

# FSE Lifestyle Enriching Lifestyle

INTERIM REPORT  
2025-2026



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

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 331

# About FSE Lifestyle Services Limited

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

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

## Property & Facility Management Services

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

## City Essential Services

- Cleaning & Pest Control Services – Waihong Services Group (“Waihong”)

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

## E&M Services

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

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

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

## Property & Facility Management Services



## City Essential Services

## E&M Services



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## Our Vision

Better Life, Better Home, Better Quality to You Everyday

## Our Mission

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

We are devoted to serve:

Our Customers — We provide customised service and maintain long term partnership.

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

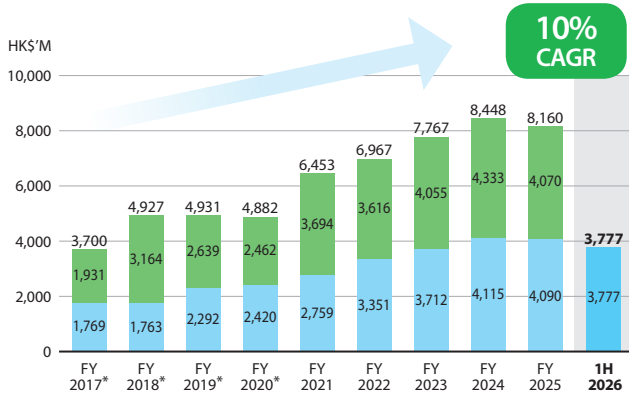
Our Community — We maintain sustainable development and contribute to community.

## Our Core Values

Quality	Integrity	Passion
Teamwork	Caring	Innovation

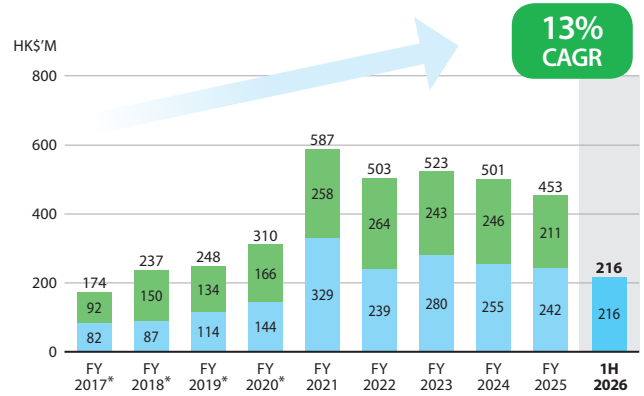
# 10-Year Achievements Since Listing

## Revenue



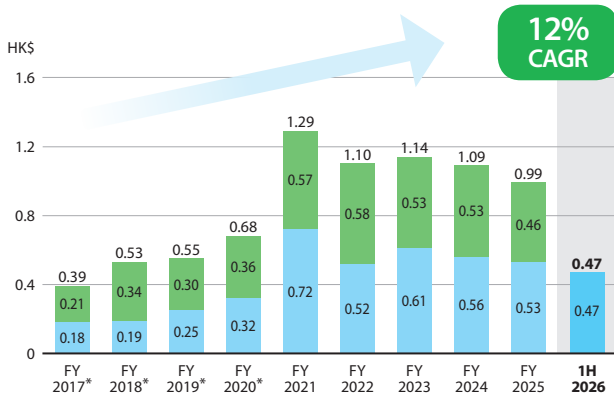
Consolidated revenue FY2025 vs FY2017: 2.2 Times

## Profit Attributable to Shareholders



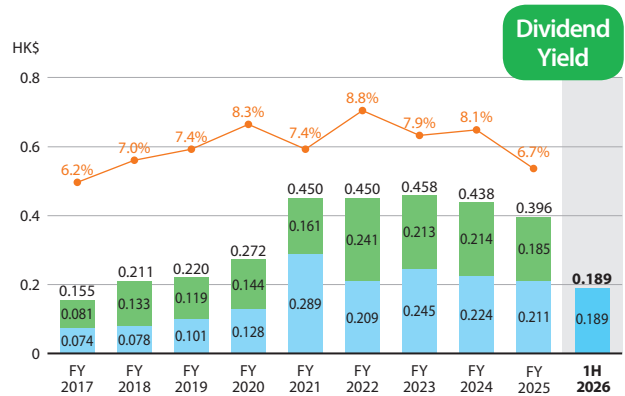
Consolidated profit attributable to shareholders  
FY2025 vs FY2017: 2.6 Times

## Earnings per Share



Earnings per share FY2025 vs FY2017: 2.5 Times

## Dividends per Share



Dividends per share for FY2025 vs FY2017: 2.6 Times  
Dividend payout ratio maintained at a stable of about 40%

■ First half ■ Second half

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

# 10-Year Achievements Since Listing

## OPERATIONAL PERFORMANCE

### PROPERTY & FACILITY MANAGEMENT SERVICES



New and Renewed Contracts in 1H2026\*

**13** Contracts  
**HK\$88** million

Remaining Works at 31 December 2025

**HK\$1,638** million

### CITY ESSENTIAL SERVICES



New and Renewed Contracts in 1H2026\*

**159** Contracts  
**HK\$1,603** million

Remaining Works at 31 December 2025

**HK\$5,526** million

### E&M SERVICES



New and Renewed Contracts in 1H2026\*

**28** Contracts  
**HK\$2,206** million

Remaining Works at 31 December 2025

**HK\$8,018** million

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

### Loyal and Sizeable Workforce

(As at 31 December 2025)

Number of Staff

**25,804**

(1,662 as at 30 June 2016)

### Environmental Targets

(FY2026 vs FY2025)

Fuel Consumption

▼ **1.0%**

Electricity Consumption

▼ **1.5%**

Paper Procured

▼ **3.0%**

### People Development and Corporate Social Responsibility

(Six months ended 31 December 2025)

Total Training Hours Attended by Staff

**127,353**

Total Volunteer Service Hours

**12,453**

Number of Volunteers

**1,371**

### Carbon Offset Program

(Year ended 31 December 2025)

Net Emission from Fuel Consumption

**0\*\***

\*\* Fully offset 1,539 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) for fuel consumed in 2025.

