

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM 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, the 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, property agency and related services for buildings, car park management services, cleaning & pest control and management of waste disposal services, recycling and environmental disposal services, insurance solutions services, trading of environmental products and provision of related engineering consultancy services, provision of ELV engineering services, EV charging infrastructure services, trading of building materials, landscaping services, systems security, guarding & event services in Hong Kong and provision of mechanical and electrical engineering services and technical support and maintenance services in Hong Kong, Mainland China and Macau. The ultimate holding company of the Company is FSE Holdings Limited (“FSE Holdings”) incorporated in the Cayman Islands. The directors consider Mrs. Doo Cheng Sau Ha, Amy to be the ultimate controlling shareholder (the “Ultimate Controlling Shareholder”).

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

This condensed consolidated interim financial information is presented in Hong Kong dollars, unless otherwise stated.

This condensed consolidated interim financial information has been approved for issue by the board of directors of the Company (the “Board”) on 27 February 2025.

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

This unaudited condensed consolidated interim financial information for the six months ended 31 December 2024 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The interim financial information should be read in conjunction with the annual financial statements for the year ended 30 June 2024, which has been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The accounting policies applied are consistent with those set out in the annual report for the year ended 30 June 2024, except for the adoption of new and amended standards as set out below.

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

### (a) Adoption of new amendments to existing standards by the Group

For the six months ended 31 December 2024, the Group adopted the following new amendments to existing standards which are effective for the accounting periods 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 Sale 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

The Group's adoption of the above pronouncements has neither any significant effect on the results and financial position of the Group nor any substantial changes in the Group's accounting policies and presentation of its condensed consolidated interim financial statements.

### (b) 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 by the Group:

		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, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards	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 condensed consolidated interim financial statements.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 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 condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended 30 June 2024.

There have been no changes in the risk management policies since the Group's financial year ended 30 June 2024.

### 3.2 Fair value estimation

At 31 December 2024 and 30 June 2024, the carrying amounts of Group's financial assets and liabilities approximate their fair values due to the short-term maturities of these assets and liabilities.

## 4 ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to its consolidated financial statements for the year ended 30 June 2024.

## 5 REVENUE AND SEGMENT INFORMATION

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, car park 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 and building materials products; and
- (iii) E&M services — Provision of engineering and consultancy services on installation.

## 5 REVENUE AND SEGMENT INFORMATION *(Continued)*

	For the six months ended 31 December	
	2024 HK\$'000	2023 HK\$'000
<b>Revenue</b>		
Property & facility management services	350,412	329,797
City essential services		
— Cleaning & pest control services	1,262,906	1,128,052
— Insurance solutions	62,908	58,091
— Technical support & maintenance services		
— Renovations, system retrofit and repairing <sup>(i)</sup>	501,869	448,139
— Routine maintenance <sup>(ii)</sup>	58,553	51,795
— Environmental solutions		
— Rendering of services <sup>(iii)</sup>	160,294	124,622
— Sales of goods <sup>(iv)</sup>	18,741	25,588
— Systems security, guarding & event services		
— Rendering of services	320,686	302,460
— Sales of goods <sup>(v)</sup>	13,471	3,855
City essential services subtotal	2,399,428	2,142,602
E&M services	1,340,177	1,642,124
<b>Total <sup>(vi)</sup></b>	<b>4,090,017</b>	<b>4,114,523</b>

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.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 5 REVENUE AND SEGMENT INFORMATION *(Continued)*

Notes: *(Continued)*

- (v) Systems security, guarding & event services — Sales of goods: Sales of CCTV, burglar alarm, mobile patrol, access control, intercom, car park barrier and face reader systems, and handheld and walkthrough metal detectors.
- (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 six months ended	
	31 December	
	2024	2023
	HK\$'000	HK\$'000
<b>Contracting revenue recognised based on percentage of completion method</b>		
Technical support & maintenance services		
— Renovations, system retrofit and repairing	248,588	181,672
Environmental solutions		
— Rendering of services	89,704	76,169
E&M services	1,340,177	1,642,124
<b>Total</b>	<b>1,678,469</b>	<b>1,899,965</b>

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 allowances 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 purposes unless the segment is engaged in financing activities.

As at 31 December 2024 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 comprises mainly additions to property, plant and equipment, right-of-use assets and other intangible assets (Note 11).

