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 62 to 105. 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 52 to 59. 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 87 to 95 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 2026 are set out in the consolidated financial statements on pages 126 to 221.

The Directors have resolved to recommend a final dividend of HK17.6 cents (2025: HK18.5 cents) per ordinary share for the Year to the shareholders whose names appear on the register of ordinary shareholders of the Company on 7 December 2026. The proposed final dividend, if approved at the forthcoming annual general meeting of the Company, will be paid on or about 18 December 2026. Together with the interim dividend of HK18.9 cents (2025: HK21.1 cents) per ordinary share paid in March 2026, total distribution of dividends by the Company for the Year will thus be HK36.5 cents (2025: HK39.6 cents) per ordinary share and a dividend payout ratio of 40.1%[(i)] (2025: 40.1%[(ii)]).

Notes:

(i) Based on the Group's adjusted profit for the year ended 30 June 2026 attributable to ordinary shareholders of HK$409.7M (i.e. after deducting preferred distribution to the holder of convertible preference shares of HK$8.5M for the year ended 30 June 2026 from profit attributable to shareholders of the Company of HK$418.2M).

(ii) 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).

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 2026, the Company's reserves available for distribution amounted to HK$822.0 million (30 June 2025: HK$820.5 million) as calculated in accordance with the statutory provisions applicable in the Company's place of incorporation and the generally accepted accounting principles.

Donations

During the Year, the Group made charitable and other donations amounting to HK$0.6 million (2025: HK$0.8 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 39.0% of the Group's revenue and the percentage of revenue attributable to the Group's largest customer amounted to 14.7%. The percentage of purchases attributable to the Group's five largest suppliers accounted for 5.2% of the Group's total purchases and the percentage of purchases attributable to the Group's largest supplier amounted to 1.7%.

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.

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 (resigned on 1 January 2026)

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

Independent Non-executive Directors

Mr. Hui Chiu Chung, Stephen
Mr. Lee Kwan Hung, Eddie
Ms. Leung Wan Chong Christine
Mr. Martin Nicholas Hadaway (appointed on 21 November 2025)
Mr. Ho Chi Keung (appointed on 17 August 2026)
Mr. Kwong Che Keung, Gordon (passed away on 6 July 2026)
Dr. Tong Yuk Lun, Paul (retired on 21 November 2025)

In accordance with article 109 of the Company's articles of association, Mr. Ho Chi Keung 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, Dr. Cheng Kar Shun, Henry, Mr. Lee Kwok Bong, Mr. Soon Kweong Wah and Mr. Lee Kwan Hung, Eddie shall retire as Directors by rotation at the forthcoming annual general meeting and all being eligible, 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 115 to 119 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 and E&M Engineering	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 and E&M Engineering	alternate director to Mr. Doo Jr
Mr. Doo William Junior Guilherme ("Mr. Doo Jr")	CTF Services Limited group of companies	carpark management and E&M Engineering	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 association 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.

Directors' and Chief Executive's Interests in Securities

As at 30 June 2026, 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 C3 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 2026.

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 2026.

Substantial Shareholders' Interests in Securities

As at 30 June 2026, 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:

1. These shares are held by FSE Holdings.
2. 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.
3. 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.
4. 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.
5. 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.
6. The percentage of shareholding is calculated on the basis of 450,000,000 voting shares of the Company in issue as at 30 June 2026. 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.

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 2026.

Share Option Scheme

The share option scheme adopted by the Company on 20 November 2015 (the "2015 Scheme") expired and terminated on 19 November 2025. On 21 November 2025, the Company adopted a new share option scheme (the "2025 Scheme").

The following is a summary of the principal terms of the share option schemes:

The 2015 Scheme

(i) Purposes of the 2015 Scheme

The purpose of the 2015 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 2015 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

As at the date of this report, the 2015 Scheme has expired and terminated. No options had been granted under the 2015 Scheme and therefore no shares will be issued under the 2015 Scheme.

(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 2015 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 2015 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 2015 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 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 2015 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 2015 Scheme was for a term of ten (10) years from 20 November 2015 and expired and terminated on 19 November 2025.