# 10-Year Achievements Since Listing

## MARKET POSITIONING

### Property & Facility Management Services <sup>(Note 1)</sup>

Rank

1

Residential  
Non-Residential  
Car Parks



### City Essential Services

Rank

1

Environmental  
Hygiene



Local Insurance  
Broker



Rank

2

Security  
Guarding



### E&M Services

Rank

2

E&M  
Engineering



Note 1: Excluding developers' management companies

Source: Frost & Sullivan, September 2025

# 10-Year Achievements Since Listing

## MEGA EVENTS CLIENTS

During July 2025 to December 2025, our Group's systems security, guarding & event services division provided services for 64 mega events conducted in Hong Kong, which increased by 23% compared with the same period last year. Below are some highlights:



# Financial Highlights

	For the six months ended 31 December		% Change
	2025 HK\$M	2024 HK\$M	
Revenue	3,777.1	4,090.0	-7.7%
Gross profit	517.3	524.4	-1.4%
Profit attributable to shareholders of the Company <sup>(i)</sup>	215.9	241.6	-10.6%
Basic earnings per share	HK\$0.47	HK\$0.53	-11.3%

**The Board declared the payment of an interim dividend of HK18.9 cents (Six months ended 31 December 2024: HK21.1 cents) per ordinary share to the ordinary shareholders of the Company for the six months ended 31 December 2025<sup>(ii)</sup>.**

Notes:

- (i) To better illustrate the Group's financial results for both periods, if excluding the effects of government grants (2025: Nil; 2024: HK\$1.6M) in the Group's profit attributable to shareholders of the Company (2025: HK\$215.9M; 2024: HK\$241.6M), the Group would record a decrease in adjusted net profit of 10.0% to HK\$215.9M for the six months ended 31 December 2025 as compared to its adjusted net profit of HK\$240.0M for the six months ended 31 December 2024. For details of the related government grants, please refer to the "Summary of government grants" table in the "Management Discussion and Analysis" section on page 14.
- (ii) For the six months ended 31 December 2025, the dividend payout ratio of the Company is 40.2%, calculated based on the Group's adjusted profit for the six months ended 31 December 2025 attributable to ordinary shareholders of the Company of HK\$211.6M (i.e. after deducting preferred distribution to the holder of convertible preference shares of HK\$4.3M for the six months ended 31 December 2025 from profit attributable to shareholders of the Company of HK\$215.9M).

For the six months ended 31 December 2024, the dividend payout ratio of the Company is 40.0%, calculated based on the Group's adjusted profit for the six months ended 31 December 2024 attributable to ordinary shareholders of the Company of HK\$237.3M (i.e. after deducting preferred distribution to the holder of convertible preference shares of HK\$4.3M for the six months ended 31 December 2024 from profit attributable to shareholders of the Company of HK\$241.6M).

# Chairmen's Statement

“ On the occasion of the tenth anniversary of the Company's listing, we will pursue a disciplined and prudent strategic transformation by enhancing cross-selling synergies, enhancing risk awareness and accelerating technological development. These efforts will enable us to sustain performance amid market volatility and reinforce the Group's long-term competitiveness. ”

## To Our Shareholders:

On behalf of the board of directors (the “Board”) of FSE Lifestyle Services Limited (the “Company”, together with its subsidiaries, the “Group”), we are pleased to present the unaudited condensed consolidated interim results of the Company for the six months ended 31 December 2025 (the “Period”).

## STRATEGIC TRANSFORMATION FOR SUSTAINABLE PERFORMANCE AMID MARKET VOLATILITY

December 2025 marked the tenth anniversary of the Company's listing in Hong Kong. In the face of ongoing geopolitical tensions, economic uncertainties, and rapid technological developments, the Group continues to face headwinds in an increasingly competitive environment, particularly from the mainland enterprises. Rising client expectations regarding quality and technological deployment, coupled with the downturn in the construction industry, have placed pressure on our margins. These challenges underscore the importance of disciplined execution, prudent risk management, and a continued commitment to innovation. Thus, we have remained steadfast in our strategic priorities: enhancing cross-sell synergies across the Group; reviewing and overhauling our cost structure; maximising revenue on new businesses including event services and sales & leasing; increasing risk awareness and management quality and continuing deployment of technologies, with the aim of delivering quality, efficiency and value.

# Chairmen’s Statement

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



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



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



**E&M Services**, including Engineering and Consultancy

This approach has continued to help us build a distinctive asset portfolio that reinforces our value proposition and competitive moat. The segments complement one another, enabling cross-selling, synergies and reduced cyclical exposure. Today, our Property & Facility Management Services and City Essential Services together contribute more than half of the Group’s revenue, gross profit and net profit.

*The Group’s consolidated revenue had more than doubled, profit attributable to shareholders nearly tripled and earnings per share rose over 130% for FY2025 compared to FY2016.*

## Solid Market Position

All our businesses are industry or market trailblazers. According to research by Frost & Sullivan released in September 2025 (the “F&S Research”), excluding

management companies owned by property developers, our Property & Facility Management Group manages the most units in residential estates and car parks, as well as the largest area of non-residential properties. Our Cleaning & Pest Control Services ranked first in the environmental hygiene services industry, our Insurance Solutions business led the market over Hong Kong-based insurance brokers, and our Systems Security, Guarding and E&M businesses placed second among their peers.

The Group has continued to demonstrate resilience and strategic prudence, navigating market challenges while pursuing growth, managing risks, and driving operational excellence. Over the years, the Company has made remarkable financial progress. Compared with FY2016 when the Company was listed, our consolidated revenue had more than doubled, profit attributable to shareholders nearly tripled, and earnings per share rose over 130%; reflecting the effectiveness of our growth initiatives.