## 5 REVENUE AND SEGMENT INFORMATION *(Continued)*

### (a) For the six months ended and as at 31 December 2024

The segment results for the six months ended 31 December 2024 and other segment items included in the condensed 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	350,412	2,399,428	1,340,177	–	4,090,017
Revenue — Internal	556	57,396	–	(57,952)	–
<b>Total revenue</b>	<b>350,968</b>	<b>2,456,824</b>	<b>1,340,177</b>	<b>(57,952)</b>	<b>4,090,017</b>
<b>Timing of revenue recognition</b>					
Over time	350,968	2,395,468	1,340,177	(53,890)	4,032,723
At a point in time	–	61,356	–	(4,062)	57,294
<b>Total revenue</b>	<b>350,968</b>	<b>2,456,824</b>	<b>1,340,177</b>	<b>(57,952)</b>	<b>4,090,017</b>
<b>Operating profit before unallocated corporate expenses</b>	<b>52,283</b>	<b>139,547</b>	<b>91,507</b>	<b>–</b>	<b>283,337</b>
Unallocated corporate expenses					(3,638)
<b>Operating profit</b>					<b>279,699</b>
Finance income					18,085
Finance costs					(12,759)
Share of results of associates					576
Share of results of joint ventures					(73)
<b>Profit before income tax</b>					<b>285,528</b>
Income tax expenses (Note 8)					(43,857)
<b>Profit for the period</b>					<b>241,671</b>
<b>Other items</b>					
Depreciation and amortisation	6,226	19,952	12,688	–	38,866
Impairment losses on trade and other receivables, net (Note 7)	770	742	–	–	1,512
Provision for inventories (Note 7)	–	16	–	–	16
Additions to non-current assets (other than financial instruments and deferred income tax assets)	13,884	92,234	6,602	–	112,720

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 5 REVENUE AND SEGMENT INFORMATION *(Continued)*

(a) For the six months ended and as at 31 December 2024 *(Continued)*

The segment assets and liabilities as at 31 December 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	429,403	2,095,323	1,533,629	4,058,355
Unallocated assets				3,354
<b>Total assets</b>				<b>4,061,709</b>
Segment liabilities	163,412	1,052,394	1,247,550	2,463,356
Unallocated liabilities				465,561
<b>Total liabilities</b>				<b>2,928,917</b>

## 5 REVENUE AND SEGMENT INFORMATION *(Continued)*

### (b) For the six months ended 31 December 2023 and as at 30 June 2024

The segment results for the six months ended 31 December 2023 and other segment items included in the condensed 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	329,797	2,142,602	1,642,124	–	4,114,523
Revenue — Internal	1,365	42,296	–	(43,661)	–
<b>Total revenue</b>	<b>331,162</b>	<b>2,184,898</b>	<b>1,642,124</b>	<b>(43,661)</b>	<b>4,114,523</b>
<b>Timing of revenue recognition</b>					
Over time	331,162	2,121,758	1,642,124	(41,304)	4,053,740
At a point in time	–	63,140	–	(2,357)	60,783
<b>Total revenue</b>	<b>331,162</b>	<b>2,184,898</b>	<b>1,642,124</b>	<b>(43,661)</b>	<b>4,114,523</b>
<b>Operating profit before unallocated corporate expenses</b>	<b>72,243</b>	<b>117,275</b>	<b>114,933</b>	<b>–</b>	<b>304,451</b>
Unallocated corporate expenses					(3,462)
<b>Operating profit</b>					<b>300,989</b>
Finance income					10,938
Finance costs					(10,640)
Share of results of associates					802
Share of results of joint ventures					131
<b>Profit before income tax</b>					<b>302,220</b>
Income tax expenses (Note 8)					(46,765)
<b>Profit for the period</b>					<b>255,455</b>
<b>Other items</b>					
Depreciation and amortisation	6,342	16,285	14,866	–	37,493
Impairment losses on trade and other receivables, net (Note 7)	–	419	–	–	419
Reversal of provision for inventories (Note 7)	–	(21)	–	–	(21)
Additions to non-current assets (other than financial instruments and deferred income tax assets)	431	11,630	7,089	–	19,150



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 5 REVENUE AND SEGMENT INFORMATION *(Continued)*

### (b) For the six months ended 31 December 2023 and as at 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
<b>Total assets</b>				<b>3,949,672</b>
Segment liabilities	166,658	1,035,767	1,475,653	2,678,078
Unallocated liabilities				282,722
<b>Total liabilities</b>				<b>2,960,800</b>

