questionnaire on an anonymous basis. The findings and recommendations from the evaluation were presented to the Board. Based on the overall positive responses from the evaluation, the Board considered that the Board performed effectively.

Corporate Governance Report

Roles of Chairmen, Vice-Chairman and Chief Executive Officer

Dr. Cheng Kar Shun, Henry and Mr. Doo Wai Hoi, William, Chairmen of the Board, jointly lead the Board and ensure that the Board works effectively. Mr. Lam Wai Hon, Patrick, the Executive Vice-Chairman and Chief Executive Officer, manage the Company's day-to-day businesses and implement major strategies and policies of the Company. The positions of the Chairmen and the Chief Executive Officer are held by separate individuals so as to maintain an effective segregation of duties.

Non-Executive Directors

Non-executive Directors (including Independent Non-executive Directors) serve the relevant function of bringing independent views and judgement for the Board's deliberation and decisions. They have the same duties of care and skill and fiduciary duties as the Executive Directors. Each Non-executive Director has signed a letter of appointment with the Company for a fixed term of one year, except for Mr. Poon Lock Kee, Rocky whose appointment is for a fixed term of 18 months, subject to retirement by rotation in accordance with the Company's articles of association.

Board Committees

The Board is supported by various Board committees, including the Executive Committee, the Audit Committee, the Risk Management Committee, the Remuneration Committee, the Nomination Committee and the ESG Committee. Each Board committee is provided with sufficient resources to discharge its duties in accordance with its terms of reference adopted by the Board. Other Board committees are established by the Board as and when necessary to take charge of specific tasks.

Executive Committee

The Board has delegated to the Executive Committee, comprising all Executive Directors, with authority and responsibility in handling the day-to-day businesses of the Company, while reserving the authority for the Board to approve, amongst other matters, the Company's long-term objectives, changes in capital structure, interim and annual financial statements, dividend policy, and significant operational matters. The Executive Committee meets regularly as and when necessary.

Audit Committee

The Audit Committee was established in November 2015. It currently comprises four Independent Non-executive Directors, namely, Mr. Kwong Che Keung, Gordon (as Chairman), Mr. Hui Chiu Chung, Stephen, Mr. Lee Kwan Hung, Eddie and Ms. Leung Wan Chong Christine.

The Audit Committee is responsible for the review of the Company's financial information, financial reporting system, risk management and internal control systems. The Audit Committee also oversees the Company's relationship with the external auditors and makes recommendations to the Board on the appointment and reappointment of external auditor.

During the Year, the Audit Committee held two meetings and reviewed, amongst other matters, the Company's audit plans, internal control procedure, financial reporting system, continuing connected transactions, risk management policy and the adequacy of resources, qualifications and experience of staff in the Group's accounting, financial reporting and internal audit functions. The Audit Committee also

reviewed the interim results for the six months ended 31 December 2024 and the annual results for the Year and submitted recommendations to the Board for its approval, and discussed the Reports to the Audit Committee prepared by external auditor relating to accounting issues and major findings in the course of review and audit.

Risk Management Committee

The Risk Management Committee (the “RMC”) was established in February 2016 under the supervision of the Audit Committee. The RMC comprises representatives from the divisional and functional management including operations, human resources, finance and other supporting departments and is chaired by Mr. Lee Kwok Bong, an Executive Director. The RMC reports to the Audit Committee which supports the Board by monitoring and guiding the activities of the risk management and internal control systems.

During the Year, the RMC held four meetings to regularly review, assess and monitor all major risks identified in different departments and the effectiveness of the Company’s internal control functions. Further details of the work done by the RMC are set out in the paragraphs headed “Risk Management and Internal Controls” below.

Remuneration Committee

The Remuneration Committee was established in November 2015. It currently comprises three Independent Non-executive Directors and two Executive Directors, namely, Mr. Hui Chiu Chung, Stephen (as Chairman), Mr. Lee Kwan Hung, Eddie, Dr. Tong Yuk Lun, Paul, Mr. Lam Wai Hon, Patrick and Mr. Doo William Junior Guilherme.

The Remuneration Committee is responsible for making recommendations to the Board on the Company’s policy and structure for the remuneration of all Directors and senior management, and on the establishment of a formal and transparent procedure for developing such policy. Prior to making its recommendations, the Remuneration Committee consults the Chairmen and/or the Executive Vice-Chairman and Chief Executive Officer of the Board. Whilst the Board retains its power to determine the remuneration of Non-executive Directors, the responsibility for reviewing and determining the remuneration packages of individual Executive Directors and senior management of the Group is delegated to the Remuneration Committee. The remuneration of the Directors is determined by the Remuneration Committee with reference to the qualifications, experience, duties, responsibilities, performance of the Directors and the results of the Group.

During the Year, the Remuneration Committee held two meetings and reviewed the Company’s remuneration policy and structure, including that for the Directors and senior management of the Company. The Remuneration Committee also reviewed and approved the yearly salary adjustments effective 1 January 2025 and the bonus payment for FY2024.

Nomination Committee

The Nomination Committee was established in November 2015. It currently comprises four Independent Non-executive Directors and two Executive Directors, namely, Mr. Lee Kwan Hung, Eddie (as Chairman), Mr. Hui Chiu Chung, Stephen, Dr. Tong Yuk Lun, Paul, Ms. Leung Wan Chong Christine, Mr. Lam Wai Hon, Patrick and Mr. Doo William Junior Guilherme.

Corporate Governance Report

The Nomination Committee is responsible for reviewing the structure, size, composition and diversity of the Board regularly and makes recommendations on any proposed changes to the Board to complement the Company's corporate strategy. Its duties include but are not limited to identifying individuals suitably qualified to become members of the Board, maintaining a level of diversity of the Board based on its diversity policy to ensure it possesses a balance of skills, knowledge, professional experience, expertise, objectivity and perspectives appropriate to the requirement of the business of the Group, monitoring the succession planning of Directors and assessing the independence of Independent Non-executive Directors.

During the Year, the Nomination Committee held two meetings. A summary of work done is as follows:

- reviewed the structure, size, composition of the Board with due consideration to the appropriate balance of skill and experience required by the Company;
- reviewed the Board diversity policy and the Nomination Policy of the Company;
- assessed the independence of all Independent Non-executive Directors and considered all of them to be independent having regard to (i) their annual confirmation on independence as required under the Listing Rules; (ii) the absence of involvement in the daily management of the Company; and (iii) the absence of any relationships or circumstances which would interfere with the exercise of their independent judgment;

- recommended to the Board the nomination of Mr. Doo Wai Hoi, William, Mr. Lee Kwok Bong, Mr. Soon Kweong Wah, Mr. Kwong Che Keung, Gordon, Mr. Hui Chiu Chung, Stephen and Ms. Leung Wan Chong Christine for reappointment as Directors by the shareholders of the Company at the 2024 AGM; and
- reviewed and recommended to the Board new appointments to the Board and Board committees including (i) the appointment of Mr. Chan Ju Wai as an Executive Director; and (ii) the appointment of Ms. Leung Wan Chong Christine as a member of the Nomination Committee.

ESG Committee

The ESG Committee was established in December 2020. It currently comprises three Executive Directors and two Independent Non-executive Directors, namely, Dr. Cheng Chun Fai (as Chairman), Mr. Lee Kwok Bong, Mr. Soon Kweong Wah, Dr. Tong Yuk Lun, Paul and Ms. Leung Wan Chong Christine.

The ESG Committee is responsible for the oversight of the Group's sustainability and ESG issues. It formulates the Group's sustainability strategies, priorities and policies, and advises the Board on the adoption, progress and achievement of sustainability targets and measures.

During the Year, the ESG Committee held two meetings to discuss, review and monitor the preparation of the ESG Report for FY2025 and other ESG-related matters. It also discussed and decided the KPIs and target settings for ESG for FY2026.

Attendance of meetings

The attendance records of the Directors at Board meetings, committee meetings and general meetings of the Company during the Year are as follows:

	Number of meetings attended / eligible to attended							
	Board Meeting	Executive Committee Meeting	Audit Committee Meeting	Risk Management Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	ESG Committee Meeting	General Meeting
Non-executive Directors								
Dr. Cheng Kar Shun, Henry	0/4 ⁽ⁱ⁾	–	–	–	–	–	–	0/1 ⁽ⁱ⁾
Alternate Director								
Mr. Lam Wai Hon, Patrick	4/4 ⁽ⁱ⁾	–	–	–	–	–	–	1/1 ⁽ⁱ⁾
	4/4 ⁽ⁱ⁾	–	–	–	–	–	–	1/1 ⁽ⁱ⁾
Mr. Poon Lock Kee, Rocky	3/4	–	–	–	–	–	–	0/1
Executive Directors								
Mr. Doo Wai Hoi, William	4/4	5/5	–	–	–	–	–	0/1
Mr. Lam Wai Hon, Patrick	4/4	5/5	–	–	2/2	2/2	–	1/1
Mr. Doo William Junior Guilherme	4/4	5/5	–	–	2/2	2/2	–	1/1
Mr. Lee Kwok Bong	4/4	5/5	–	4/4	–	–	2/2	1/1
Mr. Soon Kweong Wah	4/4	5/5	–	3/4	–	–	2/2	1/1
Dr. Cheng Chun Fai	3/4	5/5	–	–	–	–	2/2	1/1
Mr. Chan Ju Wai ⁽ⁱⁱ⁾	1/1	1/1	–	–	–	–	–	–
Mr. Wong Shu Hung ⁽ⁱⁱⁱ⁾	3/3	4/4	–	–	–	–	–	1/1
Independent Non-executive Directors								
Mr. Kwong Che Keung, Gordon	4/4	–	2/2	–	–	–	–	1/1
Mr. Hui Chiu Chung, Stephen	4/4	–	2/2	–	2/2	2/2	–	1/1
Mr. Lee Kwan Hung, Eddie	3/4	–	2/2	–	2/2	2/2	–	1/1
Dr. Tong Yuk Lun, Paul	4/4	–	–	–	2/2	1/2	2/2	0/1
Ms. Leung Wan Chong Christine	4/4	–	2/2	–	–	–	2/2	1/1

Notes:

(i) Mr. Lam Wai Hon, Patrick, alternate Director to Dr. Cheng Kar Shun, Henry, attended all the board meetings and general meetings at which Dr. Cheng was not available.

(ii) Mr. Chan Ju Wai was appointed as Executive Director and became a member of the Executive Committee with effect from 1 April 2025.

(iii) Mr. Wong Shu Hung resigned as Executive Director and ceased as a member of the Executive Committee with effect from 1 April 2025.

Directors' Securities Transactions

The Company has adopted its own Securities Dealing Code, with terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules, as the code for

dealing in securities of the Company by its directors (the "Directors"). All Directors confirmed, following specific enquiry by the Company, that they had complied with the required standard set out in the Securities Dealing Code adopted by the Company throughout the Year.

Corporate Governance Report

Auditor's Remuneration

During the Year, the total fees paid/payable in respect of audit and non-audit services provided by the Group's external auditor is set out below:

Type of services	Fees paid/payable for the year ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Audit services	5,507	5,427
Non-audit services*	1,830	2,195
Total	7,337	7,622

* Non-audit services include tax advisory and other related services

Directors' Responsibility for the Financial Statements

The Directors acknowledge their responsibility for presenting a balanced, clear and understandable financial statements and other disclosures in respect of each financial period of the Company required under the Listing Rules and other regulatory requirements.

The following statement, which should be read in conjunction with the independent auditor's report, is made with a view to distinguishing for shareholders how the responsibilities of the Directors differ from those of the external auditor in relation to the financial statements.

Annual report and financial statements

The Directors are responsible for the preparation of financial statements, which give a true and fair view of the state of affairs of the Group at the end of the financial year and of the profit or loss for the financial year. The Directors have prepared the financial statements in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.

Accounting policies

The Directors consider that in preparing the financial statements, the Company has used appropriate accounting policies, which have been consistently applied and supported by reasonable and prudent judgements and estimates, and that all applicable accounting standards have been followed.

Accounting records

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the requirements of the Hong Kong Companies Ordinance and the Listing Rules.

Safeguarding assets

The Board is responsible for safeguarding the assets of the Company and for taking reasonable steps for preventing and detecting fraud and other irregularities.

Going concern

After making appropriate enquiries and examining major areas which could give rise to significant financial exposures, the Board is satisfied that no material or significant exposures exist, other than as reflected in this annual report. The Board therefore has a reasonable expectation that the Company has adequate resources to continue in operational

existence in the foreseeable future. For this reason, the Board continues to adopt the going concern basis in preparing the financial statements.

The reporting responsibilities of PricewaterhouseCoopers, the Company's external auditor, are stated in the Independent Auditor's Report on pages 117 to 121 of this annual report.

Risk Management and Internal Control

Risk management policy

The Board has overall responsibility for the maintenance of sound risk management and internal control systems within the Group and reviewing their effectiveness.

The Board has entrusted the Audit Committee with the responsibility to review the risk management and internal control systems of the Group, which include financial, operational and compliance controls. Procedures have been set up for, inter alia, safeguarding assets against unauthorised use or disposition, controlling capital expenditure, maintaining proper accounting records and ensuring the reliability of financial information used for business and publications. Management throughout the Group maintains and monitors the risk management and internal control systems on an ongoing basis.

The Board conducts reviews of the Group's risk management and internal control systems semi-annually. During the Year, the review covered the aspects of financial, operational and compliance controls, and assessed the effectiveness of such systems by considering the work performed by the Audit Committee, executive management, external and internal auditors. The Board was satisfied that the Group's risk management and internal control systems are effective and adequate for their purposes.

A whistleblowing policy has also been adopted by the Board and is implemented in the Company's website and the intranet, which allows the Group's staff

members and related third parties to raise concerns, in confidence, about misconduct, malpractices or irregularities in any matters related to the Group.

Risk management objectives

The Group aims to ensure that risks are controlled within the overall objectives corresponding to the Group's risk tolerance levels. Effective risk management ascertains that proper compliance of relevant laws and regulations and that significant measures for achieving the operating objectives are consistently applied.

Through a risk management process, both internally and externally, effective communication between the Group and the shareholders, and the preparation of true and reliable financial statements can be achieved.

Risk management culture

The Group emphasises the building of company culture around risk awareness, enhancing the staff's quality of risk management so as to ensure the realisation of the Group's risk management objectives.

Building of risk management culture is integrated into the whole process of building of company culture. The idea is to vigorously foster and create the risk management culture, establish a proper concept of risk management, transform the risk management awareness into a common understanding and self-conscious action, and promote the Group to formulate a systematic, standardised and efficient risk management mechanism.

The Group has created a risk management culture at all levels within the company. The Board pays great attention to fostering risk management culture whilst the Chairman of the Risk Management Committee is responsible for the daily work of fostering risk management culture. Directors and senior management play a leading role, while managerial personnel and operational staff form the backbone in fostering the risk management culture.

Corporate Governance Report

Risk appetite

The Group faces a broad range of risks resulting from its capabilities as an integrated services provider. The Group recognises that it is not possible or necessarily desirable to eliminate all the risk inherent in its activities and hence it only makes resources available to control risks to acceptable levels. The Group's risk appetite represents an appropriate balance of return and the risk assumed.

The risk appetite is disseminated to different levels of staff through the Group's Risk Management Manual and regular Risk Management Committee meetings.

The Board reviews the risk appetite periodically to ensure alignment with the Group's business objectives and strategic plans.

Risk management structure and responsibilities

The Board is accountable to the shareholders for the effectiveness of risk management. It has assumed the role of leadership and control and is collectively responsible for directing and supervising the Group's affairs and risk management culture. Therefore, it must ensure the effectiveness of implementing the risk management policy through the Audit Committee.

The Audit Committee is accountable to the Board on the effectiveness of risk management. It shall report semi-annually on the effectiveness of the Group's risk management to the Board through continuous monitoring by the Risk Management Committee and reviews by the internal audit function.

Major responsibilities of the Audit Committee are to establish formal and transparent arrangements and consider how it will apply the risk management principles. They shall consider the overall objectives, risk appetite, risk tolerance and risk management policy/strategies, and the significant risk management solutions for Board approval.

Chaired by Mr. Lee Kwok Bong, an Executive Director, the Risk Management Committee was established to report to the Audit Committee on the design, implementation, and monitoring of the comprehensive risk management systems.

The Risk Management Committee is responsible for developing the strategic risk policies, risk appetite and risk tolerance level and to ensure an appropriate risk management plan is well developed and timely approved by the Board. It will consider the risk management strategies and significant risk management solutions by maintaining effective processes for risk identification, impact evaluation and solution planning.

Internal audit

The internal audit function, which is fully independent of the daily operations of the Group, is carried out by the Company's Internal Audit Department, the head in charge of which reports directly to the Audit Committee and is provided with unrestricted access to all information on the Group's assets, records, and personnel during the audit. All Directors are informed of the findings of internal audit assignments.

During the Year, the Internal Audit Department carried out analysis and independent appraisal of the adequacy and effectiveness of the risk management and internal control systems of the Group though, among others, examination of risk-related documentation, conducting interviews with employees as well as internal control self-assessment questionnaires. It has also conducted a special audit on individual operation units.

The head in charge of the Internal Audit Department attended all Audit Committee meetings to explain the internal audit findings, respond to queries from members of the Audit Committee and report the follow-up actions.

Three lines of defense

Business line Management	Risk Management	Internal Audit
1 st line of defence	2 nd line of defence	3 rd line of defence
Business line management are primarily responsible for managing its own process	Risk Management function is responsible for setting Enterprise Risk Management frameworks	Internal Audit provides assurance about design and effectiveness of 1 st and 2 nd line
Responsible for identifying and controlling risks by using business control frameworks, implement internal processes and adequate controls	Independent reporting to management board and audit committee	Reporting line to management and audit committee
	Advisor/consultant to 1 st line	Advisory role to improve processes

Risk management process

A formal risk management policy has been put in place to ensure the regular identification, evaluation and management of the risks faced by the Group. Chaired by one of the Executive Directors, the Risk Management Committee takes the lead in the effective implementation of the risk management policy by all divisions and business units of the Group. Risk assessment and evaluation are an integral part of the annual planning process. Each division/business unit of the Group is to set its strategic objectives, identify specific risks and assess the effectiveness of its risk management actions and internal control measures to help ensure that the risks it faces are addressed by the controls that have been or will be implemented.

The Group emphasises the building of company culture around risk awareness. Workshops are organised for management staff to ensure proper appreciation, implementation and evaluation of risk management and corporate governance requirements.



Corporate Governance Report

The Group's risk management framework seeks to ensure that there is an effective process in place to manage risk across the Group. Risk management is integral to all aspects of the Group's activities and is the responsibility of all staff members.

Department heads and project leaders have a particular responsibility to evaluate their risk environment faced by their daily operations. They need to update the risk register and report to the RMC for the risks identified. Action plans to control the risks to an acceptable level will be developed and results will be monitored and reported to the RMC and the Board regularly.

Through the above process, the Board has maintained an effective risk management system which enables the Group to respond to significant risks in attaining its strategic objectives.

Risk assessment

The Group shall conduct risk assessment on the initial information, the Group's various operation management and significant operating processes. Risk assessment includes three steps: risk identification, risk analysis and risk evaluation.

Risk identification

It is the process of finding whether there are any risks and what are the risks in the various business units, operating activities, and significant operations of the Group.

Risk analysis

It is to analyse and describe the significance (or impact) of the identified risks and level of risk likelihood. The process includes analysis of the relationship between the risks in order to find out the combinations of positive and negative correlation effects between the natural hedging of each risk and the occurrence of risk events, and hence centrally manage the risks from the risk strategies.

Risk impact and risk likelihood

Risk impact is the measurement unit of the potential value (financial or non-financial) of occurrence of a risk event. Risk likelihood is the measurement unit of the probability of occurrence of the risk event. The Group regularly reviews the risk impacts and risk likelihood of the various risk factors affecting its operations and devise corresponding mitigation measures.

Risk factors

The Group's business, financial condition and results of operations are subject to several risks. The major risk factors set out below are those that could affect the Group's business, financial condition and results of operations materially different from expectations or historical results. Any of the following major risks, as well as other risks and uncertainties that are not yet identified or risks that are currently considered as immaterial, may materially and adversely affect the Group in the future.

During the Year, the Group noted an increasing risk trend in three areas: (i) business counterparties; (ii) cybersecurity and data protection; and (iii) climate change and extreme weather. Details of the Group's business/strategic risks, including these three areas, are set out below.

Business/strategic risks

Risk Description	Risk Trend	Mitigation Measures
Macro-economy Construction and property markets in Hong Kong, Macau and Mainland China are significantly slowing down. The rise of trade protectionism, volatility in property markets, and ongoing US-China trade relations create an increasingly uncertain economic outlook.	Unchanged	- Evaluate potential impacts by analysing the financial performance of the Group's businesses and monitoring business and economic data continuously. - Identify new business opportunities in local and regional markets to diversify macro-economic risk.
Labour and staff shortage The Group is facing severe labour and staff shortage in its different businesses. This may affect the Group's ability to maintain a stable workforce to complete projects and deliver good service quality. Its financial performance may also be affected as a result.	Unchanged	- Review existing remuneration package and compare with industry benchmarks regularly. - Collaborate with academic institutions for trainee programmes. - Hire import labour through the Labor Importation Scheme introduced by the HKSAR. - Deploy part time and casual labour and maintain good relationship with labour subcontractors to ensure sufficient supply of qualified and skilled labour. - Organise talent development programmes for different levels of staff to foster employee growth and career development as an important retention strategy.
Business counterparties When entering into business relationships, the Group becomes exposed to various types of counterparty risks which can arise from different sources. These risks include the credit risk of customers and main contractors, performance risk of subcontractors, legal and compliance risks of any business partners.	Increasing	- Perform comprehensive legal and financial checks for business counterparties. - Maintain good relationship with a wide range of main contractors, subcontractors and suppliers to avoid overdependence on one or several business counterparties.

Legal and compliance risks

Risk Description	Risk Trend	Mitigation Measures
Government policies Changes in government and regulatory bodies' policies and intervention, laws and regulations, may cause business disruption.	Unchanged	- Monitor closely the changes in applicable laws and regulations, including ESG-related regulations, and evaluate their impacts to the Group's operations. - Integrate changes into relevant policies and procedures, operating and internal control systems to ensure compliance. - Provide updates and training to staff for their awareness and understanding of the new regulations.

Corporate Governance Report

Operational risks

Risk Description	Risk Trend	Mitigation Measures
Safety and personal injuries The Group's businesses have operations involving safety risks such as working at height, operation of machinery, electrical systems and appliances, lifting of heavy objects, etc. Failure to implement proper safety measures may result in personal injuries or even fatality.	Unchanged	- Enhance safety training and supervision of site workers including subcontractors' workers. - Improve safety facilities and personal protection equipment for frontline staff. - Set-up Group-wide safety task force to promote safety culture and monitor implementation of safety assurance plans and perform analysis and evaluation of accident cases.
Contract renewal and tender The Group's businesses are subject to the risk associated with tendering process. There is no assurance that the Group will successfully secure new contracts in favourable terms during the tendering process.	Unchanged	- Strive for operational efficiency including the adoption of technology to increase competition edge. - Collaborate with business partners strategically to bid for major tenders. - Analyse market trends, competitors' strengths and weaknesses and our won performance data to formulate tender strategies.
Cybersecurity and data protection With the increased application of Information Technology ("IT") in the Group's businesses, the threats to IT systems including cyber-attacks are imminent and present a real challenge to the Group's business operations, as well as the risk of leakage or loss of sensitive information.	Increasing	- Strengthen IT infrastructure by enhancing authorization and authentication mechanisms. - Provide periodic training to staff to increase their cyber security awareness. - Employ specialists to assess cyber security vulnerabilities and controls. - Purchase cyber security insurance to cover losses due to business interruption and data loss.
Climate change and extreme weather One of the most visible consequences of global warming is an increase in the intensity and frequency of extreme weather events. These changes will impact on the Group's operation, resulting in business disruptions and elevated risks to work site safety. In addition, new requirements for ESG compliance are evolving.	Increasing	- Plan for scenario analysis related to physical and transition risk assessment. - Develop a long term strategic plan to deal with climate-related risks and opportunities at corporate level. - Conduct an ongoing review via Risk Management and ESG governance frameworks.

Risk analysis by business segment

Property & Facility Management and City Essential Services		
Risk Description	Risk Trend	Mitigation Measures
Debarment from tendering government contracts A significant portion of the Group's property management and cleaning service businesses rely on the government's non-skilled worker contracts. Any conviction of offence by a contractor under certain ordinances, relating to Occupational Safety, Employee's Compensation, Immigration and Mandatory Provident Funds, will be debarred from tendering those government contracts for a maximum of five years. Due to the work nature and large volume of workers employed by the two service segments, it is relatively easy to commit occupational safety offences most of the time by unintentional mistakes.	Unchanged	- Establish a comprehensive Occupational Safety and Health Management System complying with ISO 45001 and job risk assessment systems. - Provide sufficient briefing/training to frontline workers in respect of work instructions. - Increase site checking and audits. - Maintain proper site records and incident reports for management follow up. - Devise contingency plan in the event of debarment.

E&M Services		
Risk Description	Risk Trend	Mitigation Measures
Delay and latent defects The Group's E&M business involves working in uncertain site conditions, such as ground conditions, confined spaces and adverse weather. The Group is also responsible for material and labour quality. Any delays due to site conditions, late material delivery or poor installation quality may result in additional costs to the Group. In addition, the Group remains liable for latent defects for years and bears the associated costs despite the projects had been completed and occupied.	Unchanged	- Closely monitor construction programme and communicate with main contractors to avoid any potential liabilities due to delays. - Keep proper site records and incident reports.
Material price fluctuation The Group's E&M business is required to procure a vast amount of building materials for its works. These building materials are subject to high volatility in price of raw materials, particularly steel and copper.	Unchanged	Procure materials on time when contracts are secured to reduce the risk of price fluctuation.

Corporate Governance Report

Company Secretary

The company secretary of the Company is an Executive Director and the Chief Financial Officer of the Group. He has confirmed that he had taken no less than 15 hours of relevant professional training during the Year.

Shareholder and Investor Relations

The Board established a shareholders' communication policy setting out the principles with the objectives of ensuring that shareholders of the Company and the investing public are provided with ready, equal and timely access to balanced and understandable information of the Group.

Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars published in accordance with the Listing Rules. Such published documents and latest corporate news are available on the Company's website. Besides, information requests and/or enquiries from shareholders (through the channels as set out in the section below) are welcome and have always been timely responded.

The 2024 AGM held during the Year provided a forum for the Board members to communicate directly with shareholders which also provided shareholders an opportunity to share their views on the Company's performance and operations.

The Company has also maintained an ongoing active dialogue with institutional shareholders. The Executive Directors and senior management of the Group are closely involved in promoting investor relations. Meetings and briefings with financial analysts and investors are conducted by the Executive Directors and senior management of the Group.

Having considered the multiple channels of communication in place, the Board is satisfied that the shareholders' communication policy has been properly implemented and is effective.

A Manual on Disclosure of Inside Information is in place giving guidance on the managing, protection and proper disclosure of information that has not already been made public. The Directors adhere strictly to the statutory requirement for their responsibilities of keeping information confidential.

Shareholders' Rights

Procedures for shareholders to convene an extraordinary general meeting

The following procedures for shareholders of the Company to convene a general meeting (the "EGM") other than an annual general meeting of the Company are subject to the Company's articles of association, the Companies Act (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and applicable legislation and regulation:

- (1) One or more shareholders (the "Requisitionist(s)") holding, at the date of deposit of the requisition (the "Requisition"), not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings of the Company, shall have the right, by written notice, to require an EGM to be called by the Directors for the transaction of any business specified in such Requisition.
- (2) The Requisition must state the general nature of the business to be dealt with at the EGM and may include the text of a resolution that may properly be moved and is intended to be moved at the EGM.

- (3) The Requisition may consist of several documents in like form which may be sent to the Board or the company secretary of the Company in hard copy form or in electronic form (and must be authenticated by the Requisitionist(s)) at the Company's head office in Hong Kong or through email at enquiry@fse.com.hk.
- (4) The Directors must call the EGM within 21 days after the date of the deposit of the Requisition and the EGM must be held within two months after the date of the deposit of the Requisition.
- (5) If the Directors are required under paragraph (1) above to call an EGM and fail to do so pursuant to paragraph (4), the Requisitionist(s) may themselves call the EGM. Any reasonable expenses incurred by the Requisitionist(s) by reason of the failure of the Directors duly to call the EGM must be reimbursed by the Company.

Procedures for raising enquiries

Shareholders should direct their questions about their shareholdings, share transfer, registration and payment of dividend to Tricor Investor Services Limited, the Company's branch share registrar and transfer office in Hong Kong, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or through email at is-enquiries@vistra.com.

Shareholders may at any time raise any enquiry in respect of the Company at the Company's head office in Hong Kong or through email at enquiry@fse.com.hk.

Procedures for putting forward proposals at shareholders' meetings

To put forward proposals at a general meeting of the Company, a shareholder should lodge a written notice of his/her/its proposal (the "Proposal") with his/her/its detailed contact information at the Company's head office in Hong Kong.

The request will be verified with the Company's branch share registrar and transfer office in Hong Kong and upon their confirmation that the request is proper and in order, the Board will determine in its discretion whether to include the Proposal in the agenda for the Company's general meeting.

Amendment to the Company's Constitutional Documents

During the Year and up to the date of this annual report, the Company has not made any changes to its constitutional documents. An up-to-date version of the memorandum and articles of association of the Company is available on both the websites of the Company and the Stock Exchange.

Management Discussion and Analysis



Business Review

In FY2025, the Group recorded revenue amounting to HK\$8,159.9 million, representing a decrease of HK\$288.0 million or 3.4%, as compared with HK\$8,447.9 million in FY2024. Profit attributable to shareholders for the year was HK\$453.2 million, representing a decrease of HK\$47.9 million or 9.6% as compared with HK\$501.1 million in FY2024, mainly resulted from a decrease in government grants and lower contribution from the E&M services segment, partly offset by the effect of the strong performance of the city essential services segment (namely the systems security, guarding & event services, cleaning & pest control, technical support & maintenance and insurance solutions businesses) and the property & facility management services segment. Details of the government grants recognised by the Group are set out in Note 6 to the consolidated financial statements and summarised in the table below.

Summary of government grants

For the year ended 30 June	2025 HK\$'M	2024 HK\$'M
Recognised as deduction of staff costs included in "Cost of services and sales"	1.6	9.5
Recognised as deduction of staff costs included in "General and administrative expenses"	–	1.1
Recognised as "Other income"	–	15.2
Total	1.6	25.8

Results excluding non-recurring items

To better illustrate the Group's financial results for both years, if excluding the effects of government grants (2025: HK\$1.6 million; 2024: HK\$25.8 million) in the Group's profit attributable to shareholders of the Company (2025: HK\$453.2 million; 2024: HK\$501.1 million), the Group would record a decrease in adjusted net profit for the Year of 5.0% to HK\$451.6 million as compared to its adjusted net profit for last year of HK\$475.3 million.

Tenders submitted and contracts awarded

For the year ended 30 June 2025	Tenders submitted ⁽ⁱ⁾ HK\$'M	Contracts awarded ⁽ⁱ⁾⁽ⁱⁱ⁾ HK\$'M
Property & facility management services	4,030	1,299
City essential services		
– Cleaning & pest control services	9,651	1,882
– Insurance solutions	68	32
– Technical support & maintenance services	6,474	733
– Environmental solutions	896	228
– Systems security, guarding & event services	1,070	528
City essential services subtotal	18,159	3,403
E&M services	23,549	2,622
Total	45,738	7,324

Notes:

(i) With net contract sum not less than HK\$1 million for each contract.

(ii) Combining the submitted tenders from the previous months.

Gross value of contract sum and outstanding contract sum

As at 30 June 2025	Gross value of contract sum HK\$'M	Outstanding contract sum HK\$'M
Property & facility management services	2,226	1,784
City essential services		
– Cleaning & pest control services	6,679	3,216
– Insurance solutions	167	51
– Technical support & maintenance services	2,515	1,463
– Environmental solutions	706	427
– Systems security, guarding & event services	1,906	1,166
City essential services subtotal	11,973	6,323
E&M services	10,029	6,425
Total	24,228	14,532

CUSTOMERS' MESSAGES



The Masterpiece, Tsim Sha Tsui

A tenant from The Masterpiece expresses gratitude and praise for the colleagues at Kiu Lok Service Management for their assistance in completing the leasing transaction swiftly. Thanks to the employees' excellent service attitude and proactive, attentive follow-up. The tenant felt happy and at ease throughout the entire process, from unit selection to moving in.



Hong Kong International Airport

We are pleased to receive feedback from passengers who gave compliments to waihong's cleaners. We appreciate that your staff has shown a positive and dedicated attitude in maintaining the cleanliness of the Terminal. Their quality of service has certainly created a good impression to the passengers of Hong Kong International Airport.



Edward Wong Development Company Limited

Urban Group's professional management team assisted in the preparation of projects, such as rooftop leakage prevention and reinforcement, glass curtain wall maintenance, and fire alarm system maintenance and replacement. In addition, the team responded quickly to clients' enquiries and provided professional suggestions, including assisting tenants in reviewing tenancy agreement and introducing the latest building management technology, which demonstrated the team's expertise and sincere service attitude.



North District Hospital

We would like to express our gratitude to Waihong Services Group for the new cleaning arrangements in the operating theatres and changing rooms of North District Hospital. Our colleagues have appreciated the improvement in the hygiene condition after new measures have been implemented, thanks to the dedication of your team. We hope that you will continue to strive for excellence to achieve a higher level of performance.





New World Property Management Company Limited

Thanks to the swift and efficient response during the emergency pipe burst incident. General Security team's professionalism and expertise were evident as they worked diligently into the night to resolve the issue, minimizing potential damage and disruption. We appreciate your readiness to assist us on such short notice. Your commitment to service excellence and customer satisfaction made a significant difference in managing this critical situation.



The Hong Kong Housing Authority

With your team's hard work and commitment, all installation works related to the regulatory inspection were completed on time, even ahead schedule. Your team's performance is highly appreciated. Their thoroughness and pro-active approach played a crucial role in the successful outcome. Their professionalism, expertise, and cooperation throughout the construction were truly commendable.



Hong Kong Sheng Kung Hui Welfare Council

I want to express my sincere gratitude to HK Island Landscape for your partnership in enhancing Life Garden at The Providence Garden for Rehab. This space offers relaxing and sensory-rich interactions with nature, helping our members connect with themselves and their families. Thank you to your entire team for their dedication and professionalism; your efforts were instrumental to the project's success. We look forward to future collaborations to create more exceptional experiences.



Kerry Property Management Services

We are writing this letter to extend our appreciation to Young's Engineering team for the successful completion of the replacement of existing central air conditioning system, chiller platform and related accessories with outstanding performance. We truly appreciate your company's efforts and professionalism. Once again, we would like to thank you for your entire team for the hard works and dedication for your quality works and we wish that you continue your spirit in your coming projects.



EMPLOYEES' MESSAGES



FSE Lifestyle Services Limited

At FSE Lifestyle, the well-being of colleagues is a top priority, demonstrated through our diverse wellness and fitness activities. As the Wellness Club leader, I proudly organize initiatives that promote a positive culture. Our programs, including exercise, mindfulness and creative workshops, help everyone relax, recharge and gain practical skills. I look forward to our upcoming parenting workshop, offering valuable insights for colleagues.

Spencer Tam

Assistant Manager –
Talent Development and Training



Urban Group

The Company provides valuable training and engagement sessions that keep employees informed about its development and strategy. I appreciate these opportunities for enhancing my leadership skills and fostering a sense of belonging. The innovative exchange tour in Shenzhen, including visits to Huawei, Vanke and Tian'an Cyber Park showcased advanced technologies and AI integration, broadening my horizons and enriching my professional growth.

Tammy Cheung

Senior Property Asset Manager



Kiu Lok Group

In 2025, our Sport Club members excelled in two major competitions, promoting various sports like table tennis, badminton and bowling. I enjoy our bowling sessions, which help us relax and strengthen team spirit. These activities enhance fitness and foster valuable connections, allowing colleagues to relieve stress and exchange ideas, ultimately improving communication across our business units.

Derek Chow

Engineer



FSE Environmental Solutions Limited

As an FSE employee, I take pride in our commitment to ESG principles through the 5P framework. Our people-centric culture fosters fulfilling work with strong CSR initiatives and training programs. By using innovative technologies to conserve resources, we protect our planet and ensure sustainable growth. I feel empowered to contribute to a greener future, actively participating in the production of our ESG Report.

Dominic Chow

Manager – Green Profession & Sustainability



General Security Group

The Company actively engages in CSR initiatives, contributing over 28,000 hours of community service in 2024-2025. This impressive figure reflects our team spirit and commitment to social responsibility. I am grateful to participate in events like "FSE Caring Day", flag selling, elderly visits where interacting with seniors brings me joy. I hope to continue spreading the spirit of helping others.