## Three Engines, One Drive: Fueling Transformation and Growth

Looking ahead, we will adhere to three strategic focuses: health and safety, stakeholder engagement, and training and development. Our goal is to strengthen employees’ concentricity towards the Group, helping us overcome challenges, build cohesive teams, reinforce our foundation, and drive long-term growth and competitiveness.

*The Group strengthened stakeholder engagement through closer integration and communication with our management and young talent. In FY2026, we increased targeted stakeholder engagement and soft-skills training hours by 10% to 73,750 hours.*

## Chairmen’s Statement

Number of training hours	FY2026 Target	FY2025 Actual	% Change
Safety <sup>(i)</sup>	120,000	109,895	9.2%
Stakeholders Engagement and Soft Skills <sup>(ii)</sup>	73,750	67,027	10.0%
Technical	76,250	70,498	8.2%
Total <sup>(iii)</sup>	270,000	247,420	9.1%

### Health and Safety

Safeguarding the well-being of our workforce is integral to our operations. We try to ensure workplace safety by adopting relevant technologies, cultivating a strong culture of vigilance, proactive risk mitigation, and compliance with the highest safety standards set out in the revised Occupational Safety and Health Ordinance (Cap. 509). For FY2026, the Group has increased targeted safety training hours by 9.2%, to 120,000 hours<sup>(i)</sup>.

### Stakeholder Engagement

High-quality customer experience is an essential pillar of our competitive advantage. Thus, we need to engage stakeholders so we may understand and meet their evolving demands. During the Period, we have launched “Leadership Series” featuring distinguished business leaders and “Dialogue with CEO” to share their vision, insights, and passion with our management team including young talent, which is conducive to strengthening client relationships. The Group has increased targeted stakeholders’ engagement and soft skills training hours for FY2026 by 10.0% to 73,750 hours<sup>(ii)</sup>.

### Training and Development

People-centric at all times, we tailor training programmes to nurture a capable workforce, with a focus on young talent. We also aim to lower the Group’s median age while strengthening succession planning through targeted recruitment, internship opportunities, specialised skills development, industry certifications,

and partnerships with local educational institutions – building community ties and creating a steady pipeline of qualified talent. The Group has increased targeted training hours for FY2026 by 9.1% to 270,000 hours<sup>(iii)</sup>, covering personal capabilities, occupational health, and safety.

### Growth Initiatives

Through our cohesive teams, we fortified our marketing strategies, fostered cross-selling opportunities within the FSE Ecosystem, and enhanced brand equity through meticulous environmental, social and governance (“ESG”) practices and technological integration. By embracing digitalisation, including artificial intelligence (“AI”) and the Internet of Things (“IoT”), we gain deeper customer insights to improve satisfaction. Lastly, we will continue to pursue selective mergers and acquisitions to diversify our service offerings and expand our geographical presence, thereby further strengthening our businesses.

The Group recorded profit attributable to shareholders of HK\$215.9 million for the Period. Excluding the impact of government grants, adjusted net profit would decrease by 10.0% compared with \$240.0 million in the prior period. The decrease was mainly due to lower contributions from the E&M segment, primarily resulting from delays in certain design and construction projects in Hong Kong. The segment is facing a difficult market condition for the time being. The decrease was partly offset by the resilient performance of the City Essential Services segment (principally the Systems Security, Guarding & Event Services and Technical

# Chairmen’s Statement

Support & Maintenance businesses), with new contracts secured and margin improvement, and the stable performance of the Property & Facility Management Services segment. Despite the economic headwinds, the Group has secured a satisfactory number of contracts (totalling HK\$4.2 billion) during the Period, with remaining contract sum of over HK\$15.2 billion. Thanks to prudent financial management, the Group had a healthy balance sheet, with a net cash position and zero net gearing ratio for the Period. The Board has declared an interim dividend of HK18.9 cents per ordinary share for its ordinary shareholders for the six months ended 31 December 2025, representing a dividend payout ratio of 40.2%.

## Property & Facility Management Services

Our Property & Facility Management Group, which comprises Urban, International Property Management, Kiu Lok and FSE Property Asset Management, is among the largest independent property and car park management service providers in Hong Kong. With more than 50 years of experience, we provide property management services, building renovation and refurbishment, leasing and tenancy management services to improve living conditions. The segment’s clientele provides the Group with cross-selling opportunities across its services. Our teams comprise qualified professionals collectively holding over 400 Tier 1 and Tier 2 property management licences. We currently service over 360 property management contracts, covering at least 150,000 residential units, 3.5 million square metres of commercial space and approximately 40,000 car park spaces.



*Urban Group partnered with 10 PropTech companies to advance smart operations and support people-centred total-service solutions, in alignment with the city’s Smart City development plans.*

According to the F&S Research, the property management services market will reach HK\$66.7 billion by 2030, expanding at a CAGR of 3.5% from 2026 to 2030, supported by the government’s commitment to stable housing and land supply. We will also continue to maximise incremental income through additional management fees from contracting work, as well as sales and leasing commissions. Through Kiu Lok and FSE Property Asset Management, we are evolving from a traditional property management model into an asset management-driven platform, strategically focused on enhancing real estate performance through proactive lease and tenant management. Amid intense competition from mainland property management companies, the Group will continue to embrace change through innovation and transformation.

In line with the city’s Smart City development plans, we entered into memoranda of understanding with 10 PropTech companies during the Period to advance smart operations, AI-driven customer service, drone-based technology, and ESG-focused environmental management solutions. These initiatives support people-centred, total service solutions and to enhance our competitiveness. Following the tragic fire last November, public attention has been drawn to the quality of property management. As a professional property management group, we immediately strengthened safety and management measures across our managed portfolio, covering 375 sites and more than 1,100 buildings. We are also reinforcing internal governance and operational controls, while investing in our professional teams to ensure their skills and engagement levels align with growing demand for sustainable, green, and technology-driven living environments.