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:

	<b>For the six months ended 31 December</b>	
	<b>2024 HK\$'000</b>	2023 HK\$'000
<b>Revenue</b>		
Hong Kong	<b>3,698,418</b>	3,763,035
Mainland China	<b>274,100</b>	263,719
Macau	<b>117,499</b>	87,769
<b>Total</b>	<b>4,090,017</b>	4,114,523

## 5 REVENUE AND SEGMENT INFORMATION *(Continued)*

The non-current assets other than deferred income tax assets and pension assets are allocated based on the regions in which the non-current assets are located as follows:

	As at 31 December 2024 HK\$'000	As at 30 June 2024 HK\$'000
<b>Non-current assets, other than deferred income tax assets and pension assets</b>		
Hong Kong	340,898	269,917
Mainland China	21,227	19,390
Macau	1,379	2,490
<b>Total</b>	<b>363,504</b>	<b>291,797</b>

## 6 OTHER INCOME, NET

	For the six months ended 31 December	
	2024 HK\$'000	2023 HK\$'000
Gains on disposal of right-of-use assets, net	2,637	4,279
Gains on disposal of property, plant and equipment, net	805	1,200
Sundries	670	398
Ex-gratia payment from the government for retirement of motor vehicles	221	305
Exchange (losses)/gains, net	(232)	199
Government grants <sup>(i)</sup>	–	15,218
<b>Total</b>	<b>4,101</b>	<b>21,599</b>

Note:

- (i) During the six months ended 31 December 2024, the Group was entitled to government grants under various schemes from the Government of the Hong Kong Special Administrative Region (the "HKSAR Government") as financial support for its businesses, amounting to HK\$1.6 million in total (Six months ended 31 December 2023: HK\$24.4 million). All of which was offset in its staff costs (Note 7) (Six months ended 31 December 2023: HK\$15.2 million was recognised as "Other income, net" and HK\$9.2 million was net off in its staff costs).

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 7 OPERATING PROFIT

		For the six months ended 31 December	
	Notes	2024 HK\$'000	2023 HK\$'000
<b>Operating profit is stated after charging/(crediting):</b>			
Staff costs (including Directors' emoluments)		<b>1,929,957</b>	1,756,649
Subcontracting fees		<b>1,070,507</b>	1,190,369
Raw materials and consumables used		<b>609,763</b>	697,243
Depreciation of right-of-use assets	11	<b>24,326</b>	24,738
Cost of inventories sold		<b>12,748</b>	13,807
Depreciation of property, plant and equipment	11	<b>12,614</b>	10,829
Amortisation of other intangible assets <sup>(i)</sup>	11	<b>1,926</b>	1,926
Impairment losses on trade and other receivables, net		<b>1,512</b>	419
Expenses relating to short-term leases		<b>710</b>	752
Provision/(reversal of provision) for inventories		<b>16</b>	(21)

Note:

- (i) Included in general and administrative expenses.

Save as disclosed in this note and elsewhere in the condensed consolidated interim 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 INCOME TAX EXPENSES

		For the six months ended 31 December	
		2024 HK\$'000	2023 HK\$'000
Current income tax			
Hong Kong profits tax		<b>43,586</b>	45,337
Macau taxation		<b>57</b>	1,883
Mainland China income tax		<b>676</b>	378
Deferred income tax credit		<b>(462)</b>	(833)
<b>Total</b>		<b>43,857</b>	46,765

Hong Kong profits tax has been provided at the rate of 16.5% (Six months ended 31 December 2023: 16.5%) on the estimated assessable profit. Taxation on Mainland China and Macau profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the jurisdictions in which the Group operates. These rates range from 12% to 25% for the six months ended 31 December 2024 (Six months ended 31 December 2023: 12% to 25%).

## 9 EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY

### (a) Basic

The calculation of basic earnings per share for the period is based on the following:

	For the six months ended 31 December	
	2024 HK\$'000	2023 HK\$'000
Profit attributable to shareholders of the Company	241,620	255,430
Less: Preferred distribution to the holder of convertible preference shares	(4,262)	(4,262)
Earnings used in the basic earnings per share calculation	237,358	251,168
Weighted average number of ordinary shares in issue (shares in thousands)	450,000	450,000
Basic earnings per share (HK\$)	0.53	0.56

### (b) Diluted

On 16 December 2019, the Company issued convertible preference shares, with details set out in Note 14, 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 31 December 2024 and 2023, therefore, the effect of their conversion is not included in the calculation of the diluted earnings per share for the six months ended 31 December 2024 and 2023. As a result, the diluted earnings per share equals to the basic earnings per share for the six months ended 31 December 2024 and 2023.