Carla Kwun

Human Resources Manager



Waihong Services Group

Safety is a top priority for the Group. Management at FSE Lifestyle actively supports safety initiatives at all levels, utilizing technology such as the Safety App to monitor incidents effectively. As the Quality Compliance Manager at Waihong, I value this commitment. Waihong has conducted a Pledge Ceremony and implemented safety training and an OSH task force to promote a safe work environment for all employees.

Simon Chan

Quality Compliances Manager



Beijing Nova Insurance Services Limited

My personal values align with the company's emphasis on passion, teamwork and integrity. FSE Lifestyle prioritizes sustainable success and fosters long-term customer relationships, supported by a strong leadership team. I appreciate the synergies across departments and business units. Working here is enjoyable, as colleagues are helpful and eager to share their experiences, creating a collaborative and supportive company culture.

Emily Liang

Account Manager – Guangzhou Branch



FSE Engineering Group

I am grateful for the opportunity to participate in the Executive Development Programme, which has significantly enhanced my leadership and management skills. Observing my team member's growth through the Young Executive Development Programme has been inspiring. Additionally, the company's engagement events, like the "FSE Management Exchange" and insightful Fireside Chats with experts, foster effective communication and broaden our perspectives, enriching our professional development.

Brian Yan

Project Manager

PROPERTY & FACILITY MANAGEMENT SERVICES



Property & Facility Management Services

Number of staff

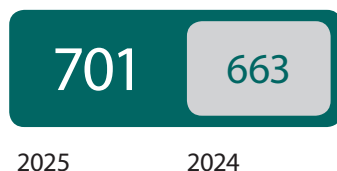
Over **5,300**

Service contracts

Over **300**

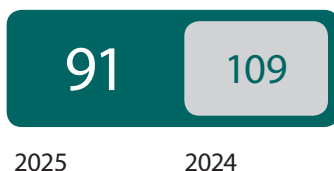
Revenue*

HK\$'million



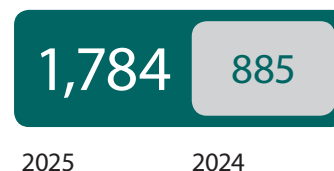
Profit

HK\$'million



Remaining Works

HK\$'million



* Segment revenue does not include inter-segment revenue.

The Group's property and facility management services business, comprising Urban, International Property Management and Kiu Lok (together, the "Property & Facility Management Group"), is the largest among all independent service providers in the residential, non-residential and car park property and facility management markets in Hong Kong, after excluding management companies owned by property developers. The companies provide comprehensive and recognised professional management services for their clients.

Our Property & Facility Management Group has expertise in six core property and facility management areas: (i) residential property asset management; (ii) facilities management and operations, including both public and private sectors; (iii) commercial, retail and industrial premises operations; (iv) project management; (v) leasing and tenancy management and (vi) car park operations and management. Its property asset and facility services cover all kinds of property and facility assets including high end residential properties, government facilities, offices and quarters, academic campus and educational institutes, service apartments, Grade A intelligent buildings and commercial complexes, modern industrial premises, composite residential developments to regional car parks and various kinds of public and private facility assets.

Our Property & Facility Management Group's unique market differentiation lies in their integration of services, strong pool of professional talents and partnership approach with our clients. In addition, innovation keeps our Property & Facility Management Group at the forefront of the industry. It is a pioneer in the introduction of modern international standards

and innovative service models in property and facility management in Hong Kong, including the self-developed eApplication systems – The Sm@rtUrban Apps for customers and the ComEasy App for internal operation, with the application of drones for high rise inspections, altogether create strong synergies to enhance the overall operational efficiency in its property and facility management services.

During FY2025, Kiu Lok expanded its service scope from being a conventional property management business into a comprehensive asset management group. Through the setup of an asset management company, Kiu Lok now provides its clients with one-stop asset management advisory, property & facility management, and sales & leasing services.

During FY2025, our Property & Facility Management Group submitted tenders for 55 service contracts (with a contract sum not less than HK\$1 million for each service contract) with a total tender sum of HK\$4,030 million and, combining the submitted tenders from previous months, was awarded 29 service contracts (with a net contract sum not less than HK\$1 million for each service contract) with a total contract sum of HK\$1,299 million. Among these 29 service contracts, five of them were major service contracts (with net contract sum not less than HK\$20 million for each service contract) for government facilities in three Hong Kong regions and two residential estates in Fo Tan and Tuen Mun.

As at 30 June 2025, the property & facility management services segment has a total gross value of contract sum of HK\$2,226 million with total outstanding contract sum of HK\$1,784 million.

CITY ESSENTIAL SERVICES



City Essential Services

Service contracts

Over **13,800**

Number of staff

Over **20,200**

Revenue*

HK\$'million



2025

2024

Profit

HK\$'million



2025

2024

Remaining Works

HK\$'million



2025

2024

* Segment revenue does not include inter-segment revenue.

Cleaning & Pest Control Services

The Group's cleaning and pest control services business, Waihong, covers four core areas: (i) specialist cleaning; (ii) disinfection; (iii) pest control and (iv) waste management. Waihong's services encompass a wide range of private and public facilities in every corner of Hong Kong, which includes office buildings, shopping malls, hotels, university campus, international schools, tourism facilities, government properties, public utilities, convention and exhibition centres, railway stations, airport terminal buildings, hospitals, industrial buildings and residential properties. Specialist cleaning mainly covers the services of general cleaning, initial cleaning, curtain wall cleaning, housekeeping, marble and granite floor maintenance. Disinfection services include disinfection, formaldehyde removal and antibacterial coating services. Pest control services provide general insecticide treatment, fogging treatment, rodent control and termite elimination. Waste management offers recycling services, food waste collection, solid waste collection, clinical waste and construction waste disposal.

Waihong's unique market differentiation lies in its integration of services, enormous working teams comprising over 13,000 staff, a strong fleet management with over 100 municipal vehicles and full support towards customers. Waihong has applied advanced technology, including AI systems for smart toilets, electronic face recognition attendance system (Check-in Easy) and real-time work monitoring system (ComEasy). High degree of service commitments keeps Waihong ranked the largest in the cleaning service industry in Hong Kong. It is a market leader and competent in providing clients with quality services.

During FY2025, Waihong submitted tenders for 486 cleaning service contracts (with a contract sum not less than HK\$1 million for each service contract) with a total

Waihong has applied advanced technology, including AI systems for smart toilets, electronic face recognition attendance system (Check-in Easy) and real-time work monitoring system (ComEasy).

tender sum of HK\$9,651 million and, combining the submitted tenders from previous months, was awarded 130 service contracts (with a net contract sum not less than HK\$1 million for each service contract) with a total contract sum of HK\$1,882 million. Among these 130 service contracts, 17 of them were major service contracts (with net contract sum not less than HK\$20 million for each service contract), which included cleaning contracts for government facilities in four regions, three residential estates in Shatin, Fo Tan and Tai Koo, two shopping malls in Shatin and Tung Chung, two universities, a sports facility and a commercial complex in Kai Tak, an exhibition centre in Wan Chai, a bank, a public transport company and certain airport facilities.



Waihong's unique market differentiation lies in its integration of services, enormous working teams comprising over 13,000 staff and a strong fleet management with over 100 municipal vehicles.

Management Discussion and Analysis

Insurance Solutions

The Group's insurance solutions business, Nova, comprises Nova Insurance Consultants, International Reinsurance Management, Beijing Nova and FSE Nova (China) Company Limited. Both Nova Insurance Consultants and International Reinsurance Management hold Insurance Broker Company Licenses granted by the Insurance Authority. Nova Insurance Consultants is also a registered Mandatory Provident Fund ("MPF") Intermediary under the Mandatory Provident Fund Schemes Authority and the largest local broker in Hong Kong. Beijing Nova, holding a nationwide insurance broking license granted by the National Financial Regulatory Administration in China, is a national insurance brokerage company for the insured established in Mainland China. FSE Nova (China) Company Limited holds a 27% interest in Townlife Holding Company Limited (a 73%-owned subsidiary of The Hong Kong and China Gas Company Limited ("Towngas")).

Nova offers five core risk and insurance services: (i) insurance advisory and brokerage services; (ii) risk management services; (iii) global and regional insurance management services; (iv) reinsurance broking and (v) MPF intermediary services.



As one of the top five (out of 803) general insurance brokers in Hong Kong, Nova's unique market differentiation lies in its highly professional team and its serving network in both the GBA and in the world through

Nova's retention ratio in securing renewed contracts has always been over 90%, reflecting its competitiveness and high level of services.

As one of the top five (out of 803) general insurance brokers in Hong Kong, Nova's unique market differentiation lies in its highly professional team of brokers and specialists, strong expertise in various classes of insurance, customised services, good local knowledge and connections, strong bargaining power in the insurance market and its serving network in both the Greater Bay Area and in the world through its affiliated company in China and global broker partners. Nova serves many clients who are leaders within their respective industries.

During FY2025, Nova secured placements for a number of operational insurances for a commercial complex and new cyber insurance policies. Nova also won a contract from one of the leading tertiary education institutions. The vast majority of Nova's business involved general insurance, construction and employee benefits-related insurance. Each year Nova has to submit renewal quotations for all these policies to its clients and will only be awarded the renewal contracts when its terms and conditions are competitive. Nova's retention ratio in securing renewed contracts has always been over 90%, reflecting its competitiveness and high level of services.

On 27 December 2024, Nova acquired the entire registered and paid-up capital of Beijing Nova Insurance Services Limited from (i) Guangzhou Sheng Gao Property Development Limited (40.1%), (ii) Baohua Equity Investment Limited (35.0%) and (iii) Nova Risk Services Holdings Limited (24.9%) at a total cash consideration of RMB123.1 million (equivalent to HK\$133.0 million) funded by the Group's internal resources. During FY2025, Beijing Nova expanded its operation in Mainland China, through setting up a new branch in Suzhou, in addition to its Beijing headquarter and existing Shanghai and Guangzhou branches.

In January 2025, Nova deepened its cooperation with Towngas Lifestyle (China) Company Limited ("Towngas Lifestyle"), a wholly-owned subsidiary of Towngas, through investing in a 27% interest in Townlife Holding Company Limited (a 73%-owned subsidiary of Towngas Lifestyle), aiming at providing comprehensive insurance broker services to over 40 million Towngas household customers in Hong Kong and Mainland China.

During FY2025, Nova submitted tenders for 24 service contracts (with a contract sum not less than HK\$1 million for each service contract) with a total tender sum of HK\$68 million and was awarded 15 service contracts (with a net contract sum not less than HK\$1 million for each service contract) with a total contract sum of HK\$32 million.

Technical Support & Maintenance Services

The Group's technical support & maintenance services business, comprising Far East Engineering Services and Turning Technical Services, provides services which covers three core areas: (i) system retrofit, including replacement of chiller units, upgrade of electrical supply systems, modification and enhancement of fire services and plumbing and drainage systems; (ii) operation and maintenance, including routine system maintenance and repairing works in heat, ventilation, and air conditioning ("HVAC") systems, testing and commissioning, periodic inspection in electrical and fire services installation works; and (iii) renovation works in E&M systems. All these different core services cover mostly in Hong Kong and Macau.

The Group's technical support & maintenance services business' unique market differentiation lies in its proven ability to deliver large-scale, technically complex building services upgrades with minimal disruptions to

By integrating BIM, MiMEP prefabrication and AI driven energy optimisation, we have ensured precision planning, shorter construction periods and superior sustainability outcomes.



Our technical support & maintenance services' unique market differentiation lies in our ability to deliver large-scale, technically complex building services upgrades with minimal disruptions to daily operations.

daily operations. It specialises in energy efficient chiller replacements, transforming air cooled to water cooled systems, and adopting high Coefficient of Performance units with green refrigerants. By integrating BIM, MiMEP prefabrication, and AI driven energy optimisation, it ensures precision planning, shorter construction periods, and superior sustainability outcomes. With strong project execution experience across Hong Kong and Macau, it combines engineering expertise, digital innovation, and collaborative project management into consistently exceeding client expectations' low carbon and high performance building environments.

During FY2025, the Group submitted tenders for 609 maintenance service contracts (with a contract sum not less than HK\$1 million for each contract) with a total tender sum of HK\$6,474 million and, combining the submitted tenders from previous months, was awarded 112 projects (with a net contract sum not less than HK\$1 million for each project) with a total net contract sum of HK\$733 million. Among these 112 projects, eight of them were major contracts (with net contract sum not less than HK\$20 million for each contract), which included two chiller replacement and system upgrading contracts for a commercial building in Central, two chiller replacement contracts for various shopping centres in Shatin, Yuen Long, Lok Fu and Tsing Yi, a term contract for government buildings in Cheung Sha Wan and Tsuen Wan, two renovation works and one system enhancement contract for hotels in Macau.

Management Discussion and Analysis



Our environment solutions provides electro-chlorination system to assist our customers in achieving their environmental protection and energy conservation objectives.

Environmental Solutions

The Group's environmental solutions division provides Environment Solutions, Smart Solutions and Green Solutions to its clients in order to achieve environmental protection, energy conservation, sustainability, enhance environmental quality and operational efficiency and the long-term goals of carbon neutrality to fight against climate change.

This division is divided into three business lines:

- (i) "Environment Solutions" (water and air treatment, laboratory testing & certification) to provide comprehensive HVAC water treatment services, environmental assessment in air and water quality, deodorisation system and electro-chlorination system to assist its customers in achieving their environmental protection and energy conservation objectives. Its HVAC water treatment service is well-known for the professionalism in the industry with over 40 years of history and it has a water treatment company which is under the list of approved specialist contractors for public works in fountain installation. As innovation is at the heart of this business, it has a patented application of using nanobubble ozonation to sterilize fresh water at cooling towers, swimming pools, public toilets, and water features. Its laboratory is accredited by Hong Kong Laboratory Accreditation Scheme ("HOKLAS") which is able to test a wide range of chemical and microbial parameters. For air quality related business,

it is one of the nine accredited IAQ certificate issuing bodies in Hong Kong.

- (ii) "Smart Solutions" (ELV, EV charging and smart facilities) to provide advanced information and communication infrastructure by providing Extra Low Voltage ("ELV") building technology with smart facility systems (i.e. smart office and smart toilet) to enhance operational efficiency, as well as a full range of services covering material supply, electrical installation, design and engineering and project management for electric vehicle ("EV") charging infrastructure. Through its IoT platform "Fiotech", it provides customised integrated IoT solutions to its clients' facilities, from consultation and solution design, system implementation and operation, to data analytics for routine support and maintenance.
- (iii) "Green Solutions" (landscape and building materials) to provide landscape management and maintenance services to a diversified business portfolio, including but not limited to property developers and managers, and trading of a wide range of building controls equipment and other building materials to improve environmental quality and promote carbon neutrality. Its landscape business offers a wide range of one-stop green solutions to its clients. It provides landscape design and performs landscape projects and various tree works. It also supplies festival plants to its client.

Our environmental solutions provides environment solutions, smart solutions and green solutions to achieve long-term goals of carbon neutrality to fight against climate change.

During FY2025, the Group submitted 156 service contracts tenders and quotations for its environmental, landscape and building material trading businesses (with a sum not less than HK\$1 million for each contract or quotation) with a total tender and quotation sum of HK\$896 million and, combining the submitted tenders from previous months, was awarded 45 environmental,

landscape, ELV and building material trading service contracts and quotations (with a sum not less than HK\$1 million for each contract or quotation) with a total sum of HK\$228 million.

Systems Security, Guarding & Event Services

The Group's systems security, guarding & event services business comprises General Security and Perfect Event, which provides systems security, guarding, escort and surveillance security, security system and technology, customer service ambassador and event services.

General Security serves a broad range of clients of residential properties (including estates, service apartments and luxury detached houses), office towers, shopping malls and buildings, private clubs, entertaining facilities, event and exhibition venues. General Security holds all three types of licences for operating a security company in Hong Kong which covers three core areas: (i) Type I Licence for provision of systems security, guarding services; (ii) Type II Licence for providing armoured transportation services and (iii) Type III Licence for installation, maintenance and/or repairing of a security device and/or designing a security system incorporating a security device. It has a strong workforce capable of serving multiple events concurrently involving over 100,000 people. In addition, General Security operates a 24-hour Central Alarm Monitoring Station, an additional Central Alarm Monitoring Station ("CAMS") license endorsement and is providing monitoring services to many jewelry stores and houses. It has adopted new technologies, including electronic key management systems, to enhance its service quality and efficiency.

General Security has a strong workforce to serve multiple events concurrently involving over 100,000 people, we operate a 24-hour Central Alarm Monitoring Station.

Perfect Event has steadily gained a foothold in its two core businesses: (i) providing customer service



General Security provides systems security, guarding, escort and surveillance security, security system and technology, customer service ambassador and event services.

ambassadors for a variety of events such as art displays, exhibitions, concerts, pop music award ceremonies as well as private club events and (ii) providing technological support enhancements for events. Perfect Event is supported by General Security in management and back-office support, leaning on its vast operations experience and expertise. General Security and Perfect Event together offers comprehensive "one-stop-shop" professional systems security, guarding and event services to its clients.

During FY2025, General Security and Perfect Event submitted tenders for 70 systems security, guarding and event services contracts (with a contract sum not less than HK\$1 million for each contract) with a total tender sum of HK\$1,070 million and, combining the submitted tenders and quotations from previous months, was awarded 42 service contracts (with a net contract sum not less than HK\$1 million for each service contract) with a total contract sum of HK\$528 million. Among these 42 service contracts, six of them were major service contracts (with net contract sum not less than HK\$20 million for each service contract) including five residential estates in Shatin, Sai Kung, Tin Hau, North Point and Tsuen Wan and a sports facility in Kai Tak.

As at 30 June 2025, the city essential services segment has a total gross value of contract sum of HK\$11,973 million with a total outstanding contract sum of HK\$6,323 million.

E&M SERVICES



E&M Services

Number of staff

Over **1,000**

Service contracts

Over **150**

Revenue*
HK\$'million



2025

2024

Profit
HK\$'million



2025

2024

Remaining Works
HK\$'million



2025

2024

* Segment revenue does not include inter-segment revenue.

The Group's E&M services business, comprising FSE Engineering Group, Majestic Engineering Group and Young's Engineering Group, serving Hong Kong, Mainland China and Macau. These companies have maintained its position as one of the leading E&M companies in Hong Kong, capable of providing quality professional management and a comprehensive range of E&M services to its clients, ranging from design, installation, testing and commissioning services. The Group's E&M projects encompassed a wide range of buildings and facilities, including government buildings and facilities, offices, shopping malls, hotels, integrated resorts, sports park and residential properties.

Our E&M services is recognised as one of the industry pioneers in adoption of green building design, MiC, MiMEP and DfMA in our projects.

The Group's E&M services business' unique market differentiation lies in its integration of all E&M services, a strong pool of professional talents, a well-established network of suppliers and subcontractors, and a team-based partnership approach towards its clients. Innovation by using advanced technology keeps it at the forefront of the E&M industry. It is also recognised as one of the industry pioneers in adoption of green building design, Modular Integrated Construction ("MiC"), Multi-trade Integrated Mechanical, Electrical and Plumbing ("MiMEP"), Design for Manufacture and Assembly ("DfMA") in its projects. With such competitive edges over its competitors, the Group has strong confidence in securing and undertaking integrated E&M projects in Hong Kong, Mainland China and Macau.



Our E&M services' unique market differentiation lies in our integration of all E&M services, a strong pool of professional talents, a well-established network of suppliers and subcontractors.

During FY2025, the Group's E&M services business submitted tenders for 291 E&M engineering projects (with a contract sum not less than HK\$1 million for each project) with a total tender sum of HK\$23,549 million and, combining the submitted tenders from previous months, was awarded 55 contracts (with a net contract sum not less than HK\$1 million for each project) with a total net contract sum of HK\$2,622 million. Among these contracts, ten of them were major projects (with net contract sum not less than HK\$100 million for each project), which included, in Hong Kong, three residential projects North Point and To Kwa Wan, three public housing projects in Tung Chung, Fanling and Shek Kip Mei, a shopping mall development in Kwun Tong and a commercial office in Lok Ma Chau Loop and, in Mainland China, a hotel in Zhengzhou and a residential and commercial complex in Hangzhou.

As at 30 June 2025, the E&M services segment has a total gross value of contract sum of HK\$10,029 million with a total outstanding contract sum of HK\$6,425 million.



Revenue

In FY2025, the Group's revenue decreased by HK\$288.0 million or 3.4% to HK\$8,159.9 million from HK\$8,447.9 million in FY2024, reflecting lower revenue from the E&M services segment amounting to HK\$754.4 million, mitigated by higher revenue from the city essential services segment and the property & facility management services segment amounting to HK\$428.5 million and HK\$37.9 million respectively.

	For the year ended 30 June		
	2025 HK\$'M	2024 HK\$'M	% Change
Property & facility management services*	701.3	663.4	5.7%
City essential services*	4,887.6	4,459.1	9.6%
E&M services*	2,571.0	3,325.4	(22.7%)
Total	8,159.9	8,447.9	(3.4%)

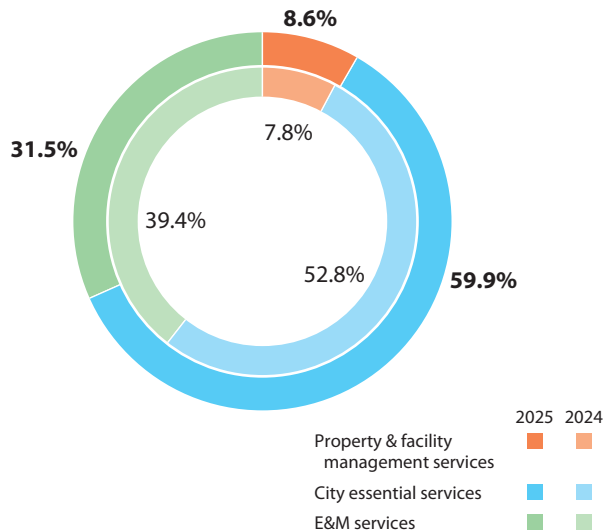
* Segment revenue does not include inter-segment revenue.

The Group's revenue from the property & facility management services segment and the city essential services segment in aggregate contributed 68.5% in FY2025 (2024: 60.6%), whereas the revenue from E&M services segment contributed 31.5% in FY2025 (2024: 39.4%).

In FY2025, the Group's revenue contribution from Hong Kong, Mainland China and Macau was 91.2%, 6.8% and 2.0% (2024: 90.4%, 7.3% and 2.3%) respectively.

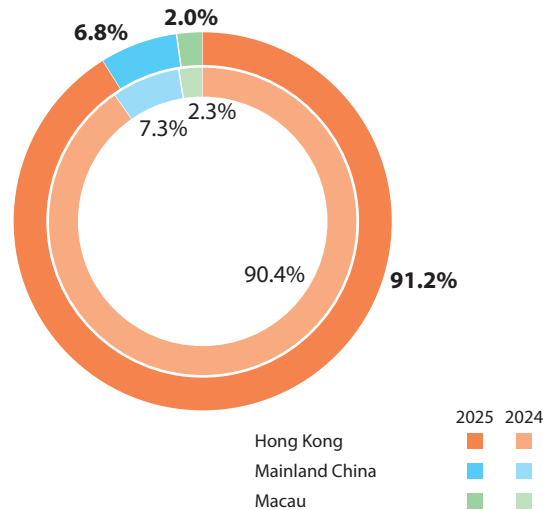
Revenue by Segment

For the year ended 30 June



Revenue by Region

For the year ended 30 June



- *Property & facility management services*: This segment contributed 8.6% (2024: 7.8%) of the Group's total revenue. The services were principally provided in Hong Kong.

Segment revenue increased by 5.7% or HK\$37.9 million to HK\$701.3 million from HK\$663.4 million. It mainly reflected an increase from the contract extensions for government office buildings and quarters.

Under the respective contract terms, approximately 20% of the property & facility management services segment's revenue is accounted for based on the management fees received. Should such revenue be recognised on the same basis as the rest of this segment's revenue derived from its lump sum contracts (i.e. with all direct operational costs for performing the related services borne by it) which are primarily facility management contracts, the property & facility management services segment's revenue for the Year would increase by HK\$3,200.0 million from its reported amount of HK\$701.3 million (2024: HK\$663.4 million) to about HK\$3,900.0 million (2024: HK\$3,800.0 million).

- *City essential services*: This segment contributed 59.9% (2024: 52.8%) of the Group's total revenue. The revenue of individual divisions of this services segment is as below:

For the year ended 30 June			
	2025 HK\$'M	2024 HK\$'M	% Change
Cleaning & pest control services	2,535.9	2,349.6	7.9%
Insurance solutions	141.7	114.4	23.9%
Technical support & maintenance services	1,164.1	1,060.0	9.8%
Environmental solutions	335.2	304.2	10.2%
Systems security, guarding & event services	710.7	630.9	12.6%
Total	4,887.6	4,459.1	9.6%

The revenue reflected an increase in contributions from Hong Kong (HK\$372.5 million), Macau (HK\$35.1 million) and Mainland China (HK\$20.9 million).

Management Discussion and Analysis

Segment revenue grew by 9.6% or HK\$428.5 million to HK\$4,887.6 million from HK\$4,459.1 million reflected growth in all its divisions.

- *E&M services*: This segment contributed 31.5% (2024: 39.4%) of the Group's total revenue and 80%, 20% and 0.1% (2024: 80%, 18% and 2%) of this segment's revenue were contributed from Hong Kong, Mainland China and Macau respectively. Lower revenue contribution was recorded in the Year from Hong Kong (HK\$618.4 million), Mainland China (HK\$70.7 million) and Macau (HK\$65.3 million).

For the year ended 30 June			
	2025 HK\$'M	2024 HK\$'M	% Change
Hong Kong	2,051.8	2,670.2	(23.2%)
Mainland China	517.9	588.6	(12.0%)
Macau	1.3	66.6	(98.0%)
Total	2,571.0	3,325.4	(22.7%)

Segment revenue decreased by 22.7% or HK\$754.4 million to HK\$2,571.0 million from HK\$3,325.4 million and mainly reflected lower revenue contributions from a number of E&M engineering installation projects which were near completion last year including Immigration Headquarters in Tseung Kwan O, a commercial building in Wan Chai and Ningbo New World Plaza Comprehensive Development in Mainland China, and delays of certain design and construction projects in Hong Kong, mitigated by the substantial progress of the expansion of a government building in Central and a residential estate in Tuen Mun.

Under contract terms, only the management fees and reimbursable costs of the Kai Tak Sports Park project management project were accounted as revenue. Should such revenue be recognised on the same basis as the rest of this segment's revenue derived from its E&M installation contracts (i.e. with all direct project costs for performing the related installation services borne by it), this segment's revenue in the Year would increase by HK\$900.0 million from its reported amount of HK\$2,571.0 million (2024: HK\$3,325.4 million) to about HK\$3,500.0 million (2024: HK\$5,200.0 million).

Gross profit

The following table presents the breakdowns of the Group's gross profit by business segment:

For the year ended 30 June				
	2025		2024	
	Gross profit HK\$'M	Gross profit margin %	Gross profit HK\$'M	Gross profit margin %
Gross profit and gross profit margin including government grants				
Property & facility management services	225.0	32.1%	212.6	32.0%
City essential services	525.5	10.8%	482.4	10.8%
E&M services	303.0	11.8%	364.2	11.0%
Total	1,053.5	12.9%	1,059.2	12.5%

In FY2025, the Group's property & facility management services segment, city essential services segment and E&M services segment contributed 21.4% (2024: 20.1%), 49.9% (2024: 45.5%) and 28.7% (2024: 34.4%) of its gross profit respectively. The Group's gross profit decreased slightly by HK\$5.7 million or 0.5% to HK\$1,053.5 million from HK\$1,059.2 million in FY2024, with an overall gross profit margin increased to 12.9% from 12.5%, mainly reflecting a decrease in government grants and lower contribution from the E&M services segment, partly offset by the effect of the strong performance of the city essential services segment (namely the systems security, guarding & event services, cleaning & pest control, technical support & maintenance and insurance solutions businesses) and the property & facility management services segment.

	For the year ended 30 June			
	2025		2024	
	HK\$'M	Gross profit margin %	HK\$'M	Gross profit margin %
Gross profit and gross profit margin excluding government grants				
Gross profit and gross profit margin as reported	1,053.5	12.9%	1,059.2	12.5%
Excluding government grants	(1.6)	–	(9.5)	(0.1%)
Gross profit and gross profit margin excluding government grants	1,051.9	12.9%	1,049.7	12.4%

To better illustrate the Group's performance for both years, if excluding the effects of these grants in the Group's gross profit (i.e. HK\$1.6 million for the Year and HK\$9.5 million in last year), its adjusted gross profit margin would increase to 12.9% from 12.4% last year, mainly caused by margin improvements at the Group's property & facility management and E&M services businesses.

- *Property & facility management services:* This segment recorded an increase in its gross profit of HK\$12.4 million to HK\$225.0 million from HK\$212.6 million, with a stable gross profit margin at 32.1%. This was caused by an increase in revenue from the contract extensions for government office buildings and quarters, partly offset by a decrease in government grants.
- *City essential services:* This segment recorded an increase in its gross profit of HK\$43.1 million to HK\$525.5 million from HK\$482.4 million, with its gross profit margin remained stable at 10.8%. This was caused by higher contributions from (i) more new contracts from regular guarding and ad-hoc services; (ii) an increase in new cleaning service contracts mainly from the government; (iii) its technical support and maintenance services business' renovation works for a hotel in Macau; (iv) an increase in new general insurance service contracts awarded in Hong Kong and (v) contribution from the acquisition of Beijing Nova in December 2024.
- *E&M services:* The gross profit of the E&M services segment decreased by HK\$61.2 million to HK\$303.0 million from HK\$364.2 million, while its gross profit margin increased to 11.8% from 11.0%, principally reflected lower revenue from its projects in Hong Kong, Mainland China and Macau. The increased gross profit margin was mainly driven by additional income from projects' variation orders and cost saving measures.

Management Discussion and Analysis

General and administrative expenses

General and administrative expenses of the Group for the Year increased by HK\$36.1 million or 7.3% to HK\$527.6 million from HK\$491.5 million last year, mainly reflected the effects of the Group's acquisition of Beijing Nova in December 2024, an increase in staff costs and a decrease in government grants.

For the year ended 30 June				
	2025 HK\$'M	2024 HK\$'M	Change HK\$'M	% Change
General and administrative expenses excluding government grants				
General and administrative expenses as reported	527.6	491.5	36.1	7.3%
Excluding government grants	–	1.1	(1.1)	(100.0%)
General and administrative expenses excluding government grants	527.6	492.6	35.0	7.1%

To better compare their amounts for both years, if excluding the effects of government grants in the Group's general and administrative expenses (i.e. Nil for the Year and HK\$1.1 million last year), the adjusted general and administrative expenses would increase by 7.1% to HK\$527.6 million compared to HK\$492.6 million last year.

Other income, net

Other net income of HK\$8.0 million was recorded by the Group during FY2025 compared to HK\$23.0 million recorded in FY2024.

The other net income recorded during the Year mainly represented gains on disposal of properties in the Mainland China. The net income recorded last year mainly represented the recognition of government grants in Hong Kong and gains on disposal of properties in the Mainland China.

Finance income

In FY2025, the Group recorded finance income of HK\$23.0 million (2024: HK\$18.9 million).

Finance costs

The Group's finance costs of HK\$22.3 million (2024: HK\$19.5 million) for FY2025 included interest expenses of (i) HK\$19.4 million (2024: HK\$17.7 million) for the Group's bank borrowings and other liabilities and (ii) HK\$2.9 million (2024: HK\$1.8 million) for lease liabilities.

Income tax expenses

The effective tax rate of the Group remained stable at 15.6% (2024: 15.4%).

Profit for the year attributable to shareholders of the Company

The following table presents breakdown of the Group's profit contribution by business segment:

For the year ended 30 June				
	2025 HK\$'M	2024 HK\$'M	Change HK\$'M	% Change
Profit attributable to shareholders including government grants				
Property & facility management services	90.5	108.6	(18.1)	(16.7%)
City essential services	236.1	223.8	12.3	5.5%
E&M services	147.8	189.9	(42.1)	(22.2%)
Unallocated corporate expenses and finance costs*	(21.2)	(21.2)	–	–
Total	453.2	501.1	(47.9)	(9.6%)

* Unallocated corporate expenses and finance costs comprise the Company's corporate expenses of HK\$7.5 million (2024: HK\$7.3 million) and interest expenses of HK\$13.7 million (2024: HK\$13.9 million).

The Group's profit for the Year decreased by 9.6% or HK\$47.9 million to HK\$453.2 million compared to HK\$501.1 million last year. The decrease mainly resulted from a decrease in government grants (2025: HK\$1.6 million; 2024: HK\$25.8 million) and lower contribution from the E&M services segment, partly offset by the effect of the strong performance of the city essential services segment (namely the systems security, guarding & event services, cleaning & pest control, technical support & maintenance and insurance solutions businesses) and the property & facility management services segment. Details of the government grants recognised by the Group are set out in Note 6 to the consolidated financial statements. The net profit margin of the Group reduced to 5.6% for the Year from 5.9% last year.

For the year ended 30 June				
	2025 HK\$'M	2024 HK\$'M	Change HK\$'M	% Change
Profit attributable to shareholders excluding government grants				
Profit attributable to shareholders as reported	453.2	501.1	(47.9)	(9.6%)
Excluding government grants	(1.6)	(25.8)	24.2	(93.8%)
Profit attributable to shareholders excluding government grants	451.6	475.3	(23.7)	(5.0%)

To better illustrate the Group's financial results for both years, if excluding the effects of government grants (2025: HK\$1.6 million; 2024: HK\$25.8 million) in the Group's profit attributable to shareholders (2025: HK\$453.2 million; 2024: HK\$501.1 million), the Group would record a decrease in adjusted net profit of 5.0% to HK\$451.6 million for the year ended 30 June 2025 as compared to its adjusted net profit of HK\$475.3 million for the year ended 30 June 2024.

Management Discussion and Analysis

Other comprehensive income

The Group recorded other comprehensive income for the Year of HK\$18.7 million (2024: losses of HK\$6.6 million), reflected the remeasurement gains of HK\$13.0 million (2024: losses of HK\$5.5 million) on long service payment liabilities and HK\$0.7 million (2024: losses of HK\$0.2 million) on defined benefit retirement scheme and a favourable exchange reserve movement of HK\$5.0 million (2024: an unfavourable exchange reserve movement of HK\$0.9 million) recorded during the Year following an appreciation of the Renminbi ("RMB") for conversion of the Group's net investments in Mainland China.

Capital structure

As at	30 June 2025 HK\$'M	% to total equity	30 June 2024 HK\$'M	% to total equity	Increase/ (decrease) HK\$'M
Non-current assets	410.9	32.6%	304.6	30.8%	106.3
Cash and bank balances	743.9	59.0%	601.3	60.8%	142.6
Borrowings ⁽ⁱ⁾	318.9	25.3%	235.8	23.8%	83.1
Net cash ⁽ⁱⁱ⁾	425.0	33.7%	365.5	37.0%	59.5
Working capital ⁽ⁱⁱⁱ⁾	1,296.4	102.8%	774.0	78.3%	522.4
Total equity	1,261.7	100.0%	988.9	100.0%	272.8

Notes:

(i) All borrowings are bank loans.

(ii) Net cash is calculated as cash and bank balances less total bank borrowings.

(iii) Being net current assets.

Liquidity and financial resources

The Group's finance and treasury functions are centrally managed and controlled at its headquarters in Hong Kong. As at 30 June 2025, the Group had total cash and bank balances of HK\$743.9 million (30 June 2024: HK\$601.3 million), of which 84%, 14% and 2% (30 June 2024: 96%, 2% and 2%) were denominated in Hong Kong dollar, RMB and other currencies respectively, and total borrowings of HK\$318.9 million (30 June 2024: HK\$235.8 million) was denominated in Hong Kong dollars (30 June 2024: HK\$218.8 million was denominated in Hong Kong dollars and HK\$17.0 million was denominated in RMB). The Group's net cash balance increased by HK\$59.5 million to HK\$425.0 million as at 30 June 2025 as compared to

HK\$365.5 million as at 30 June 2024 mainly reflecting the net cash inflow from operating activities, partly offset by the distribution of the Company's final dividend for its financial year ended 30 June 2024 of HK\$96.3 million, interim dividend for its financial year ended 30 June 2025 of HK\$94.9 million and preferred distribution on the convertible preference shares of HK\$8.5 million and net cash outflow from the acquisition of Beijing Nova of HK\$78.0 million. The Group's net gearing ratio was maintained at zero as at 30 June 2025 (30 June 2024: zero). This ratio is calculated as net debt divided by total equity. Net debt is calculated as total bank borrowings less cash and cash equivalents.