## City Essential Services

**Cleaning & Pest Control Services** – According to the F&S Research, Waihong is the largest environmental hygiene services provider in Hong Kong. The Hong Kong Government alone currently awards cleaning service contracts worth around HK\$4 billion a year. Despite a stable supply of government contracts, competition has intensified, resulting in margin

## Chairmen’s Statement

contraction. In response, we have increased our competitiveness and reallocated resources to drive stable growth in our residential and commercial portfolios. Our government and quasi-government contracts account for over 50% of our total portfolio’s revenue. During the Period, Waihong’s residential and commercial portfolios performed satisfactorily, apart from the growing government and quasi-government sector, with newly awarded and renewed contracts totalling more than HK\$700 million.



*By embracing digitalisation, including AI and IoT, we gain deeper customer insights to improve satisfaction.*

To meet growing market demand identified by the F&S Research and alleviate pressure from labour shortage on margins, Waihong has been importing labour under the Enhanced Supplementary Labour Scheme. It has also introduced advanced information systems and robotics, including smart toilet systems, drones, and robotic equipment, as well as self-developed platforms such as the “Check-in Easy” attendance system and the “ComEasy” communication and inspection system to improve productivity, cost advantages and risk control. The Group has continued to optimise its tendering strategy and recruit talent, with a focus on green waste management and high-end office buildings, shopping malls and hotels that value service quality and innovation. Overall, we are optimistic about the future of the industry.

**Insurance Solutions** – As noted in the F&S Research, Nova is the largest local insurance broker in Hong Kong. With a 37-year track record, it generates stable gross insurance brokerage revenue by providing corporate and individual clients with one-stop risk management and insurance solutions, including property, casualty, construction, employee benefits and cybersecurity. Despite a challenging economic environment and client expectations of lower premiums, demand is shifting toward comprehensive solutions and professional

advice to address business risks. We will target these new opportunities to offset weaker construction-related business and maintain modest growth. To cater for this growing demand, we will strengthen client relationships, help clients identify uninsured areas, and expand our network through closer ties with industry associations and international partners.

Through Beijing Nova, a national insurance broker founded in 2003 and regulated by the National Financial Regulatory Administration in the PRC, we have expanded our geographic footprint, enhanced our cross-border service capabilities – especially in the Greater Bay Area – and created substantial cross-selling opportunities for our existing operations. Furthermore, building on the collaboration established in January last year, Nova will continue to deepen its strategic cooperation with Towngas Lifestyle (China) Company Limited (“Towngas Lifestyle”), a wholly-owned subsidiary of Towngas. The aim is to deliver comprehensive insurance brokerage services to over 40 million Towngas household customers in Hong Kong and the Chinese Mainland.

**Technical Support & Maintenance Services** – This division, comprising Far East Engineering Services and Turning Technical Services, is seeing growing demand for term maintenance, major alterations, additions and system upgrades across commercial and residential buildings, hospitals, government properties and educational institutions. With Hong Kong implementing the Climate Action 2050 Carbon Neutral Policy, demand for energy conservation and decarbonisation, including chiller plant upgrades or replacements, is expected to increase. We are pleased to have participated with CLPe for the Hong Kong’s first zero-carbon chiller system for Chinachem Group at Nina Tower. Leveraging our solid chiller replacement techniques, this new water-cooled air conditioning system will enhance energy efficiency and cut electricity consumption by over 50%. This is equivalent to a reduction of 7,000 tonnes of carbon emissions annually. We have since won 29 energy-efficiency contracts with a total contract sum exceeding HK\$600 million. In Macau, the division was awarded several hotel-related renovation and system enhancement contracts during the Period.

# Chairmen’s Statement

**Environmental Solutions** – Environmental Solutions encompasses three business lines: Environment Solutions, Smart Solutions and Green Solutions. It aims to capitalise on the growing public concern and awareness of environmental issues and sustainability.

## **Environment Solutions**

Our areas of focus include water treatment, indoor air quality (“IAQ”) monitoring, and environmental consultancy and assessment services. These areas are becoming increasingly critical to enhancing building performance, meeting regulatory requirements and safeguarding occupant well-being.

## **Smart Solutions**

We are continuing to scale up our electric vehicle (“EV”) charging infrastructure for residential properties, having installed charging equipment for more than 5,000 parking spaces to date.

## **Green Solutions**

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

**Systems Security, Guarding & Event Services** – General Security, which holds all three local security service licences, is the second largest security and guarding services provider in Hong Kong, according to the F&S Research. With the government actively promoting mega-event tourism and housing supply remaining stable, the security guarding and concierge services market is expected to reach HK\$34.7 billion by 2030, growing at a CAGR of 4.7% between 2026 and 2030, according to the research. During the Period, General Security and Perfect Event supported around 64 mega events held in Hong Kong, demonstrating its ability to manage multiple concurrent events held on the same day with total attendance exceeding 100,000. Perfect Event, meanwhile, has continued to meet the

service needs of local conferences, conventions and exhibitions. Recognising advances in electronic security – especially alarm systems, video surveillance and integrated platforms – we are expanding our security system solutions portfolio and increasing synergies with our environmental solutions division to capture emerging opportunities.

## **E&M Services**

### **Hong Kong**

The Group’s E&M Services segment, comprising FSE Engineering Group, Majestic Engineering Group and Young’s Engineering Group, is currently one of Hong Kong’s two dominant service providers. Its ongoing large-scale projects include the District Court at Caroline Hill Road, the Tuen Mun South Extension MTRC Station, the New Public Market in Tin Shui Wai, the Tung Chung Traction Substation residential development, the Third Runway Concourse and Apron Works, housing redevelopment in Shau Kei Wan and a dedicated rehousing estate in Ma Tau Kok. Major tenders submitted or being prepared include the Urban Renewal Authority’s Joint User Complex in Sham Shui Po and public housing in Ma On Shan and Sheung Shui.