## 10 DIVIDEND AND DISTRIBUTION

At a meeting held on 27 February 2025, the Board has resolved to declare the payment of an interim dividend of HK21.1 cents (Six months ended 31 December 2023: HK22.4 cents) per ordinary share to the ordinary shareholders of the Company for the six months ended 31 December 2024, equivalent to a total amount of HK\$94.95 million (Six months ended 31 December 2023: HK\$100.80 million). The interim dividend will be paid in cash.

At a meeting held on 13 September 2024, the Board has resolved to pay a preferred distribution calculated at 6.0% per annum on the issue amount of the Company's convertible preference shares of HK\$140.9 million, equivalent to a total amount of HK\$8.5 million (Six months ended 31 December 2023: HK\$8.5 million). The preferred distribution was paid in December 2024.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 11 PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND OTHER INTANGIBLE ASSETS

	Property, plant and equipment HK\$'000	Right-of- use assets HK\$'000	Other intangible assets HK\$'000
<b>Six months ended 31 December 2023</b>			
Opening net book value as at 1 July 2023	57,415	87,696	176,870
Exchange differences	49	127	–
Additions	7,861	11,289	–
Disposals	(573)	(2,424)	–
Depreciation and amortisation charges	(10,829)	(24,738)	(1,926)
<b>Closing net book value as at 31 December 2023</b>	<b>53,923</b>	<b>71,950</b>	<b>174,944</b>
<b>Six months ended 31 December 2024</b>			
Opening net book value as at 1 July 2024	<b>65,425</b>	<b>51,962</b>	<b>173,021</b>
Exchange differences	(25)	(40)	–
Additions	<b>6,522</b>	<b>30,095</b>	–
Acquisition of a subsidiary (Note 16(b))	<b>682</b>	<b>2,229</b>	<b>73,192*</b>
Disposals	(628)	(1,367)	–
Depreciation and amortisation charges	(12,614)	(24,326)	(1,926)
<b>Closing net book value as at 31 December 2024</b>	<b>59,362</b>	<b>58,553</b>	<b>244,287</b>

\* Comprising customer relationships of HK\$25.0 million, customer contracts of HK\$1.3 million, license of HK\$3.0 million and goodwill of HK\$43.9 million as shown in Note 16(b).

## 12 TRADE AND OTHER RECEIVABLES

	As at 31 December 2024 HK\$'000	As at 30 June 2024 HK\$'000
Trade receivables		
Third parties	1,218,404	1,077,518
Related companies (Note 17(c))	157,295	148,930
	1,375,699	1,226,448
Less: Provision for impairment		
Third parties	(11,729)	(10,987)
Related companies (Note 17(c))	(45)	(45)
	1,363,925	1,215,416
Retention receivables		
Third parties	288,242	303,384
Related companies (Note 17(c))	108,394	124,433
	396,636	427,817
Accrued contract revenue	360,681	414,505
Less: Provision for impairment	(149)	(149)
	360,532	414,356
Other receivables and prepayments		
Third parties	328,841	314,579
Related companies (Note 17(c))	30,874	55,799
	359,715	370,378
Less: Provision for impairment		
Third parties	(1,241)	(471)
	358,474	369,907
<b>Total</b>	<b>2,479,567</b>	<b>2,427,496</b>

Generally, no credit period is granted by the Group to customers for provision of property & facility management services, insurance solutions services, landscaping services and systems security, guarding & event services and its retail customers for trading of building materials and planting and materials. The credit periods generally granted by the Group to its other customers is 30 to 60 days.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 12 TRADE AND OTHER RECEIVABLES *(Continued)*

#### Expected credit losses

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, retention receivables, accrued contract revenue 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 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 expected credit loss is minimal as the majority of the trade and other receivables are due from a number of independent customers for whom there is no recent history of default, except for certain trade receivables, retention receivables, accrued contract revenue and contract assets with full impairment provision being provided because they have been undergoing financial difficulties.