Adopting a prudent financial management approach in implementing its treasury policies, the Group maintained a healthy liquidity position throughout the reporting period. As at 30 June 2025, the Group had total banking facilities in respect of bank overdrafts, bank loans, bank guarantees and/or trade financing of HK\$3,119.9 million (30 June 2024: HK\$3,134.9 million). As at 30 June 2025, HK\$318.9 million (30 June 2024: HK\$235.8 million) of the Group's banking facilities had been utilised for bank borrowings and HK\$862.8 million (30 June 2024: HK\$790.8 million) of the Group's banking facilities had been utilised for bank guarantees and trade finance. The Group believes it has sufficient committed and unutilised banking facilities to meet current business operation and capital expenditure requirements.

Debt profile and maturity

As at 30 June 2025, the Group's total debts amounted to HK\$318.9 million (30 June 2024: HK\$235.8 million), which mature in October 2026. The Group has managed its debt maturity profile to minimise its refinancing risks. All of these debts are denominated in Hong Kong Dollar and bear interest at floating rates.

Foreign currency exposure

The Group operates primarily in Hong Kong, Mainland China and Macau and is not exposed to significant exchange risk. The Group does not have a foreign currency hedging policy and foreign currency risk is managed by closely monitoring the movements of the foreign currency rates. It will consider entering forward foreign exchange contracts to reduce exposure should the need arise.

As part of the Group's business is carried out in Mainland China, some of its assets and liabilities are denominated in RMB. The majority of these assets and liabilities had arisen from the net investments in Mainland China operations with net assets of HK\$230.8 million as at 30 June 2025 (30 June 2024: HK\$130.2 million). The foreign currency translation

arising from translation of these Mainland China operations' financial statements from RMB (functional currency of these Mainland China operations) into Hong Kong dollars (the Group's presentation currency) does not affect the Group's profit before and after tax and will be recognised in its other comprehensive income.

During the Year, the fluctuation of RMB against Hong Kong dollars was 5% (comparing the highest exchange rate with the lowest exchange rate of the RMB against the Hong Kong dollars during the Year).

As at 30 June 2025, if the Hong Kong dollars had strengthened/weakened by another 5% against the RMB with all other variables unchanged, the Group's other comprehensive income would have been HK\$11.5 million lower/higher.

Capital commitments

As at 30 June 2025, the Group had capital commitments of HK\$15.9 million (30 June 2024: HK\$5.4 million) in relation to investment in an associate and additions of property, plant and equipment.

Contingent liabilities

In carrying out the ordinary course of business, the Group is subject to the risk of being named as defendant in legal actions, claims and disputes in connection with its business activities. The nature of the legal proceedings initiated against the Group mainly includes claims for compensation by the Group's existing or former employees for work-related injuries. The Group maintains insurance cover and, in the opinion of the Directors, based on current available evidence, any such existing claims and legal proceedings against the Group are not expected to have significant adverse financial impact to the Group as at 30 June 2025.

Management Discussion and Analysis

Convertible preference shares

On 16 December 2019, the Group acquired Legend Success Investments Limited (“Legend Success”) (together with its subsidiaries, the “Legend Success Group”), which was principally engaged in the provision of property and facility management services, at a total consideration of HK\$743.4 million upon which the initial sum of consideration of HK\$704.9 million was satisfied by the Company through (i) the payment of HK\$564.0 million in cash and (ii) a non-cash consideration of HK\$140.9 million through the issuance and allotment by the Company of 43,676,379 non-voting redeemable convertible preference shares of HK\$0.10 each at the issue price of HK\$3.2260 per share. A final cash payment of the consideration of HK\$38.5 million was made on 13 February 2020.

The convertible preference shares are (i) convertible into 43,676,379 ordinary shares of the Company at an initial price of HK\$3.2260 per share (subject to adjustments upon occurrence of certain prescribed events, including consolidation, subdivision or reclassification of shares in the capital of the Company, capitalisation of profits or reserves etc., in each case if not also made available to the holder(s) of the convertible preference shares), provided that any conversion shall not result in the Company failing to comply with any public float requirement under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, within a period of 10 years after their date of issue of 16 December 2019 (the “Issue Date”) and (ii) redeemable by the Company at its sole discretion at a redemption price equals to the Issue Price together with all outstanding preferred distributions accrued to the date fixed for redemption at any time after 10 years following the Issue Date. The convertible preference shares are treated as contingently issuable potential ordinary shares under Hong Kong Accounting Standard (“HKAS”) 33 “Earnings per Share” and, since the conditions for their conversion were not met as at 30 June 2025, the effect of their conversion is not included in the calculation of the

diluted earnings per share for years ended 30 June 2025 and 2024 pursuant to HKAS 33’s requirements as described in Note 12 to the consolidated financial statements. Assuming that all of the outstanding convertible preference shares were converted as at the end of the financial year of 30 June 2025 and assuming their conditions for conversion were met, the Company’s earnings per share after taking into account of the dilutive impact of such conversion for the year ended 30 June 2025 would be HK\$0.92 per share, calculated as the Group’s profit attributable to shareholders of the Company of HK\$453.2 million divided by the weighted average number of the Company’s ordinary shares in issue of 493.7 million (after taking into account the weighted average number of incremental number of ordinary shares that would be issued from the conversion of the convertible preference shares on its Issue Date of 43.7 million). The convertible preference shares confer their holder(s) the right to receive preferred distributions from the Issue Date at a rate of 6.0% per annum on its Issue Price, payable annually in arrears. As (i) the Company may at its sole discretion redeem either in whole or in part the convertible preference shares for the time being outstanding (i.e. it has no obligation to settle them in cash unless it elects at its sole discretion to redeem) and (ii) the convertible preference shares are only convertible within a period of 10 years after the Issue Date but redeemable only after 10 years following the Issue Date, an analysis on the Company’s share price at which it would be equally financially advantageous for the convertible preference share holder(s) to convert or redeem the convertible preference shares based on their implied rate of return at a range of dates in the future is not applicable. Based on the financial and liquidity position of the Group (with details set out in the paragraphs headed “Liquidity and financial resources” of this section), to the best knowledge of the Company, the Company expects that it will be able to meet its redemption obligations under the outstanding convertible preference shares issued by it.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Our Board of Directors, who leads our governance framework, are responsible for overseeing the Group's ESG strategies. Through regular board meetings and training sessions, the Board stays updated on the latest ESG-related insights and developments, ensuring they make informed decisions in managing the Group's ESG risks.

In line with our commitment to sustainability, we have established an ESG committee. This committee comprises three executive directors and two independent non-executive directors of our Company, all elected by the Board.

The ESG committee meets regularly to ensure the Group is on the right path toward integrating ESG principles across all business services. The committee advises the Board on managing ESG-related risks, conducting materiality assessments, and making sustainability-related disclosures.

The purposes of establishing Environmental, Social, and Governance are to integrate sustainability and ethical practices into its operations, which helps the Group navigate risks, create long-term value, and enhance its reputation and stakeholder trust. ESG serves as a strategic framework to address global challenges like climate change, social inequality, and ethical governance while aligning a company's values with those of its stakeholders.

A stand-alone ESG report which references Appendix C2, Environmental, Social and Governance Reporting Guide, to the Listing Rules will be published on the websites of the Company and Hong Kong Exchanges and Clearing Limited in October 2025.

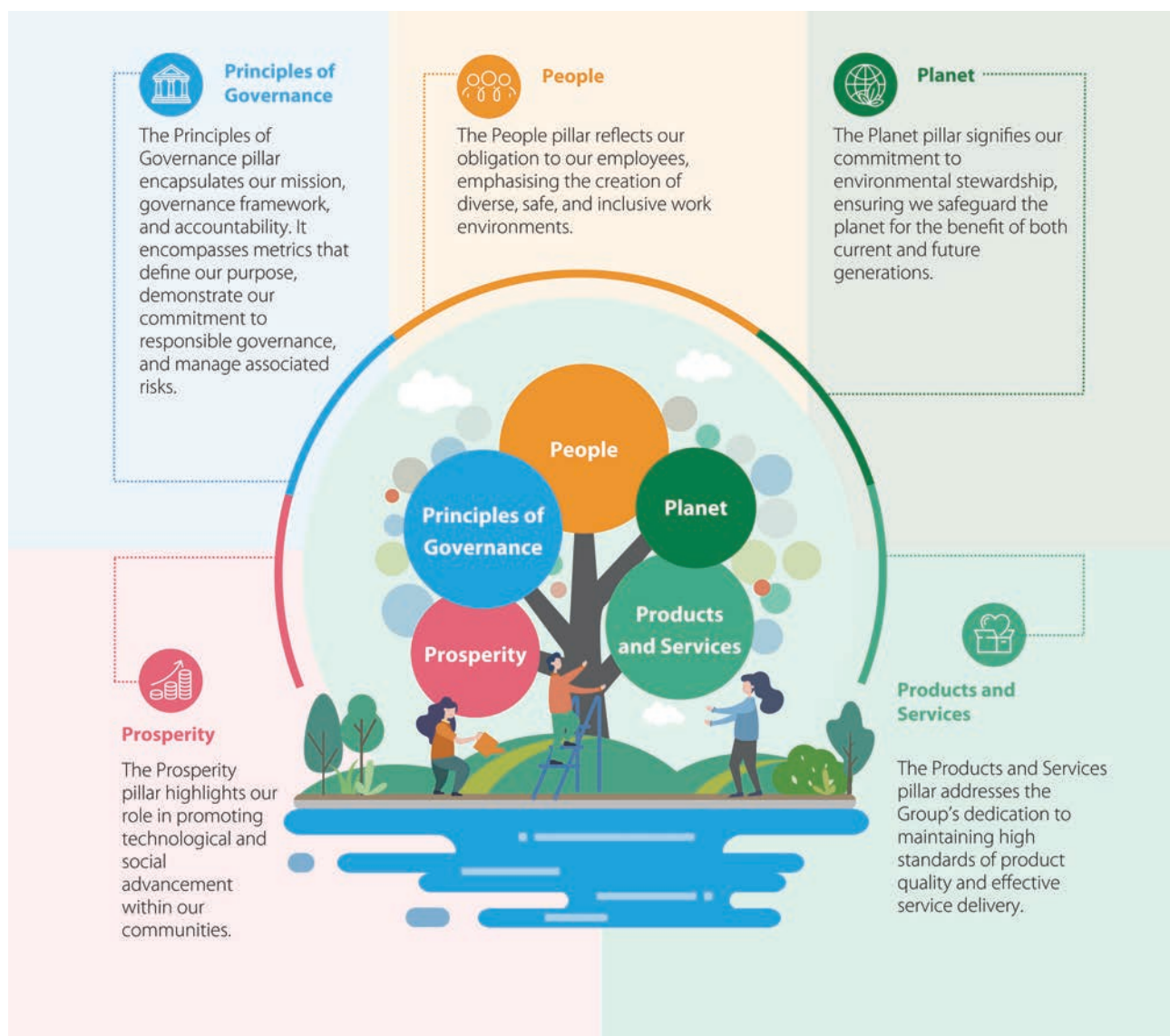
In FY2025, the Group advanced ESG via sustainable KTSP project, innovative safety technologies, elderly care initiatives, community volunteering, and EV infrastructure, aligning with Hong Kong's 2050 carbon neutrality.

Management Discussion and Analysis

5P Sustainability Framework

We introduced the Group's 5P Sustainability Framework to strengthen sustainability governance and promote an ESG-driven culture. Inspired by the World Economic Forum's common metrics, the 5P Framework consists of five pillars essential to the Group's sustainability and business continuity: Principles of Governance, People, Products and Services, Prosperity, and Planet.

We updated our material topics through a comprehensive stakeholder engagement and materiality assessment to ensure alignment with long-term value creation and stakeholder concerns. To complete the assessment for establishing the framework, we have arranged and conducted focus group discussion sessions, online surveys and individual interview with internal and external stakeholders in August and September 2024.



Environmental

Environmental concerns

Guided by an ISO14001-certified Environmental Management System, our management approach ensures that our business develops sustainably and addresses environmental impacts effectively. Our Sustainability Policy and Energy and Carbon Management Policy enable us to reduce our carbon footprint and manage energy usage responsively. We work to make a positive and lasting contribution to the environment while ensuring the long-term viability and success of our operations.

We recognise the importance of addressing climate-related issues that may significantly impact on our operations and stakeholders. In recent years, we have encountered climate-related challenges, such as increased frequency of extreme weather events, which have disrupted our service delivery and increased operational costs.

To manage these impacts, we have implemented a comprehensive climate action plan focused on enhancing operational resilience and sustainability. Our key measures include reducing our carbon footprint through energy efficiency lighting system, promoting electric vehicles to reduce fuel consumption and emissions, and developing guidelines for energy efficient practices in workplaces.

For our business operations, we have developed effective contingency plans from past experiences to cope with different challenges of extreme weather events. Additionally, we also provide our clients with sustainable environmental solutions through our various lines of service.

By prioritising these principles, we are committed to mitigating climate-related risks and contributing to creating a sustainable future.

Commitment to the environment

Our environmental targets set by the ESG Committee in FY2024 have been well achieved. To demonstrate further commitment in reducing environmental footprint, new environmental targets regarding reduction in fuel consumption, electricity consumption and paper procurement have been set to reflect our strong passion in environmental sustainability. Our new set of targets aims to reduce 1.0% of fuel consumption, 1.5% of electricity consumption, and 3.0% of paper procured.

Building a culture of sustainability

We believe fostering behavioral change within the Group is key to driving sustainable growth. Our dedicated ESG taskforce, with representatives from different business units, drives our efforts to become more environmentally friendly through various initiatives.

To curtail fuel consumption and greenhouse gas emissions, 17 company vehicles have already been replaced with 12 electric vehicles and 5 hybrid cars. The initiative will be scaled up with plans to replace an additional 12 company vehicles with electric or hybrid models by 2027.

The Group is committed to sustainability through the use of renewable energy. In 2018, Urban Group partnered with CLP to install 902 solar panels on the rooftops of 12 buildings, covering an area of 1,479 square meters. Since their installation on October 1, 2018, these solar panels have produced 12,500 kWh monthly, generating HK\$1,000,000, with HK\$220,000 allocated to subsidising management expenses.

Through the Renewable Energy "Feed-in Tariff" scheme, we were able to reduce the financial burden of our tenants, whilst promoting environmentally friendly agendas.

Management Discussion and Analysis

Additionally, the Group aims to reduce electricity consumption through two main initiatives implemented by the ESG taskforce. All employees are encouraged to abide by the “4-Offs” initiative, ensuring that lights, air conditions, monitors, and computers are turned off when office facilities are not in use. To further reduce electricity consumption, the ESG Taskforce has also urged employees to turn off non-essential lights for one hour during their lunch break.

Green loan principles

The Group will explore green loan initiatives and is interested in collaborating with potential partners who share our commitment to sustainable finance. We believe such partnerships can drive impactful environmental projects, advance our ESG goals, and create shared value through innovative green financing solutions. These initiatives follow established principles and guidelines to ensure the financing supports sustainable projects aimed at environmental impact reduction, climate change mitigation, and sustainable development.

Social

Talent management, acquisition and retention

We believe that our team is the greatest asset and thus the key to our continued success. We take pride in our diverse workforce, and we are constantly looking to strengthen our team through the attraction, development, and retainment of talent. We cultivate a culture that promotes continuous growth and development of our people.

We are always looking to attract top talents who shares our values. We aim to provide a comprehensive development programme which enables us to attract, develop and retain our team. The Group’s continuous attraction and retention of top talent will help drive sustainable growth, whilst enabling us to cater to our client’s ever-evolving needs.

Mental and physical health of our employees

The Group is committed to ensuring the mental and physical health of our employees by establishing FSE Clubs dedicated to Sports, Wellness, and Recreation. These clubs are designed to provide a wide variety of activities and interests, encouraging employees to engage in healthier lifestyles, reducing stress, and fostering social connections. By promoting holistic wellness through these initiatives, the Group aims to create a supportive and vibrant workplace environment where employees feel valued and motivated.

This commitment not only enhances individual well-being but also drives job satisfaction and team cohesion across the organisation. The FSE Clubs have been a big success, they recorded 6,249 attendance hours since establishment in April 2025 average 2,100 hours per month.

Training and development

We are a strong advocate and supporter of continuous learning for our people. Through various training and learning initiatives, we are constantly motivating our employees to reach their highest potential. Along with skill development programmes, we also offer our employees diversified career paths, support systems and an array of new opportunities to help them grow their skills and career within the Group.

With our clients’ needs constantly evolving, continuous learning remains essential in our line of work. Various client engagement workshops including Proactive Marketing and Client Engagement, Being an Effective Service Coach, and Connecting and Engaging People have been arranged for our frontline and management colleagues to attend. We support our employees through a variety of career development opportunities.

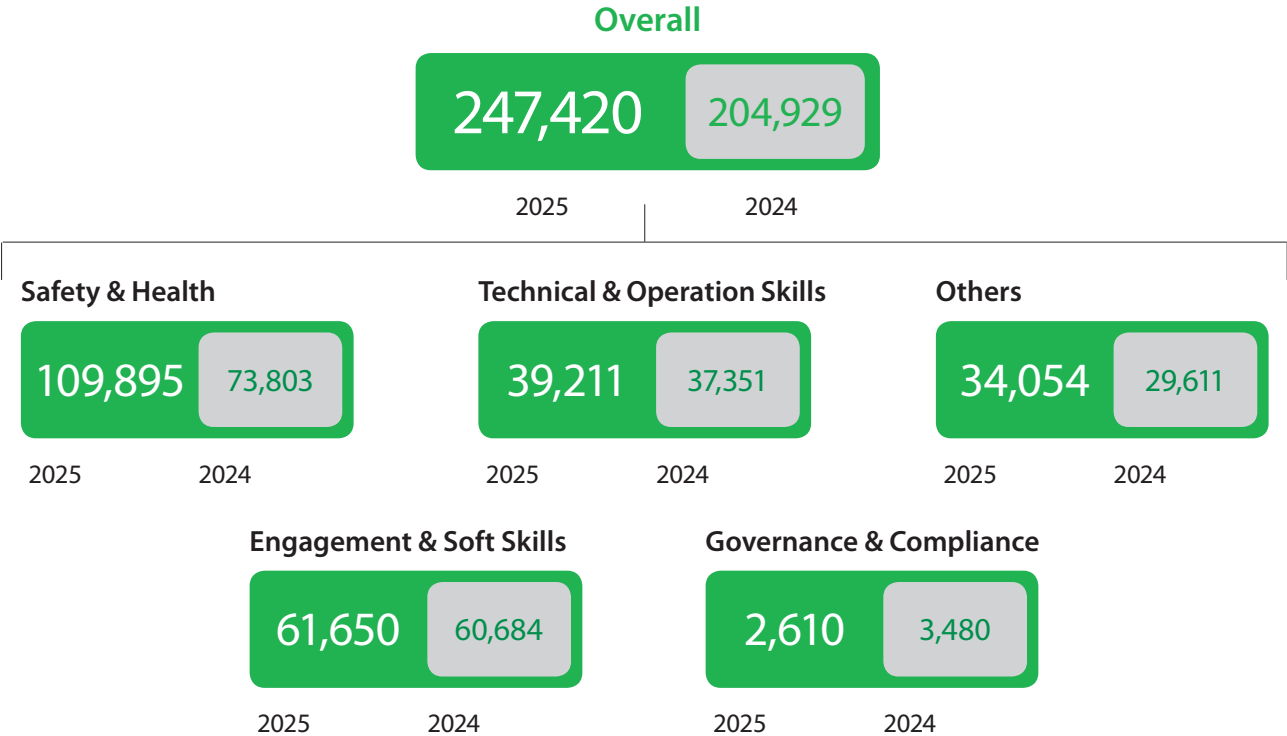
In 2020 and 2021, FSE launched executive Development Training Programme (“EDP”) and Young Executive Training Programme (“YETP”). Both programmes are specifically designed to advance the business skills and leadership capabilities of our managers and young executives to become future leaders in our Group. The programmes take a multidimensional approach to learning and knowledge transfer, combining lectures, group discussions, case studies, networking opportunities and executive coaching to provide new insights and offer participants opportunities to apply them in daily works. During FY2025, 26 managers and 28 young executives participated in our EDP and YETP programmes.

Diversity, Equity and Inclusion (“DEI”)

We acknowledge the importance of maintaining a diverse workforce in enhancing productivity. As a group, we ensure that all our people have equal opportunities regardless of their race, gender, age, professional and education background, or religion. Moreover, we have robust systems in place to ensure pay equality through impartial and transparent performance assessment.

To enhance inclusivity, we collaborated with the Hong Kong Council of Social Service to conduct cultural sensitivity workshops. Additionally, we partnered with Chi Lin Buddhist Secondary School to implement a Summer Work Experience Programme for students with Special Educational Needs (SEN) and joined forces with The Zubin Foundation to create employment opportunities for ethnic minorities, advocating for fair recruitment practices.

Training hours



Management Discussion and Analysis

Advancing diversity and Inclusion through Inclusive recruitment

Our commitment to fostering a diverse and inclusive workplace is at the core of our organisational values. We believe that everyone should have the opportunity to thrive, regardless of their background or abilities. This dedication was exemplified through our participation in the eConnect Career Fair during reporting period, organised by Baptist Oi Kwan Social Service in collaboration with eight NGOs.

The eConnect Career Fair aimed to connect job seekers with a wide range of employment opportunities, featured 21 commercial and government organisations, offering over 600 employment opportunities specifically for individuals with disabilities. This initiative aligns with our ethos of promoting equal opportunities and creating an environment where talent is recognised beyond limitations.

Our participation in the fair, alongside our three member companies — FSE Engineering Group, Urban Group, and Waihong Services Group — demonstrates our unwavering commitment to diversity and inclusion. By actively engaging in initiatives like this, we not only strengthen our workplace but also contribute positively to the broader community.

Occupational Health, Safety and Wellness

We believe that prioritising the health, safety, and wellness of our people is vital for increasing employee satisfaction, productivity, and overall sustainable business growth. At FSE Lifestyle, we have a Safety Task

Force with members from all business units which is responsible for developing and promoting workplace safety policies and procedures. We track and evaluate our safety management performance by monitoring our accident rates of individual business units on monthly basis. Our continued commitment to our employees' health, safety, and wellness will drive our long-term success.

Maintaining high Health and Safety standards across our operations is one of our top priorities. We review our health and safety performance regularly to enhance our protocols and mechanisms, ensuring they align with the industry's best practices.

Corporate Social Responsibility (“CSR”)

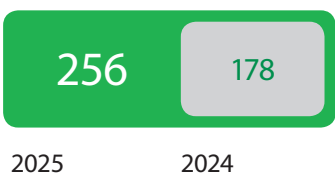
Care for the community lies in the heart of our corporate vision. As the leading lifestyle service provider in Hong Kong, we are proud to have contributed and serviced the community through many social service initiatives. We are committed to sustainable development and contributing to the community through our various lines of service. This commitment takes root in our vision to create an integrated, convenient, and safe living environment for people, and our desire to give back to the communities that support us on this journey.

We have established an FSE Charity Fund and aimed at enhancing our community engagement and social responsibility. The key objectives are supporting vulnerable groups, fostering community development and encouraging employee engagement.

CSR Activities Total hours



CSR Activities Total activities



CSR Volunteers Total participants



Throughout the year, we have initiated and participated in a total of 256 charity drives and community engagement events for our beneficiaries, supporting children, the elderly, and people from disadvantaged backgrounds.

We are proud that our efforts have been recognised by the Hong Kong Council of Social Service. We have received 20 caring company logos in total, and over half of our business units have maintained their Caring Company status for over 15 years. This demonstrates our strong dedication towards giving back to the community and our continuous efforts in supporting Hong Kong through both our business operations and community service.

FSE Lifestyle Partners with Food Angel to Support the Needy

In a demonstration of community commitment, our volunteers joined forces with Food Angel by Bo Charity Foundation for the 2025 豐盛生活 饑暖傳愛 initiative, preparing meals and fresh food boxes at Food Angel's Food Stations on March 19 and April 11, 2025.

22 volunteers from the EDP and YETP programs gathered at the Food Station in Kwun Tong, where they prepared an impressive 4,372 meal boxes for underprivileged individuals. Utilizing "cook-chill" technology, the team ensured food quality without

the need for preservatives. These meal boxes were then distributed through Food Angel's charity partners and outreach teams across various districts, providing essential nourishment to those in need.

Following this, on the next day, 30 volunteers took part in preparing fresh food boxes at Food Angel's Laichikok Food Station. They sorted, washed, cut, and packed 400 kg of fresh vegetables and dry food donated by generous supporters. These fresh food boxes were then distributed to vulnerable community members in the area.

Through this collaboration with Food Angel, we are dedicated to reducing food waste while providing nutritious meals to those in need. The efforts of our volunteers exemplify the spirit of service and community care that drives our ESG mission.

FSE Lifestyle Supports "YO! Let's Walk the Road 2024"

The Group participated in the "YO! Let's Walk the Road 2024" charity event, marking our ninth consecutive year of support for this important initiative organised by The Youth Outreach. This annual charity walk aims to raise funds for at-risk youth, helping them develop a positive mindset, enhance their self-worth, and rebuild their self-esteem and confidence.



FSE Lifestyle supports "YO! Let's Walk the Road 2024" for 9 consecutive years to support the youth

Management Discussion and Analysis



FSE Caring Day 2025: FSE Lifestyle partners with TWGHs to serve 650 elderly

This year, 136 FSE Lifestyle staff members, along with their family and friends, took part in the walk, demonstrating our commitment to community engagement and youth support. The event began at the Charles K. Kao Auditorium at the Hong Kong Science Park and concluded at Tai Po Park in Yuen Chau Tsai, covering a distance of 5 kilometers.

The walk featured various game booths that provided participants with fun and engaging experiences, including an inflatable climbing wall and a photo-taking area. This added an element of enjoyment to the event while fostering community spirit.

The Group's leadership team emphasizes the importance of social responsibility. Our participation in this charity walk reflects our ongoing dedication to building a harmonious society that supports individuals from all walks of life. Together, we continue to seek opportunities to contribute positively to our community and empower the youth of Hong Kong.

FSE Caring Day 2025: A Commitment to Serving the Community

On April 12, 2025, FSE Lifestyle launched its flagship annual social service event, FSE Caring Day, in collaboration with the Tung Wah Group of Hospitals (TWGHs) at the TWGHs Shuen Wan Complex for

the Elderly. This initiative highlights FSE Lifestyle's dedication to fostering a culture of care while contributing to a sustainable society in Hong Kong.

This year marked our third partnership with TWGHs, with FSE Lifestyle mobilising a team of 230 volunteers to support 650 elderly residents in their care homes. The event included key representatives from both organizations, emphasizing the importance of community engagement and support.

In preparation for Caring Day, on March 12, 2025, FSE volunteers participated in a heartfelt Knitting Workshop, crafting beautiful scarves that would later be distributed to the elderly. A total of 37 staff members from various business units gathered to learn knitting techniques, allowing them to express their love and compassion through meaningful acts of service. These handmade scarves became symbols of care and solidarity, showcasing FSE's team spirit and commitment to making a positive impact in society.

During the Caring Day event, volunteers distributed goodie bags filled with these handmade scarves and essential daily necessities to the elderly residents. The day was filled with joy, featuring amusement booths with interactive activities such as planting, instant photo taking, coin tossing, and magic shows, all designed to bring smiles and laughter to the elderly.

To acknowledge the dedication of the volunteers, fresh fruits were provided as tokens of appreciation, along with lunch boxes from 5loavesn2fish, a non-profit organization that creates meaningful employment opportunities for rehabilitated individuals.

Our ESG mission is clear: to collaborate with various NGOs and continuously serve the community. The success of Caring Day 2025 reflects the company's unwavering commitment to making a positive impact in the lives of the elderly and reinforcing its role as a responsible corporate citizen. Through initiatives like this, FSE Lifestyle strengthens its commitment to social responsibility, ensuring that we give back and support those in need.

Governance

Compliance with relevant laws and regulations

During the Year, there were no reported case of non-compliance with relevant laws and regulations that have had a significant impact on business regarding the environment, health and safety, labour standards, and data privacy.

Risk Management Committee

The Risk Management Committee oversees the Group's risk management mechanism, including risks and opportunities related to ESG, and is also responsible for maintaining and reviewing the effectiveness of the Group's risk management and internal control systems. The Group has adhered to a formally established Risk Management Policy to identify, evaluate, and manage risks on a regular basis. The Safety Committee reports to the Risk Management Committee.

Internal audit

The Board has authorised the Audit Committee with the responsibility to review the risk management and internal control systems of the Group, which include financial, operational and compliance controls. The internal audit function, which is fully independent of the daily operations of the Group, is conducted by the Company's Internal Audit Department.

Ethical governance

We uphold the highest ethical standards and accountability throughout the Group's daily operation and have a stringent zero-tolerance approach towards any fraudulent or unethical conduct. All employees are required to follow the instructions as stated in the Employee Handbook.

The Group's whistleblowing and grievance mechanisms have been stated in our Whistleblowing Policy and Employee Handbook, to facilitate the Group's ongoing due diligence against unethical behaviour and provide confidential channels for concerned employees at all levels to report bribery or malpractice of any form. Moreover, our Anti-Fraud Policy provides a dedicated confidential channel for employees and external stakeholders to report any suspected or actual fraud, corruption, illegal acts, or unethical practices by employees and other personnel of the Group.

During the reporting period, the Group has fully complied with the laws and regulations relating to bribery, extortion, fraud, and money laundering, and did not have any corruption cases press against the Group or its employees.

Training on governance

The Group is dedicated to fostering a strong culture of ethical governance by investing significant effort into comprehensive employee training. A total of 2,610 training hours has been produced through diverse programmes designed to enhance awareness and compliance across critical areas. These include the Competition Ordinance, cybersecurity, prevention of sexual harassment in the workplace, and management of counterparty risks. By equipping employees with knowledge and practical skills through these targeted training courses, the Group ensures that ethical standards are deeply embedded in daily operations and decision-making processes. This commitment not only supports regulatory compliance but also strengthens the integrity, accountability, and trustworthiness of the organisation.



EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group had a total of 26,678 employees (30 June 2024: 25,297), including 10,125 (30 June 2024: 8,939) casual workers and employees whose relevant costs are directly reimbursed by or charged to our customers or charged by sub-contractors. Staff costs for the Year, including salaries and benefits, was HK\$3,964.1 million (2024: HK\$3,674.3 million). The increase mainly reflects an increase in the number of staff.

The Group offers attractive remuneration packages, including competitive fixed salaries plus performance-based annual bonuses, and continuously provides tailored training to its employees with the aim of promoting upward mobility within its organisation and fostering employee loyalty. Our employees are subject to regular job performance reviews which determine their promotion prospects and compensation. Remuneration is determined with reference to market norms and individual employees' performance, qualification and experience.

The Company maintains a share option scheme, which aims at providing incentives to the eligible participants (including the employees of the Group) to contribute to the Group and enables us to recruit high-caliber employees and attract human resources that are valuable to the Group. As at the date of this report, no share options under this scheme have been granted.

All of our employees in Hong Kong have joined a mandatory provident fund scheme. The scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong). The Group has complied with the relevant laws and regulations, and the relevant contributions have been made by the Group in accordance with the relevant laws and regulations.

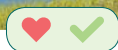
Business continuity by supply of labour

The Group supports the Enhance Supplementary Labour Scheme ("ESLS") as a strategic response to addressing manpower shortages and ensuring smooth business operations across its diverse functions. As of 30 June 2025, five business units have hired 107 imported workers under this scheme. The Group recognises that the scheme enables access to qualified labour to meet specific job demands that are challenging to fill locally, while simultaneously maintaining employment priority for local workers.

By participating in the ESLS, the Group effectively balances operational efficiency with social responsibility, adhering strictly to all related laws and regulations designed to protect the rights and welfare of imported workers. This support also helps the Group sustain growth, meet contractual obligations, and continue contributing to the wider economy.



OUTLOOK



Property & Facility Management Services segment

Our Property & Facility Management Group has over 50 years' experience providing management services to properties and facilities, improving their quality, reputation and value. Increasing demand for enhanced and one-stop professional property and facility management solutions is presenting growth opportunities to the Group. The business has a robust outlook:

- Demand for professional property management services in Hong Kong is increasing and will continue to increase with government policies boosting residential unit supply in the next decade.
- Alongside increase in social awareness of property owners' rights, demand for services from independent (non-property own developer related) property and facility management companies is growing.
- Growing residential properties supply in Hong Kong is presenting the Group opportunities in the first-hand property sales market. Also, the government's

Demand for professional property management services in Hong Kong is increasing and will continue to increase with government policies boosting residential unit supply in the next decade.

new immigrant admission schemes, particularly the Top Talent Pass Scheme ("TTPS"), are in favour of property sales and leasing, in turn housing demand and the Group offering sale and leasing services.

- Our Property & Facility Management Group has an over 5,000-strong staff and is apt in adopting new operating methods, combining skills with innovative technologies and IoT applications to enhance overall service efficiency and effectiveness, therefore can serve more clients opting for technological solutions. The Group has adopted technological applications, including Sm@rtUrban, ComEasy and Drones, at over 120 sites to enhance operational efficiency and service effectiveness.

Management Discussion and Analysis



- Urban, International Property Management and Kiu Lok are licensed property management companies under the Property Management Services Ordinance (“PMSO”) (Cap. 626 of the Laws of Hong Kong). With over 400 Tier 1 and Tier 2 property management practitioners, they are among industry players with the largest licensed service teams to ensure smooth operation and statutory compliance of managed properties and facilities. Thus, the Group is well-prepared to cater to PMSO-associated market demand and maintain competitive advantages in new tenders and business development to come.
- Our Property & Facility Management Group has a technical and engineering team with more than 500 technicians highly trained in building repair, maintenance, renovation and refurbishment works for large private housing estates, commercial premises and modern intelligent buildings, helping raise their value. Urban renewal and urgent Mandatory Building Inspection Scheme repair works will be another growth driver.
- Enjoying synergies with other business units, the segment has partners in different professional service providers and contractors. Boasting economies of scale and strong bargaining power, it is able to deliver the most cost-effective services at competitive prices and the highest operational efficiency.
- Beyond meeting statutory requirements, the segment implements stringent governance practices covering environmental protection and care, corporate social responsibility, and risk and crisis control. Urban, for example, is dubbed “Hong Kong’s Premier Community Manager”, mounting over 50 corporate social responsibility activities a year. It also maintains a meticulous risk and crisis management system to address issues from building service disruptions to pandemic control.
- As a reputable property manager, the Group has earned clients’ trust, thus has a strong customer network for providing property sales and leasing services. It uses such digital platforms as webpages, social media channels and instant messaging to effectively engage clients and provide them with convenient access to property information plus promote its property sale and leasing services.

City Essential Services segment

1. Cleaning Services & Pest Control Services

Building on the healthy and stable growth of its business in the past year, particularly in expanding its Kai Tak Development Area portfolio, Waihong sees promising prospects in coming years:

- Many tenders and quotations, in both the private and public sectors, are expected to hit the market in coming years, with contract value totalling billions of Hong Kong dollars. Waihong, as a major player in the cleaning services market, while retaining a good number of ongoing service contracts, will be open to more new businesses.
- Hong Kong is striving to support the general economy via hosting or providing venues for mega events. And, with the tourism and exhibition industries recovering, there will be massive extra business opportunities for Waihong.
- Waihong is exploring more potential businesses from different market segments by introducing smart innovative equipment to attract more clients. It has also used advanced software and hardware like IoT systems, smart toilet systems, Check-in Easy attendance systems, ComEasy inspection systems, and robots, etc. to improve work processes, including scheduling and inventory management, allowing



Many tenders and quotations, in both the private and public sectors, are expected to hit the market in coming years, with contract value totalling billions of Hong Kong dollars.

it to enhance operational efficiency and customer satisfaction. Waihong will continue to invest in technology to hone its competitive edge and boost long-term profitability.

- Embracing sustainability, Waihong is introducing more innovative services and green initiatives to differentiate itself in the cleaning industry and sharpen its competitive edge for achieving high-quality growth in the future. Sustainability being a growing concern worldwide, Waihong is going to grasp relevant business opportunities by implementing green practices such as municipal solid waste, medical waste, liquid waste and construction waste disposal and wastepaper, food waste and aged batteries collection services.

2. Insurance Solutions

The largest local insurance broker founded and based in Hong Kong, Nova has a 37-year history and a strong professional team, competitive advantages over its peers, setting it for growth in the foreseeable future:

- Corporate insurance buyers with complex requirements and extremely price conscious need professional brokers to help them get better deals. Nova's quality services have enabled it to win more accounts from its competitors.