The 2025 Scheme

(i) Purposes of the 2025 Scheme

The purpose of the 2025 Scheme are (i) to enable the Company to grant options to the eligible participants as incentives or rewards for their contribution to the growth and development of the Group; (ii) to attract and retain personnel to promote the sustainable development of the Group; and (iii) to align the interest of the grantees with those of the shareholders of the Company to promote the long-term financial and business performance of 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 the Shares:

(a) any employee (whether full-time or part-time, including any executive director, but excluding any non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries (and including persons who are granted options under the 2025 Scheme as an inducement to enter into employment contracts with these companies) ("Employee Participant(s)");

(b) any non-executive directors and independent non-executive directors of the Company or any of its subsidiaries; and

(c) any director or employee of the holding companies, fellow subsidiaries or associated companies of the Company ("Related Entity Participant(s)").

(iii) Maximum number of Shares available for issue

The maximum number of Shares which may be allotted and issued (including any treasury shares which may be transferred, as applicable) in respect of all options and awards to be granted under the 2025 Scheme and any other share schemes ("Scheme Mandate Limit") shall not exceed 10% of the number of Shares in issue (excluding treasury shares, if any) as at the date of approval of the 2025 Scheme. As at 30 June 2026, the total number of Shares available for issue under the 2025 Scheme is 45,000,000 Shares, representing 10.00% of the Company's issued Shares.

(iv) Maximum entitlement of each participant

The total number of Shares issued and to be issued (including any treasury shares transferred and to be transferred) upon exercise of the options granted and to be granted under the 2025 Scheme and the options or awards granted under any other share scheme(s) of the Company to each grantee in any 12-month period up to and including the date of such grant shall not exceed 1% of the total number of Shares in issue (excluding treasury shares, if any) (the "1% Individual Limit"). Where any grant of options to a grantee under the 2025 Scheme would result in the Shares issued and to be issued (including any treasury shares which may be transferred, as applicable) upon exercise of all options or awards granted and proposed to be granted to such person (excluding any options and awards lapsed in accordance with the terms of the 2025 Scheme or the other share scheme) under the 2025 Scheme and any other share scheme in the 12-month period up to and including the date of such further grant exceed the 1% Individual Limit, such grant must be separately approved by shareholders in general meeting with such grantee and his close associates (or his associates if the grantee is a connected person of the Company) abstaining from voting.

(v) Exercise period of option

An option may be exercised in accordance with the terms of the 2025 Scheme at any time during a period to be determined and notified by the Directors to the grantee, which period shall end in any event not later than 10 years from the date of offer of that option subject to the provisions for early termination thereof.

(vi) Vesting period of option

The vesting period in respect of any option granted to any eligible participant shall not be shorter than 12 months from the date of acceptance of the Offer, provided that where the Eligible Participant is:

(i) an Employee Participant who is a Director or a senior manager disclosed in the Company's annual report as required under the Listing Rules ("Senior Manager") specifically identified by the Company, the Remuneration Committee shall, or

(ii) an Employee Participant who is not a Director nor a Senior Manager specifically identified by the Company, the Directors shall have the authority to determine a shorter vesting period under the following specific circumstances:

(a) grants of "make-whole" options to a new Employee Participant to replace awards or options such Employee Participant forfeited when leaving his previous employer;

(b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;

(c) grants with performance-based vesting conditions in lieu of time-based vesting criteria;

(d) grants that are made in batches during a year for administrative and compliance reasons. Such circumstances may include options that should have been granted earlier but had to wait for subsequent batch, in which case the vesting period may be adjusted to take account of the time from which the options would have been granted if not for such administrative or compliance requirements;

(e) grants of options with a mixed or accelerated vesting period schedule such that the Options vest evenly over a period of 12 months; and

(f) grants of options to Employee Participants with a total vesting and holding period of more than twelve (12) months.

(vii) Consideration for the option

A 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 2025 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) (where applicable) the nominal value of a Share.

(ix) Remaining life of the Scheme

The 2025 Scheme shall remain in force for a period of ten (10) years commencing from 21 November 2025 being the date of its adoption.

As at 1 July 2025 and 30 June 2026, no options has been granted under the 2015 Scheme and the 2025 Scheme. The number of options available for grant under the 2015 Scheme as at 1 July 2024 and 19 November 2025 (being its expiration date) was 45,000,000 without any sub-limit for any category of eligible participants. The number of options available for grant under the 2025 Scheme as at 21 November 2025 (being its adoption date) and 30 June 2026 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.

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 CTF Services Limited ("CTFS"), 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.

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") of the Company under Chapter 14A of the Listing Rules.