*The Group is optimising its tendering strategy and cost management, while continuing to invest in talent development through structured training and the deployment of technological capabilities to maintain its leading position.*

Looking ahead, Hong Kong’s contracting industry is still facing a complex environment in the near term. Growth will be led by public infrastructure, housing and institutional projects – especially the Northern Metropolis Development – and the accelerating cross-border transport networks in the Greater Bay Area. Meanwhile, the private residential and commercial

## Chairmen’s Statement

sectors are likely to remain subdued. Although the Construction Industry Council expects average E&M construction expenditure to exceed HK\$57 billion in fiscal year 2026/27, the local E&M services market continues to face intense competition, particularly from PRC-based players. Prolonged project delays and rising counterparty risks will add to these operating challenges. To address these difficulties, management is working to optimise the Group’s tendering strategy and cost management. To maintain our leading position in the market, we continue to invest in talent development through structured training and the sharing of the advanced digital construction skills and knowledge gained from landmark projects such as Kai Tak Sports Park. We are progressively deploying our proven technological strengths, including Building Information Modelling (“BIM”); Multi-Trade Integrated Mechanical, Electrical & Plumbing (“MiMEP”) with off-site modular prefabrication, and the Integrated Operations Centre (“IOC”) technology platform, to enhance efficiency, safety and quality, thereby positioning the Group to secure future large scale projects in Hong Kong and Macau.

### Chinese Mainland

During the Period, China’s economy maintained stable growth. The Chinese Government implemented more active fiscal policies and prudent monetary policies, as well as measures to stimulate domestic demand, and stabilise and support the recovery of the real estate market amid ongoing adjustment and transformation. Boasting over 40 years of industry experience and reputable brands, the Group is optimistic about expanding its project coverage and winning new contracts in the vast Chinese Mainland market. As one of the few Hong Kong-based E&M general engineering contractors with Class I qualification in China, it is well placed to achieve this. Over the past year, we have embarked on sizeable mixed-use development projects in major cities such as Shenzhen, Shanghai, Hangzhou and Kunming. The Group will continue to strengthen its business presence in the Chinese Mainland, capitalising on its supply and installation expertise and well-established brand.

### Macau

During the Period, a series of mega entertainment events and Central Government measures for Macau – such as the “One Week, One Trip” policy for Zhuhai residents and expanded eligibility for “individual travel permits” – provided strong support to the Macau economy and tourism industry. In 2023, the six casino operators, granted 10-year concessions, pledged nearly US\$15 billion to develop the city as a world-class tourist destination. Consequently, relevant investments and E&M tenders, guest room renovations and MICE space enhancement, are expected to increase this year. As a major E&M service provider with more than 20 years’ experience in Macau, we are well placed to capture these business opportunities.

## CONCLUSION

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

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

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

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

Hong Kong, 24 February 2026

# Management Discussion and Analysis

## BUSINESS REVIEW

During the six months ended 31 December 2025 (the “Period”), the Group recorded revenue amounting to HK\$3,777.1 million, representing a decrease of HK\$312.9 million or 7.7%, as compared with HK\$4,090.0 million for the six months ended 31 December 2024 (the “same period last year”). Profit attributable to shareholders for the Period was HK\$215.9 million, representing a decrease of HK\$25.7 million or 10.6% as compared with HK\$241.6 million for the same period last year, mainly resulted from a lower contribution from the E&M services segment and a decrease in government grants, partly offset by the effect of the growth at the city essential services segment (principally the systems security, guarding & event services and the technical support & maintenance services businesses) and the property & facility management services segment. Details of the government grants recognised by the Group are set out in Note 7 to the condensed consolidated interim financial statements.

### Summary of government grants

For the six months ended 31 December	2025 HK\$'M	2024 HK\$'M
Recognised as deduction of staff costs included in “Cost of services and sales”	–	1.6
<b>Total</b>	<b>–</b>	<b>1.6</b>

### Results excluding government grants

To better illustrate the Group’s financial results for both periods, if excluding the effects of government grants (2025: Nil; 2024: HK\$1.6 million) in the Group’s profit attributable to shareholders of the Company (2025: HK\$215.9 million; 2024: HK\$241.6 million), the Group would record a decrease in adjusted net profit for the Period of 10.0% to HK\$215.9 million as compared to its adjusted net profit for last year of HK\$240.0 million.

# Management Discussion and Analysis

## Tender submitted and contracts awarded

For the six months ended 31 December 2025	Tender submitted <sup>(i)</sup> HK\$'M	Contracts awarded <sup>(i) (ii)</sup> HK\$'M
Property & facility management services	1,459	88
City essential services		
– Cleaning & pest control services	6,412	699
– Insurance solutions	28	16
– Technical support & maintenance services	2,453	563
– Environmental solutions	766	120
– Systems security, guarding & event services	631	205
City essential services subtotal	10,290	1,603
E&M services	32,220	2,206
Total	43,969	3,897

Notes:

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

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

## Gross value of contract sum and outstanding contract sum

As at 31 December 2025	Gross value of contract sum HK\$'M	Outstanding contract sum HK\$'M
Property & facility management services	2,246	1,638
City essential services		
– Cleaning & pest control services	6,633	2,703
– Insurance solutions	167	49
– Technical support & maintenance services	2,683	1,620
– Environmental solutions	367	259
– Systems security, guarding & event services	1,998	895
City essential services subtotal	11,848	5,526
E&M services	10,911	8,018
Total	25,005	15,182

## Management Discussion and Analysis



**Property & Facility Management Services**

Number of staff Over **5,400** Service contracts Over **300**

**Innovation keeps FSE Lifestyle at the forefront of the property and facility management industry. We are expanding our service scope from a conventional property management business into a comprehensive asset management group.**

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

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

## Management Discussion and Analysis

Our Property & Facility Management Group's unique market differentiation lies in their integration of services, experienced teams, strong pool of professional talents, strong service support from our Group's other fellow business units, and partnership approach with our clients. In addition, innovation keeps our Property & Facility Management Group at the forefront of the industry. It is a pioneer in the introduction of modern international standards and innovative service models in property and facility management in Hong Kong, including the self-developed eApplication systems – The Sm@rtUrban Apps for customers and the ComEasy App for internal operation, with the application of drones for high-rise inspections, altogether create strong synergies to enhance the overall operational efficiency in its property and facility management services.