Management Discussion and Analysis

- Nova has continued to do what it does best, including construction work related insurance. With new commercial and residential developments and infrastructure projects in the government pipeline, it is looking at ample business opportunities in Hong Kong.
- Nova has a vast local customer network and enjoys synergies with the Group's other divisions. Some international brokers tried to grow business in Hong Kong in recent years but failed is evidence of the importance of having local knowledge, which is one of Nova's strongest edges.
- Looking ahead, Nova will strive to win more clients in industries where its experience and expertise lie, such as construction, property management, hospitality, educational institutions, and non-government organisations. It is also expanding its employee benefits portfolio for delivering yet more comprehensive employee solutions to clients, plus will focus on specialty products with higher yields such as cyber insurance, professional indemnity insurance, directors & officers liability insurance and trade credit insurance.



Corporate insurance buyers with complex requirements and extremely price conscious need professional brokers to help them get better deals. Nova's quality services have enabled it to win more accounts from its competitors.

- Nova is confident of achieving sustainable growth and keeping its top spot among local insurance brokers. Using AI to automate its routine processes will add to its operational excellence, enabling it to streamline repetitive tasks, reduce human errors and hasten decision making. Able to focus on higher-value activities, as well as optimise manpower deployment over time, Nova can scale up business while saving costs.
- Having completed the acquisition of Beijing Nova Insurance Services Limited ("Beijing Nova") on 27 December 2024, Nova has entered and expanded its presence in the lucrative Chinese insurance brokerage market, as well as enlarged its business footprint geographically, lowering the risks from relying too much on a single market while ensuring it has a more balanced revenue stream. The collaboration between Beijing Nova and Nova Hong Kong will also allow both to tap new opportunities in the Greater Bay Area and the entire country.
- In the coming years, Beijing Nova will push for growth in several areas. It will apply its expertise in real estate development and property management to look for new clients, and to assist more overseas or Hong Kong partners in serving clients in China. It will also work on forging new partnerships.



3. Technical Support & Maintenance Services

The division has continued to push to increase government fire services system term contracts and targets to gain more electrical system contracts. Although it is a complementary business of the Group, the division has strong growth prospects and potential to bolster the Group's revenue and profit:

- In the private sector, the division brings in steady and stable income from maintenance and system retrofit works that support the Group's main businesses. In Macau, in the first half of 2025, casino groups raised investment mainly in enhancing gaming halls, guest accommodations and dining and retail setups. The division will strive to secure system upgrade contracts and large-scale alterations and additions works from casino groups.
- With Hong Kong targeting to achieve carbon neutrality before 2050 and society expecting better energy performance from buildings, large developers are looking to enhance the energy performance of their properties, existing and new. Demand for retrofitting works will prevail, giving the division an immense and sustainable market to expand business. In 2023, the division landed a chiller replacement contract from the CLP Holdings subsidiary CLPe Solutions. It completed this first zero-carbon chiller system in

Hong Kong, converting the air-cooled system to a 9,300-refrigerant-ton water-cooled chiller system, showing its competence in collaborating with power companies and other commercial parties on similar projects. In fact, the division has been awarded a new contract for 6,000-refrigerant-ton chiller replacement works in a prestige commercial building in Kwun Tong from CLPe Solutions this year. It is looking forward to collaborating with hospitals and major shopping complexes in the near future.

- The division embraces innovative technologies to heighten efficiency and effectiveness. Its innovative management system that combines Building Information Modelling ("BIM") with the Group's well-developed mobile app for maintenance services is designed with occupational safety in mind, allowing employees to effectively manage safety issues, reducing work-related accidents while enhancing work efficiency. For the forthcoming newly awarded large-scale HVAC maintenance contracts, it will offer clients a range of value-added services to help them improve energy savings and asset management.

Demand for retrofitting works will prevail, giving our technical support and maintenance services an immense and sustainable market to expand business.

4. Environmental Solutions

As public demand for better living environment grows and with the Hong Kong Government pledging to achieve carbon neutrality by 2050, the division sees abundant business opportunities for its Environment Solutions, Smart Solutions and Green Solutions in coming years:

Management Discussion and Analysis

Environment Solutions (water and air treatment, laboratory testing & certification)

- The segment's environmental engineering operation has grown steadily, driven by its seawater and freshwater treatment products, such as electrochlorination systems, and odour removal products like biotech deodorisation systems. Despite the fierce competition in HVAC water treatment services, equipped with a patented nanobubble ozonation system and capable of real-time monitoring, it has good prospects in enlarging market share.

Smart Solutions (ELV, EV charging and smart facilities)

- Regarding ELV business, with more property developers adopting IT infrastructure and advanced technologies in their projects to enhance building sustainability and energy control, it is well-poised to generate revenue and profit.
- The Hong Kong Roadmap on Popularisation of Electric Vehicle ("EV") announced by the Government in 2021, targeting to achieve zero vehicular emissions by 2050, has fuelled the demand for relevant installation in car parks, presenting the Group with ample business opportunities.
- For the evolving market, the segment has been identifying new and more powerful products. It will continue to work with vendors to customise systems according to specific customer needs and smart city blueprints, using advanced technologies and smart solutions such as AI and

As public demand for better living environment grows and with the Hong Kong Government pledging to achieve carbon neutrality by 2050, our environmental services have abundant business opportunities.

IoT, intelligent intellectual property/information technology-based systems and various 5G mobile applications to strengthen building management and environmental monitoring systems, thereby contribute to building sustainability and environmental quality, and in turn customer satisfaction.

Green Solutions (landscape and building materials)

- Growing market demand for green elements in indoor and outdoor spaces has provided more opportunities to the Group's landscape services business. The greening policies, urban planning initiatives of and relevant support from the government encourage development of the business.
- For the Group's building materials trading business, technological advancement and emphasis on healthy and green living concepts will translate into opportunities for promoting new products with new features. Collaborating with the Group's environment solutions team, the business has identified new building materials and products that agree with latest market trends.



5. Systems Security, Guarding & Event Services

Demand for security services is expected to grow significantly in coming years, with the event service industry as a main driver, giving the Group's systems security, guarding & event services division an optimistic outlook:



- The Government is making good progress by increasing, speeding up and enhancing the quality of public housing supply. Also, various private housing projects and the Hong Kong Housing Society's Dedicated Rehousing Estates will be completed in the near future. Apart from serving the regular guarding service demand of these new housing projects, the division is actively providing sales ambassadors, and systems security and guarding services to new property sales projects.
- To maintain Hong Kong as a major venue of international events, the Government has launched campaigns to attract visitors and encourage consumption. Perfect Event has substantial experience in crowd management and in providing services to different mega events including races, concerts and exhibitions, has an expanding market share in the sector.
- Facing economic challenges, reducing costs has been a major client emphasis. That has fuelled demand for technological solutions - including night patrol systems, tele-protection, central monitoring, IoT, and AI - to alleviate labour cost burdens. The division is responding by diversifying into integrated high-tech offerings, delivering all-round one-stop security services that can directly address clients' budget constraints while maintaining service quality.

Perfect Event has substantial experience in crowd management and in providing services to mega events including races, concerts and exhibitions, we have an expanding market share in the sector.

E&M Services segment

The Group's E&M services business is well-equipped to seize business opportunities in upcoming sizeable infrastructure and building projects in Hong Kong, Mainland China and Macau:

- Capital and Construction Expenditure – According to Construction Industry Council forecast in July 2023, expenditure on E&M construction works in each of the next five years will exceed HK\$30 billion for the public sector and over HK\$25 billion for the private sector, pointing to an increasing demand for professional construction services. The Group will focus on rendering those services to public and private housing and infrastructure projects in coming years.

Management Discussion and Analysis

The Hong Kong Government will improve the efficiency of land production and lower construction costs by streamlining approval processes, optimising administrative procedures, strengthening internal collaboration, applying technology, reviewing relevant standards and more, so as to safeguard public interests and meet development needs.

- Public and Private Housing – The Hong Kong Government, as stated in the Chief Executive’s 2025 Policy Address, will have sufficient land to build 189,000 public housing units (including 30,000 Light Public Housing units at eight sites) in the next five years and 126,000 private housing units in the next decade. It will also accelerate the “Northern Metropolis” development that includes supply of more than 500,000 housing units in 20 years.

Another more than 150,000 public and private housing units are also expected to be available in the next 10 to 15 years along the Northern Link and in the Siu Ho Wan MTR Depot topside development. In addition, the Hong Kong Housing Authority will announce redevelopment plans for Ma Tau Wai Estate and Sai Wan Estate.

Three sites have also been identified for building subsidised sales flats under a new public-private partnership pilot scheme, with the first two sites providing at least 2,000 units.

Continuing and forthcoming projects included private residential and commercial redevelopments driven by the Urban Renewal Authority (“URA”) and the Hong Kong Housing Society, developments in the Kai Tak Development Area, Yau Tong and Ap Lei Chau, associated railway property projects, and development of Tseung Kwan O Area 137. In the next five years, the URA will kick off redeveloping the “Nullah Road Urban Waterway” in Mong Kok East and the “Street Consolidation Areas” in Yau Ma Tei South, and in the second half of 2025 will also submit the renewal master plans for Tsuen Wan and Sham Shui Po.

- Railway Development – With the Hong Kong Government embarking on railway extension, the MTR has started building two-line extensions (Tuen Mun South Extension and Tung Chung Line Extension) and the Kwu Tung Station and Oyster Bay Station. In addition, the Government has completed the public consultation on enhancing three



railways, namely the Hong Kong-Shenzhen Western Rail Link (Hung Shui Kiu-Qianhai), the Central Rail Link and the Tseung Kwan O Line Southern Extension. To match development of new towns in the proposed Northern Metropolis, the MTR has commenced studies on two new proposed railways – the Northern Link (NOL) Eastern Extension and Northeast New Territories Line.

- Smart and Green Mass Transit Systems – The Government has invited suppliers and operators to study and build three smart and green mass transit systems for the East Kowloon and Kai Tak projects, and the Hung Shui Kiu/Ha Tsuen projects.

The Hong Kong Government will have sufficient land to build 189,000 public housing units in the next five years and 126,000 private housing units in the next decade.

- Airport Development – The Government has also been working with the Airport Authority Hong Kong to the “Airport City” vision to turn Lantau into an Aerotropolis connecting the Greater Bay Area with the world. On top of a new hotel and three completed Grade-A office towers, 11 SKIES homing retail, dining and entertainment facilities, will open in the coming years. New projects including an ecosystem for the art industry, AsiaWorld-Expo Phase 2 development, a marina with ancillary facilities and a fresh food market, expected to be completed between 2026 and 2031 will serve high-end commercial, tourism and leisure activities.
- District Cooling System – Using District Cooling Systems (“DCS”) is also a government low-carbon development initiative. Apart from the additional

DCS in the West Kowloon Cultural District, tendering or construction is in progress to provide DCS in new development areas (i.e. Tung Chung East and Kwu Tung North). Such systems will also be available in new development areas including the proposed Northern Metropolis to help curb energy consumption.

- Convention and Exhibition – To ensure Hong Kong’s position as a premier venue for large-scale international conventions and exhibitions, the Airport Authority has started building AsiaWorld-Expo Phase 2 (which will include the largest indoor arena with up to 20,000 seats). In addition, the Government will proceed with the Wan Chai North redevelopment project near the Hong Kong Convention and Exhibition Centre in a few years.
- Sports and Recreational Facilities - The Culture, Sports and Tourism Bureau will map out a 10-year development blueprint for 30 sports and recreational facilities, including Hong Kong’s second sports park in Whitehead, Ma On Shan, and large-scale sports and recreation facilities in the proposed Northern Metropolis. The Government will review the redevelopment plan of the Hong Kong Stadium to maximise synergies with the Kai Tak Sports Park.
- Technology Park and Manufacturing Centre - To encourage and enhance Innovation and Technology (“I&T”), the Hong Kong Government is collaborating with Shenzhen to develop the Shenzhen-Hong Kong I&T Co-operation Zone adopting a “one zone, two parks” model. The development consists of two phases from west to east, with the first three buildings just completed in mid-2025 and the remaining five to be completed in the coming five years. The Government will expedite development of the San Tin Technopole in the Northern Metropolis and expand the Science Park and Cyberport in phases starting in 2025.

Management Discussion and Analysis

- Northern Metropolis – The Government has identified three land parcels in the Hung Shui Kiu/ Ha Tsuen New Development Areas (“NDA”), Fanling North NDA and San Tin Technopole as pilot sites to be granted to successful bidders for collective development of commercial and community facilities. In the Northern Metropolis, there will be (i) modern logistics clusters in the Hung Shui Kiu/ Ha Tsuen NDA; (ii) over 80 hectares of land in Ngau Tam Mei for the Northern Metropolis University Town, the third medical school campus and an integrated medical teaching and research hospital, and (iii) Second Hospital Development such as the Ngau Tam Mei Hospital and Hung Shui Kiu Hospital.
- Technology and Operational Efficiency – Increasing construction volumes, rising construction costs, an ageing workforce and skilled worker shortage, plus many serious safety-related incidents in different large-scale projects in recent years have posed pressure and challenges to the local construction industry, including the Group. In 2019, the Development Bureau launched the “Construction 2.0” initiative (Innovation, Professionalisation and Revitalisation), which the Group supports. In 2023, the Bureau reviewed the labour shortage situation in the city and introduced the Labour Importation Scheme for the Construction Sector, with the import ceiling set at 12,000. To date, approvals have been given to about 9,000 workers under the Scheme.
- Macau – In Macau, there is a constant demand for renovation and improvement works from hotels and casinos in the Macau Peninsula and Cotai. New projects of The Venetian and Wynn Macau Group will begin in 2025 and 2026. And, since the six major casino operators had their licences renewed for

10 years in January 2023, Galaxy Macau Phase 4 development has been underway, and renovation works in existing casinos and hotel areas are also in progress or will begin. All these developments plus the city aspiring to turn from gambling-centric into a versatile tourism-driven destination are expected to present business opportunities to the Group in the coming few years.

- Mainland China - The Group has followed a disciplined business development approach focusing on providing E&M services to major property projects of Hong Kong developers and foreign investors. Apart from its two core bases in Beijing and Shanghai, the Group has presence in other first- and second-tier cities such as Tianjin, Shenyang, Wuhan, Kunming and Hangzhou. Development of the Greater Bay Area will enhance economic and social growth of the 11 cities therein and there are the three rapidly developing Guangdong Pilot Free Trade Zones – Hengqin, Qianhai and Nansha, which together will bring new business opportunities to the Group.
- With a long-standing brand and profound experience, the Group has been a leading E&M service company in Hong Kong and as a capable and trustworthy E&M service partner in Mainland China and Macau.

The Government has identified three land parcels in the Northern Metropolis as pilot sites to be granted to successful bidders for collective development of commercial and community facilities.



- On top of having a full range of licences and qualifications and being able to effectively manage tendering risks, the business segment has integrated operating and control procedures, a robust network of well-established customers and suppliers, and an experienced and well-trained workforce to support its operations. These attributes have enabled it to continuously improve operational efficiency and provide the most cost-effective services to clients at optimum prices.
- To cope with corporate clients' and property investors' growing emphasis on sustainability and environmental, social responsibility and governance, the business segment has been optimising designs and exploring relevant innovative methods conducive to building a greener future. At project level, green building designs, MiC, MiMEP and DfMA are adopted to reduce energy usage, carbon emissions and construction wastes.
- To boost operational efficiency and project management capabilities, the Group has invested in innovative construction technologies such as BIM, Digital Works Supervision System ("DWSS"), modularisation and prefabrication, Robotic Total Solution and Sky Drilling Machine, 3D laser scanning and mobile Apps solutions, etc.
- In addition, senior executives of the segment hold key roles in leading industry organisations, including the Construction Industry Council, and professional institutions such as The Hong Kong Institution of Engineers and trade/industry associations including The Hong Kong Federation of Electrical and Mechanical Contractors Limited. Apart from brand exposure, these involvements speak volumes to the Group's commitment to professionalism and keeping pace with development of the modern construction industry.

Conclusion

Despite facing various challenges and difficulties, the Group's operations remained stable during the Year. Going forward, the Group will strive to maintain a strong financial position to ensure it is ready to grasp new business opportunities when they arise. We are confident of achieving continuous growth.

Report of the Directors

The Directors are pleased to submit their report together with the audited financial statements of the Group for the Year.

Principal Activities and Geographical Analysis of Operations

The principal activity of the Company is investment holding. The principal activities of the principal subsidiaries of the Company are set out in Note 35 to the consolidated financial statements.

Business Review

A fair review of the business of the Group as required under Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) comprising analysis of the Group's performance during the Year, particulars of important events affecting the Group that have occurred since the end of the Year, as well as indication of likely future development in the business of the Group are set out in the sections headed "Chairmen's Statement" on pages 16 to 23 and "Management Discussion and Analysis" on pages 58 to 103. Description of the principal risks and uncertainties facing the Group are set out in the "Corporate Governance Report" under the paragraphs headed "Risk Management and Internal Control" on pages 49 to 55. Discussions on the environmental policies and performance, compliance by the Group with the relevant laws and regulations that have a significant impact on the Group and the account of the key relationships of the Group with its stakeholders are contained in the "Management Discussion and Analysis" on pages 83 to 91 of this annual report.

Results and Appropriation

The results of the Group for the Year and the state of affairs of the Company and of the Group as at 30 June 2025 are set out in the consolidated financial statements on pages 122 to 221.

The Directors have resolved to recommend a final dividend of HK18.5 cents (2024: HK21.4 cents) per ordinary share for the Year to the shareholders whose names appear on the register of ordinary shareholders of the Company on 1 December 2025. The proposed final dividend, if approved at the forthcoming annual general meeting of the Company, will be paid on or about 12 December 2025. Together with the interim dividend of HK21.1 cents (2024: HK22.4 cents) per ordinary share paid in March 2025, total distribution of dividends by the Company for the Year will thus be HK39.6 cents (2024: HK43.8 cents) per ordinary share and a dividend payout ratio of 40.1%⁽ⁱ⁾ (2024: 40.0%⁽ⁱⁱⁱ⁾).

Notes:

- (i) Based on the Group's adjusted profit for the year ended 30 June 2025 attributable to ordinary shareholders of HK\$444.7M (i.e. after deducting preferred distribution to the holder of convertible preference shares of HK\$8.5M for the year ended 30 June 2025 from profit attributable to shareholders of the Company of HK\$453.2M).
- (ii) Based on the Group's adjusted profit for the year ended 30 June 2024 attributable to ordinary shareholders of HK\$492.6M (i.e. after deducting preferred distribution to the holder of convertible preference shares of HK\$8.5M for the year ended 30 June 2024 from profit attributable to shareholders of the Company of HK\$501.1M).

The dividend policy of the Company is to deliver regular returns to shareholders through distributing funds surplus to the operating needs of the Group as determined by the Directors with a target payout ratio of not less than 30 per cent of the profit attributable to shareholders of the year, after taking into account of the following factors:

- general business conditions and strategies;
- projected operating cash flows;
- projected capital expenditures and strategic investment opportunities; and
- statutory and regulatory restrictions and provisions in the Company's articles of association.

Reserves

Details of movements in the reserves of the Group and the Company during the Year are set out in Notes 26 and 34 to the consolidated financial statements respectively.

Distributable Reserves

Details of movements in the distributable reserves of the Company during the Year are set out in Note 34 to the consolidated financial statements. At 30 June 2025, the Company's reserves available for distribution amounted to HK\$820.5 million (30 June 2024: HK\$820.4 million).

Donations

During the Year, the Group made charitable and other donations amounting to HK\$0.8 million (2024: HK\$1.2 million).

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group during the Year are set out in Note 14 to the consolidated financial statements.

Share Issued

Details of the Company's share capital are set out in Note 25 to the consolidated financial statements. There was no movement in the share capital during the Year.

Equity-Linked Agreements

Save for the convertible preference shares set out in Note 25 to the consolidated financial statements and the share option scheme adopted by the Company as mentioned under the section headed "Share Option Scheme" below, no equity-linked agreements were entered into by the Company during the Year or subsisted at the end of the Year.

Five-Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 222.

Major Customers and Suppliers

During the Year, the five largest customers of the Group accounted for 40.7% of the Group's revenue and the percentage of revenue attributable to the Group's largest customer amounted to 16.7%. The percentage of purchases attributable to the Group's five largest suppliers accounted for 5.8% of the Group's total purchases and the percentage of purchases attributable to the Group's largest supplier amounted to 1.5%.

During the Year, the CTFS Group and the NWD Group (as defined in the paragraph headed "Connected Transactions" below) were two of the five largest customers of the Group, in terms of contractual parties. Both the CTFS Group and the NWD Group are the family businesses of Dr. Cheng Kar Shun, Henry, the Chairman and Non-executive Director of the Company. Save as disclosed above, none of the Directors, their associates or any Shareholders (which to the knowledge of the Directors owns more than 5% of the Company's issued shares) has an interest in the share capital of any of those customers or suppliers disclosed in the above paragraph.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

Report of the Directors

Directors

The Directors who held office during the Year and up to the date of this report are:

Non-executive Directors

Dr. Cheng Kar Shun, Henry (*Chairman*)

Mr. Poon Lock Kee, Rocky

Executive Directors

Mr. Doo Wai Hoi, William (*Chairman*)

Mr. Lam Wai Hon, Patrick (*Executive Vice-Chairman and Chief Executive Officer*)

(also acts as alternate director to Dr. Cheng Kar Shun, Henry)

Mr. Doo William Junior Guilherme

Mr. Lee Kwok Bong

Mr. Soon Kweong Wah

Dr. Cheng Chun Fai

Mr. Chan Ju Wai (appointed on 1 April 2025)

Mr. Wong Shu Hung (resigned on 1 April 2025)

Independent Non-executive Directors

Mr. Kwong Che Keung, Gordon

Mr. Hui Chiu Chung, Stephen

Mr. Lee Kwan Hung, Eddie

Dr. Tong Yuk Lun, Paul

Ms. Leung Wan Chong Christine

In accordance with article 109 of the Company's articles of association, Mr. Chan Ju Wai shall retire as Director at the forthcoming annual general meeting and, being eligible, offer himself for re-election as Director.

In accordance with article 105 of the Company's articles of association, Mr. Lam Wai Hon, Patrick, Mr. Doo William Junior Guilherme, Dr. Cheng Chun Fai, Mr. Poon Lock Kee, Rocky and Dr. Tong Yuk Lun, Paul shall retire as Directors by rotation at the forthcoming annual general meeting. Save for Dr. Tong Yuk Lun, Paul who will not offer himself for re-election, all other retiring Directors, being eligible, will offer themselves for re-election as Directors.

The Company has received an annual confirmation from each of the Independent Non-executive Directors of his/her independence pursuant to Rule 3.13 of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company considered all the Independent Non-executive Directors independent.

The Directors' biographical details are set out on pages 24 to 31.

Directors' Service Contracts

No Director has a service contract which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

Directors' Interests in Transactions, Arrangements Or Contracts

Details of the connected transactions and material related party transactions are set out on pages 111 to 115 and Note 33 to the consolidated financial statements respectively.

Save for the above and contracts amongst group companies, no other transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

Directors' Interests in Competing Business

During the Year and up to the date of this report, according to the Listing Rules, the following Directors are considered to have interests in the business which compete or are likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or the Group:

Name of Director	Entity whose business is considered to compete or likely to compete with the businesses of the Group	Description of businesses of the entity which is considered to compete or likely to compete with the businesses of the Group	Nature of interest of the Director in the entity
Dr. Cheng Kar Shun, Henry	New World Development Company Limited group of companies	property and carpark management	director
	CTF Services Limited group of companies	carpark management	director
Mr. Doo Wai Hoi, William ("Mr. Doo")	New World Development Company Limited group of companies	property and carpark management	director
Mr. Lam Wai Hon, Patrick ("Mr. Lam")	CTF Services Limited group of companies	carpark management	alternate director to Mr. Doo Jr
Mr. Doo William Junior Guilherme ("Mr. Doo Jr")	CTF Services Limited group of companies	carpark management	director

As the Board is independent of the boards of the abovementioned entities and none of the above Directors can control the Board, the Group is therefore capable of carrying on its businesses independently of, and at arm's length from the businesses of these entities.

Directors' Rights to Acquire Shares or Debentures

At no time during the Year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors or chief executives of the Company or their respective spouses or children under 18 years of age

or their associates to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Permitted Indemnity Provision

Pursuant to the Company's articles of associations and subject to the applicable laws, the Directors shall be indemnified out of the Company's assets from and against all actions, costs, charges, losses, damages and expenses which they may incur in the execution of their duties, except for those incurred through their own fraud or dishonesty. The above indemnity provision was in force during the course of the Year and remained in force as of the date of this report.

Report of the Directors

Directors' and Chief Executive's Interests in Securities

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules were as follows:

Long position in ordinary shares of the Company

Name	Capacity/ nature of interest	Number of ordinary shares in issue	Number of underlying shares	Total number of ordinary shares interested in	Percentage of shareholding
Mr. Doo	Interest of spouse	337,500,000	43,676,379	381,176,379	84.71%

Note:

These shares are beneficially owned by Mrs. Doo Cheng Sau Ha, Amy ("Mrs. Doo"), spouse of Mr. Doo, details of which are set out in Note 3 to the paragraph headed "Substantial Shareholders' Interests in Securities" below. By Virtue of Part XV of the SFO, Mr. Doo is taken to be interested in all the shares in which his spouse is interested.

Long position in ordinary shares of associated corporation — FSE Holdings Limited ("FSE Holdings")

Name	Capacity/nature of interest	Number of shares	Percentage of shareholding ⁽⁵⁾
Mr. Doo	Interest of spouse	440,000,000 ⁽¹⁾	88%
Mr. Lam	Interest of controlled corporation	20,000,000 ⁽²⁾	4%
Mr. Doo Jr	Interest of controlled corporation	35,000,000 ⁽³⁾	7%
Mr. Lee Kwok Bong ("Mr. Lee")	Interest of controlled corporation	5,000,000 ⁽⁴⁾	1%

Notes:

1. These shares are held by Sino Spring Global Limited ("Sino Spring") as to 315,000,000 shares, Power Victory Global Limited ("Power Victory") as to 90,000,000 shares and Frontier Star Limited ("Frontier Star") as to 35,000,000 shares, the entire issued share capital of each of which is beneficially owned by Mrs. Doo, spouse of Mr. Doo. By Virtue of Part XV of the SFO, Mr. Doo is taken to be interested in all the shares in which his spouse is interested.
2. These shares are held by Equal Merit Holdings Limited ("Equal Merit"), the entire issued share capital of which is solely and beneficially owned by Mr. Lam.
3. These shares are held by Master Empire Group Limited ("Master Empire"), the entire issued share capital of which is solely and beneficially owned by Mr. Doo Jr.
4. These shares are held by Lagoon Treasure Limited ("Lagoon Treasure"), the entire issued share capital of which is solely and beneficially owned by Mr. Lee.
5. The percentage of shareholding is calculated on the basis of 500,000,000 shares of FSE Holdings in issue as at 30 June 2025.

Save as disclosed above, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 30 June 2025.

Substantial Shareholders' Interests in Securities

As at 30 June 2025, the interests and short positions of persons in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Long position in ordinary shares and underlying shares of the Company

Name	Capacity/nature of interest	Number of ordinary shares in issue	Number of underlying shares	Total number of ordinary shares interested in	Percentage of shareholding ⁽⁶⁾
FSE Holdings	Beneficial interest and interest of controlled corporation ⁽⁵⁾	337,500,000 ⁽¹⁾	43,676,379 ⁽²⁾	381,176,379 ⁽³⁾	84.71%
Sino Spring ⁽⁴⁾	Interest of controlled corporation	337,500,000	43,676,379	381,176,379	84.71%
Fung Seng Holdings (X) Limited ("Fung Seng") ⁽⁵⁾	Interest of controlled corporations	337,500,000	43,676,379	381,176,379	84.71%
Fungseng Prosperity Holdings Limited ("Fungseng Prosperity") ⁽⁵⁾	Interest of controlled corporations	337,500,000	43,676,379	381,176,379	84.71%
Doo Family Prosperity Holdings Limited ("Doo Family") ⁽⁵⁾	Interest of controlled corporations	337,500,000	43,676,379	381,176,379	84.71%
Mrs. Doo ⁽⁵⁾	Interest of controlled corporations	337,500,000	43,676,379	381,176,379	84.71%
FSE Management Company Limited ("FMC") ⁽²⁾	Beneficial interests	–	43,676,379	43,676,379	9.71%

Notes:

- These shares are held by FSE Holdings.
- These shares are issuable to FMC upon full conversion of a total of 43,676,379 non-voting redeemable convertible preference shares (the "CPS") issued by the Company to FMC on 16 December 2019. Upon exercise of the conversion rights attaching to each CPS, each CPS is convertible into one ordinary share of the Company (subject to adjustments upon occurrence of certain prescribed events, including consolidation, subdivision or reclassification of shares in the capital of the Company, capitalisation of profits or reserves etc., in each case if not also made available to holder(s) of CPS) within a period of 10 years from its date of issue. FMC is wholly owned by FSE Holdings. By virtue of Part XV of the SFO, FSE Holdings is deemed to be interested in all the shares in which FMC is interested.
- These shares comprise (a) the 337,500,000 ordinary shares in issue and held by FSE Holdings; and (b) the 43,676,379 ordinary shares issuable to FMC upon full conversion of the 43,676,379 CPS as referred to in Note 2 above.
- FSE Holdings is held as to 63% by Sino Spring, 18% by Power Victory, 7% by Frontier Star, 7% by Master Empire, 4% by Equal Merit and 1% by Lagoon Treasure. By virtue of Part XV of the SFO, Sino Spring is deemed to be interested in all the shares in which FSE Holdings is interested.
- Sino Spring, Power Victory and Frontier Star are wholly-owned subsidiaries of Fung Seng, which in turn is owned as to 75% by Fungseng Prosperity and 25% by Mrs. Doo. Fungseng Prosperity is a wholly-owned subsidiary of Doo Family which in turn is wholly owned by Mrs. Doo. By virtue of Part XV of the SFO, each of Fung Seng, Fungseng Prosperity, Doo Family and Mrs. Doo is deemed to be interested in all the shares in which Sino Spring is interested.
- The percentage of shareholding is calculated on the basis of 450,000,000 voting shares of the Company in issue as at 30 June 2025. On a fully diluted basis upon full conversion of the CPS assuming no change in the number of voting shares of the Company, the total number of voting shares of the Company in issue will be 493,676,379 and the percentage of shareholdings held by FSE Holdings and FMC will be 77.21% and 8.85% respectively and in each case, each of Sino Spring, Fung Seng, Fungseng Prosperity, Doo Family and Mrs. Doo is deemed to be interested in all the shares in which FSE Holdings is interested under Part XV of the SFO. These percentage shareholdings on a fully diluted basis are provided for illustrative purposes only. The terms of the CPS will not permit conversion if immediately after such conversion, the public float of the ordinary shares of the Company will fall below the minimum public float requirements of the Listing Rules.

Report of the Directors

Save as disclosed above, no other person was recorded in the register required to be kept under Section 336 of the SFO as having an interest or short position in the shares or underlying shares of the Company as at 30 June 2025.

Share Option Scheme

The Company adopted a share option scheme (the "Scheme") on 20 November 2015. Summary of the Scheme disclosed in accordance with the Listing Rules is as follows:

(i) Purposes of the Scheme

The purpose of the Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to the Group.

(ii) Who may join

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants, to take up options to subscribe for ordinary shares of the Company ("Shares"):

- (a) any employee (whether full-time or part-time including any executive director but excluding any non-executive director) of the Company or any of its subsidiaries or any entity ("Invested Entity") in which any member of the Group holds an equity interest;
- (b) any non-executive directors (including independent non-executive directors) of the Company or any of its subsidiaries or any Invested Entity;

- (c) any supplier of goods or services to any member of the Group or any Invested Entity;
- (d) any customer of any member of the Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;
- (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity;
- (h) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group;

and, for the purposes of the Scheme, the offer for the grant of option may be made to any company wholly owned by one or more persons belonging to any of the above classes of participants.

(iii) Maximum number of Shares available for issue

The total number of Shares available for issue under the Scheme is 45,000,000 Shares, representing 10.00% of the Company's issued Shares at the date of this report.

(iv) Maximum entitlement of each participant

The total number of Shares issued and which may fall to be issued upon the exercise of the options granted under the Scheme and any other share option scheme of the Company (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being ("Individual Limit"). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant must be separately approved by the shareholders in general meeting of the Company with such grantee and his close associates abstaining from voting.

(v) Exercise period of option

An option may be exercised during a period (which may not be later than 10 years from the date of offer of the option) to be determined and notified by the Directors to the grantee thereof and, in the absence of such determination, from the date of offer to the earlier of (i) the date on which such option lapses according to the provisions of the Scheme; and (ii) 10 years from the date of offer of that option.

(vi) Vesting period of option

There is no vesting period of options granted under the Scheme unless otherwise determined by the Directors and stated in the offer for the grant of options to a grantee.

(vii) Consideration for the option

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

(viii) Subscription price for the Shares

The subscription price for the Shares under the Scheme shall be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer for the grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of the offer for the grant; and (iii) the nominal value of a Share.

(ix) Remaining life of the Scheme

The Scheme shall remain in force for a period of 10 years commencing from 20 November 2015 being the date of its adoption.

No options had been granted under the Scheme since its adoption. The number of options available for grant under the Scheme as at 1 July 2024 and 30 June 2025 was 45,000,000 without any sub-limit for any category of eligible participants.

Connected Transactions

Connected persons of the Company

Dr. Cheng Kar Shun, Henry ("Dr. Cheng"), a chairman of the Board and a non-executive Director of the Company, is our connected person. The NWD Group, the CTFS Group, the CTFJ Group and the CTFE Group (as respectively defined below), our long standing customers, are the family businesses of Dr. Cheng. To echo the policy of the Stock Exchange to enhance minority shareholders' protection, we have treated members of each of these groups of companies as our connected persons under Chapter 14A of the Listing Rules.

Report of the Directors

In the above paragraph and as appeared in this section:

“NWD Group” means New World Development Company Limited (“NWD”), the issued shares of which are listed on the Stock Exchange (stock code: 17), together with its subsidiaries from time to time;

“CTFS Group” means CTFS Services Limited (“CTFS”) (formerly known as NWS Holdings Limited), the issued shares of which are listed on the Stock Exchange (stock code: 659), together with its subsidiaries from time to time;

“CTFJ Group” means Chow Tai Fook Jewellery Group Limited (“CTFJ”), the issued shares of which are listed on the Stock Exchange (stock code: 1929), together with its subsidiaries from time to time;

“CTFE Group” means Chow Tai Fook Enterprises Limited (“CTFE”) and its subsidiaries from time to time.

Mrs. Doo is one of the controlling shareholders of the Company and is a connected person of the Company. Mrs. Doo is also the sister of Dr. Cheng (a chairman of the Board and a non-executive Director), the spouse of Mr. Doo (a chairman of the Board and an executive Director) and the mother of Mr. Doo Jr (an executive Director). The Doo’s Associates Group are 30%-controlled companies of Mrs. Doo and her “immediate family members” (as defined in the Listing Rules), individually or together, and the subsidiaries of such companies. Members of the Doo’s Associates Group are associates of Mrs. Doo and are connected persons of the Company.

Connected transaction and continuing connected transactions

The Company has entered into the following transactions during the Year and up to the date of this report with one or more the above connected persons which constituted continuing connected transactions (“CCTs”) (paragraph (1) below) or connected transaction (paragraph (2) below) of the Company.

(1) The Master Services Agreements

On 28 April 2023, four master services agreements (the “Master Services Agreements”) were entered into by the Company in relation to the provision and/or receipt of services with details as follows:

(a) a master services agreement entered into between NWD and the Company (the “NWD Master Services Agreement”) which serves to provide them with a master framework of agreement upon and to which the individual agreement for each NWD CCT in relation to the following services is to be entered into and subject:

- the provision of, by the Group to the NWD Group, E&M engineering and cleaning services, facility and property management services, insurance solutions services, environmental services, landscaping services, security, guarding and event servicing services, and such other types of services as the NWD Group and the Group may agree upon from time to time in writing (the “FSE-NWD Services”); and
- the provision of, by the NWD Group to the Group, rental services, sundry services, IT support services, materials supply services, contracting services, facility and property management services, insurance medical and health care services and such other types of services as the NWD Group and the Group may agree upon from time to time in writing (the “NWD Services”).

(b) a master services agreement entered into between CTFJ and the Company (the “CTFJ Master Services Agreement”) which serves to provide them with a master framework of agreement upon and to which the individual agreement for each CTFJ CCT in relation to the following services is to be entered into and subject:

- the provision of, by the Group to the CTFJ Group, E&M engineering and cleaning services (excluding recycling and environmental

services), facility and property management services, insurance solutions services, environmental services (excluding lift repair and maintenance services), landscaping services, security, guarding and event servicing services and such other types of services as the CTFJ Group and the Group may agree upon from time to time in writing; and

- the provision of, by the CTFJ Group to the Group, leasing or licensing of properties and related services and such other types of services as the CTFJ Group and the Group may agree upon from time to time in writing.