The ageing analysis of the Group’s trade receivables (including amounts due from related parties of trading in nature) based on invoice due date, net of provision for impairment, is as follows:

	As at 31 December 2024 HK\$’000	As at 30 June 2024 HK\$’000
Current to 90 days	1,163,778	1,096,997
91 to 180 days	118,877	42,552
Over 180 days	81,270	75,867
<b>Total</b>	<b>1,363,925</b>	<b>1,215,416</b>

### 13 CASH AND BANK BALANCES

	As at 31 December 2024 HK\$’000	As at 30 June 2024 HK\$’000
Time deposits with original maturities within three months	259,232	237,150
Trust cash <sup>(i)</sup>	56,484	42,277
Other cash at banks and on hand	306,641	321,861
<b>Total</b>	<b>622,357</b>	<b>601,288</b>

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.

## 14 SHARE CAPITAL

The numbers of the Company's shares authorised and issued are as follows:

	For the six months ended 31 December			
	2024		2023	
	Number of shares	HK\$'000	Number of shares	HK\$'000
Authorised:				
Ordinary shares of HK\$0.1 each				
As at 1 July and 31 December	900,000,000	90,000	900,000,000	90,000
Convertible preference shares of HK\$0.1 each (Note a)				
As at 1 July and 31 December	100,000,000	10,000	100,000,000	10,000
<b>Total</b>	<b>1,000,000,000</b>	<b>100,000</b>	<b>1,000,000,000</b>	<b>100,000</b>
Issued and fully paid:				
Ordinary shares of HK\$0.1 each				
As at 1 July and 31 December	450,000,000	45,000	450,000,000	45,000
Convertible preference shares of HK\$0.1 issued at HK\$3.2260 each (Note a)				
As at 1 July and 31 December	43,676,379	140,900	43,676,379	140,900
<b>Total</b>	<b>493,676,379</b>	<b>185,900</b>	<b>493,676,379</b>	<b>185,900</b>

As at 31 December 2024 and 30 June 2024, the total nominal amount of the Company's 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 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 14 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 FSE Management Company Limited ("FMC, a fellow subsidiary of the Company) 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.

## 15 TRADE AND OTHER PAYABLES

	As at 31 December 2024 HK\$'000	As at 30 June 2024 HK\$'000
Trade payables		
Third parties	540,317	475,552
Related companies (Note 17(c))	828	–
	<b>541,145</b>	475,552
Other payables		
Third parties	244,987	298,776
Related companies (Note 17(c))	7,357	12,276
	<b>252,344</b>	311,052
Retention payables		
Third parties	277,105	281,940
Accrued expenses	492,852	519,324
Provision for contracting costs	485,528	527,598
<b>Total</b>	<b>2,048,974</b>	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 31 December 2024 HK\$'000	As at 30 June 2024 HK\$'000
1 to 90 days	428,583	406,026
91 to 180 days	34,254	25,114
Over 180 days	78,308	44,412
<b>Total</b>	<b>541,145</b>	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 31 December 2024.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 16 NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

### (a) Reconciliation of profit before income tax to cash generated from/(used in) operations:

		For the six months ended 31 December	
	Notes	2024 HK\$'000	2023 HK\$'000
<b>Profit before income tax</b>		<b>285,528</b>	302,220
Depreciation of right-of-use assets	11	<b>24,326</b>	24,738
Finance costs		<b>12,759</b>	10,640
Depreciation of property, plant and equipment	11	<b>12,614</b>	10,829
Long service payment liabilities			
Expenses recognised in the condensed consolidated income statement		<b>4,448</b>	3,880
Benefit paid		<b>(2,121)</b>	(4,110)
Amortisation of other intangible assets	11	<b>1,926</b>	1,926
Impairment losses on trade and other receivables, net	7	<b>1,512</b>	419
Unrealised exchange differences		<b>232</b>	(199)
Pension costs on defined benefits plan		<b>184</b>	159
Share of results of joint ventures		<b>73</b>	(131)
Provision/(reversal of provision) for inventories	7	<b>16</b>	(21)
Finance income		<b>(18,085)</b>	(10,938)
Gains on disposal of right-of-use assets, net	6	<b>(2,637)</b>	(4,279)
Gains on disposal of property, plant and equipment, net	6	<b>(805)</b>	(1,200)
Share of results of associates		<b>(576)</b>	(802)
<b>Operating cash flows before changes in working capital</b>		<b>319,394</b>	333,131
Change in working capital:			
Trade and other payables		<b>(95,801)</b>	(76,473)
Net contract assets and liabilities		<b>(76,268)</b>	(165,416)
Trade and other receivables		<b>(29,795)</b>	(108,918)
Pension assets		<b>(17)</b>	(22)
Inventories		<b>1,723</b>	2,637
<b>Cash generated from/(used in) operations</b>		<b>119,236</b>	(15,061)