During 2025, Kiu Lok and FSE Property Asset Management expanded its service scope from being a conventional property management business into a comprehensive property asset management group. Through the setup of a property asset management company, Kiu Lok and FSE Property Asset Management now provide its clients with one-stop asset management advisory, property & facility management, and sales & leasing services.

During the Period, our Property & Facility Management Group submitted tenders for 39 service contracts (with a contract sum not less than HK\$1 million for each service contract) with a total tender sum of HK\$1,459



million and, combining the submitted tenders from the previous months, was awarded 13 service contracts (with a net contract sum not less than HK\$1 million for each service contract) with a total contract sum of HK\$88 million. Among these 13 service contracts, one of them was a major service contract (with net contract sum not less than HK\$20 million for each service contract) for a residential estate in Wong Chuk Hang.

As at 31 December 2025, the property & facility management services segment has a total gross value of contract sum of HK\$2,246 million with total outstanding contract sum of HK\$1,638 million.

*We would like to express our gratitude to Urban Group for its prompt response to the power outage at Shui Wo Court during the CNY holidays. Despite the challenges of sourcing materials during the holiday period, the team demonstrated exceptional contingency capability and redeployed resources across districts, and restored electricity to all affected units within 24 hours. They also arranged temporary rest areas and charging stations, demonstrating a strong people-centric service spirit that was widely appreciated by residents.*

*Sha Tin District Council*



### City Essential Services

Number of staff  
Over **19,300**

Service contracts  
Over **12,800**



Leveraging FSE Lifestyle's ecosystem with its synergies and support across the business units, our City Essential Services segment continues to deliver high quality service in every corner of Hong Kong during the year.

#### Cleaning & Pest Control Services

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

## Management Discussion and Analysis

Waihong's unique market differentiation lies in its integration of services, enormous working teams comprising over 12,000 staff, a strong fleet management with over 100 municipal vehicles and full support towards customers with strong integrity and governance. Waihong has applied advanced technology, including AI systems for smart toilets, electronic face recognition attendance system (Check-in Easy) and real-time work monitoring system (ComEasy). High degree of service commitments keeps Waihong ranked the largest in the cleaning service industry in Hong Kong. It is a market leader and competent in providing clients with quality services.



During the Period, Waihong submitted tenders for 253 cleaning service contracts (with a contract sum not less than HK\$1 million for each service contract) with a total tender sum of HK\$6,412 million and, combining the submitted tenders from the previous months, was awarded 55 service contracts (with a net contract sum not less than HK\$1 million for each service contract) with a total contract sum of HK\$699 million. Among these 55 service contracts, six of them were major service contracts (with net contract sum not less than HK\$20 million for each service contract), which included cleaning contracts for two government facilities, shopping malls in two districts, racing facilities in Shatin and a hospital in Sai Ying Pun.

### Insurance Solutions

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

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



## Management Discussion and Analysis

*We appreciate the Waihong team's high awareness and swift response in handling a passenger illness incident at the male restroom near the B2 Cross Boundary Line. Their prompt action ensured the passenger was conveyed to hospital for timely treatment.*

*MTR Corporation Limited*

As one of the top five (out of over 800) general insurance brokers in Hong Kong, Nova's unique market differentiation lies in its highly professional team of brokers and specialists, strong expertise in various classes of insurance, adoption of AI facilitated business processes, customised services, good local knowledge and connections, strong bargaining power in the insurance market and its serving network in both the Greater Bay Area and in the world through its affiliated company in China and global broker partners. Nova serves many clients who are leaders within their respective industries.

During the Period, Nova secured placements for a number of new accounts for various projects and directors and officers liability insurance policies. Nova also won a contract from one of the leading tertiary education institutions. The vast majority of Nova's business involved general insurance, construction and employee benefits-related insurance. Each year Nova has to submit renewal quotations for all these policies to its clients and will only be awarded renewal contracts when its terms and conditions are competitive. Nova's retention ratio in securing renewed contracts has always been over 80%, reflecting its competitiveness and high level of services.

During the Period, Nova submitted tenders for 14 service contracts (with a contract sum not less than HK\$1 million for each service contract) with a total tender sum of HK\$28 million and was awarded eight

service contracts (with a net contract sum not less than HK\$1 million for each service contract) with a total contract sum of HK\$16 million.

### Technical Support & Maintenance Services

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



## Management Discussion and Analysis

The Group's technical support & maintenance services business' unique market differentiation lies in its proven ability to deliver large-scale, technically complex building services upgrades with minimal disruptions to its clients' daily operations. It specialises in energy efficient chiller replacements, transforming air cooled to water cooled systems, and adopting high Coefficient of Performance units with green refrigerants. By integrating BIM, MiMEP prefabrication, AI driven energy optimisation and other innovative technology, it ensures precision planning, shorter construction periods, and superior sustainability outcomes. With strong project execution experience across Hong Kong and Macau, it combines engineering expertise, digital innovation, and collaborative project management into consistently exceeding client expectations' low carbon and high-performance building environments.