(c) a master services agreement entered into between CTFE and the Company (the “CTFE Master Services Agreement”) which serves to provide them with a master framework of agreement upon and to which the individual agreement for each CTFE CCT in relation to the provision and/or receipt of the services between the CTFE Group and the Company. On 17 November 2023, following the disposal of all the shares of CTFS held by NWD to CTFE, CTFS became a member of the CTFE Group and ceased as a member of the NWD Group. Accordingly, the services originally provided by the CTFS Group as part of the NWD Services ceased as part of the NWD Services and became part of the services provided by the CTFE Group, and the services originally provided as part of the FSE-NWD Services from the Group to the NWD Group also became part of the services from the Group to the CTFE Group. An addendum to the CTFE Master Services Agreement dated 17 November 2023 was signed by the Company and CTFE putting on record the changes in services contemplated under the CTFE Master Services Agreement. The services contemplated under the CTFE Master Services Agreement together with its addendum are summarized as follows:

- the provision of, by the Group to the CTFE Group, E&M engineering and cleaning services, facility and property management services,

insurance solutions services, environmental services (excluding lift repair and maintenance services), landscaping services, security, guarding and event servicing services and such other types of services as the CTFE Group and the Group may agree upon from time to time in writing; and

- the provision of, by the CTFE Group to the Group, contracting services, facility and property management services, leasing or licensing of properties and the rights to use properties and related services, insurance related services and such other types of services as the CTFE Group and the Group may agree upon from time to time in writing.

Further details of the change in services contemplated under the CTFE Master Service Agreement and the corresponding changes in the annual caps for the NWD CCTs and the CTFE CCTs for each of the financial year ended/ending 30 June 2024, 2025 and 2026 are disclosed in the announcement of the Company dated 20 November 2023.

(d) a master services agreement entered into between FMC and the Company (the “Doo’s Associates Group Master Services Agreement”) which serves to provide them with a master framework of agreement upon and to which the individual agreement for each Doo’s Associates CCT in relation to the following services is to be entered into and subject:

- the provision of, by the Group to the Doo’s Associates Group, E&M engineering and cleaning services, facility and property management services, insurance solutions services, environmental services, landscaping services, security, guarding and event servicing services and such other types of services as the Doo’s Associates Group and the Group may agree upon from time to time in writing; and

Report of the Directors

- the provision of, by the Doo's Associates Group to the Group, leasing or licensing of properties and related services and such other types of services as the NWD Group and the Group may agree upon from time to time in writing.

The Master Services Agreements and the transactions contemplated thereunder were approved by the independent shareholders at the extraordinary general meeting of the Company held on 28 June 2023. Each of the Master Services Agreements has an initial term of three years commenced on 1 July 2023 and ending on 30 June 2026. Subject to re-compliance with the applicable requirements of the Listing Rules at the relevant time, each of these agreements shall be automatically renewed at the end of its initial term (or any subsequent renewed term) for a successive period of three years (or such other period permitted under the Listing Rules). For further details, please refer to the announcements of the Company dated 28 April 2023, 28 June 2023 and 20 November 2023 and the circular of the Company dated 5 June 2023.

During the Year, the transaction amounts under the Master Services Agreements are summarised as follows:

The NWD Master Services Agreement

	Approximate total transaction amounts HK\$'000	Annual cap HK\$'000
Paid/payable to the Group	621,968*	2,659,098
Paid/payable by the Group	3,086	42,151

The CTFJ Master Services Agreement

	Approximate total transaction amounts HK\$'000	Annual cap HK\$'000
Paid/payable to the Group	11,750*	69,186
Paid/payable by the Group	–	85

The CTFE Master Services Agreement

	Approximate total transaction amounts HK\$'000	Annual cap HK\$'000
Paid/payable to the Group	904,126*	2,909,308
Paid/payable by the Group	850	51,228

The Doo's Associates Group Master Services Agreement

	Approximate total transaction amounts HK\$'000	Annual cap HK\$'000
Paid/payable to the Group	10,075*	356,559
Paid/payable by the Group	76,048	104,619

* Out of the total transaction amount paid/payable to the Group during the Year of HK\$1,548 million under the Master Services Agreements with the contracting parties per above, about 34% of it is attributable to ultimate third-party employers who are not connected persons of the Group.

(2) Acquisition of Beijing Nova Insurance Services Limited

On 1 February 2024, Nova Insurance Consultants Limited (the "Purchaser"), a wholly-owned subsidiary of the Company, as the purchaser and (i) Guangzhou Sheng Gao Property Development Limited ("Sheng Gao"), (ii) Baohua Equity Investment Limited ("Baohua") and (iii) Nova Risk Services Holdings Limited ("Nova Risk Services"), collectively as the vendors (the "Vendors") entered into a conditional sale and purchase agreement pursuant to which the Purchaser has conditionally agreed to acquire from the Vendors the entire registered and paid up capital of Beijing Nova Insurance Services Limited ("Beijing Nova"), of which 40.1% is held by Sheng Gao, 35.0% is held by Baohua and 24.9% is held by Nova Risk Services, at a total cash consideration of RMB143.0 million (equivalent to HK\$155.6 million) (subject to adjustments, if any, by the amount of the unaudited or as the case may be, audited consolidated net tangible assets value of Beijing Nova as at the completion

date) (the “Acquisition”). Beijing Nova is a national insurance brokerage for the insured established in Mainland China. The Acquisition allows the existing insurance solutions group of the Group to enter and expand its presence in the lucrative Chinese insurance brokerage market and well diversify its business operations geographically.

Nova Risk Services, one of the Vendors, is a connected person of the Company for being an associate of FSE Holdings, a controlling shareholder of the Company, as a wholly-owned subsidiary of FSE Holdings. The acquisition of 24.9% of the registered and paid up capital of Beijing Nova by the Purchaser from Nova Risk Services under the Acquisition constitutes a connected transaction for the Company. Nova Risk Services is a substantial shareholder of Beijing Nova holding 24.9% interest in Beijing Nova. As Nova Risk Services is an associate of FSE Holdings who is a controlling shareholder of the Company, each of the proposed acquisitions of 40.1% of the registered and paid up capital of Beijing Nova from Sheng Gao and 35% from Baohua also constitutes connected transaction for the Company under Rule 14A.28 notwithstanding that neither Sheng Gao nor Baohua is a connected person of the Company.

The Acquisition was approved by the independent shareholders of the Company at the extraordinary general meeting held on 18 March 2024. Completion of the Acquisition took place on 27 December 2024.

For further details, please refer to the announcements of the Company dated 1 February 2024, 27 February 2024, 18 March 2024, 28 June 2024 and 27 December 2024 and the circular of the Company dated 1 March 2024.

Annual review of CCTs

All the CCTs conducted during the Year mentioned above have been reviewed by the Independent Non-executive Directors who have confirmed that the transactions have been entered into:

- (a) in the ordinary and usual course of business of the Group;
- (b) on normal commercial terms;
- (c) according to the relevant agreement governing the respective transactions on the terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and
- (d) within the caps as set out in the relevant circular and announcement.

The Company’s auditor was engaged to report on the Group’s CCTs in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing their findings and conclusions in respect of the CCTs disclosed by the Company in this annual report in accordance with Rule 14A.56 of the Listing Rules.

Save as disclosed above, a summary of significant related party transactions made during the Year, which included the abovesaid CCTs, is disclosed in Note 33 to the consolidated financial statements. To the extent that the Group’s related party transactions constituted connected transactions or continuing connected transactions as defined in the Listing Rules, the Company had complied with the relevant requirements under Chapter 14A of the Listing Rules during the Year.

Report of the Directors

Non-Compete Undertakings

On 20 November 2015, FSE Holdings, Sino Spring and Mr. Doo (collectively, the “Covenantors”) entered into a deed of non-compete undertaking (the “Deed”), under which they have given non-compete undertakings in favour of the Company (for itself and as trustee for and on behalf of each of our subsidiaries), pursuant to which they have, among other matters, irrevocably undertaken not to engage in any business (other than those of the Group) which, directly or indirectly, compete or may compete with the businesses of the Group.

The Covenantors have provided to the Company a written confirmation confirming that, since the date of listing of the Company’s shares on the Stock Exchange (that is, 10 December 2015), they have complied with the undertakings contained in the Deed and there is no matter in relation to their compliance with or enforcement of the Deed that needs to be brought to the attention of the Stock Exchange, the Company and/or the shareholders of the Company. Our Independent Non-executive Directors have also confirmed to the Company that, having made such reasonable enquiries with the Covenantors and reviewed the written confirmation from the Covenantors and/or such documents as they considered appropriate, nothing has come to their attention that causes them to believe that the terms of the Deed had not been complied with by the Covenantors during the Year.

Pre-Emptive Rights

There is no provision for pre-emptive rights under the articles of association of the Company or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

Purchase, Sale or Redemption of the Company’s Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sale of the treasury shares (the “Treasury Shares”) within the meaning under the Listing Rules) during the Year.

No Treasury Share was held by the Company during the Year and as at 30 June 2025.

Sufficiency of Public Float

Based on information publicly available to the Company and within the knowledge of the Directors at the date of this report, the Company has maintained the prescribed public float under the Listing Rules.

Auditor

The consolidated financial statements for the Year have been audited by PricewaterhouseCoopers, who will retire at the forthcoming annual general meeting of the Company and, being eligible, will offer themselves for re-appointment.

On behalf of the Board

Dr. Cheng Kar Shun, Henry
Chairman

Mr. Doo Wai Hoi, William
Chairman

Hong Kong, 26 September 2025

Independent Auditor's Report



羅兵咸永道

To the Shareholders of FSE Lifestyle Services Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of FSE Lifestyle Services Limited (the “Company”) and its subsidiaries (the “Group”), which are set out on pages 122 to 221, comprise:

- the consolidated statement of financial position as at 30 June 2025;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

Independence

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.

PricewaterhouseCoopers, 22/F, Prince’s Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

Independent Auditor's Report

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A key audit matter identified in our audit is summarised as follows:

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition of the contracting work Refer to Note 4 in the critical accounting estimates and judgements in the consolidated financial statements. The Group recognises its contracting revenue according to the percentage-of-completion of individual contracting work. The Group has recognised HK\$3,151 million contracting revenue in relation to contracting work for the year ended 30 June 2025. Because of the nature of the activity undertaken in contracts, the date at which the contract activity entered into and the date when the activity is completed usually fall into different financial periods. Management is required to exercise significant judgement in the ongoing estimation of total contract revenue and total contract costs for each contract as the contract progresses, based on past experience and market circumstances, especially in relation to change in estimates of revenue and costs arising from variation orders, litigations and claims with the customers and sub-contractors. The eventual realisation of these estimates are inherently uncertain, subject to the outcome of negotiations with the customers and sub-contractors. Any revision of the total contract revenue and total contract costs, which determined the percentage-of-completion, would affect the contracting revenue recognition and may result in material adjustments to margin, which can be positive or negative.	Our audit procedures in relation to revenue recognition of the contracting work included the following: — Obtained an understanding of management's internal control and evaluated and tested the operating effectiveness of key controls operated by the Group about the estimation of the total contract revenue, the estimation of the total contract costs and actual costs incurred; — Checked, on a sample basis, the contractual terms of the work and variation orders in order to understand their work nature and contractual relationships with the customers; checked correspondences with the customers, including the agreed documents or communication evidence to evaluate the reasonableness of management's estimates on the budgeted total contract revenue, especially the estimates of revenue arising from variation orders and claims; — Checked, on a sample basis, to correspondences, such as agreed documents or communication evidence, with the sub-contractors and suppliers to evaluate the reasonableness of management's assessment of budgeted total contract costs, especially the estimates of costs relating to variation orders; and — Interviewed, on a sample basis, management and the respective project teams to evaluate the progress of the selected projects and the estimation of total contract revenue and total contract costs. We found the management's estimations and judgements on the revenue recognition in respect of contracting work to be supportable based on the available evidence.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of 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 DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of 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 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible 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. We report our opinion solely to you, as a body, 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 HKSA's 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.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

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.

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 Yam Kwok Damien Chow (practising certificate number: P06351).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26 September 2025

Consolidated Income Statement

For the year ended 30 June 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	5	8,159,887	8,447,943
Cost of services and sales		(7,106,373)	(7,388,729)
Gross profit		1,053,514	1,059,214
General and administrative expenses		(527,578)	(491,524)
Other income, net	6	8,002	22,957
Operating profit	7	533,938	590,647
Finance income	10	22,990	18,894
Finance costs	10	(22,277)	(19,488)
Share of results of associates	17	1,835	1,594
Share of results of joint ventures	18	33	215
Profit before income tax		536,519	591,862
Income tax expenses	11	(83,294)	(90,704)
Profit for the year		453,225	501,158
Profit for the year attributable to:			
Shareholders of the Company		453,214	501,100
Non-controlling interests		11	58
		453,225	501,158
Earnings per share for profit attributable to ordinary shareholders of the Company (expressed in HK\$)			
— Basic and diluted	12	0.99	1.09

The notes on pages 128 to 221 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2025

	2025 HK\$'000	2024 HK\$'000
Profit for the year	453,225	501,158
Other comprehensive income/(loss):		
<i>Items that may be subsequently reclassified to consolidated income statement:</i>		
Currency translation differences	5,050	(895)
<i>Items that will not be subsequently reclassified to consolidated income statement:</i>		
Remeasurement gains/(losses) on long service payment liabilities, net of tax	12,975	(5,543)
Remeasurement gains/(losses) on defined benefit retirement scheme, net of tax	712	(165)
Other comprehensive income/(losses) for the year, net of tax	18,737	(6,603)
Total comprehensive income for the year	471,962	494,555
Total comprehensive income for the year attributable to:		
Shareholders of the Company	471,951	494,497
Non-controlling interests	11	58
	471,962	494,555

The notes on pages 128 to 221 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 30 June 2025

	Notes	2025 HK\$'000	2024 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	56,537	65,425
Right-of-use assets	15	98,386	51,962
Other intangible assets	16	241,253	173,021
Interests in associates	17	1,658	218
Interests in joint ventures	18	1,204	1,171
Deferred income tax assets	19	8,862	9,445
Pension assets	20	2,997	3,329
		410,897	304,571
Current assets			
Trade and other receivables	21	2,507,155	2,427,496
Contract assets	22	703,547	598,739
Inventories	23	7,181	17,578
Cash and bank balances	24	743,864	601,288
		3,961,747	3,645,101
Total assets		4,372,644	3,949,672
EQUITY			
Ordinary shares	25	45,000	45,000
Convertible preference shares	25	140,900	140,900
Reserves	26	1,074,892	802,645
Shareholders' funds		1,260,792	988,545
Non-controlling interests	27	951	327
Total equity		1,261,743	988,872

The notes on pages 128 to 221 are an integral part of these consolidated financial statements.

	Notes	2025 HK\$'000	2024 HK\$'000
LIABILITIES			
Non-current liabilities			
Borrowings	28	318,920	–
Lease liabilities	15	51,544	10,027
Long service payment liabilities	29	48,449	56,687
Deferred income tax liabilities	19	26,611	21,489
Pension liabilities	20	–	1,480
		445,524	89,683
Current liabilities			
Trade and other payables	30	2,295,550	2,115,466
Contract liabilities	22	236,772	392,918
Current portion of lease liabilities	15	39,482	30,783
Taxation payable		93,573	96,161
Borrowings	28	–	235,789
		2,665,377	2,871,117
Total liabilities		3,110,901	2,960,800
Total equity and liabilities		4,372,644	3,949,672
Net current assets		1,296,370	773,984
Total assets less current liabilities		1,707,267	1,078,555

The notes on pages 128 to 221 are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 122 to 221 were approved by the Board of Directors on 26 September 2025 and were signed on its behalf.

Lam Wai Hon, Patrick
Director

Doo William Junior Guilherme
Director

Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

	Ordinary shares (Note 25) HK\$'000	Convertible preference shares (Note 25) HK\$'000	Reserves (Note 26) HK\$'000	Equity attributable to shareholders of the Company HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
At 1 July 2023	45,000	140,900	513,252	699,152	269	699,421
Profit for the year	-	-	501,100	501,100	58	501,158
Other comprehensive loss:						
Currency translation differences	-	-	(895)	(895)	-	(895)
Remeasurement losses on long service payment liabilities, net of tax	-	-	(5,543)	(5,543)	-	(5,543)
Remeasurement losses on defined benefit retirement scheme, net of tax	-	-	(165)	(165)	-	(165)
Total comprehensive income for the year	-	-	494,497	494,497	58	494,555
Transactions with shareholders:						
Dividends to ordinary shareholders	-	-	(196,650)	(196,650)	-	(196,650)
Distribution to convertible preference shareholder	-	-	(8,454)	(8,454)	-	(8,454)
At 30 June 2024	45,000	140,900	802,645	988,545	327	988,872
At 1 July 2024	45,000	140,900	802,645	988,545	327	988,872
Profit for the year	-	-	453,214	453,214	11	453,225
Other comprehensive income:						
Currency translation differences	-	-	5,050	5,050	-	5,050
Remeasurement gains on long service payment liabilities, net of tax	-	-	12,975	12,975	-	12,975
Remeasurement gains on defined benefit retirement scheme, net of tax	-	-	712	712	-	712
Total comprehensive income for the year	-	-	471,951	471,951	11	471,962
Transactions with shareholders:						
Contribution from a non-controlling shareholder	-	-	-	-	900	900
Dividends to ordinary shareholders	-	-	(191,250)	(191,250)	(287)	(191,537)
Distribution to convertible preference shareholder	-	-	(8,454)	(8,454)	-	(8,454)
At 30 June 2025	45,000	140,900	1,074,892	1,260,792	951	1,261,743

The notes on pages 128 to 221 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Cash flows from operating activities			
Cash generated from operations	31(a)	467,002	269,800
Hong Kong profits tax paid		(85,725)	(97,401)
Increase in trust cash		(22,365)	(6,325)
Interest paid		(22,200)	(19,303)
Mainland China and Macau income taxes paid		(4,744)	(766)
Net cash generated from operating activities		331,968	146,005
Cash flows from investing activities			
Acquisition of a subsidiary	31(b)	(78,023)	–
Purchase of property, plant and equipment		(21,513)	(30,840)
Increase in time deposit with original maturity over three months		(10,940)	–
Investment in an associate	31(c)	(945)	–
Interest received		22,990	18,894
Proceeds from disposal of right-of-use assets		8,098	6,702
Proceeds from disposal of property, plant and equipment		2,375	1,802
Dividends received from associates		1,340	1,610
Proceeds from disposal of a subsidiary	31(d)	15	94
Net cash used in investing activities		(76,603)	(1,738)
Cash flows from financing activities			
Proceeds from bank borrowings	31(e)	878,761	224,761
Repayment of bank borrowings	31(e)	(796,021)	(271,075)
Dividends paid to ordinary shareholders	31(e)	(191,250)	(196,650)
Payments for principal portion of lease liabilities	31(e)	(45,710)	(49,180)
Distribution paid to convertible preference shareholder	31(e)	(8,454)	(8,454)
Acquisition of non-controlling interests	31(f)	–	(458)
Net cash used in financing activities		(162,674)	(301,056)
Net increase/(decrease) in cash and cash equivalents during the year		92,691	(156,789)
Cash and cash equivalents at the beginning of the year		559,011	715,949
Exchange differences	31(g)	441	(149)
Cash and cash equivalents at the end of the year		652,143	559,011
Analysis of balances of cash and cash equivalents Representing:			
Cash and bank balances as stated in the consolidated statement of financial position		743,864	601,288
Less: Trust cash	24	(80,781)	(42,277)
Less: Time deposit with original maturity over three months	24	(10,940)	–
Cash and cash equivalents at the end of the year		652,143	559,011

The notes on pages 128 to 221 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

FSE Lifestyle Services Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands on 22 June 2015. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries (together, the “Group”) are principally engaged in provision of property & facility management services, car parks management services, property agency and related services for buildings, cleaning & pest control and management of waste disposal services, recycling and environmental disposal services, insurance solutions services, technical support and maintenance services, trading of environmental products and provision of related engineering consultancy services, ELV engineering services, EV charging infrastructure services, trading of EV charging and building materials, provision of landscaping services, systems security, guarding & event services and mechanical and electrical engineering services in Hong Kong, Mainland China and Macau. The ultimate holding company of the Company is FSE Holdings Limited incorporated in the Cayman Islands. The directors consider Mrs. Doo Cheng Sau Ha, Amy to be the ultimate controlling shareholder (the “Ultimate Controlling Shareholder”) during the financial year ended 30 June 2025.

The Company has its listing on the Main Board of The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in Hong Kong dollars, unless otherwise stated.

These consolidated financial statements have been approved for issue by the Board of Directors of the Company (the “Board”) on 26 September 2025.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

The basis and material accounting policies applied in the preparation of the consolidated financial statements are set out below and within the corresponding notes to the consolidated financial statements. These policies have been consistently applied to both years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and requirements of the Hong Kong Companies Ordinance Cap. 622 of the Laws of Hong Kong. The consolidated financial statements have been prepared under the historical cost convention, except for plan assets under defined benefit retirement scheme which are measured at fair value and defined benefits obligations which are measured at present value of estimated future cash outflows using interest rates determined by reference to market yields at the period end date.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Notes 5, 11, 14, 16, 20 and 29 to the consolidated financial statements.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(i) **Adoption of amendments to existing standards that are effective for the Group's financial year beginning 1 July 2024 by the Group**

For the year ended 30 June 2025, the Group adopted the following amendments to existing standards which are effective for the financial year of the Group beginning on 1 July 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sales and Leaseback
Amendments to Hong Kong Interpretation 5	Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Apart from above, the Group's adoption of the above pronouncements neither has any material effect on the results and financial position of the Group nor any substantial changes in the Group's accounting policies and presentation of its consolidated financial statements.

(ii) **New standards and amendments to existing standards that have been issued but not yet effective and have not been early adopted by the Group**

The following new standards and amendments to existing standards have been issued but not yet effective for the Group's financial year beginning on 1 July 2024 and have not been early adopted:

		Effective for accounting periods beginning on or after
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 1, HKFRS7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has already commenced an assessment of the impact of the above pronouncements to the Group and considered that there will not be any substantial changes to the Group's accounting policies and presentation of its consolidated financial statements.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

A change in the ownership interest of a subsidiary company, without a change of control, is accounted for as an equity transaction.

(ii) Business combinations under common control

Business combinations under common control refers to combinations where the combining entities are controlled by the same party or parties before and after the combination and that control is not transitory.

The acquirer measures both the consideration paid and net assets obtained at their carrying amounts. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid is recorded in reserves. Any direct transaction costs attributable to the business combination are expensed as incurred. However, the handling fees, commissions and other expenses incurred for the issuance of equity instruments or bonds for the business combination are recorded in the initial measurement of the equity instruments and bonds, respectively.

The Company applies merger accounting to account for the business combinations under common control in accordance with Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the HKICPA.

(iii) Business combinations not under common control

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest’s proportionate share of the recognised amounts of acquiree’s identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS Accounting Standards.

Acquisition-related costs are expensed as incurred.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Consolidation (Continued)

(iii) Business combinations not under common control (Continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised in the consolidated income statement.

Intercompany transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(iv) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in consolidated income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This means that amounts previously recognised in other comprehensive income are reclassified to consolidated income statement or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards.

(v) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of the subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in the subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the year the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

2.3 Impairment of non-financial assets

Assets that have an indefinite useful life — for example, goodwill or intangible assets not ready to use — are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the consolidated income statement for the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.4 Financial assets

(i) Classifications

The Group classifies its financial assets in the following measurement categories:

- (a) those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss) after initial recognition; and
- (b) those to be measured subsequently at amortised cost after initial recognition.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses are either to be recorded in the profit or loss or OCI. For investments in equity instruments that are not held for trading, the accounting treatment for them depends on whether the Group has made an irrevocable election at the time of their initial recognition to account for them as the equity investments at fair value through other comprehensive income (FVOCI) or not.

Financial assets are classified as current assets if they are expected to be settled within 12 months or in the normal operating cycle of the business. Otherwise, they are classified as non-current.

The Group reclassifies debt investments when and only when its business model for managing these assets changes.

(ii) Recognition and Measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of financial asset not measured at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the profit or loss.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

2.4 Financial assets (Continued)

(ii) Recognition and Measurement (Continued)

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

(a) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the profit or loss and presented in "Other income/(expenses), net", together with foreign exchange gains and losses. Impairment losses are presented within "General and administrative expenses" in another line item in the consolidated income statement.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised directly in the profit or loss. When a financial asset is derecognised, its cumulative gain or loss previously recognised in OCI is reclassified from equity to the profit or loss and recognised in "Other income/(expenses), net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "Other income/(expenses), net" and impairment expenses are presented within "General and administrative expenses" in another as separate line item in the consolidated income statement.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the profit or loss and presented net within "Other income/(expenses), net" in the period in which it arises.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

2.4 Financial assets (Continued)

(ii) Recognition and Measurement (Continued)

(b) Equity instruments

The Group subsequently measures all equity instruments at fair value. When the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in "Other income/(expenses), net" in the consolidated income statement as applicable.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2.5 Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI and trade receivables. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Impairment on these financial assets are measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

The Group considers the probability of default upon initial recognition of, a financial asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in external credit rating of the debtors;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower;
- significant increases in credit risk on other financial instruments of the same borrower;
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

2.6 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions comprise employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.7 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent asset is not recognised but is disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2.8 Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the Company's functional and the Group's presentation currency.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

2.8 Foreign currencies (Continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

(iii) Group companies

The results and financial position of all the Group's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (c) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

(iv) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over associates that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to consolidated income statement.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in consolidated income statement. For all other partial disposals (that is, reductions in the Group's ownership interests in joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to consolidated income statement.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

2.9 Government grants

Grants from governments are recognised at their fair values when there are reasonable assurance that the grants will be received and that the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate and offset with the related expenses. Grants related to income are recognised within “Other income/(expenses), net” in the consolidated income statement.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in the consolidated income statement of the period in which the grants become receivable.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group’s activities expose it to a variety of financial risks: credit risk, liquidity risk, interest rate risk and foreign exchange risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance. It is the Group’s policy not to enter into derivative transaction for speculative purposes.

The Group sets financial risk management policies in accordance with policies and procedures approved by the Board of Directors. The Group’s treasury function serves as a centralised unit for providing cost efficient funding and managing major risks.

(i) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group’s exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations.

The credit risk of the Group’s financial assets, which mainly comprise deposits with banks and financial institutions, trade and other receivables and contract assets, arises from potential default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

(a) *Credit risk of deposits with banks and financial institutions*

To manage this risk arising from cash and cash equivalents and restricted bank balances, they are mainly placed with banks with high credit rating. There has been no recent history of default in relation to these financial institutions. The expected credit loss is close to zero.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(i) Credit risk (Continued)

(b) *Credit risk of trade receivables, retention receivables, accrued contract revenue and contract assets*

The Group applies the HKFRS 9 “Financial Instruments” simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables, retention receivables, accrued contract revenue and contract assets have been grouped based on shared credit risk characteristics and the days past due, except for amounts relating to accounts which are long overdue with significant amounts or known insolvencies or non-response to collection activities, which are assessed individually. The retention receivables, accrued contract revenue and contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the retention receivables, accrued contract revenue and contract assets.

The expected loss rates are based on the payment profiles of revenue and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product (“GDP”) and unemployment rate of the economies in which it provides its services and sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

As at 30 June 2025, the Group provides for loss allowance against trade receivables, retention receivables, accrued contract revenue and contract assets based on their composition and ageing.

Trade receivables, retention receivables, accrued contract revenue and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a substantial period of time.

The maximum exposure to credit risk is represented by the carrying amount of each receivable in the statement of financial position after deducting any impairment allowance.

(c) *Credit risk of other receivables*

The Group measures the expected credit loss allowance of other receivables and deposits as 12-month expected credit loss under stage 1 of the impairment model since there was no significant increase in credit risk in other receivables and deposits since initial recognition.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(i) Credit risk (Continued)

Other than trade receivables, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment/repayable demanded.

Other than trade receivables, a default on a financial asset is when the counterparty fails to make contractual payments/repayable demanded within 90 days when they past due.

(ii) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. It is the policy of the Group to regularly monitor current and expected liquidity requirements and to ensure that adequate funding is available for operating, investing and financing activities. The Group also maintains undrawn committed credit facilities to further reduce liquidity risk in meeting funding requirements.

The tables below analyse the Group's financial liabilities into relevant maturity groups based on the remaining period at the end of the reporting periods to the contractual maturity date.

As at 30 June 2025	Less than 1 year HK\$'000	After 1 year but less than 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Difference from carrying amounts HK\$'000	Carrying amounts HK\$'000
Borrowings	4,784	320,515	325,299	(6,379)	318,920
Leases liabilities	42,713	53,403	96,116	(5,090)	91,026
Trade and other payables, excluding accrued employee benefits	1,846,476	–	1,846,476	–	1,846,476

As at 30 June 2024	Less than 1 year HK\$'000	After 1 year but less than 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Difference from carrying amounts HK\$'000	Carrying amounts HK\$'000
Borrowings	241,418	–	241,418	(5,629)	235,789
Leases liabilities	31,734	10,518	42,252	(1,442)	40,810
Trade and other payables, excluding accrued employee benefits	1,693,838	–	1,693,838	–	1,693,838

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(iii) Foreign exchange risk

The Group operates primarily in Hong Kong, Mainland China and Macau. Entities within the Group are exposed to foreign exchange risk from future commercial transactions and monetary assets and liabilities that are denominated in a currency that is not the entity's functional currency. Entities in Macau and Mainland China are not exposed to significant exchange risk.

The Group currently does not have a foreign currency hedging policy. It manages its foreign currency risk by closely monitoring the movement of the foreign currency rates and will consider to enter into forward foreign exchange contracts to reduce the exposure should the need arises.

As at 30 June 2025 and 2024, if Hong Kong dollars had strengthened/weakened by 5% (2024: 5%) against Renminbi with all other variables unchanged, there would have insignificant impact on the Group's profit for the year before income tax.

At 30 June 2025, the Group had HK\$2.1 million (2024: HK\$5.1 million) of net monetary assets denominated in United States dollar. Under the Linked Exchange Rate System in Hong Kong, Hong Kong dollar is pegged to the United States dollar, management therefore considers that there is no significant foreign exchange risk with respect to the United States dollar.

(iv) Interest rate risk

The Group's exposure to changes in interest rate risk relates primarily to the bank borrowings, the terms of which are disclosed in Note 28.

At 30 June 2025, if interest rates on the bank borrowings had been 100 basis points (2024: 100 basis points) higher/lower with all other variables held constant, profit before income tax for the years would have been HK\$3.2 million (2024: HK\$2.4 million) lower/higher respectively. Other components of equity would not be affected by the changes in interest rates.

3.2 Fair value estimation

At 30 June 2025 and 30 June 2024, the carrying amounts of Group's financial assets and liabilities approximate their fair values due to short-term maturities of these assets and liabilities.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Capital risk management

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders and to maintain an optimal capital structure to reduce the cost of capital. The Group's strategy is to maintain sufficient capital with the funds generated from operations.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and enhance shareholder value in the long term. The capital structure consists of total equity as shown in the consolidated statement of financial position. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends to be paid to shareholder, return capital to equity holder, or issue new shares.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

	Notes
Estimation of revenue, costs and foreseeable losses of contracting works	5
Income taxes	11
Depreciation and impairment of property, plant and equipment	14
Impairment of goodwill	16
Pension obligations	20
Long service payment liabilities	29

5 REVENUE AND SEGMENT INFORMATION

Accounting policies of revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the services and sales of goods in the ordinary course of the Group's activities. If contracts involve the sale of multiple services, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

Revenues are recognised when or as the control of the good or service is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the good or service may be transferred over time or at a point in time.

Control of the good or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset. Specific criteria where revenue is recognised are described below.

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group's performance in satisfying the performance obligation:

- direct measurements of the value transferred by the Group to the customer; or
- the Group's efforts or inputs to the satisfaction of the performance obligation relative to the total expected efforts or inputs.

Incremental costs incurred to obtain a contract, if recoverable, are capitalised as contract assets and subsequently amortised when the related revenue is recognised.

5 REVENUE AND SEGMENT INFORMATION (Continued)

Accounting policies of revenue recognition (Continued)

(i) Property management services

Revenue arising from property management services is recognised in the accounting period in which the services are rendered. The Group bills the customers for each month of service provided and recognises as revenue in the amount to which the Group satisfies performance obligations by transferring the services to its customers.

For property management services income from properties managed under lump sum basis, where the Group acts as principal and is primary responsible for providing the property management services to the property owners, the Group recognises the fee received or receivable from property owners as its revenue and all related property management costs as its cost of service. For property management services income from properties managed under commission basis, the Group only recognises the commission, which is calculated by fixed percentage of the costs involved in the management of the property units, as its revenue.

(ii) Value-added services

Value-added services income, including income from property agency services, is recognised over time when the services are rendered and the Group's performance provides all of the benefits received and consumed simultaneously by the customer.

(iii) Service fee income

Income from the provision and management of cleaning and pest control services, waste disposal services, provision of recycling and environmental services, service fees, consultancy fees income, landscaping and planting services, systems security, guarding and event services, concierge services are recognised over time and in accordance with the terms of the service agreements when the services are rendered.

(iv) Insurance brokerage services

Insurance brokerage services includes commission fee income and claims handling service income. Commission fee income is generated by brokers primarily through assessment of insurable risks and risk appetite of customers and sourcing relevant insurance products from insurers and underwriters which meets the needs of the customer. The Group recognised commission fee income at invoice date on the basis that the Group acts primarily as an agent of the customer when acting in the capacity as a broker, and as an agent of the insurer while acting in the capacity as an agent. Claims handling services refers to claims processing on behalf of insurers and the revenue is recognised over time throughout the insurance policy period.

5 REVENUE AND SEGMENT INFORMATION (Continued)

Accounting policies of revenue recognition (Continued)

(v) Engineering contracts

Revenue from engineering contracts is recognised over time as the Group's performance creates or enhances an asset or work in progress that the customer controls as the asset is created or enhanced. Thus, the Group satisfies a performance obligation over time, by reference to completion of the specific transaction assessed on the basis of the actual costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. In determining the transaction price, the Group adjusts the amount of consideration for the effect of a financing component if it is significant.

(vi) Sales of goods

Revenue from sales of goods is recognised when control of the products has transferred, being when the products are delivered to the customers, and there is no unfulfilled obligations that could affect the customers' acceptance of the products. A delivery occurs when the products have been delivered to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognised when the goods are delivered as this is the point in time that consideration is unconditional because only the passage of time is required before the payment is due.

(vii) Security systems

Revenue from security systems installation is recognised at a point in time when services are rendered.

(viii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(ix) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

5 REVENUE AND SEGMENT INFORMATION (Continued)

Critical accounting estimates and judgements for estimation of revenue, costs and foreseeable losses of contracting works

The Group recognises its contract revenue for contracting works according to the percentage of total estimated costs for each contract of contracting work. The management estimates the completion of the specific transaction assessed on the basis of the actual costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. In determining the transaction price, the Group adjusts the amount of consideration for the effect of a financing component if it is significant. Because of the nature of the activity undertaken in contracts, the date at which the contract activity entered into and the date when the activity is completed usually fall into different financial periods. The Group reviews and revises the estimates of contract revenue, contract costs, variation orders and contract claims prepared for each contract as the contract progresses. Management regularly reviews the progress of the contracts and the corresponding costs of the contract revenue. Any revision of these costs and revenue will impact the result for the subsequent financial periods.

Budgeted contracting income is determined in accordance with the terms set out in the relevant contracts. Budgeted contracting costs which mainly comprise staff costs, sub-contracting charges and costs of materials are prepared by the management on the basis of quotations from time to time provided by the major contractors, suppliers or vendors involved and the experience of the management. In order to keep the budget accurate and up-to-date, the Group's management conducts periodic review on the management budgets by comparing the budgeted amounts to the actual amounts incurred. When it is probable that total budgeted contracting costs will exceed total budgeted contracting income, the expected loss is recognised as an expense immediately.

The Executive Directors are the Group's chief operating decision-makers ("CODM"). Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance.

The CODM considers the business from the product and service perspectives and the Group is organised into three major business segments according to the nature of services and products provided:

- (i) Property & facility management services — Provision of property & facility management services, property agency and related services for buildings, carparks management services and guarding services;
- (ii) City essential services — Provision of cleaning & pest control and waste disposal services, recycling and environmental disposal services, insurance solutions, technical support & maintenance services, environmental solutions services (including environmental engineering services, ELV engineering services, EV charging infrastructure services and landscaping services) and systems security, guarding & event services and trading of environmental, EV charging, building materials and systems security products; and
- (iii) E&M services — Provision of engineering and consultancy services on installation.