## 16 NOTES TO THE CONDENSED 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 11)	682
Right-of-use assets (Note 11)	2,229
Other intangible assets (Note 11)	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	(7,330)
Current portion of lease liabilities	(2,229)
<b>Fair values of net identifiable assets acquired</b>	<b>89,180</b>
Goodwill (Note 11)	43,869
<b>Cash consideration</b>	<b>133,049</b>
Less: Consideration payable	(8,201)
Less: Cash and bank equivalents acquired	(55,026)
<b>Net cash outflow</b>	<b>69,822</b>

\* Comprising customer relationships of HK\$25.0 million, customer contracts of HK\$1.3 million and license of HK\$3.0 million.

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 condensed consolidated financial statements for the six months ended 31 December 2024 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.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 16 NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

*(Continued)*

#### **(b) Acquisition of a subsidiary** *(Continued)*

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\$1.3 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, no amounts of revenue and profit of Beijing Nova are included in the condensed consolidated income statement of the Group for the six months ended 31 December 2024. If the acquisition had taken place on 1 July 2024, the revenue and profit for the six months ended 31 December 2024 of the Group would have been HK\$4,113.3 million and HK\$242.8 million, respectively.

#### **(c) 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.

#### **(d) Exchange differences**

The exchange differences of cash and cash equivalents during the period mainly arises from the remeasurement of the Group's foreign currency denominated cash and bank balances at the period end exchange rates.

#### **(e) Major non-cash transactions**

During the six months ended 31 December 2024, the Group acquired right-of-use assets and recognised lease liabilities, including lease modifications, totaling HK\$30.1 million (Six months ended 31 December 2023: HK\$11.3 million).

#### **(f) Funds held on behalf of third parties**

As at 31 December 2024, the Group held cash and bank balances totalling HK\$1,426.6 million (30 June 2024: HK\$1,300.9 million) in trust for owners of certain buildings which were under its management. These funds have not been included in the condensed consolidated interim financial statements of the Group.

## 17 RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the condensed consolidated interim financial information, 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 six months ended 31 December 2024 and 2023.

**(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
Ease King Investment Limited	Note i
Fast Solution Limited	Note i
FSE Management 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
Perfect Modern Limited	Note i
Power Estate Investments Limited	Note i
Silver Asia Investments 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
Bright Link Engineering Limited	Note ii
Broadway-Nassau Investments Limited	Note ii
Calpella Limited	Note ii
Cheer Globe Limited	Note ii
CHI Studio Company 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 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 17 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
Diamond International Limited	Note ii
Eastrade Holdings Limited	Note ii
Ever Light Limited	Note ii
Ever Right 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
Global Winner 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
Joy Century Limited	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
Karnival TP-FT Limited	Note ii

## 17 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
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 Gain 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 Department Stores Limited	Note ii
New World Development (China) Limited	Note ii
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 Strategic Investment 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
Pride Success Fashion Trading 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
Sunny Goal Limited	Note ii
The Artizen Management Company Limited	Note ii



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 17 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
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
Wealth Master Corporation Limited	Note ii
Wise City Investment Limited	Note ii
北京崇文·新世界房地產發展有限公司	Note ii
商順置業(深圳)有限公司	Note ii
深圳天得房地產開發有限公司	Note ii
清遠新世界旅遊發展有限公司	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
新世界嘉業(武漢)有限公司	Note ii
廣州永沛房地產開發有限公司	Note ii
瀋陽博覽館商務會展有限公司	Note ii

Notes:

- (i) These companies are commonly controlled by the Ultimate Controlling Shareholder and/or the family member 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.

## 17 RELATED PARTY TRANSACTIONS *(Continued)*

### (b) Transactions with related parties

Save as disclosed elsewhere in the condensed consolidated interim financial statements, the Group had the following transactions with related companies during the six months ended 31 December 2024 and 2023.