During the Period, the Group submitted tenders for 397 maintenance service contracts (with a contract sum not less than HK\$1 million for each contract) with a total tender sum of HK\$2,453 million and, combining the submitted tenders from the previous months, was awarded 57 contracts (with a net contract sum not less than HK\$1 million for each contract) with a total net contract sum of HK\$563 million. Among these 57 contracts, eight of them were major contracts (with net contract sum not less than HK\$20 million for each contract), which included five term contracts for government buildings in Kowloon and New Territories, one chiller replacement contract for a commercial building in Kwun Tong, a term contract for a university in Hung Hom and one chilled water pipe replacement contract for a hotel in Tsuen Wan.

### Environmental Solutions

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



This division is divided into three business lines:

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

## Management Discussion and Analysis

(ii) “Smart Solutions” (EV charging, IoT platform and smart facilities) to provide advanced information and communication infrastructure by providing smart facility systems (i.e. smart office and smart toilet) to enhance operational efficiency, as well as a full range of services covering material supply, electrical installation, design and engineering and project management for electric vehicle (“EV”) charging infrastructure. Through its IoT platform “Fiotech”, it provides customised integrated IoT solutions to its clients’ facilities, from consultation and solution design, system implementation and operation, to data analytics for routine support and maintenance.

(iii) “Green Solutions” (landscape) to provide landscape management and maintenance services to a diversified business portfolio, including but not limited to property developers and managers, to improve environmental quality and promote carbon neutrality. Its landscape business offers a wide range of one-stop green solutions to its clients. It provides landscape design and performs landscape projects and various tree works. It also supplies festival plants to its clients.

During the Period, the Group submitted 133 service contracts tenders and quotations for its environmental, landscape, EV charging infrastructure and building material trading businesses (with a sum not less than HK\$1 million for each contract or quotation) with a total tender and quotation sum of HK\$766 million and, combining the submitted tenders and quotations from

the previous months, was awarded 21 environmental, landscape, EV charging infrastructure and building material trading service contracts and quotations (with a sum not less than HK\$1 million for each contract or quotation) with a total sum of HK\$120 million.

### Systems Security, Guarding & Event Services

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

General Security serves a broad range of clients of residential properties (including estates, service apartments and luxury detached houses), office towers, shopping malls and buildings, private clubs, entertaining facilities, event and exhibition venues. General Security holds all three types of licences for operating a security company in Hong Kong which covers three core areas: (i) Type I Licence for provision of systems security, guarding services; (ii) Type II Licence for providing armoured transportation services and (iii) Type III Licence for installation, maintenance and/or repairing of a security device and/or designing a security system incorporating a security device. It has a strong workforce capable of serving multiple events concurrently involving over 100,000 people. General Security and Perfect Event have strong expertise in event security, customer services, and established

*We are pleased to extend our heartfelt appreciation to FSE Environment for its outstanding professionalism in delivering the EV-charging installation at The Altitude. The team’s commitment to quality, innovation and operational excellence was key to the project’s successful completion.*

*Kerry Properties Management Office*

## Management Discussion and Analysis

*We commend the General Security team for their exemplary handling of a shop theft incident. Through decisive action, swift on-site response, and strong coordination, team members successfully restrained and detained one suspect, who was promptly handed over to the attending police for further handling. Their professionalism, courage, and outstanding teamwork ensured an effective resolution to the incident.*

*Shun Tak Properties Limited*

strategic partnerships with major event operators and managers. In addition, General Security operates a 24-hour Central Alarm Monitoring Station, an additional Central Alarm Monitoring Station (“CAMS”) license endorsement and is providing monitoring services to many jewelry stores and houses. It has adopted new technologies, including electronic key management systems, to enhance its service quality and efficiency.

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

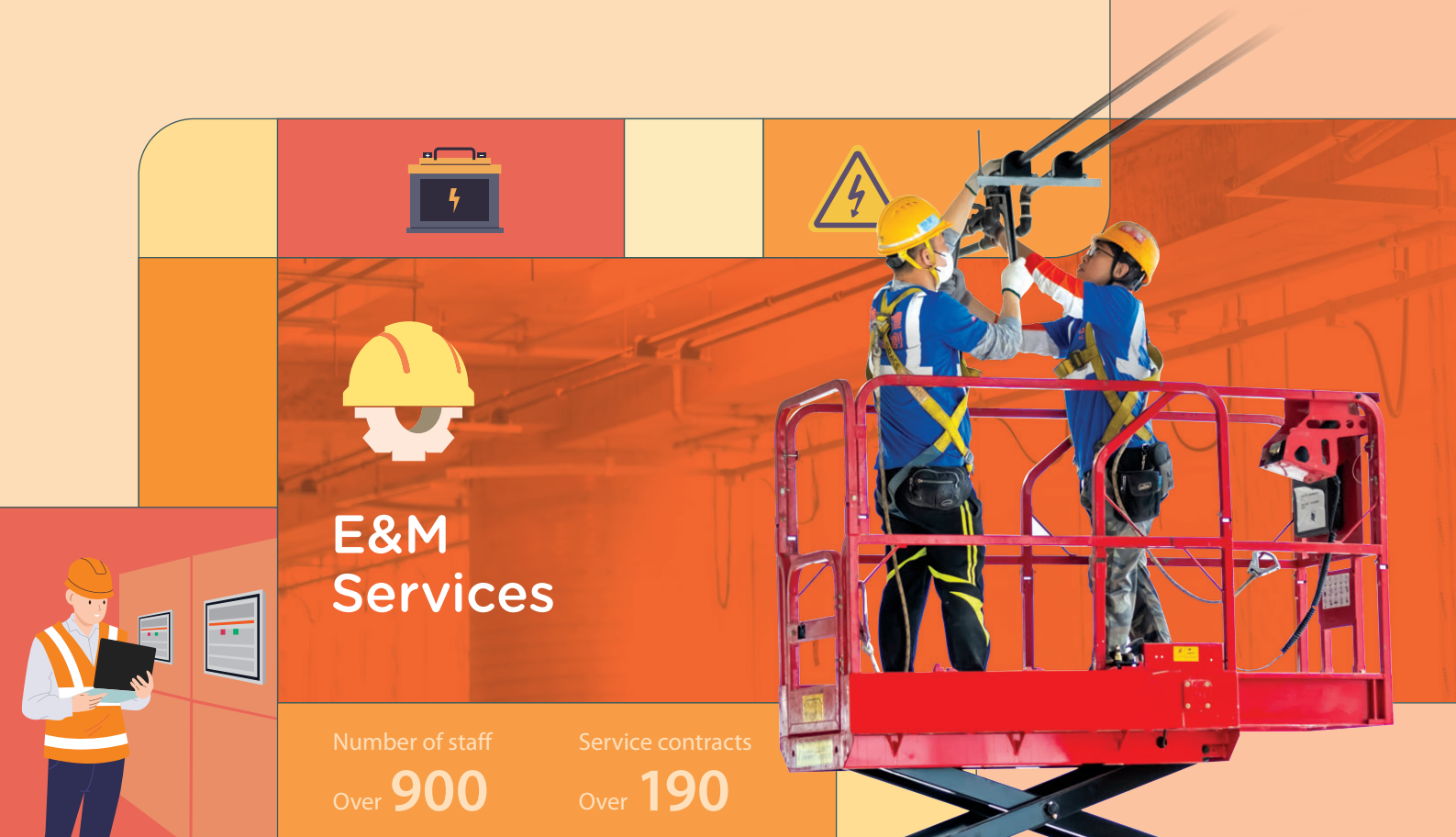
During the Period, General Security and Perfect Event submitted tenders for 57 security guarding and event services contracts (with a contract sum not less than HK\$1 million for each contract) with a total tender sum of HK\$631 million and, combining the submitted tenders from the previous months, was awarded 18 service contracts (with a net contract sum not less