Notes to the Consolidated Financial Statements

5 REVENUE AND SEGMENT INFORMATION (Continued)

An analysis of the Group's revenue is as follows:

For the year ended 30 June	2025 HK\$'000	2024 HK\$'000
Revenue		
Property & facility management services	701,327	663,455
City essential services		
— Cleaning & pest control services	2,535,908	2,349,622
— Insurance solutions	141,740	114,381
— Technical support & maintenance services		
— Renovations, system retrofit and repairing ⁽ⁱ⁾	1,050,006	954,010
— Routine maintenance ⁽ⁱⁱ⁾	114,087	106,067
— Environmental solutions		
— Rendering of services ⁽ⁱⁱⁱ⁾	305,508	263,017
— Sales of goods ^(iv)	29,697	41,088
— Systems security, guarding & event services		
— Rendering of services	682,162	606,929
— Sales of goods ^(v)	28,492	24,006
City essential services subtotal	4,887,600	4,459,120
E&M services	2,570,960	3,325,368
Total^(vi)	8,159,887	8,447,943

Notes:

- (i) Technical support & maintenance services — Renovations, system retrofit and repairing: Provision of renovation, system retrofit and repairing services covering replacement of chiller units, upgrade of electrical supply systems, modification and enhancement of fire services, plumbing and drainage systems, alteration and addition works and term contracts.
- (ii) Technical support & maintenance services — Routine maintenance: Provision of operational and maintenance services for central air conditioning plants and other building services.
- (iii) Environmental solutions — Rendering of services: Provision of environmental solutions services including installation and maintenance of water treatment systems, odour abatement systems, construction site wastewater treatment systems, ELV systems, EV charging infrastructure, IoT solutions, consultancy services for energy audit, carbon audit, building environmental assessment, indoor air quality and water quality assessment, laboratory services and landscape management.
- (iv) Environmental solutions — Sales of goods: Sales of tiles, building service products including pipes, pumps, accessory valves and fittings, building automation systems, heating, ventilation, air-conditioning parts, fire services products, environmental engineering products covering building services water treatment and odour abatement systems, air quality monitoring machines, construction site wastewater treatment systems, EV charging products and plants.
- (v) Systems security, guarding & event services — Sales of goods: Sales of CCTV, burglar alarm, mobile patrol, access control, intercom, carpark barrier and face reader systems, and handheld and walkthrough metal detectors.

5 REVENUE AND SEGMENT INFORMATION (Continued)

Notes: (Continued)

- (vi) An analysis of the Group's contracting revenue recognised based on percentage of actual costs incurred over total estimated costs of individual contracting work is as follows:

For the year ended 30 June	2025 HK\$'000	2024 HK\$'000
Contracting revenue recognised based on percentage-of-completion method		
Technical support & maintenance services		
— Renovations, system retrofit and repairing	430,211	407,721
Environmental solutions		
— Rendering of services	149,575	130,535
E&M services	2,570,960	3,325,368
Total	3,150,746	3,863,624

Accounting policies of segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The executive directors that make strategic decisions have been identified as the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

The CODM assesses the performance of the operating segments based on each segment's operating profit. The measurement of segment operating profit excludes the effects of unallocated corporate expenses. In addition, finance income and costs and share of results of associates and joint ventures are not allocated to segments.

Operating expenses of a functional unit are allocated to the relevant segment which is the predominant user of the services provided by the unit. Operating expenses of other shared services which cannot be allocated to a specific segment and corporate expenses are included as unallocated corporate expenses.

Segment assets are those operating assets that are employed by a segment in its operating activities. Segment assets are determined after deducting related allowance that are reported as direct offsets in the statement of financial position. Segment assets consist primarily of property, plant and equipment, right-of-use assets, other intangible assets, interests in associates, interests in joint ventures, deferred income tax assets, pension assets, trade and other receivables, contract assets, inventories and cash and bank balances.

Segment liabilities are those operating liabilities that result from the operating activities of a segment. Segment liabilities do not include other liabilities that are incurred for financing rather than operating purpose unless the segment is engaged in financing activities.

As at 30 June 2025 and 30 June 2024, unallocated assets and unallocated liabilities represented the assets and liabilities not arising from the operations of the operating segments.

Additions to non-current assets comprise mainly additions to property, plant and equipment (Note 14), right-of-use assets (Note 15) and other intangible assets (Note 16).

Notes to the Consolidated Financial Statements

5 REVENUE AND SEGMENT INFORMATION (Continued)

(a) As at and for the year ended 30 June 2025

The segment results for the year ended 30 June 2025 and other segment items included in the consolidated income statement are as follows:

	Property & facility management services HK\$'000	City essential services HK\$'000	E&M services HK\$'000	Inter- segment elimination HK\$'000	Total HK\$'000
Revenue — External	701,327	4,887,600	2,570,960	–	8,159,887
Revenue — Internal	1,130	115,277	–	(116,407)	–
Total revenue	702,457	5,002,877	2,570,960	(116,407)	8,159,887
Timing of revenue recognition					
Over time	702,457	4,874,959	2,570,960	(102,204)	8,046,172
At a point in time	–	127,918	–	(14,203)	113,715
Total revenue	702,457	5,002,877	2,570,960	(116,407)	8,159,887
Operating profit before unallocated corporate expenses	105,283	270,907	165,226	–	541,416
Unallocated corporate expenses					(7,478)
Operating profit					533,938
Finance income (Note 10)					22,990
Finance costs (Note 10)					(22,277)
Share of results of associates (Note 17)					1,835
Share of results of joint ventures (Note 18)					33
Profit before income tax					536,519
Income tax expenses (Note 11)					(83,294)
Profit for the year					453,225
Other items					
Depreciation and amortisation	15,067	41,409	25,268	–	81,744
Impairment losses, net					
— Trade and other receivables (Note 21)	944	2,023	1,362	–	4,329
Provision for inventories	–	1,888	–	–	1,888
Additions to non-current assets (other than financial instruments and deferred tax assets)	17,282	115,283	59,357	–	191,922

5 REVENUE AND SEGMENT INFORMATION (Continued)

(a) As at and for the year ended 30 June 2025 (Continued)

The segment assets and liabilities as at 30 June 2025 are as follows:

	Property & facility management services HK\$'000	City essential services HK\$'000	E&M services HK\$'000	Total HK\$'000
Segment assets	449,258	2,253,977	1,667,015	4,370,250
Unallocated assets				2,394
Total assets				4,372,644
Segment liabilities	166,625	1,209,024	1,317,856	2,693,505
Unallocated liabilities				417,396
Total liabilities				3,110,901

Notes to the Consolidated Financial Statements

5 REVENUE AND SEGMENT INFORMATION (Continued)

(b) As at and for the year ended 30 June 2024

The segment results for the year ended 30 June 2024 and other segment items included in the consolidated income statement are as follows:

	Property & facility management services HK\$'000	City essential services HK\$'000	E&M services HK\$'000	Inter- segment elimination HK\$'000	Total HK\$'000
Revenue — External	663,455	4,459,120	3,325,368	–	8,447,943
Revenue — Internal	2,244	94,549	–	(96,793)	–
Total revenue	665,699	4,553,669	3,325,368	(96,793)	8,447,943
Timing of revenue recognition					
Over time	665,699	4,432,785	3,325,368	(88,458)	8,335,394
At a point in time	–	120,884	–	(8,335)	112,549
Total revenue	665,699	4,553,669	3,325,368	(96,793)	8,447,943
Operating profit before unallocated corporate expenses	121,629	256,963	219,342	–	597,934
Unallocated corporate expenses					(7,287)
Operating profit					590,647
Finance income (Note 10)					18,894
Finance costs (Note 10)					(19,488)
Share of results of associates (Note 17)					1,594
Share of results of joint ventures (Note 18)					215
Profit before income tax					591,862
Income tax expenses (Note 11)					(90,704)
Profit for the year					501,158
Other items					
Depreciation and amortisation	12,320	36,945	26,086	–	75,351
Impairment losses, net					
— Trade and other receivables (Note 21)	–	1,284	–	–	1,284
Reversal of provision for inventories	–	(3,065)	–	–	(3,065)
Additions to non-current assets (other than financial instruments and deferred tax assets)	6,994	30,063	9,917	–	46,974

5 REVENUE AND SEGMENT INFORMATION (Continued)

(b) As at and for the year ended 30 June 2024 (Continued)

The segment assets and liabilities as at 30 June 2024 are as follows:

	Property & facility management services HK\$'000	City essential services HK\$'000	E&M services HK\$'000	Total HK\$'000
Segment assets	413,547	1,910,240	1,623,468	3,947,255
Unallocated assets				2,417
Total assets				3,949,672
Segment liabilities	166,658	1,035,767	1,475,653	2,678,078
Unallocated liabilities				282,722
Total liabilities				2,960,800

Revenue from external customers by geographical areas is based on the geographical location of the customers.

Revenue is allocated based on the regions in which the customers are located as follows:

For the year ended 30 June	2025 HK\$'000	2024 HK\$'000
Revenue		
Hong Kong	7,439,866	7,638,101
Mainland China	553,420	613,087
Macau	166,601	196,755
Total	8,159,887	8,447,943

Notes to the Consolidated Financial Statements

5 REVENUE AND SEGMENT INFORMATION (Continued)

(b) As at and for the year ended 30 June 2024 (Continued)

The analysis of the Group's major customers, which a single external customer has contributed 10% or more to the Group's revenue, is as follows:

For the year ended 30 June	2025 HK\$'000	2024 HK\$'000
Customer A	1,360,369	1,210,787
Customer B	N/A ⁽ⁱ⁾	1,471,993

Note:

(i) The amount is less than 10% of the Group's revenue.

The revenue contributed by the above major customers is mainly attributable to the Group's E&M services segment in Hong Kong and Mainland China, city essential services and property & facility management services segments in Hong Kong.

The non-current assets, other than deferred tax assets and pension assets, are allocated based on the regions in which the non-current assets are located as follows:

As at 30 June	2025 HK\$'000	2024 HK\$'000
Non-current assets, other than deferred tax assets and pension assets		
Hong Kong	373,125	269,917
Mainland China	17,737	19,390
Macau	8,176	2,490
Total	399,038	291,797

6 OTHER INCOME, NET

For the year ended 30 June	2025 HK\$'000	2024 HK\$'000
Gain on disposal of right-of-use assets, net	4,915	4,281
Sundries	1,931	1,748
Gain on disposal of property, plant and equipment, net	868	1,075
Ex-gratia payments from the government for retirement of motor vehicles	336	305
Exchange (loss)/gain, net	(48)	330
Government grants ⁽ⁱ⁾	–	15,218
Total	8,002	22,957

Note:

- (i) During the year ended 30 June 2025, the Group was entitled to government grants under certain schemes of the Government of the Hong Kong Special Administrative Region as financial support for its businesses, amounting to HK\$1.6 million (2024: HK\$25.8 million) in total. The amount was net off in its staff costs (Note 8) (2024: HK\$15.2 million was recognised as “Other income, net” and HK\$10.6 million was net off in its staff costs (Note 8)).

7 OPERATING PROFIT

For the year ended 30 June	Notes	2025 HK\$'000	2024 HK\$'000
Operating profit is stated after charging/(crediting):			
Staff costs (including Directors' emoluments)	8	3,964,069	3,674,284
Subcontracting fees		2,129,055	2,383,007
Raw materials and consumables used		1,116,642	1,434,394
Depreciation of right-of-use assets	15(b)	46,312	49,417
Depreciation of property, plant and equipment	14	29,641	22,085
Cost of inventories sold		26,403	25,355
Auditors' remuneration			
Audit services		5,825	5,682
Non-audit services		1,977	2,354
Amortisation of other intangible assets ⁽ⁱ⁾	16	5,791	3,849
Impairment loss on trade and other receivables, net	21	4,329	1,284
Expenses relating to short-term leases	15(b)	2,552	2,373
Provision/(reversal of provision) for inventories		1,888	(3,065)

Note:

- (i) Included in general and administrative expenses.

Save as disclosed in this note and elsewhere in the consolidated financial statements, the other items charged/credited to the Group's operating profit are of individually immaterial amounts, which include insurance expenses, repair and maintenance expenses, utility expenses, motor vehicles expenses, etc.

8 STAFF COSTS INCLUDING DIRECTORS' EMOLUMENTS

Accounting policies of employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the date of consolidated statement of financial position. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Bonus plan

Provisions for bonus plans are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(iii) Defined contribution schemes

Contributions to defined contribution schemes, including the Mandatory Provident Fund ("MPF") Scheme and employee pension schemes established by municipal government in Mainland China, are expensed as incurred. Except for the MPF Scheme, contributions are reduced by contributions forfeited by those employees who leave the schemes prior to vesting fully in the contributions.

(iv) Defined benefit retirement schemes

Defined benefit costs under defined benefit retirement schemes which are assessed using the projected unit credit method, are charged to the profit or loss. Under this method, plan assets are measured at fair value and defined benefit obligations are measured as the present value of the estimated future cash outflows using interest rates determined by reference to market yields at the period end date based on Exchange Fund Notes, which have terms to maturity approximating the terms of the related liability. The current service cost of the defined benefit plan, recognised in the consolidated income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation results from employee service in the current year, benefit changes, curtailments and settlements.

Past-service costs are recognised immediately in the consolidated income statement.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated income statement.

Remeasurement arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

8 STAFF COSTS INCLUDING DIRECTORS' EMOLUMENTS (Continued)

Accounting policies of employee benefits (Continued)

(v) Long service payment liabilities

The Group's net obligation in respect of long service amounts payable on cessation of employment in certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

The long service payment liabilities are assessed by using the projected unit credit method. The cost of providing the long service payment liabilities is charged to the consolidated statement of comprehensive income so as to spread the costs over the service lives of employees.

The long service payment liabilities are discounted to determine the present value and reduced by entitlements accrued under the Group's MPF and Occupational Retirement Schemes Ordinance ("ORSO") scheme that is attributable to contributions made by the Group.

Changes in the present value of the long service payment liabilities resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

Remeasurement arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

For the year ended 30 June	2025 HK\$'000	2024 HK\$'000
Salaries, wages and bonuses	3,807,945	3,528,894
Contributions to defined contribution schemes ⁽ⁱ⁾	146,799	136,943
Contributions to defined benefits retirement scheme (Note 20)	367	319
Long services payment expenses (Note 29)	8,958	8,128
Total	3,964,069	3,674,284

Note:

- (i) Forfeited contributions of defined contribution schemes for employees who leave before the contributions are fully vested are not used to offset existing contributions but are refunded to the Group.

Notes to the Consolidated Financial Statements

9 EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' emoluments

For the year ended 30 June	2025 HK\$'000	2024 HK\$'000
Fees	4,909	4,134
Salaries and other emoluments	41,520	47,048
Contributions to defined contribution schemes	2,585	2,608
Total	49,014	53,790

The directors of the Company represent key management personnel of the Group having authority and responsibility for planning, directing and controlling the activities of the Group.

(i) The remuneration of each Director for the year ended 30 June 2025 is set out below:

	Fees HK\$'000	Salaries HK\$'000	Bonuses HK\$'000	Other benefits HK\$'000	Contributions to defined contribution schemes HK\$'000	Total HK\$'000
Doo Wai Hoi, William ^(a)	568	1,800	–	–	–	2,368
Lam Wai Hon, Patrick ^(b)	340	7,337	3,440	–	734	11,851
Doo William Junior Guilherme	272	6,114	2,389	–	611	9,386
Lee Kwok Bong	272	4,109	1,794	–	411	6,586
Soon Kweong Wah	272	3,969	1,460	–	397	6,098
Cheng Chun Fai	272	3,667	899	–	367	5,205
Chan Ju Wai ^(c)	69	654	–	–	65	788
Wong Shu Hung ^(d)	204	2,271	1,617	–	–	4,092
Cheng Kar Shun, Henry	609	–	–	–	–	609
Poon Lock Kee, Rocky ^(e)	272	–	–	–	–	272
Kwong Che Keung, Gordon	419	–	–	–	–	419
Hui Chiu Chung, Stephen	335	–	–	–	–	335
Lee Kwan Hung, Eddie	335	–	–	–	–	335
Tong Yuk Lun, Paul	335	–	–	–	–	335
Leung Wan Chong Christine ^(f)	335	–	–	–	–	335
Total	4,909	29,921	11,599	–	2,585	49,014

9 EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Directors' emoluments (Continued)

(ii) The remuneration of each Director for the year ended 30 June 2024 is set out below:

	Fees	Salaries	Bonuses	Other	Contributions	Total
	HK\$'000	HK\$'000	HK\$'000	benefits	to defined	
				HK\$'000	contribution	HK\$'000
					schemes	
					HK\$'000	
Doo Wai Hoi, William ^(a)	161	518	–	–	–	679
Lam Wai Hon, Patrick ^(b)	330	6,686	4,914	–	668	12,598
Doo William Junior Guilherme	264	5,574	3,600	–	418	9,856
Lee Kwok Bong	264	3,901	2,300	–	391	6,856
Soon Kweong Wah	264	3,819	1,778	–	382	6,243
Wong Shu Hung ^(d)	264	2,500	1,251	–	–	4,015
Poon Lock Kee, Rocky ^(e)	264	4,223	1,175	–	396	6,058
Cheng Chun Fai	264	3,529	1,280	–	353	5,426
Cheng Kar Shun, Henry	540	–	–	–	–	540
Kwong Che Keung, Gordon	406	–	–	–	–	406
Hui Chiu Chung, Stephen	325	–	–	–	–	325
Lee Kwan Hung, Eddie	325	–	–	–	–	325
Tong Yuk Lun, Paul	325	–	–	–	–	325
Leung Wan Chong Christine ^(f)	138	–	–	–	–	138
Total	4,134	30,750	16,298	–	2,608	53,790

Notes:

- (a) Mr. Doo Wai Hoi, William was appointed as an Executive Director on 18 March 2024.
- (b) Mr. Lam Wai Hon, Patrick was appointed as the Chief Executive Officer of the Company with effect from 1 July 2024.
- (c) Mr. Chan Ju Wai was appointed as an Executive Director on 1 April 2025.
- (d) Mr. Wong Shu Hung resigned as the Executive Director of the Company with effect from 1 April 2025.
- (e) Mr. Poon Lock Kee, Rocky resigned as the Chief Executive Officer of the Company and was redesignated from an Executive Director to a Non-executive Director with effect from 1 July 2024.
- (f) Ms. Leung Wan Chong Christine was appointed as an Independent Non-executive Director on 1 February 2024.
- (g) During the year ended 30 June 2025, no directors of the Company waived any emoluments and no emoluments were paid by the Group to any of the directors, supervisors or senior management as an inducement to join or upon joining the Group or as compensation for loss of office (2024: Nil).

Notes to the Consolidated Financial Statements

9 EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(b) Directors' material interests in transactions, arrangements or contracts

Details of the Group's material related party transactions are set out in Note 33 to the consolidated financial statements.

Save for the above and contracts amongst group companies, no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year ended 30 June 2025 or at any time during the year ended 30 June 2025.

(c) Five highest paid individuals' emoluments

The five individuals whose emoluments were the highest in the Group during the year ended 30 June 2025 include five directors (2024: five) whose emoluments are reflected in the analysis presented above.

10 FINANCE INCOME AND COSTS

Accounting policies of borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

For the year ended 30 June	2025 HK\$'000	2024 HK\$'000
Finance income		
Interest from bank deposits and others	22,990	18,894
Finance costs		
Interest on bank borrowings and others	19,365	17,691
Interest on lease liabilities	2,912	1,797
Total	22,277	19,488

11 INCOME TAX EXPENSES

Accounting policies of current and deferred income tax

The tax expense for the year comprises current and deferred income tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised directly in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of consolidated statement of financial position in the countries where the Group and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred income tax

(a) Inside basis differences

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the date of statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(b) Outside basis differences

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except deferred income tax liability where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

(iii) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Notes to the Consolidated Financial Statements

11 INCOME TAX EXPENSES (Continued)

Critical accounting estimates and judgements for income taxes

The Group is subject to income tax in Hong Kong, Macau and Mainland China. Judgement is required in determining the provision for taxation in these jurisdictions. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for potential tax exposures based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income taxation in the financial period in which such determination is made.

For the year ended 30 June	2025 HK\$'000	2024 HK\$'000
Current income tax		
Hong Kong profits tax	87,251	86,828
Mainland China income tax	2,104	617
Macau profits tax	663	2,392
Over-provision in prior years	(2,202)	(1,329)
Deferred income tax (credits)/expenses (Note 19)		
Income tax	(4,681)	2,076
Withholding tax	159	120
Total	83,294	90,704

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profit for the year. Taxation on Mainland China and Macau profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the jurisdictions in which the Group operates. These rates range from 12% to 25% for the year ended 30 June 2025 (2024: 12% to 25%). According to applicable People's Republic of China ("PRC") tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% withholding tax. If a foreign investor is incorporated in Hong Kong and meets the conditions or requirements under the double taxation arrangement entered into between the Mainland China and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%. Hence, the Group used 5% to accrue the withholding tax for certain PRC subsidiaries which are expected to fulfill the aforesaid conditions.

11 INCOME TAX EXPENSES (Continued)

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows:

For the year ended 30 June	2025 HK\$'000	2024 HK\$'000
Profit before income tax	536,519	591,862
Less: Share of results of		
Associates (Note 17)	(1,835)	(1,594)
Joint ventures (Note 18)	(33)	(215)
	534,651	590,053
Calculated at a tax rate of 16.5% (2024: 16.5%)	88,217	97,359
Expenses not deductible for taxation purposes	3,565	3,222
Tax losses not recognised	1,502	1,625
Temporary differences not recognised	285	1,019
Withholding tax on undistributed earnings from subsidiaries in Mainland China	159	120
Income not subject to taxation	(3,992)	(8,564)
Tax concessions	(2,404)	(1,943)
Over-provision in prior years	(2,202)	(1,329)
Utilisation of previously unrecognised tax losses	(1,749)	–
Effect of different taxation rates in other regions	(87)	(805)
Income tax expenses	83,294	90,704

Notes to the Consolidated Financial Statements

12 EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY

(a) Basic

The calculation of basic earnings per share for the year is based on the following:

For the year ended 30 June	2025 HK\$'000	2024 HK\$'000
Profit for the year attributable to shareholders of the Company	453,214	501,100
Less: Preferred distribution to the holder of convertible preference shares	(8,454)	(8,454)
Earnings used in the basic earnings per share calculation	444,760	492,646
Weighted average number of ordinary shares in issue (shares in thousands)	450,000	450,000
Basic earnings per share (HK\$)	0.99	1.09

(b) Diluted

On 16 December 2019, the Company issued convertible preference shares, with details set out in Note 25, which are treated as contingently issuable potential ordinary shares under HKAS 33 "Earnings per Share". Since the conditions for their conversion were not met as at 30 June 2025 and 30 June 2024, therefore, the effect of their conversion is not included in the calculation of the diluted earnings per share for years ended 30 June 2025 and 30 June 2024. As a result, the diluted earnings per share equals to the basic earnings per share for the years ended 30 June 2025 and 30 June 2024.

13 DIVIDENDS

Accounting policies of dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period when the dividends are approved by the Company's shareholders/directors, where appropriate.

For the year ended 30 June	2025 HK\$'000	2024 HK\$'000
Interim dividend paid of HK21.1 cents (2024: HK22.4 cents) per share	94,950	100,800
Final dividend proposed of HK18.5 cents (2024: HK21.4 cents) per share	83,250	96,300
Total	178,200	197,100

Note:

At a meeting held on 26 September 2025, the Board recommended a final dividend of HK18.5 cents (2024: HK21.4 cents) per ordinary share to the ordinary shareholders of the Company. The final dividend will be paid in cash. This proposed dividend is not reflected as a dividend payable in the consolidated financial statements but will be reflected as an appropriation of the retained earnings for the year ending 30 June 2026.

14 PROPERTY, PLANT AND EQUIPMENT

Accounting policies of property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the carrying amount of the assets or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably.

All other repairs and maintenance costs are charged to the consolidated income statement during the financial year in which they are incurred.

Freehold land is not depreciated.

Depreciation of property, plant and equipment, except for freehold land, is calculated to allocate their costs to their residual values over their estimated useful lives using the straight-line method. Estimated useful lives are summarised as follows:

Leasehold land under finance leases and buildings	Shorter of 20 to 50 years, or the remaining lease terms
Leasehold improvements	Shorter of 5 years or the remaining lease terms
Plant and machinery	2 to 7 years
Furniture, fixtures and equipment	3 to 5 years
Motor vehicles	3 to 5 years

The residual values and estimated useful lives of the assets are reviewed, and adjusted if appropriate, at each date of statement of financial position.

The carrying amount of an asset is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount as described in Note 2.3 to the consolidated financial statements.

Gains and losses on disposals of plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised within "Other income/(expenses), net" in the consolidated income statement.

Critical accounting estimates and judgements for property, plant and equipment

The expected useful lives and residual values of property, plant and equipment are determined by the management based on the internal accounting guidelines and industrial practices of similar property, plant and equipment. Management will revise the depreciation charges where useful lives and residual values are different to previously estimated.

Management also regularly reviews whether there are any indications of impairment and will recognise an impairment loss if the carrying amount of a CGU is higher than its recoverable amount. The recoverable amount of a CGU is determined based on value in use calculations. In determining the CGU's value in use, management assesses the present value of the estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. Estimates and judgements are applied in determining these future cash flows and the discount rate. Management estimate the future cash flows based on certain assumptions, such as market competition and development and the expected growth in business.

Notes to the Consolidated Financial Statements

14 PROPERTY, PLANT AND EQUIPMENT (Continued)

	Leasehold land and buildings HK\$'000	Leasehold improvements HK\$'000	Plant and machinery HK\$'000	Furniture, fixtures, equipment and others HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Year ended 30 June 2024						
At 1 July 2023	3,369	6,715	7,806	11,383	28,142	57,415
Currency translation differences	(9)	(1)	–	(7)	(1)	(18)
Additions	18	4,567	5,100	4,882	16,273	30,840
Disposals	(515)	–	(112)	(80)	(20)	(727)
Depreciation charge	(106)	(1,945)	(5,629)	(5,121)	(9,284)	(22,085)
Closing net book value	2,757	9,336	7,165	11,057	35,110	65,425
At 30 June 2024						
Cost	4,077	86,162	56,501	102,001	89,419	338,160
Accumulated depreciation	(1,320)	(76,826)	(46,536)	(90,944)	(54,309)	(269,935)
Accumulated impairment	–	–	(2,800)	–	–	(2,800)
Net book value	2,757	9,336	7,165	11,057	35,110	65,425
Year ended 30 June 2025						
At 1 July 2024	2,757	9,336	7,165	11,057	35,110	65,425
Currency translation differences	25	3	–	33	4	65
Additions	–	11,271	4,174	4,411	1,657	21,513
Acquisition of a subsidiary (Note 31(b))	–	–	–	638	44	682
Disposals	(893)	(193)	(97)	(221)	(103)	(1,507)
Depreciation charge	(93)	(7,704)	(5,220)	(6,106)	(10,518)	(29,641)
Closing net book value	1,796	12,713	6,022	9,812	26,194	56,537
At 30 June 2025						
Cost	2,907	95,075	56,342	102,139	89,493	345,956
Accumulated depreciation	(1,111)	(82,362)	(50,320)	(92,327)	(63,299)	(289,419)
Net book value	1,796	12,713	6,022	9,812	26,194	56,537

Notes:

- (a) None of the above property, plant and equipment was pledged as security as at 30 June 2025 (2024: None).

15 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Accounting policies of leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liabilities.

The lease payments are discounted using the interest rate implicit in the lease, if that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an assets of similar value to the right-of-use asset in a similar economic environment with similar terms and security conditions.

To determine the incremental borrowing rate, the Group:

- where possible uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance costs. The finance costs are charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period

15 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

Accounting policies of leases (Continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liabilities.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated income statement. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessors.

15 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

(a) Group as lessees — Amount recognised in the consolidated statement of financial position

	2025 HK\$'000	2024 HK\$'000
Right-of-use assets		
Properties	87,740	37,606
Leasehold lands	8,631	12,131
Equipment	2,015	2,225
Total	98,386	51,962
Leases liabilities		
Within one year	39,482	30,783
Within a period of more than one year but not exceeding two years	34,416	6,899
Within a period of more than two years but not exceeding five years	17,128	3,128
	91,026	40,810
Less: Current portion	(39,482)	(30,783)
Non-current portion	51,544	10,027

During the year ended 30 June 2025, the Group acquired right-of-use assets and recognised lease liabilities, including lease modifications, totalling HK\$93.7 million (2024: HK\$16.1 million).

(b) Group as lessees — Amount recognised in the consolidated income statement

	2025 HK\$'000	2024 HK\$'000
Depreciation of right-of-use assets		
Properties	45,423	48,340
Leasehold lands	356	405
Equipment	533	672
	46,312	49,417
Expense relating to short-term leases (Note 7)	2,552	2,373
Interest on lease liabilities (Note 10)	2,912	1,797
Total	51,776	53,587

15 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

(c) Group as lessees — Amount recognised in the consolidated statement of cash flows

The total cash outflow for leases during the year ended 30 June 2025 was HK\$51.2 million (2024: HK\$53.4 million).

(d) Group as lessees — Other disclosures

(i) The Group's leasing activities and how these are accounted for

The Group leases various offices, warehouses and equipment. Rental contracts are typically made for fixed periods of 3 months to 8 years (2024: 3 months to 8 years) but may have extension options as described below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

(ii) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

(iii) Residual value guarantees

As at 30 June 2025, no residual value guarantee is expected to be payable (2024: None).

(iv) Leases not yet commenced to which the lessee is committed

The Group does not commit at 30 June 2025 to any leases that are not yet commenced (2024: None).

(v) Restriction or covenants imposed by leases

The lease agreements entered into by the Group do not impose any covenants other than the security interests in the leased assets under such lease agreements that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

16 OTHER INTANGIBLE ASSETS

Accounting policies of intangible assets (other than right-of-use assets)

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(ii) Trademarks, brand names and licenses

Separately acquired trademarks, brand names and licenses are shown at historical cost. Trademarks, brand names and licenses acquired in a business combination are recognised at fair value at the acquisition date. Trademarks, brand names and licenses have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and brand names over their estimated useful lives of 25 to 30 years and licenses over 2 years.

(iii) Internally generated environmental technology

(a) *Environmental technology*

Costs associated with research phase of the internally generated environmental technology are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of the technology controlled by the Group are recognised as intangible assets when the following criteria are met:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale.
- its intention to complete the intangible asset and use or sell it.
- how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.

16 OTHER INTANGIBLE ASSETS (Continued)

Accounting policies of intangible assets (other than right-of-use assets) (Continued)

(iii) Internally generated environmental technology (Continued)

(a) Environmental technology (Continued)

- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

(b) Research and development

Research expenditure and development expenditure that do not meet the criteria in (iii) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(c) Amortisation method and period

The Group amortises intangible assets with a limited useful life using the straight-line method over the following period:

Internally generated environmental technology	10 years
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(iv) Customer contracts and customer relationships

Separately acquired customer contracts are shown at historical cost. Customer contracts acquired in a business combination are recognised at fair value at the acquisition date. Customer contracts have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of customer contracts over their estimated useful lives of 2 to 20 years.

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of customer relationships over their estimated useful lives of 10 to 15 years.

16 OTHER INTANGIBLE ASSETS (Continued)

	Goodwill HK\$'000	Trademarks, brand names and licenses HK\$'000	Internally generated environmental technology HK\$'000	Customer contracts and customer relationships HK\$'000	Total HK\$'000
Year ended 30 June 2024					
Opening net book value	125,495	22,533	1,029	27,813	176,870
Amortisation	–	(1,859)	(147)	(1,843)	(3,849)
Closing net book value	125,495	20,674	882	25,970	173,021
At 30 June 2024					
Cost	130,166	59,740	2,316	106,436	298,658
Accumulated amortisation	–	(31,786)	(589)	(80,466)	(112,841)
Accumulated impairment	(4,671)	(7,280)	(845)	–	(12,796)
Net book value	125,495	20,674	882	25,970	173,021
Year ended 30 June 2025					
Opening net book value	125,495	20,674	882	25,970	173,021
Acquisition of a subsidiary (Note 31(b))	43,869	2,981	–	26,342	73,192
Currency translation differences	–	79	–	752	831
Amortisation	–	(2,618)	(147)	(3,026)	(5,791)
Closing net book value	169,364	21,116	735	50,038	241,253
At 30 June 2025					
Cost	174,035	62,807	2,316	133,542	372,700
Accumulated amortisation	–	(34,411)	(736)	(83,504)	(118,651)
Accumulated impairment	(4,671)	(7,280)	(845)	–	(12,796)
Net book value	169,364	21,116	735	50,038	241,253

Notes to the Consolidated Financial Statements

16 OTHER INTANGIBLE ASSETS (Continued)

(a) Impairment tests for goodwill

Critical accounting estimates and judgements for impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment according to their recoverable amounts determined by the CGUs based on value in use calculations. These calculations require the use of estimates which are subject to change of economic environment in future.

Goodwill is monitored at the segment level and is allocated to the CGUs of the Group's segments. For the purpose of impairment tests, the recoverable amount of the Group's CGUs is determined based on value in use calculations. The key assumptions adopted on growth rates and discount rates used in the value in use calculations are based on management's best estimates and past experience.

A summary of the goodwill allocation to business units is presented below:

As at 30 June	2025 HK\$'000	2024 HK\$'000
Property & facility management services	66,899	66,899
City essential services		
— Cleaning & pest control services	7,916	7,916
— Insurance solutions	46,256	2,387
— Systems security, guarding & event services	14,452	14,452
E&M services	33,841	33,841
Total	169,364	125,495

The recoverable amount of a group of CGUs is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period which the growth rates are stated as below. Cash flows beyond the five-year period are extrapolated using 1% growth rate for the property & facility management services business unit, cleaning & pest control services, insurance solutions business units and systems security, guarding & event services, and zero growth rate for the E&M services business unit. The growth rate does not exceed the long-term average growth rate for the businesses in which the group of CGUs operates.

16 OTHER INTANGIBLE ASSETS (Continued)

(a) Impairment tests for goodwill (Continued)

The following assumptions have been used for the analysis of the group of CGUs within the operating segment.

	30 June 2025				
	City essential services				
	Property & facility management services	Cleaning & pest control services	Insurance solutions	Systems security, guarding & event services	E&M services
Cash flows in the first five years					
Gross margin	27.4%-27.9%	7.3%-7.4%	N/A ⁽ⁱ⁾	9.0%	7.0%
Annual increase of operation costs	N/A ⁽ⁱ⁾	N/A ⁽ⁱ⁾	1.9%-10.4%	N/A ⁽ⁱ⁾	N/A ⁽ⁱ⁾
Growth rate	0.8%-3.6%	1.2%-3.0%	9.3%-13.5%	2.5%-3.7%	2.5% to 2.7%
Pre-tax discount rate	12.4%	13.0%	13.0%	13.6%	15.8%
Cash flows beyond five-year period					
Terminal growth rate	1%	1%	1%	1%	0%
Pre-tax discount rate	12.4%	13.0%	13.0%	13.6%	15.8%

	30 June 2024				
	City essential services				
	Property & facility management services	Cleaning & pest control services	Insurance solutions	Systems security, guarding & event services	E&M services
Cash flows in the first five years					
Gross margin	28.7%-30.0%	7.5%-9.5%	N/A ⁽ⁱ⁾	7.8%-9.1%	9.0%-11.7%
Annual increase of operation costs	N/A ⁽ⁱ⁾	N/A ⁽ⁱ⁾	2.5%-15.8%	N/A ⁽ⁱ⁾	N/A ⁽ⁱ⁾
Growth rate	2.5%-6.6%	3.0%-6.5%	2.5%-7.0%	2.5%-6.7%	2.5% to 9.6%
Pre-tax discount rate	13.6%	14.2%	14.2%	14.8%	17.0%
Cash flows beyond five-year period					
Terminal growth rate	1%	1%	1%	1%	0%
Pre-tax discount rate	13.6%	14.2%	14.2%	14.8%	17.0%

Note:

(i) These are not the key assumptions used in value in use calculations of the Group's CGUs.

Management determined budgeted gross margin based on past performance and its expectations of market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments and business life-cycle. On the basis of these reviews, management concluded that no impairment was required for goodwill as at 30 June 2025 (2024: Nil).

A reasonably possible change in a key assumption would not cause the recoverable amount to fall below the carrying value of the respective group of CGUs.

17 INTERESTS IN ASSOCIATES

Accounting policies of associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the investee after the date of acquisition. The Group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to consolidated income statement where appropriate.

The Group's share of post-acquisition profits or losses of associate is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of results of associates" in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interest in associates are recognised in the consolidated income statement.