	For the six months ended 31 December	
	2024 HK\$'000	2023 HK\$'000
Contract revenue (Note i)		
Related companies commonly controlled by the Ultimate Controlling Shareholder	921	1,639
Other related companies (Note ii)	588,078	908,110
<b>Total</b>	<b>588,999</b>	<b>909,749</b>
Cleaning service income (Note i)		
Related companies commonly controlled by the Ultimate Controlling Shareholder	813	846
Other related companies (Note ii)	87,692	81,335
<b>Total</b>	<b>88,505</b>	<b>82,181</b>
Premises management service fee and building manager remuneration (Note iii)		
Related companies commonly controlled by the Ultimate Controlling Shareholder	722	792
Other related companies (Note ii)	10,252	9,621
<b>Total</b>	<b>10,974</b>	<b>10,413</b>
Security service income (Note iv)		
Related companies commonly controlled by the Ultimate Controlling Shareholder	2,146	2,133
Other related companies (Note ii)	133,869	106,942
<b>Total</b>	<b>136,015</b>	<b>109,075</b>
Insurance solutions consultancy fee income from related companies (Note v)	12	13
Landscaping service income (Note vi)		
Related companies commonly controlled by the Ultimate Controlling Shareholder	14	14
Other related companies (Note ii)	3,875	3,172
<b>Total</b>	<b>3,889</b>	<b>3,186</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 17 RELATED PARTY TRANSACTIONS *(Continued)*

### (b) Transactions with related parties *(Continued)*

	For the six months ended 31 December	
	2024 HK\$'000	2023 HK\$'000
Additions of right-of-use assets and rental expenses (Note vii)		
Related companies commonly controlled by the Ultimate Controlling Shareholder	17,330	6,914
Other related companies (Note ii)	25	25
<b>Total</b>	<b>17,355</b>	<b>6,939</b>
Appointment fees to other related companies (Note ii, viii)	1,452	1,408
Contracting service expenses to other related company (Note ii, ix)	425	4,004
Miscellaneous service fees expenses to other related companies (Note ii, x)	65	308

Notes:

- (i) Revenue from provision of contracting work and cleaning service income is principally charged in accordance with the terms of the 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 were charged based on certain percentages of total expenditures of the properties in accordance with the management contracts.
- (iv) Security service income was charged at prices and terms as agreed by both parties.
- (v) Insurance solutions consultancy fee income was charged at terms mutually agreed between the parties.
- (vi) Landscaping service income was charged at prices and terms as agreed by both parties.
- (vii) Additions of rights-of-use assets and rental expenses were principally calculated in accordance with the terms of the respective rental agreements.
- (viii) Appointment fees were charged at prices and terms as agreed by both parties.
- (ix) Contracting service expenses were charged in accordance with the terms of the respective contracts.
- (x) Miscellaneous service fees expenses were charged based on fixed amounts mutually agreed by the parties.
- (xi) The above transactions with related parties are based upon mutually agreed terms and conditions.

## 17 RELATED PARTY TRANSACTIONS *(Continued)*

### (c) Balances with related parties

	As at 31 December 2024 HK\$'000	As at 30 June 2024 HK\$'000
Trade receivables		
Related companies commonly controlled by the Ultimate Controlling Shareholder	420	496
Other related companies (Note i)	156,830	148,389
<b>Total</b>	<b>157,250</b>	<b>148,885</b>
Retention receivables due from related companies (Note i)	108,394	124,433
Other receivables due from related companies (Note i)	30,874	55,799
Contract assets due from related companies (Note i)	183,433	159,166
Contract liabilities due to related companies (Note i)	42,268	84,681
Trade payables due to related companies (Note i)	828	–
Other payables		
Related companies commonly controlled by the Ultimate Controlling Shareholder	3,057	2,217
Other related companies (Note i)	4,300	10,059
<b>Total</b>	<b>7,357</b>	<b>12,276</b>
Lease liabilities		
Related companies commonly controlled by the Ultimate Controlling Shareholder	23,888	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.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 17 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 six months ended 31 December	
	2024 HK\$'000	2023 HK\$'000
Fees	2,284	1,863
Salaries and other emoluments	53,786	54,137
Contributions to defined contribution schemes	2,770	2,441
<b>Total</b>	<b>58,840</b>	<b>58,441</b>

## 18 CAPITAL COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	As at 31 December 2024 HK\$'000	As at 30 June 2024 HK\$'000
Property, plant and equipment	6,895	5,418