(1) The 2023 Master Services Agreements

On 28 April 2023, four master services agreements (the "2023 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 "2023 NWD Master Services Agreement") which serves to provide them with a master framework of agreement upon and to which the individual agreement for each CCT between the NWD Group and the Group (the "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 "2023 CTFJ Master Services Agreement") which serves to provide them with a master framework of agreement upon and to which the individual agreement for each CCT between the CTFJ Group and the Group (the "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 "2023 CTFE Master Services Agreement") which serves to provide them with a master framework of agreement upon and to which the individual agreement for each CCT between the CTFE Group and the Group (the "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 summarised 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 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 "2023 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 CCT between the Doo's Associates Group and the Group (the "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
    - 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 Doo's Associates Group and the Group may agree upon from time to time in writing.

The 2023 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 2023 Master Services Agreements has an initial term of three years commenced on 1 July 2023 and ended on 30 June 2026. 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 2023 Master Services Agreements are summarised as follows:

The 2023 NWD Master Services Agreement

	Approximate total transaction amounts HK$'000	Annual cap HK$'000
Paid/payable to the Group	494,825	3,422,431
Paid/payable by the Group	2,991	55,009

The 2023 CTFJ Master Services Agreement

	Approximate total transaction amounts HK$'000	Annual cap HK$'000
Paid/payable to the Group	7,332	77,840
Paid/payable by the Group	–	90

The 2023 CTFE Master Services Agreement

	Approximate total transaction amounts HK$'000	Annual cap HK$'000
Paid/payable to the Group	1,144,411	3,523,867
Paid/payable by the Group	1,812	57,702

The 2023 Doo's Associates Group Master Services Agreement

	Approximate total transaction amounts HK$'000	Annual cap HK$'000
Paid/payable to the Group	14,012	422,082
Paid/payable by the Group	8,707	18,690

* Out of the total transaction amount paid/payable to the Group during the Year of HK$1,661 million under the 2023 Master Services Agreements with the contracting parties per above, about 43% of it is attributable to ultimate third-party employers who are not connected persons of the Group.

(2) The 2026 Master Services Agreements

On 24 April 2026, in view of the expiry of the 2023 Master Services Agreements on 30 June 2026, three master services agreements (the "2026 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 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, cleaning services, E&M services, environmental solutions services, facility and property management services, security, guarding and event servicing services, insurance solutions services and such other types of services as the NWD Group and the Group may agree upon from time to time in writing; and
- the provision of, by the NWD Group to the Group, IT support services, rental services, sundry services, and such other types of services as the NWD Group and the Group may agree upon from time to time in writing.

(b) a master services agreement entered into between CTFE and the Company 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 following services is to be entered into and subject:

- the provision of, by the Group to the CTFE Group, cleaning services, E&M services (excluding lift repair and maintenance services), environmental solutions services, facility and property management services, security, guarding and event servicing services, insurance solutions 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, insurance related services, rental services and such other types of services as the CTFE Group and the Group may agree upon from time to time in writing.

(c) a master services agreement entered into between FMC and the Company 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, cleaning services, E&M services, environmental solutions services, facility and property management services, security, guarding and event servicing services, insurance solutions 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

- the provision of, by the Doo's Associates Group to the Group, rental services and related 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.

The 2026 Master Services Agreements and the transactions contemplated thereunder were approved by the independent shareholders at the extraordinary general meeting of the Company held on 25 June 2026. Each of the 2026 Master Services Agreements has an initial term of three years commenced on 1 July 2026 and ending on 30 June 2029. 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 announcement of the Company dated 24 April 2026 and the circular of the Company dated 29 May 2026.

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 announcements.

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 (including disclosure requirements) in accordance with Chapter 14A of the Listing Rules during the Year. In determining the prices and terms of the continuing connected transactions conducted during the Year, the Company has also followed the pricing policy of the relevant transactions and the guidelines under the Listing Rules.

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 2026.

Sufficiency of Public Float

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

Based on the information publicly available to the Company or otherwise within the knowledge of the Directors as at the date of this report, the Company has complied with the prescribed public float requirements under Rule 13.32B of the Listing Rules throughout the Year and as at 30 June 2026.

As at 30 June 2026, the total issued share capital of the Company amounted to HK$185,900,000, comprising HK$45,000,000 divided into 450,000,000 ordinary shares of HK$0.1 each listed on the Stock Exchange and HK$140,900,000 divided into 43,676,379 CPS. The CPS is not a listed security. 75% of the total number of issued ordinary shares of the Company were held by substantial shareholders, details of which are shown in the paragraph headed "Substantial Shareholders' Interests in Securities" above, while the remaining 25% of the total number of issued ordinary shares of the Company were held by the public.

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, 28 September 2026