17 INTERESTS IN ASSOCIATES (Continued)

	2025 HK\$'000	2024 HK\$'000
At beginning of year	218	234
Investment in an associate (Note 31(c))	945	–
Share of profit for the year	1,835	1,594
Dividends	(1,340)	(1,610)
At end of year	1,658	218

Particulars of associates are as follows:

Name	Place of incorporation	Principal activities	Particular of issued share capital	Effective percentage of equity interest held	
				2025	2024
Harbour Place Management Services Limited	Hong Kong	Provision of property management services	1,000 ordinary shares paid up to HK\$1,000	30%	30%
Townlife Holding Company Limited	Hong Kong	Investment holding	3,500 ordinary shares paid up to HK\$3,500,000	27%	–
TN Insurance Consultants Limited	Hong Kong	Insurance brokerage	2,000,000 ordinary shares paid up to HK\$2,000,000	27%	–
Landes Limited	Hong Kong	Landscape design	10 shares paid up to HK\$10	20%	20%

The following represents the Group's share of its individually immaterial associates that are accounted for using the equity method of accounting:

As at 30 June	2025 HK\$'000	2024 HK\$'000
Carrying amount of interests in associates	1,658	218
Share of profit and total comprehensive income for the year	1,835	1,594

There are no commitments or contingent liabilities relating to the Group's interests in associates, and no commitments or contingent liabilities of the equity itself.

18 INTERESTS IN JOINT VENTURES

Accounting policies of joint arrangements

Investments in joint arrangements are classified as either joint ventures or joint operations depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement.

Joint ventures are accounted for using the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

The assets that the Group has the rights and the liabilities that the Group has the obligations in relation to the joint operations are recognised in the consolidated statement of financial position on an accrual basis and classified according to the nature of the item. The share of expenses that the Group incurs and its share of income that it earns from the joint operations are included in the consolidated income statement.

18 INTERESTS IN JOINT VENTURES (Continued)

	2025 HK\$'000	2024 HK\$'000
At beginning of year	1,171	956
Share of profit for the year	33	215
At end of year	1,204	1,171

Particulars of joint ventures are as follows:

Name	Place of incorporation	Principal activities	Particular of issued share capital	Effective percentage of equity interest held	
				2025	2024
廣州市富城物業管理有限公司	PRC	Provision of property management services	RMB800,000	50%	50%
Urban-Wellborn Property Management Limited	Hong Kong	Provision of property management services	10,000 ordinary shares paid up to HK\$100,000	50%	50%

Set out below is, in aggregate, the carrying amounts of the Group's share of all its individually immaterial joint ventures that are accounted for using the equity method of accounting:

As at 30 June	2025 HK\$'000	2024 HK\$'000
Carrying amount of interests in joint ventures	1,204	1,171
Share of profit and total comprehensive income for the year	33	215

There are no commitments or contingent liabilities relating to the Group's interest in joint ventures, and no commitments or contingent liabilities of the entities themselves.

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19 DEFERRED INCOME TAX ASSETS/(LIABILITIES)

As at 30 June	2025 HK\$'000	2024 HK\$'000
Deferred income tax assets	8,862	9,445
Deferred income tax liabilities	(26,611)	(21,489)
Net	(17,749)	(12,044)

Deferred income tax assets and deferred income tax liabilities are expected to be recovered/settled after more than 12 months. Their movements in the Group's deferred income tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year and net balances after offsetting at the end of the reporting periods are as follows:

Deferred income tax assets

	Accelerated accounting depreciation HK\$'000	Tax losses HK\$'000	Remeasurement of long service payment liabilities HK\$'000	Others HK\$'000	Total HK\$'000
At 1 July 2023	4,875	6,539	182	956	12,552
Currency translation differences (Charged)/credited to consolidated income statement (Note 11)	–	4	–	–	4
	(529)	(1,703)	(78)	88	(2,222)
Credited to other comprehensive loss	–	–	4	34	38
At 30 June 2024	4,346	4,840	108	1,078	10,372
At 1 July 2024	4,346	4,840	108	1,078	10,372
(Charged)/credited to consolidated income statement (Note 11)	(353)	383	(25)	41	46
Charged to other comprehensive income	–	–	(67)	(169)	(236)
At 30 June 2025	3,993	5,223	16	950	10,182

As at 30 June	2025 HK\$'000	2024 HK\$'000
Total deferred income tax assets before offsetting	10,182	10,372
Less: Amount offset against deferred income tax liabilities	(1,320)	(927)
Net deferred income tax assets after offsetting	8,862	9,445

19 DEFERRED INCOME TAX ASSETS/(LIABILITIES) (Continued)

Deferred income tax liabilities

	Accelerated depreciation allowance HK\$'000	Fair value adjustments on trademarks, brand names and licenses HK\$'000	Fair value adjustments on property, plant and equipment arising from business combinations HK\$'000	Fair value adjustments on customer contracts and customer relationship HK\$'000	Remeasurement of long service payment liabilities HK\$'000	Others HK\$'000	Total HK\$'000
At 1 July 2023	(4,305)	(3,709)	(4,630)	(4,588)	(4,542)	(1,659)	(23,433)
(Charged)/credited to consolidated income statement (Note 11)	(1,208)	286	869	304	(105)	(120)	26
Credited/(charged) to other comprehensive loss	-	-	-	-	993	(2)	991
At 30 June 2024	(5,513)	(3,423)	(3,761)	(4,284)	(3,654)	(1,781)	(22,416)
At 1 July 2024	(5,513)	(3,423)	(3,761)	(4,284)	(3,654)	(1,781)	(22,416)
Currency translation differences	-	(207)	-	-	-	-	(207)
Acquisition of a subsidiary (Note 31(b))	-	(7,330)	-	-	-	-	(7,330)
Credited/(charged) to consolidated income statement (Note 11)	2,299	741	1,124	304	166	(158)	4,476
Charged to other comprehensive income	-	-	-	-	(2,431)	(23)	(2,454)
At 30 June 2025	(3,214)	(10,219)	(2,637)	(3,980)	(5,919)	(1,962)	(27,931)

	2025 HK\$'000	2024 HK\$'000
Total deferred income tax liabilities before offsetting	(27,931)	(22,416)
Less: Amount offset against deferred income tax assets	1,320	927
Net deferred income tax liabilities after offsetting	(26,611)	(21,489)

As at 30 June 2025, the Group did not recognise deferred income tax assets of HK\$14 million (2024: HK\$15 million), arising from unused tax losses of HK\$86 million (2024: HK\$100 million). Except for tax losses of HK\$3 million (2024: HK\$25 million) as at 30 June 2025 which will expire within three years after the reporting date, the remaining tax losses have no expiry date.

20 PENSION ASSETS/(LIABILITIES)

Critical accounting estimates and judgements for pension obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost or income for pensions include the expected long-term rate of return on the relevant plan assets and the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. The expected return on plan assets assumption is determined based on historical return trends, asset allocation and future estimates of long-term investment returns.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group refers to market yields based on Exchange Fund Notes, which have terms to maturity approximating the terms of the related liability. Other key assumptions used are based on current market conditions.

The Group operates a defined benefit retirement scheme (the “Scheme”) registered under the Occupational Retirement Schemes Ordinance (Chapter 426 of the Laws of Hong Kong) that provides lump sum benefits based on a multiple of a member’s final salary and years of service or employee contribution balance, whichever is higher, upon the member’s retirement, death, disability or leaving service. The Scheme has been closed to new employees since 1 December 2000.

The Group has an unconditional right to the surplus of the Scheme.

The Scheme is administered by an independent trustee with its assets held separately from those of the Group. The key responsibilities of the trustee are to ensure that the Scheme is administered in accordance with the trust deed and rules and to act on behalf of all members impartially, prudently and in good faith.

The costs of benefits are jointly funded by the Group and the employees. Employees’ contributions are based on 5% of basic salary and the Group’s contributions are determined with reference to the funding valuation carried out by the Scheme’s actuary. The valuations of the Scheme as at 30 June 2025 and 2024 were prepared by independent qualified actuaries using the projected unit credit method.

20 PENSION ASSETS/(LIABILITIES) (Continued)

The Scheme exposes the Group to actuarial risks, such as investment risk, interest rate risk and salary risk.

- (i) The amounts recognised in the consolidated statement of financial position are as follows:

As at 30 June	2025 HK\$'000	2024 HK\$'000
Present value of defined benefit obligations	(9,510)	(20,351)
Fair value of plan assets	12,507	22,200
Net retirement benefit assets	2,997	1,849
Representing:		
Pension assets	2,997	3,329
Pension liabilities	–	(1,480)
Net	2,997	1,849

Majority of the above liabilities are expected to be settled after more than one year.

However, it is not practicable to segregate this amount from the amounts payable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions.

Notes to the Consolidated Financial Statements

20 PENSION ASSETS/(LIABILITIES) (Continued)

(ii) Movements in net defined benefit assets and its components as follows:

	Present value of defined benefit obligations HK\$'000	Fair value of plan assets HK\$'000	Total HK\$'000
At 1 July 2023	(22,521)	24,846	2,325
Net (charge)/credit to consolidated income statement			
Current service costs	(409)	–	(409)
Interest (expenses)/income	(810)	900	90
	(1,219)	900	(319)
Net (charge)/credit to other comprehensive loss: Remeasurement (loss)/gain ^(a) :			
Actuarial loss arising from change in financial assumptions	(452)	–	(452)
Actuarial gain arising from experience adjustments	23	–	23
Gain on plan assets excluding interest income	–	232	232
	(429)	232	(197)
Benefit paid	4,023	(4,023)	–
Contribution paid by the employees	(205)	205	–
Contribution paid by the employer	–	40	40
At 30 June 2024	(20,351)	22,200	1,849

20 PENSION ASSETS/(LIABILITIES) (Continued)

(ii) Movements in net defined benefit assets and its components as follows: (Continued)

	Present value of defined benefit obligations HK\$'000	Fair value of plan assets HK\$'000	Total HK\$'000
At 1 July 2024	(20,351)	22,200	1,849
Net (charge)/credit to consolidated income statement			
Current service costs	(411)	–	(411)
Interest (expenses)/income	(652)	696	44
	(1,063)	696	(367)
Net (charge)/credit to other comprehensive income:			
Remeasurement (loss)/gain ^(a) :			
Actuarial loss arising from change in financial assumptions	(647)	–	(647)
Actuarial gain arising from experience adjustments	659	–	659
Gain on plan assets excluding interest income	–	892	892
	12	892	904
Benefit paid	12,034	(12,034)	–
Contribution paid by the employees	(142)	142	–
Contribution paid by the employer	–	1,360	1,360
Surplus refunded to the employer	–	(749)	(749)
At 30 June 2025	(9,510)	12,507	2,997

Note:

- (a) During the year ended 30 June 2025, the Group recognised remeasurement gains of HK\$0.9 million (2024: remeasurement gains of HK\$0.2 million) on defined benefit scheme, net of their corresponding tax effects of HK\$0.2 million of deferred tax credits (2024: HK\$32,000 of deferred tax expenses) in its other comprehensive income.

The weighted average duration of the defined benefit obligation is 6.0 years (2024: 3.3 years).

Notes to the Consolidated Financial Statements

20 PENSION ASSETS/(LIABILITIES) (Continued)

(iii) Significant actuarial assumptions adopted for the purpose of the actuarial valuation are as follows:

As at 30 June	2025	2024
Discount rate	2.3% p.a.	3.5% p.a.
Salary growth rate	4.0% p.a.	4.0% p.a.

The below analysis shows how the defined benefit obligation as at each year end date would have increased/(decreased) as a result of 0.25% change in significant actuarial assumptions:

As at 30 June	2025		2024	
	Increase in 0.25% HK\$'000	Decrease in 0.25% HK\$'000	Increase in 0.25% HK\$'000	Decrease in 0.25% HK\$'000
Discount rate	(139)	143	(164)	167
Salary growth rate	140	(138)	165	(164)

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same actuarial valuation method has been applied as when calculating the defined benefit obligation recognised in the consolidated statement of financial position.

(iv) Fair value of the plan assets is analysed as follows:

As at 30 June	2025	2024
Equities	73.1%	72.7%
Bonds	24.5%	23.5%
Cash and others	2.4%	3.8%
Total	100.0%	100.0%

The Scheme has a benchmark asset allocation of 70% in equities and 30% in bonds and cash. The long-term strategic asset allocations of the Scheme is set and reviewed from time to time by the Scheme's trustee taking into account the Scheme's membership, liability profile, liquidity requirements, and the risk appetite of the Group.

21 TRADE AND OTHER RECEIVABLES

Accounting policies of trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, which is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivable. Significant financial difficulties of a debtor, probability that the debtor will enter bankruptcy and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the carrying amount of the asset and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the provision is recognised in the consolidated income statement. When a receivable is uncollectible, it is written off against the allowance account for receivable. Subsequent recoveries of amounts previously written off are credited in the consolidated income statement. See Notes 2.5 and 3.1(i)(b) to the consolidated financial statements for descriptions of the Group's impairment policies and methodology for trade and other receivables involving estimation of their expected credit losses.

If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss for trade receivables, retention receivables, accrued contract revenue and contract assets and uses 12-month expected credit loss under stage 1 of the impairment model for other receivables and deposits as mentioned in Notes 3.1(i)(b) and (c).

Notes to the Consolidated Financial Statements

21 TRADE AND OTHER RECEIVABLES (Continued)

As at 30 June	2025 HK\$'000	2024 HK\$'000
Trade receivables		
Third parties	1,054,907	1,077,518
Related companies (Note 33(c))	224,876	148,930
	1,279,783	1,226,448
Less: Provision for impairment		
Third parties	(13,496)	(10,987)
Related companies (Note 33(c))	(45)	(45)
	1,266,242	1,215,416
Retention receivables		
Third parties	325,543	303,384
Related companies (Note 33(c))	109,486	124,433
	435,029	427,817
Accrued contract revenue	469,654	414,505
Less: Provision for impairment	(149)	(149)
	469,505	414,356
Other receivables and prepayments		
Third parties	275,256	314,579
Related companies (Note 33(c))	63,017	55,799
	338,273	370,378
Less: Provision for impairment		
Third parties	(1,894)	(471)
	336,379	369,907
Total	2,507,155	2,427,496

Generally, no credit period is granted by the Group to customers for provision of property and facility management services, insurance solutions services, EV charging infrastructure services, landscaping services and systems security, guarding & event services and its retail customers for trading of EV charging products, building materials and planting and materials. The credit period generally granted by the Group to its other customers is 30 to 60 days.

21 TRADE AND OTHER RECEIVABLES (Continued)

As at 30 June 2025, the Group provides for loss allowance against trade receivables, retention receivables and accrued contract revenue based on their composition and ageing are as follows:

At 30 June 2025	Lifetime expected credit loss	Gross carrying amount HK\$'000	Lifetime expected credit loss HK\$'000	Net carrying amount HK\$'000
Provision on individual basis ⁽ⁱ⁾	100%	9,591	(9,591)	–
Provision on collective basis	0.19%	2,174,875	(4,099)	2,170,776
Total		2,184,466	(13,690)	2,170,776

At 30 June 2024	Lifetime expected credit loss	Gross carrying amount HK\$'000	Lifetime expected credit loss HK\$'000	Net carrying amount HK\$'000
Provision on individual basis ⁽ⁱ⁾	100%	7,382	(7,382)	–
Provision on collective basis	0.18%	2,061,388	(3,799)	2,057,589
Total		2,068,770	(11,181)	2,057,589

Note:

- (i) The receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for provision of impairment allowance.

Notes to the Consolidated Financial Statements

21 TRADE AND OTHER RECEIVABLES (Continued)

As at 30 June 2025	Current to 90 days past due	91 to 180 days past due	Over 180 days past due	Total
Expected loss rate	0.04%	2.2%	22.6%	
HK\$'000				
Gross carrying amount	2,086,549	45,897	52,020	2,184,466
Expected credit loss allowance	(933)	(1,015)	(11,742)	(13,690)
Carrying amount, net of expected credit loss allowance	2,085,616	44,882	40,278	2,170,776
As at 30 June 2024	Current to 90 days past due	91 to 180 days past due	Over 180 days past due	Total
Expected loss rate	0.03%	0.9%	11.8%	
HK\$'000				
Gross carrying amount	1,939,780	42,925	86,065	2,068,770
Expected credit loss allowance	(610)	(373)	(10,198)	(11,181)
Carrying amount, net of expected credit loss allowance	1,939,170	42,552	75,867	2,057,589

The ageing analysis of the Group's trade receivables (including amounts due from related parties of trading in nature) based on the invoice due date, net of provision for impairment, is as follows:

As at 30 June	2025 HK\$'000	2024 HK\$'000
Current to 90 days	1,181,082	1,096,997
91 to 180 days	44,882	42,552
Over 180 days	40,278	75,867
Total	1,266,242	1,215,416

21 TRADE AND OTHER RECEIVABLES (Continued)

The carrying amounts of the trade and other receivables of the Group approximate their fair values and are denominated in the following currencies:

As at 30 June	2025 HK\$'000	2024 HK\$'000
Hong Kong dollars	1,997,505	1,934,402
Renminbi	370,824	356,641
Macau patacas	125,169	125,054
United States dollars	13,332	10,977
Others	325	422
Total	2,507,155	2,427,496

At 30 June 2025, the Group's trade receivables, accrued contract revenue and other receivable of HK\$15.6 million (2024: HK\$11.7 million) were impaired.

Movements in provision for impairment of the Group's trade receivables, accrued contract revenue and other receivables are as follows:

As at 30 June 2025	Trade receivables HK\$'000	Accrued contract revenue HK\$'000	Other receivables HK\$'000	Total HK\$'000
At the beginning of year	11,032	149	471	11,652
Provision for the year, net	2,906	–	1,423	4,329
Receivables written off during the year	(397)	–	–	(397)
Carrying amount, net of expected credit loss allowance	13,541	149	1,894	15,584

As at 30 June 2024	Trade receivables HK\$'000	Accrued contract revenue HK\$'000	Other receivables HK\$'000	Total HK\$'000
At the beginning of year	10,219	149	–	10,368
Provision for the year, net	813	–	471	1,284
Carrying amount, net of expected credit loss allowance	11,032	149	471	11,652

Retention receivables in respect of contracting services are settled in accordance with the terms of respective contracts. Other classes within trade and other receivables do not contain material impaired assets.

22 CONTRACT ASSETS AND CONTRACT LIABILITIES

Accounting policies of contracts assets and contract liabilities

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or provide services to the customer.

The combination of those rights and performance obligations gives rise to a net contract asset or a net contract liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as a contract asset if its cumulative revenue recognised in the profit or loss exceeds cumulative progress billing to customers. Conversely, the contract is a liability and recognised as contract liability if its cumulative progress billing to customers exceeds the revenue recognised in the profit or loss. Contract assets are assessed for impairment under the same approach adopted for impairment assessment of financial assets carried at amortised cost. Contract liabilities are recognised as revenue when the Group transfers the goods or services to the customers and therefore satisfies its performance obligations.

The incremental costs of obtaining a contract with a customer are capitalised and presented as contract related assets, if the Group expects to recover those costs, and are subsequently amortised on a systematic basis that is consistent with the transfer to the customers of the goods or services to which the assets relate. The Group recognises an impairment loss in the consolidated income statement to the extent that the carrying amount of the contract related assets recognised exceeds the remaining amounts of consideration that the Group expects to receive less the costs that directly relate to those goods or services and have not been recognised as expenses.

As at 30 June	2025 HK\$'000	2024 HK\$'000
Contract costs incurred plus attributable profits less foreseeable losses	6,076,266	7,702,107
Progress payments received and receivable	(5,609,491)	(7,496,286)
Net	466,775	205,821
Representing:		
Contract assets	703,547	598,739
Contract liabilities	(236,772)	(392,918)
Net	466,775	205,821

22 CONTRACT ASSETS AND CONTRACT LIABILITIES (Continued)

Notes:

- (a) The Group's contract assets and contract liabilities at 30 June 2025 and 30 June 2024 mostly relate to its engineering and insurance solutions contracts with customers. The Group's contract assets at 30 June 2025 are stated at their expected recoverable amounts, with no loss allowances (2024: Nil) included therein. The Group measures loss allowances for its contract assets at amounts equal to their lifetime expected credit losses and recognise them in accordance with HKFRS 9 (Note 3.1(i)(b)).

Contract assets primarily relate to the Group's rights to consideration for delivered services but not yet billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. The Group's historical credit loss experience does not indicate a substantially different loss pattern for contract assets as compared to accounts receivable for similar customer bases. The Group refers to the expected credit loss provision rates for accounts receivable to measure the contract assets' expected credit losses.

- (b) During the year ended 30 June 2025, the Group recognised (i) HK\$365.1 million (2024: HK\$647.1 million) of revenue for its engineering, insurance solutions, cleaning & pest control and property management contracts relating to its carried-forward contract liabilities and (ii) HK\$94.0 million (2024: HK\$26.2 million) of revenue from its performance obligations satisfied in previous reporting years.
- (c) As at 30 June 2025, the aggregate amount of transaction price allocated to the Group's remaining performance obligations in respect of property & facility management, cleaning & pest control, insurance solutions, technical support & maintenance, environmental solutions, systems security, guarding & event services and E&M services contracts is HK\$14,532 million (2024: HK\$13,522 million). The Group will recognise this revenue during the completion of the related works, which is expected to occur over the next 101 months (2024: 113 months) after the reporting date.
- (d) During the year ended 30 June 2025, the increase in the Group's contract assets of HK\$104.8 million principally reflects increased progress of certain projects and the decrease in its contract liabilities of HK\$156.1 million principally reflects completion of certain projects.

23 INVENTORIES

Accounting policies of inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated on the first-in-first-out or weighted average basis for different type and nature of inventories. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

As at 30 June	2025 HK\$'000	2024 HK\$'000
Raw materials	1,247	1,032
Finished goods	5,909	16,531
Spare parts and consumables	25	15
Total	7,181	17,578

Notes to the Consolidated Financial Statements

24 CASH AND BANK BALANCES

Accounting policies of cash and cash equivalents

Cash and cash equivalents include cash in hand, trust cash, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

As at 30 June	2025 HK\$'000	2024 HK\$'000
Time deposits with original maturities within three months	37,944	237,150
Time deposits with original maturities over three months	10,940	–
Trust cash ⁽ⁱ⁾	80,781	42,277
Other cash at banks and on hand	614,199	321,861
Total	743,864	601,288

Note:

- (i) Trust cash relates to cash held for insurance premiums received from policy holders which will ultimately be paid to insurers. Trust cash cannot be used to meet business obligations/operating expenses other than payments to insurers and/or refunds to policy holders.

At 30 June 2025, the effective interest rate on bank deposits is 1.2% per annum (2024: 4.1% per annum).

The carrying amounts of cash and bank balances of the Group approximate their fair values and are denominated in the following currencies:

As at 30 June	2025 HK\$'000	2024 HK\$'000
Hong Kong dollars	625,723	574,244
Renminbi	104,409	13,336
Macau patacas	7,386	5,923
United States dollars	4,434	6,081
Euros	1,653	1,465
Others	259	239
Total	743,864	601,288

25 SHARE CAPITAL

The numbers of the Company's authorised and issued shares are as follows:

	2025		2024	
	Number of shares	HK\$'000	Number of shares	HK\$'000
Authorised:				
Ordinary shares of HK\$0.10 each				
At the beginning and the end of year	900,000,000	90,000	900,000,000	90,000
Convertible preference shares of HK\$0.10 each (Note a)				
At the beginning and the end of year	100,000,000	10,000	100,000,000	10,000
Total	1,000,000,000	100,000	1,000,000,000	100,000

	2025		2024	
	Number of shares	HK\$'000	Number of shares	HK\$'000
Issued and fully paid:				
Ordinary shares of HK\$0.10 each				
At the beginning and the end of year	450,000,000	45,000	450,000,000	45,000
Convertible preference shares of HK\$0.10 issued at HK\$3.2260 each (Note a)				
At the beginning and the end of year	43,676,379	140,900	43,676,379	140,900
Total	493,676,379	185,900	493,676,379	185,900

As at 30 June 2025 and 30 June 2024, the total nominal amount of the Company issued shares was HK\$49,367,638, comprising HK\$45,000,000 for ordinary shares and HK\$4,367,638 for convertible preference shares.

Notes to the Consolidated Financial Statements

25 SHARE CAPITAL (Continued)

Note (a):

On 16 December 2019 (the "Issue Date"), the Company issued and allotted a total of 43,676,379 non-voting redeemable convertible preference shares of HK\$0.1 each to FMC at an issue price of HK\$3.2260 per share (the "Issue Price"), credited as fully paid. The major terms of the convertible preference shares are set out below:

- Each convertible preference share shall entitle the holder to convert within a period of 10 years after the Issue Date, provided that any conversion shall not result in the Company failing to comply with any public float requirement under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
- Each convertible preference share is convertible into such number of ordinary share(s) being one multiplied by the conversion rate. The conversion rate is determined by dividing the Issue Price of convertible preference shares by the conversion price.
- The conversion price is the Issue Price, subject to adjustment upon the occurrence of certain prescribed events.
- Each convertible preference share shall confer on the holder the right to receive preferred distributions from the Issue Date at a rate of 6.0% per annum on the Issue Price, payable annually in arrears. Each preferred distribution is cumulative. The Board may, in its sole discretion, elect to defer or not to pay a preferred distribution. No interest accrues on any unpaid preferred distribution. If the Board elects to defer or not to pay a preferred distribution, the Company shall not (a) pay any dividends, distributions or make any other payment on any ordinary shares or (b) redeem, cancel, repurchase or acquire for any consideration any ordinary shares, unless at the same time it pays to the holder of the convertible preference shares any deferred or unpaid preferred distribution which was scheduled to be paid on a day falling in the same financial year in respect of which payment of such dividends, distributions or other payments is made or during which such redemption, cancellation, repurchase or acquisition occurs.
- The holder of the convertible preference shares shall not have the right to attend or vote at any general meeting of the Company (except a general meeting for winding up of the Company or a resolution is to be proposed which if passed would vary or abrogate the rights or privileges of such holder).
- The holder of the convertible preference shares will have priority over the holders of ordinary shares of the Company on the assets and funds of the Company available for distribution in a distribution of assets on liquidation, winding up or dissolution of the Company.
- At any time after 10 years following the Issue Date, the Company may at its sole discretion serve at least ten days' prior written notice to the holder of the convertible preference shares to redeem either in whole or in part of the convertible preference shares for the time being outstanding, at a redemption price equals to the Issue Price together with all outstanding preferred distributions accrued to the date fixed for redemption.

The convertible preference shares are classified as equity instruments, considered that: (i) the Company has no contractual obligation to deliver cash or another financial asset to the holder of the convertible preference shares; and (ii) the convertible preference shares are non-derivative that includes no contractual obligation for the Company to deliver a variable number of ordinary shares.

26 RESERVES

	Share premium HK\$'000	Merger reserve (Note a) HK\$'000	Exchange reserve HK\$'000	Statutory reserves (Note b) HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 July 2023	743,204	(1,616,318)	(32,361)	22,041	1,396,686	513,252
Profit for the year	–	–	–	–	501,100	501,100
Currency translation differences	–	–	(895)	–	–	(895)
Remeasurement losses on long service payment liabilities	–	–	–	–	(6,540)	(6,540)
Deferred tax on remeasurement losses on long service payment liabilities	–	–	–	–	997	997
Remeasurement losses on defined benefit retirement scheme	–	–	–	–	(197)	(197)
Deferred tax on remeasurement losses on defined benefit retirement scheme	–	–	–	–	32	32
Dividends to ordinary shareholders	–	–	–	–	(196,650)	(196,650)
Distribution to convertible preference shareholder	–	–	–	–	(8,454)	(8,454)
Appropriation to statutory reserves (Note c)	–	–	–	232	(232)	–
At 30 June 2024	743,204	(1,616,318)	(33,256)	22,273	1,686,742	802,645
At 1 July 2024	743,204	(1,616,318)	(33,256)	22,273	1,686,742	802,645
Profit for the year	–	–	–	–	453,214	453,214
Currency translation differences	–	–	5,050	–	–	5,050
Remeasurement gains on long service payment liabilities	–	–	–	–	15,473	15,473
Deferred tax on remeasurement gains on long service payment liabilities	–	–	–	–	(2,498)	(2,498)
Remeasurement gains on defined benefit retirement scheme	–	–	–	–	904	904
Deferred tax on remeasurement gains on defined benefit retirement scheme	–	–	–	–	(192)	(192)
Dividends to ordinary shareholders	–	–	–	–	(191,250)	(191,250)
Distribution to convertible preference shareholder	–	–	–	–	(8,454)	(8,454)
Appropriation to statutory reserves (Note c)	–	–	–	293	(293)	–
At 30 June 2025	743,204	(1,616,318)	(28,206)	22,566	1,953,646	1,074,892

Notes to the Consolidated Financial Statements

26 RESERVES (Continued)

Notes:

- (a) Merger reserve arises from (i) the difference between the consideration for the acquisition of the FSE Engineering Group Limited, FSE Environmental Technologies Limited and Building Materials Supplies Limited by the Company and their issued share capital upon the completion of the reorganisation on 30 June 2015; (ii) the difference between the consideration for the acquisition of Crystal Brilliant Limited and its subsidiaries by the Company's wholly-owned subsidiary, FSE Facility Services Group Limited, and their issued capital at the date when they first came under common control upon the completion of the acquisition on 11 April 2018; (iii) the difference between the consideration for the acquisition of Legend Success Investments Limited and its subsidiaries by the Company's wholly-owned subsidiary, FSE Property Management Group Limited, and their issued capital at the date when they first came under common control upon the completion of the acquisition on 16 December 2019 and (iv) the difference between the cash consideration plus net book value of certain properties used for the acquisition of Business Investments Limited and its subsidiaries by the Company's wholly-owned subsidiary, FSE City Essential Services Limited, and their issued capital at the date when they first came under common control upon the completion of the acquisition on 19 April 2021.
- (b) PRC companies are required to allocate 10% of the companies' net profits to the statutory reserves fund until such fund reaches 50% of the companies' registered capitals. The statutory reserves fund can be utilised, upon approval by the relevant authorities, to offset accumulated losses, if any, or to increase registered capital of the companies, provided that such fund is maintained at a minimum of 25% of the companies' registered capitals.
- (c) During the year ended 30 June 2025, the board of directors of the Group's PRC companies resolved to appropriate HK\$293,000 (2024: HK\$232,000) from retained earnings to statutory reserves.

27 NON-CONTROLLING INTERESTS

The table below shows details of the Group's subsidiaries that have non-controlling interests:

Name	Profit for the year attributable to non-controlling shareholders		Accumulated non-controlling interests	
	2025	2024	2025	2024
	HK\$000	HK\$000	HK\$000	HK\$000
Individually immaterial subsidiaries with non-controlling interests	11	58	951	327
	11	58	951	327

28 BORROWINGS

Accounting policies of borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds net of transaction costs and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

As at 30 June	2025 HK\$'000	2024 HK\$'000
Non-current liabilities		
Bank borrowings — Guaranteed	318,920	–
Current liabilities		
Bank borrowings — Guaranteed	–	235,789

The borrowings are interest bearing at an effective interest rate of 4.5% (2024: 5.7%). The carrying amounts of the borrowings approximate their fair values and are denominated in Hong Kong dollar. At 30 June 2025 and 30 June 2024, the Group's borrowings were repayable as follows:

As at 30 June	2025 HK\$'000	2024 HK\$'000
Within 1 year	–	235,789
Between 1 and 2 years	318,920	–
Total	318,920	235,789

The Group's borrowings are guaranteed by corporate guarantees provided by FSE Engineering Group Limited and FSE Facility Services Group Limited (wholly-owned subsidiaries of the Company) as at 30 June 2025 and 30 June 2024.

29 LONG SERVICE PAYMENT LIABILITIES

Critical accounting estimates and judgements for long service payment liabilities

The present value of the long service payment liabilities depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for long service payment liabilities include the discount rate. Any changes in these assumptions will impact the carrying amount of long service payment liabilities.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the long service payment liabilities. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the liabilities will be paid, and that have terms to maturity approximating the terms of the related long service payment liabilities.

Other key assumptions for long service payment liabilities are based in part on current market conditions.

Under the Hong Kong Employment Ordinance, the Group is obliged to make lump sum payments on cessation of employment in certain circumstances to certain employees who have completed at least five years of service with the Group. The amount payable is dependent on the employee's final salary and years of service and is reduced by entitlements accrued under the Group's MPF and ORSO schemes that are attributable to contributions made by the Group. The Group has not set aside any assets to fund any remaining obligations.

The liability recognised in the consolidated statement of financial position is the present value of unfunded obligations and its movements are as follows:

As at 30 June	2025 HK\$'000	2024 HK\$'000
At the beginning of the year	56,687	46,794
Expenses recognised in the consolidated income statement ⁽ⁱ⁾	8,958	8,128
Remeasurement (gains)/losses recognised in other comprehensive income/(loss) ⁽ⁱⁱⁱ⁾	(15,473)	6,540
Benefits paid	(1,723)	(4,775)
At the end of the year	48,449	56,687

29 LONG SERVICE PAYMENT LIABILITIES (Continued)

Notes:

- (i) In June 2022, the HKSAR Government enacted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 ("Offsetting Arrangement Amendment"). The amendment will come into effect prospectively from a date to be appointed by the HKSAR Government ("Transition Date"). The amendment results in:
- (a) Changes in the offsetting arrangement, such that the accrued benefits attributable to the employers' mandatory contributions under the Mandatory Provident Fund and certain employers' contributions under the Occupational Retirement Schemes would no longer be eligible to offset against the severance payments and long service payments accrued from the Transition Date; and
 - (b) Change of the calculation basis of last monthly wages for the portion of the long service payments accrued before the Transition Date.
- Following the enactment of the Offsetting Arrangement Amendment in June 2022, the Group has accounted for its effects arising from the above changes started the year ended 30 June 2022. In April 2023, the HKSAR Government announced that the Transition Date for the Offsetting Arrangement Amendment would be 1 May 2025.
- (ii) During the year ended 30 June 2025, the Group recognised remeasurement gains on long service payment liabilities of HK\$15.5 million (2024: remeasurement losses HK\$6.5 million), net of their corresponding deferred tax expenses of HK\$2.5 million (2024: deferred tax credits of HK\$1.0 million) in its other comprehensive income.

Significant actuarial assumptions adopted for the purpose of the actuarial valuation are as follows:

As at 30 June	2025	2024
Discount rate	2.7%–3.5%	3.7%–4.3%
Long term rate of salary increases	3.2%–4.8%	3.2%–4.7%
Long term average expected return on MPF and ORSO balances	5.0%	5.0%

The below analysis shows how the long service payment liability as at each year end date would have increased/(decreased) as a result of 0.25% change in significant actuarial assumptions:

As at 30 June Assumptions	2025		2024	
	Increase in 0.25%	Decrease in 0.25%	Increase in 0.25%	Decrease in 0.25%
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Discount rate	(1,010)	1,043	(979)	1,023
Long term rate of salary increases	216	(232)	282	(289)
Long term average expected return on MPF and ORSO balances	(50)	52	(41)	84

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the long service payment liability to significant actuarial assumptions, the same actuarial valuation method has been applied as when calculating the long service payment liability recognised within the consolidated statement of financial position.

Notes to the Consolidated Financial Statements

30 TRADE AND OTHER PAYABLES

Accounting policies of trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

As at 30 June	2025 HK\$'000	2024 HK\$'000
Trade payables		
Third parties	584,867	475,552
Related companies (Note 33(c))	711	–
	585,578	475,552
Other payables		
Third parties	310,821	298,776
Related companies (Note 33(c))	16,732	12,276
	327,553	311,052
Retention payables		
Third parties	277,820	281,940
Accrued expenses	572,495	519,324
Provision for contracting costs	532,104	527,598
Total	2,295,550	2,115,466

The carrying amounts of the above balances approximate their fair values.

30 TRADE AND OTHER PAYABLES (Continued)

The carrying amounts of the trade and other payables of the Group are denominated in the following currencies:

As at 30 June	2025 HK\$'000	2024 HK\$'000
Hong Kong dollars	1,747,060	1,582,668
Renminbi	452,833	440,035
Macau patacas	79,930	80,508
United States dollars	15,626	11,995
Others	101	260
Total	2,295,550	2,115,466

The ageing analysis of the Group's trade payables (including amounts due to related parties of trading in nature) based on invoice date is as follows:

As at 30 June	2025 HK\$'000	2024 HK\$'000
1–90 days	461,015	406,026
91–180 days	28,650	25,114
Over 180 days	95,913	44,412
Total	585,578	475,552

In carrying out the ordinary course of business, the Group is subject to the risk of being named as defendant in legal actions, claims and disputes in connection with its business activities. The nature of the legal proceedings initiated against the Group mainly includes claims for compensation by the Group's existing or former employees for work related injuries. The Group maintains insurance cover and, in the opinion of the Directors, based on current available evidence, any such existing claims and legal proceedings against the Group are not expected to have significant adverse financial impact to the Group as at 30 June 2025.

Notes to the Consolidated Financial Statements

31 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of profit before income tax to cash generated from operations:

For the year ended 30 June		2025	2024
	Notes	HK\$'000	HK\$'000
Profit before income tax		536,519	591,862
Depreciation of right-of-use assets	15	46,312	49,417
Depreciation of property, plant and equipment	14	29,641	22,085
Finance costs	10	22,277	19,488
Long service payment liabilities			
Expenses recognised in the consolidated income statement	29	8,958	8,128
Benefit paid	29	(1,723)	(4,775)
Amortisation of other intangible assets	16	5,791	3,849
Impairment losses on trade and other receivables, net	21	4,329	1,284
Provision/(reversal of provision) for inventories	7	1,888	(3,065)
Pension costs on defined benefits scheme	20	367	319
Unrealised exchange differences		48	(330)
Finance income	10	(22,990)	(18,894)
Gain on disposal of right-of-use assets, net	6	(4,915)	(4,281)
Share of results of associates	17	(1,835)	(1,594)
Gains on disposal of property, plant and equipment, net	6	(868)	(1,075)
Share of results of joint ventures	18	(33)	(215)
Operating cash flows before changes in working capital		623,766	662,203
Changes in working capital:			
Trade and other payables		151,485	76,320
Inventories		8,509	6,778
Net contract assets/liabilities		(256,825)	(362,987)
Trade and other receivables		(59,322)	(112,474)
Pension assets/liabilities, net	20	(611)	(40)
Cash generated from operations		467,002	269,800

31 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Acquisition of a subsidiary

On 27 December 2024, the Group acquired the entire registered and paid up capital of Beijing Nova Insurance Services Limited ("Beijing Nova") at a total consideration of RMB123.1 million (equivalent to HK\$133.0 million), which includes RMB115.4 million (equivalent to HK\$124.8 million) of initial sum of consideration paid in October 2024 and RMB7.7 million (equivalent to HK\$8.2 million) of final cash payment of consideration paid in February 2025. The total consideration for this acquisition is financed by the Group's internal resources. Beijing Nova is a national insurance brokerage company for the insured established in Mainland China.

The following table summarises the provisional amounts of fair values of assets acquired, liabilities assumed and goodwill recognised by the Group and the Group's net cash outflow arising from the acquisition as at 27 December 2024:

	HK\$'000
Property, plant and equipment (Note 14)	682
Right-of-use assets	2,229
Other intangible assets (Note 16)	29,323*
Trade and other receivables	17,105
Cash and cash equivalents	55,026
Trust cash	16,139
Trade and other payables	(21,679)
Taxation payable	(86)
Deferred income tax liabilities (Note 19)	(7,330)
Current portion of lease liabilities	(2,229)
Fair values of net identifiable assets acquired	89,180
Goodwill (Note 16)	43,869
Cash consideration	133,049
Less: Cash and bank equivalents acquired	(55,026)
Net cash outflow	78,023

* Comprising customer relationships of HK\$25.0 million, customer contracts of HK\$1.3 million and license of HK\$3.0 million.

31 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Acquisition of a subsidiary (Continued)

The amount of goodwill recognised by the Group was determined based on management's estimates of the fair values of the identifiable assets acquired and liabilities assumed, and subject to revision upon their further assessment. The valuation and assessment had not been completed by the date the Group's consolidated financial statements for the year ended 30 June 2025 were approved for issue by the Board of Directors. If new information obtained within one year of the acquisition date about facts and circumstances that existed at the acquisition dates identifies adjustments to the above provisional amounts, or any provisions that existed at the acquisition date, then the accounting for the acquisition will be revised.

The goodwill arising on the acquisition of Beijing Nova pertains to, but is not limited to, the expected economic benefit from the synergies in the Group arising from the acquisition. None of the goodwill recognised is expected to be deductible for income tax purposes. The fair value and gross contractual amount of trade and other receivables at the date of acquisition amounted to HK\$17.1 million. The transaction costs of HK\$1.4 million incurred for this business combination have been recognised as general and administrative expenses in the condensed consolidated income statement.

Since the date of acquisition, Beijing Nova recorded revenue of HK\$21.6 million and profit for the period of HK\$2.6 million which were included in the consolidated income statement of the Group for the year ended 30 June 2025. If the acquisition had taken place on 1 July 2024, the revenue and profit for the year ended 30 June 2025 of the Group would have been HK\$8,183.2 million and HK\$454.3 million, respectively.

(c) Investment in an associate

On 17 January 2025, the Group invested HK\$945,000 for 27% issued share capital of Townlife Holding Company Limited.

(d) Proceeds from disposal of a subsidiary

On 1 July 2016, Shenzhen Landes, a wholly-owned subsidiary of FSE C & L Limited, was disposed to an external party at the consideration of RMB15.4 million (equivalent to HK\$17.9 million). Amounts of RMB14,000 (equivalent to HK\$15,000) have been received during the year ended 30 June 2025 (2024: RMB87,000 (equivalent to HK\$94,000)).

31 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(e) Reconciliation of liabilities arising from financing activities

The movements of the Group's liabilities arising from financing activities during the years ended 30 June 2025 and 2024 are as follows.

	Borrowings	Dividends payable to ordinary shareholders	Distribution payable to convertible preference shareholder	Lease liabilities	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 30 June 2023	282,035	–	–	73,958	355,993
Currency translation differences	(117)	–	–	(5)	(122)
Dividends and preferred distribution	–	196,650	8,454	–	205,104
New leases	–	–	–	16,795	16,795
Interest portion of lease liabilities	–	–	–	1,797	1,797
Financing cash flows	(46,314)	(196,650)	(8,454)	(49,180)	(300,598)
Payments for interest portion of lease liabilities	–	–	–	(1,797)	(1,797)
Lease modifications	–	–	–	(758)	(758)
Other changes	185	–	–	–	185
At 30 June 2024	235,789	–	–	40,810	276,599
Currency translation differences	314	–	–	47	361
Dividends and preferred distribution	–	191,250	8,454	–	199,704
New leases	–	–	–	94,126	94,126
Acquisition of a subsidiaries (Note 31(b))	–	–	–	2,229	2,229
Interest portion of lease liabilities	–	–	–	2,912	2,912
Financing cash flows	82,740	(191,250)	(8,454)	(45,710)	(162,674)
Payments for interest portion of lease liabilities	–	–	–	(2,912)	(2,912)
Lease modifications	–	–	–	(476)	(476)
Other changes	77	–	–	–	77
At 30 June 2025	318,920	–	–	91,026	409,946

Notes to the Consolidated Financial Statements

31 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(f) Acquisition of non-controlling interests

On 12 June 2023, the Group acquired the remaining 30% interest in Wise Plaza Limited at a consideration of HK\$22.8 million, which includes HK\$22.4 million of initial sum of consideration paid in June 2023 and HK\$0.4 million of final cash payment of consideration paid in July 2023.

(g) Exchange differences

The exchange differences of cash and cash equivalents during the year are mainly arising from the remeasurement of the Group's foreign currency denominated cash and bank balances at the year-end exchange rate.

(h) Major non-cash transactions

During the year ended 30 June 2025, the Group acquired right-of-use assets and recognised lease liabilities, including lease modifications, totalling HK\$93.7 million (2024: HK\$16.1 million).

32 COMMITMENTS

(a) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

As at 30 June	2025 HK\$'000	2024 HK\$'000
Investment in an associate	11,880	–
Property, plant and equipment	4,040	5,418
Total	15,920	5,418

(b) Operating lease commitments — The Group as lessees

The Group has future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

As at 30 June	2025 HK\$'000	2024 HK\$'000
No later than one year	312	562
Later than one year and no later than five years	–	–
Total	312	562

33 RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group undertook the following transactions with related parties, which in the opinion of the Directors of the Company, were carried out in the normal course of business during the year ended 30 June 2025.

(a) The Directors of the Company are of the view that the related parties that had transactions with the Group are listed below:

Name	Relationship
China Fame Enterprise Limited	Note i
Corporate Ally Limited	Note i
Ease King Investment Limited	Note i
Fast Solution Limited	Note i
FSE Management Company Limited	Note i
FSE Property (Hong Kong) Limited	Note i
Fung Seng Diamond Company Limited	Note i
Fung Seng Enterprises Limited	Note i
Great City Developments Limited	Note i
Kingdom of Morocco (Consulate General-HK) Company Limited	Note i
Ocean Front Investments Limited	Note i
Perfect Modern Limited	Note i
Power Estate Investments Limited	Note i
Prime Star Investment Limited	Note i
Silver Asia Investments Limited	Note i
Top Line Investment Limited	Note i
上海上實南洋大酒店有限公司	Note i
上海華美達廣場有限公司	Note i
上海新尚賢坊房地產發展有限公司	Note i
上海豐昌物業管理有限公司	Note i
Anway Limited	Note ii
AOS Management (HK) Limited	Note ii
AOS Management Limited	Note ii
ATL Logistics Centre Hong Kong Limited	Note ii
Bright Link Engineering Limited	Note ii
Broadway-Nassau Investments Limited	Note ii
Calpella Limited	Note ii
Carlyle & Co.	Note ii
Cheer Best Enterprises Limited	Note ii
Chow Tai Fook Art Foundation Limited	Note ii
Chow Tai Fook Enterprises Limited	Note ii
Chow Tai Fook Jewellery Company Limited	Note ii
Chow Tai Fook Life Insurance Company Limited	Note ii
Cititop Limited	Note ii
CTF Services Limited (formerly known as NWS Holdings Limited)	Note ii

Notes to the Consolidated Financial Statements

33 RELATED PARTY TRANSACTIONS (Continued)

- (a) **The Directors of the Company are of the view that the related parties that had transactions with the Group are listed below:** (Continued)

Name	Relationship
Daily Land Limited	Note ii
Discovery Park Commercial Services Limited	Note ii
Eastrade Holdings Limited	Note ii
Ever Light Limited	Note ii
Foregain Company Limited	Note ii
Full Asset Enterprises Limited	Note ii
GH Hotel Company Limited	Note ii
GHK Hospital Limited	Note ii
Good Sense Development Limited	Note ii
Hip Hing Builders Company Limited	Note ii
Hip Hing Construction Company Limited	Note ii
Hip Hing Engineering Company Limited	Note ii
Hong Kong Convention and Exhibition Centre (Management) Limited	Note ii
Hong Kong Golf & Tennis Academy Management Company Limited	Note ii
Hong Kong Island Development Limited	Note ii
Humansa Imaging Limited	Note ii
Hyatt Regency Hong Kong	Note ii
K11 AFLM Limited	Note ii
K11 Art Mall Properties Company Limited	Note ii
K11 Artus Limited	Note ii
K11 Concepts Limited	Note ii
K11 Gentry Club Limited	Note ii
K11 Property Management Company Limited	Note ii
K11 Retail & Corporate Sales Company Limited	Note ii
K11 Select Limited	Note ii
K11 Theme Parks Limited	Note ii
Kai Tak Sports Park Limited	Note ii
Kid World Services Limited	Note ii
Kiu Lok Properties Services (China) Limited	Note ii
Loyalton Limited	Note ii
Luxba Limited	Note ii
Maronne Limited	Note ii
Nature Discovery Park Limited	Note ii
New Town Project Management Limited	Note ii
New World China Estate Agents Limited	Note ii
New World China Land Limited	Note ii
New World Corporate Services Limited	Note ii
New World Development (China) Limited	Note ii

33 RELATED PARTY TRANSACTIONS (Continued)

(a) The Directors of the Company are of the view that the related parties that had transactions with the Group are listed below: (Continued)

Name	Relationship
New World Development Company Limited	Note ii
New World Facilities Management Company Limited	Note ii
New World Group Charity Foundation Limited	Note ii
New World Hotel Management Limited	Note ii
New World Property Management Company Limited	Note ii
New World Tower Company Limited	Note ii
NW Project Management Limited	Note ii
Park New Astor Hotel Limited	Note ii
Polytown Company Limited	Note ii
Pridemax Limited	Note ii
Renaissance Harbour View Hotel HK	Note ii
Rosewood Hotels (Hong Kong) Limited	Note ii
Roxy Limited	Note ii
Sunfield Investments Limited	Note ii
The Artizen Management Company Limited	Note ii
The Automall Limited	Note ii
The Dragon Seed Company Limited	Note ii
The Town Club (HK) Limited	Note ii
Treasure High Limited	Note ii
Treasure Tower Holdings Limited	Note ii
Urban Parking Limited	Note ii
Vibro (H.K.) Limited	Note ii
Vibro Construction Company Limited	Note ii
Victoria Educational Organisation Limited	Note ii
Wise City Investment Limited	Note ii
上海新世界淮海物業發展有限公司	Note ii
商吉置業(深圳)有限公司	Note ii
商順置業(深圳)有限公司	Note ii
深圳市太子灣樂居置業有限公司	Note ii
新世界百貨(中國)有限公司	Note ii
新世界協中建築有限公司	Note ii
寧波新立房地產開發有限公司	Note ii
廣州永沛房地產開發有限公司	Note ii

Notes:

- (i) These companies are commonly controlled by the Ultimate Controlling Shareholder and/or the family members of the Ultimate Controlling Shareholder.
- (ii) These related companies include companies of which the key management personnel are close member of the family of the Ultimate Controlling Shareholder.

Notes to the Consolidated Financial Statements

33 RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with related companies during the year ended 30 June 2025.

For the year ended 30 June	2025 HK\$'000	2024 HK\$'000
Contract revenue (Note i)		
Related companies commonly controlled by the Ultimate Controlling Shareholder	2,898	15,236
Other related companies (Note ii)	1,002,245	1,825,011
Total	1,005,143	1,840,247
Cleaning & pest control service income (Note i)		
Related companies commonly controlled by the Ultimate Controlling Shareholder	1,686	1,678
Other related companies (Note ii)	204,218	162,294
Total	205,904	163,972
Premises management service fee and building manager remuneration (Note iii)		
Related companies commonly controlled by the Ultimate Controlling Shareholder	1,320	1,638
Other related companies (Note ii)	19,631	20,831
Total	20,951	22,469
Insurance solutions consultancy fee income from related companies (Note iv)	23	23
Landscaping service income (Note v)		
Related companies commonly controlled by the Ultimate Controlling Shareholder	22	21
Other related companies (Note ii)	8,555	7,229
Total	8,577	7,250
Security service income (Note vi)		
Related companies commonly controlled by the Ultimate Controlling Shareholder	4,149	4,213
Other related companies (Note ii)	303,172	224,274
Total	307,321	228,487

33 RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties (Continued)

For the year ended 30 June	2025 HK\$'000	2024 HK\$'000
Rental expenses (Note vii)		
Related companies commonly controlled by the Ultimate Controlling Shareholder	581	619
Other related companies (Note ii)	50	51
Total	631	670
Addition of rights-of-use assets (Note viii)		
Related companies commonly controlled by the Ultimate Controlling Shareholder	73,163	6,603
Appointment fees to related companies (Note ix)	3,069	2,779
Contracting service expenses to related companies (Note x)	–	6,268
Miscellaneous service fees expenses to related companies (Note xi)	817	640

Notes:

- (i) Revenue from provision of contracting work and cleaning and pest control service income is principally charged in accordance with respective contracts.
- (ii) These related companies are companies of which the key management personnel are close members of the family of the ultimate controlling shareholder.
- (iii) Premises management service fee and building manager remuneration was charged based on certain percentages of total expenditures of the properties in accordance with the management contracts.
- (iv) Insurance solutions consultancy fee income was charged at terms mutually agreed between the parties.
- (v) Landscaping service income was charged at prices and terms as agreed by both parties.
- (vi) Security service fee income was charged at prices and terms as agreed by both parties.
- (vii) Rental expenses were principally calculated in accordance with the terms of the respective rental agreements.
- (viii) Additions of rights-of-use assets were principally calculated in accordance with the terms of the respective rental agreements.
- (ix) Appointment fees were charged at prices and terms as agreed by both parties.
- (x) Contracting service expenses were charged in accordance with the terms of the respective contracts.
- (xi) Miscellaneous service fees were charged based on fixed amounts mutually agreed by the parties.
- (xii) The above transactions with related parties are based upon mutually agreed terms and conditions.

Notes to the Consolidated Financial Statements

33 RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related parties

As at 30 June	2025 HK\$'000	2024 HK\$'000
Trade receivables		
Related companies commonly controlled by the Ultimate Controlling Shareholder	744	496
Other related companies (Note i)	224,087	148,389
Total	224,831	148,885
Retention receivables		
Other related companies (Note i)	109,486	124,433
Other receivables		
Other related companies (Note i)	63,017	55,799
Contract assets		
Other related companies (Note i)	144,858	159,166
Trade payables		
Related companies commonly controlled by the Ultimate Controlling Shareholder	600	–
Other related companies (Note i)	111	–
Total	711	–
Other payables		
Related companies commonly controlled by the Ultimate Controlling Shareholder	536	2,217
Other related companies (Note i)	16,196	10,059
Total	16,732	12,276
Contract liabilities		
Other related companies (Note i)	60,413	84,681
Lease liabilities		
Related companies commonly controlled by the Ultimate Controlling Shareholder	64,888	21,551

Note:

- (i) These related companies are companies of which the key management personnel are close members of the family of the Ultimate Controlling Shareholder.

33 RELATED PARTY TRANSACTIONS (Continued)

(d) Key management compensation

Key management includes directors and senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

For the year ended 30 June	2025 HK\$'000	2024 HK\$'000
Fees	4,909	4,134
Salaries and other emoluments	89,564	90,635
Contributions to defined contribution schemes	5,638	5,095
Total	100,111	99,864

The emoluments to directors and members of the senior management of the Group fell within the following bands:

For the year ended 30 June	2025 Number of individuals	2024 Number of individuals
Emolument bands		
Nil–HK\$1,000,000	8	7
HK\$1,000,001–HK\$1,500,000	–	1
HK\$1,500,001–HK\$2,000,000	1	–
HK\$2,000,001–HK\$2,500,000	5	5
HK\$2,500,001–HK\$3,000,000	4	4
HK\$3,000,001–HK\$3,500,000	1	1
HK\$3,500,001–HK\$4,000,000	2	1
HK\$4,000,001–HK\$4,500,000	3	2
HK\$4,500,001–HK\$5,000,000	1	1
HK\$5,000,001–HK\$5,500,000	2	2
HK\$6,000,001–HK\$6,500,000	1	2
HK\$6,500,001–HK\$7,000,000	1	1
HK\$9,000,001–HK\$9,500,000	1	–
HK\$9,500,001–HK\$10,000,000	–	1
HK\$11,500,001–HK\$12,000,000	1	–
HK\$12,500,001–HK\$13,000,000	–	1
Total	31	29

Notes to the Consolidated Financial Statements

34 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

As at 30 June	2025 HK\$'000	2024 HK\$'000
ASSETS		
Non-current assets		
Subsidiaries	412,132	412,132
Current assets		
Trade and other receivables	207	199
Amounts due from subsidiaries	2,853,387	2,775,807
Cash and bank balances	412	314
	2,854,006	2,776,320
Total assets	3,266,138	3,188,452
EQUITY		
Ordinary shares	45,000	45,000
Convertible preference shares	140,900	140,900
Reserves (Note (a))	820,464	820,391
Total equity	1,006,364	1,006,291
LIABILITIES		
Current liabilities		
Trade and other payables	7,381	5,956
Amounts due to subsidiaries	2,252,393	2,176,205
Total liabilities	2,259,774	2,182,161
Total equity and liabilities	3,266,138	3,188,452
Net current assets	594,232	594,159
Total assets less current liabilities	1,006,364	1,006,291

The statement of financial position of the Company was approved by the Board of Directors on 26 September 2025 and was signed on its behalf.

Lam Wai Hon, Patrick
Director

Doo William Junior Guilherme
Director

34 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

Note (a) Reserve movement of the Company

	Share premium HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 July 2023	743,204	74,307	817,511
Profit for the year	–	207,984	207,984
Dividends	–	(196,650)	(196,650)
Preferred distribution	–	(8,454)	(8,454)
At 30 June 2024	743,204	77,187	820,391
At 1 July 2024	743,204	77,187	820,391
Profit for the year	–	199,777	199,777
Dividends	–	(191,250)	(191,250)
Preferred distribution	–	(8,454)	(8,454)
At 30 June 2025	743,204	77,260	820,464

35 PRINCIPAL SUBSIDIARIES

The following is a list of the principal subsidiaries as at 30 June 2025:

Company name	Place of incorporation or establishment/place of operation	Issued/Registered and paid-up capital	Attributable equity interest of the Group		Principal activities
			As at 30 June 2025	2024	
Directly-owned subsidiaries:					
FSE City Essential Services Limited	British Virgin Islands	1 share of US\$1 paid up to US\$1	100	100	Investment holding
FSE Engineering Group Limited	British Virgin Islands/Hong Kong	50,000,000 shares of HK\$1 each paid up to HK\$50,000,000	100	100	Investment holding
FSE Environmental Solutions Limited	British Virgin Islands/Hong Kong	1 share of US\$1 paid up to US\$1	100	100	Investment holding
FSE Facility Services Group Limited	British Virgin Islands	1 share of US\$1 paid up to US\$1	100	100	Investment holding
FSE Property Management Group Limited	British Virgin Islands	1 share of US\$1 paid up to US\$1	100	100	Investment holding
Lucky Bridge Investments Limited	British Virgin Islands/Hong Kong	1 share of US\$1 paid up to US\$1	100	100	Investment in trading securities

Notes to the Consolidated Financial Statements

35 PRINCIPAL SUBSIDIARIES (Continued)

Company name	Place of incorporation or establishment/place of operation	Issued/Registered and paid-up capital	Attributable equity interest of the Group		Principal activities
			As at 30 June 2025	2024	
Indirectly owned subsidiaries:					
Building Material Supplies Limited	British Virgin Islands	1 share of HK\$1 paid up to HK\$1	100	100	Investment holding
Business Investments Limited	British Virgin Islands	1 share of US\$1 paid up to US\$1	100	100	Investment holding
Companion Building Material Supplies (H.K.) Limited	Hong Kong	100 shares paid up to HK\$100	100	100	Trading of ceramic tiles and building materials and provision of maintenance and fitting out services
Crystal Brilliant Limited	British Virgin Islands	1 share of US\$1 paid up to US\$1	100	100	Investment holding
Espora Company Limited	Hong Kong	2 shares paid up to HK\$2	100	100	Provision of property management services
Environmental Pioneers & Solutions Limited	Hong Kong	1,000 shares paid up to HK\$100,000	100	100	Trading of environmental products and the provision of related engineering and consultancy services
Extensive Trading Company Limited	Hong Kong	8,500,000 ordinary shares and 1,500,000 non-voting deferred shares ⁽¹⁾ paid up to HK\$10,100,000	100	100	Trading of equipment and materials
EPS Environmental Technologies (Macao) Limited	Macau	MOP25,000	100	100	Trading of environmental products and the provision of related engineering and consultancy services
Far East Engineering Services Limited	Hong Kong	766,714 ordinary shares and 233,288 non-voting deferred shares ⁽¹⁾ paid up to HK\$10,000,020	100	100	Mechanical and electrical engineering, trading and project management consultancy
Far East Technical Service (Macao) Limited	Macau	MOP25,000	100	100	Mechanical and electrical engineering

35 PRINCIPAL SUBSIDIARIES (Continued)

Company name	Place of incorporation or establishment/place of operation	Issued/Registered and paid-up capital	Attributable equity interest of the Group		Principal activities
			As at 30 June 2025	2024	
FSE C & L Limited	British Virgin Islands	1 share of US\$1 paid up to US\$1	100	100	Investment holding
FSE E & S Limited	British Virgin Islands	1 share of US\$1 paid up to US\$1	100	100	Investment holding
FSE Environmental Laboratory Services Limited	Hong Kong	10,000 shares paid up to HK\$10,000	100	100	Provision of testing and calibration services
FSE Environmental Technologies Limited	British Virgin Islands	1 share of US\$1 paid up to US\$1	100	100	Investment holding
FSE Facility Management Limited	Hong Kong	2 shares paid up to HK\$2	100	100	Provision of referral services to a fellow subsidiary engaged in insurance brokerage business
FSE Ins Limited	British Virgin Islands	1 share of US\$1 paid up to US\$1	100	100	Investment holding
FSE International Realty Limited	Hong Kong	2 shares paid up to HK\$2	100	100	Provision of property agency and related services for buildings in Hong Kong
FSE Nova (China) Company Limited	British Virgin Islands	1 share of US\$1 paid up to US\$1	100	100	Investment holding
FSE S & G Limited	British Virgin Islands	1 share of US\$1 paid up to US\$1	100	100	Investment holding
General Security & Guarding Limited	British Virgin Islands	1 share of HK\$1 paid up to HK\$1	100	100	Investment holding
General Security (H.K.) Limited	Hong Kong	8,402 ordinary shares and 11,600 non-voting deferred shares ⁽¹⁾ paid up to HK\$2,000,200	100	100	Security services, sales and maintenance of alarm systems
General Security Limited	Hong Kong	2 ordinary shares and 2,500 non-voting deferred shares ⁽¹⁾ paid up to HK\$250,200	100	100	Security services

Notes to the Consolidated Financial Statements

35 PRINCIPAL SUBSIDIARIES (Continued)

Company name	Place of incorporation or establishment/place of operation	Issued/Registered and paid-up capital	Attributable equity interest of the Group		Principal activities
			As at 30 June 2025	2024	
Hong Kong Island Landscape Company Limited	Hong Kong	1,980,000 ordinary shares and 20,000 non-voting deferred shares ⁽¹⁾ paid up to HK\$20,000,000	100	100	Trading, landscaping project contracting
International Property Management Limited	Hong Kong	450,000 ordinary shares and 95,500 non-voting deferred shares ⁽¹⁾ paid up to HK\$5,455,000	99	99	Investment holding and provision of property management services for buildings
International Reinsurance Management Limited	Hong Kong	500,000 shares paid up to HK\$500,000	100	100	Reinsurance brokerage
Joneson Environmental Technologies Limited	Hong Kong	885,000 ordinary shares and 35,000 non-voting deferred shares ⁽¹⁾ paid up to HK\$920,000	100	100	Trading, building maintenance, chemical engineering
Kiu Lok Properties (International) Limited	Hong Kong	2 shares paid up to HK\$2	100	100	Provision of property agency and related services for buildings in Hong Kong
Kiu Lok Service Management Company Limited	Hong Kong	2 ordinary shares and 1,002 non-voting deferred shares ⁽¹⁾ paid up to HK\$100,400	100	100	Provision of property management, property agency and related services for buildings in Hong Kong
KL Property Management Limited	Hong Kong	1 share paid up to HK\$1	100	100	Provision of property management and related services for buildings in Hong Kong
KLPS Group Limited ⁽²⁾	Hong Kong	20,000,000 shares paid up to HK\$20,000,000	100	100	Investment holding
Legend Success Investments Limited	British Virgin Islands	1 share of US\$1 paid up to US\$1	100	100	Investment holding
Majestic Engineering Company Limited	Hong Kong	30,000 shares paid up to HK\$30,000,000	100	100	Mechanical and electrical engineering
Majestic Engineering (Macao) Company Limited	Macao	MOP25,000	100	100	Mechanical and electrical engineering

35 PRINCIPAL SUBSIDIARIES (Continued)

Company name	Place of incorporation or establishment/place of operation	Issued/Registered and paid-up capital	Attributable equity interest of the Group		Principal activities
			As at 30 June 2025	2024	
Majestic Plumbing Engineers Limited	Hong Kong	2,000,000 shares paid up to HK\$2,000,000	100	100	Plumbing engineering services
Nova Insurance Consultants Limited	Hong Kong	500,000 shares paid up to HK\$500,000	100	100	Insurance brokerage
Paramatta Estate Management Limited	Hong Kong	10,000 shares paid up to HK\$10,000	100	100	Estate Manager of City One, Shatin
Park Vale (Management) Limited	Hong Kong	2 shares paid up to HK\$2	100	100	Provision of property management services for buildings
Perfect Event Services Limited	Hong Kong	10,000 shares paid up to HK\$10,000	100	100	Provision of one-stop solution and support services to event activities
Plantgrove Developments Limited	British Virgin Islands	2 shares of US\$1 each paid up to US\$2	100	100	Investment holding
Premier Custodian Services Limited	Hong Kong	1 share paid up to HK\$1	100	100	Provision of premier cleaning services
Sesdom Technology Company Limited	Hong Kong	100 shares paid up to HK\$2,000,100	55	–	Provision of environmental technology for commercial and residential buildings
Smart and Safe Fleet Management Limited	Hong Kong	1 share paid up to HK\$1	100	100	Provision of fleet management services in Hong Kong
Smart Mission Enterprises Limited	British Virgin Islands	1 share of US\$1 paid up to US\$1	100	100	Investment holding
Sunningdale (Management) Limited	Hong Kong	2 shares paid up to HK\$20	100	100	Provision of property management services for buildings
Turning Technical Services Limited	Hong Kong	200,000 shares paid up to HK\$200,000	99	99	Provision of cleaning, repairs and maintenance services for properties
Uniformity Security Limited	British Virgin Islands	1 share of HK\$1 paid up to HK\$1	100	100	Investment holding

Notes to the Consolidated Financial Statements

35 PRINCIPAL SUBSIDIARIES (Continued)

Company name	Place of incorporation or establishment/place of operation	Issued/Registered and paid-up capital	Attributable equity interest of the Group		Principal activities
			As at 30 June 2025	2024	
Urban Focus Limited	British Virgin Islands	1 share of US\$1 paid up to US\$1	100	100	Investment holding
Urban Management Limited	British Virgin Islands	1 share paid up to HK\$1	100	100	Investment holding
Urban Management Services Limited	Hong Kong	10,000 shares paid up to HK\$10,000	100	100	Provision of property management services
Urban Property Management (China) Limited	Hong Kong	1 shares paid up to HK\$1	100	100	Investment holding
Urban Property Management Limited	Hong Kong	49,995,498 ordinary shares and 4,502 non-voting deferred shares ⁽¹⁾ paid up to HK\$50,000,000	100	100	Provision of property management services for buildings and investment holding
Urban Technical Services Limited	Hong Kong	2 shares paid up to HK\$2	100	100	Provision of repairs and maintenance services
Tridant Engineering Company Limited	Hong Kong	34,400,000 ordinary shares and 15,600,000 non-voting deferred shares ⁽¹⁾ paid up to HK\$50,000,000	100	100	Provision of mechanical and electrical engineering services
Waihong Cleaning Limited	British Virgin Islands	1 share of HK\$1 paid up to HK\$1	100	100	Investment holding
Waihong Environmental Services Limited	Hong Kong	400,000 shares paid up to HK\$40,000,000	100	100	Provision and management of cleaning, pest control and waste disposal services and provision of recycling and environmental disposal services
Waihong Integrated Green Services Limited	Hong Kong	400,000 shares paid up to HK\$400,000	100	100	Provision of pest control services
Waihong Medicare Services Limited	Hong Kong	1 share paid up to HK\$1	100	100	Provision of cleaning services in hospitals

35 PRINCIPAL SUBSIDIARIES (Continued)

Company name	Place of incorporation or establishment/place of operation	Issued/Registered and paid-up capital	Attributable equity interest of the Group		Principal activities
			As at 30 June 2025	2024	
Wise Plaza Limited	Hong Kong	10,000 shares paid up to HK\$10,000	100	100	Investment holding
Young's Engineering Company Limited	Hong Kong	4,000,000 shares paid up to HK\$40,000,000	100	100	Mechanical and electrical engineering
Young's Engineering (Macao) Company Limited	Macau	MOP100,000	100	100	Mechanical and electrical engineering
豐盛機電工程有限公司 ⁽³⁾	Mainland China	RMB50,000,000	100	100	Mechanical and electrical engineering
北京遠東景福機電設備維修有限公司 ⁽³⁾	Mainland China	US\$150,000	100	100	Mechanical, electrical engineering and maintenance
景福機電安裝工程（上海）有限公司 ⁽³⁾	Mainland China	RMB15,000,000	100	100	Mechanical and electrical engineering
廣州凱康園林服務有限公司 ⁽³⁾	Mainland China	RMB1,000,000	100	100	Provision of landscaping services
北京新域保險經紀有限公司 ⁽³⁾	Mainland China	RMB50,000,000	100	–	Insurance Broker

Notes:

1. The non-voting deferred shares do not carry any voting rights and are not entitled to any profits distribution by the subsidiary. On a return of assets on winding up or otherwise, the assets of the subsidiary to be returned shall be distributed firstly in paying HK\$1 billion per share to the holders of the ordinary shares and secondly in repaying to the holders of non-voting deferred shares the nominal amount paid up or credited as paid upon such shares. The balance of the assets of the subsidiary shall be distributed among the holders of the ordinary shares.
2. This subsidiary changed its name to "FSE Property Asset Management Group Limited" on 2 September 2025.
3. These subsidiaries are registered as wholly foreign owned enterprises under the law of Mainland China.

Five-Year Financial Summary

FSE LIFESTYLE — CONSOLIDATED⁽ⁱ⁾

RESULTS	For the year ended 30 June				
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2025 HK\$'000
Revenue	6,452,741	6,966,935	7,767,209	8,447,943	8,159,887
Profit for the year attributable to shareholders of the Company	586,911	502,935	522,902	501,100	453,214

ASSETS, LIABILITIES AND EQUITY	As at 30 June				
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2025 HK\$'000
Total assets	3,050,225	3,599,304	3,990,434	3,949,672	4,372,644
Total liabilities	2,950,711	3,162,530	3,291,013	2,960,800	3,110,901
Total equity	99,514	436,774	699,421	988,872	1,261,743

FINANCIAL INFORMATION PER SHARE	For the year ended 30 June/As at 30 June				
	2021	2022	2023	2024	2025
Earnings (HK\$)	1.29	1.10	1.14	1.09	0.99

KEY RATIOS	For the year ended 30 June/As at 30 June				
	2021	2022	2023	2024	2025
Return on assets	19.2%	14.0%	13.1%	12.7%	10.4%
Return on equity	589.6%	115.4%	74.9%	50.7%	35.9%
Current ratio (times)	1.0	1.2	1.2	1.3	1.5
Net gearing ratio	0%	0%	0%	0%	0%
Dividend payout ratio	48.7%	41.0%	40.1%	40.0%	40.1%

Note:

(i) Consolidated figures after intra-group eliminations.

Corporate Information

BOARD OF DIRECTORS

Non-executive Directors

Dr. Cheng Kar Shun, Henry *GBM, GBS (Chairman)*
Mr. Poon Lock Kee, Rocky *MH*

Executive Directors

Mr. Doo Wai Hoi William *BBS, JP (Chairman)*
Mr. Lam Wai Hon, Patrick
(Executive Vice-Chairman & Chief Executive Officer)
(also alternate to Dr. Cheng Kar Shun, Henry)
Mr. Doo William Junior Guilherme *BBS, JP*
Mr. Lee Kwok Bong
Mr. Soon Kweong Wah
Dr. Cheng Chun Fai
Mr. Chan Ju Wai

Independent Non-executive Directors

Mr. Kwong Che Keung, Gordon
Mr. Hui Chiu Chung, Stephen *JP*
Mr. Lee Kwan Hung, Eddie
Dr. Tong Yuk Lun, Paul
Ms. Leung Wan Chong Christine

AUDIT COMMITTEE

Mr. Kwong Che Keung, Gordon *(Chairman)*
Mr. Hui Chiu Chung, Stephen *JP*
Mr. Lee Kwan Hung, Eddie
Ms. Leung Wan Chong Christine

REMUNERATION COMMITTEE

Mr. Hui Chiu Chung, Stephen *JP (Chairman)*
Mr. Lee Kwan Hung, Eddie
Dr. Tong Yuk Lun, Paul
Mr. Lam Wai Hon, Patrick
Mr. Doo William Junior Guilherme *BBS, JP*

NOMINATION COMMITTEE

Mr. Lee Kwan Hung, Eddie *(Chairman)*
Mr. Hui Chiu Chung, Stephen *JP*
Dr. Tong Yuk Lun, Paul
Ms. Leung Wan Chong Christine
Mr. Lam Wai Hon, Patrick
Mr. Doo William Junior Guilherme *BBS, JP*

ESG COMMITTEE

Dr. Cheng Chun Fai *(Chairman)*
Mr. Lee Kwok Bong
Mr. Soon Kweong Wah
Dr. Tong Yuk Lun, Paul
Ms. Leung Wan Chong Christine
Mr. Kwan Chun Kit, Terry
Mr. Tsang Tin Ngai

COMPANY SECRETARY

Mr. Chan Ju Wai

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and Registered PIE Auditor
22/F Prince's Building
Central
Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
BNP Paribas Hong Kong Branch
Chong Hing Bank Limited
Crédit Agricole Corporate and Investment Bank,
Hong Kong Branch
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation
Limited
Nanyang Commercial Bank, Limited
Standard Chartered Bank (Hong Kong) Limited

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Corporate Information

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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8th Floor, Chevalier Commercial Centre
8 Wang Hoi Road, Kowloon Bay
Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODE

331

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豐盛生活服務有限公司
FSE LIFESTYLE SERVICES LIMITED

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