than HK\$1 million for each service contract) with a total contract sum of HK\$205 million. Among these 18 service contracts, three of them were major service contracts (with net contract sum not less than HK\$20 million for each service contract) including a residential estate in Pok Fu Lam, a clubhouse in Fanling and a commercial complex in Sheung Wan.

As at 31 December 2025, the city essential services segment has a total gross value of contract sum of HK\$11,848 million with a total outstanding contract sum of HK\$5,526 million.



## Management Discussion and Analysis



**E&M Services**

Number of staff	Service contracts
Over <b>900</b>	Over <b>190</b>

**FSE Lifestyle's E&M service business' unique market differentiation lies in its strong pool of professional talents, well-established supplier and subcontractor network, and a team-based partnership approach towards its clients.**

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

## Management Discussion and Analysis

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

During the Period, the Group's E&M services business submitted tenders for 424 E&M engineering projects (with a contract sum not less than HK\$1 million for each project) with a total tender sum of HK\$32,220 million and, combining the submitted tenders from the previous months, was awarded 28 contracts (with a net contract sum not less than HK\$1 million for each project) with a total net contract sum of HK\$2,206 million. Among these contracts, eight of them were



major projects (with net contract sum not less than HK\$100 million for each project), which include three residential projects in Tung Chung, Cheung Sha Wan and To Kwa Wan, three public housing projects in Ma Tau Kok, Yau Tong and Shau Kei Wan, an exhibition centre and a passenger concourse in the Hong Kong Airport.

As at 31 December 2025, the E&M services segment has a total gross value of contract sum of HK\$10,911 million with a total outstanding contract sum of HK\$8,018 million.

*We commend the FSE Engineering team for their exceptional initiative and proactive contributions during the preparation phase of the fire services installation at the Caroline Hill Road District Court Building. By proposing advanced construction materials, the team has enhanced both construction quality and efficiency for this complex project. Their successful attainment of Fire Services Department approval for these materials has ensured statutory compliance and maintaining project progress under a tight programme. Thank you for your outstanding efforts.*

*Architectural Services Department*

# Management Discussion and Analysis



## Revenue

During the Period, the Group's revenue decreased by HK\$312.9 million or 7.7% to HK\$3,777.1 million from HK\$4,090.0 million for the same period last year, reflecting lower revenue from the E&M services segment amounting to HK\$390.8 million, mitigated by higher revenue from the city essential services segment and the property & facility management services segment amounting to HK\$74.7 million and HK\$3.2 million respectively.

### For the six months ended 31 December

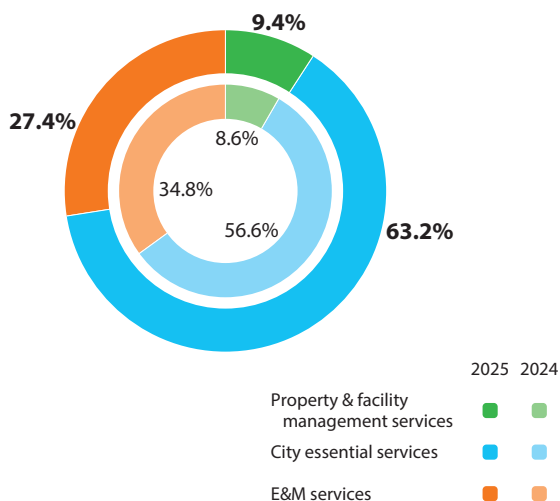
	2025 HK\$'M	2024 (restated) HK\$'M	% Change
Property & facility management services*	353.6	350.4	0.9%
City essential services*	2,389.5	2,314.8	3.2%
E&M services*	1,034.0	1,424.8	(27.4%)
<b>Total</b>	<b>3,777.1</b>	<b>4,090.0</b>	<b>(7.7%)</b>

\* Segment revenue does not include inter-segment revenue.

## Revenue by segment

The Group's revenue from the property & facility management services segment and the city essential services segment in aggregate contributed 72.6% (2024: 65.2% (restated)), whereas the revenue from E&M services segment contributed 27.4% (2024: 34.8% (restated)).

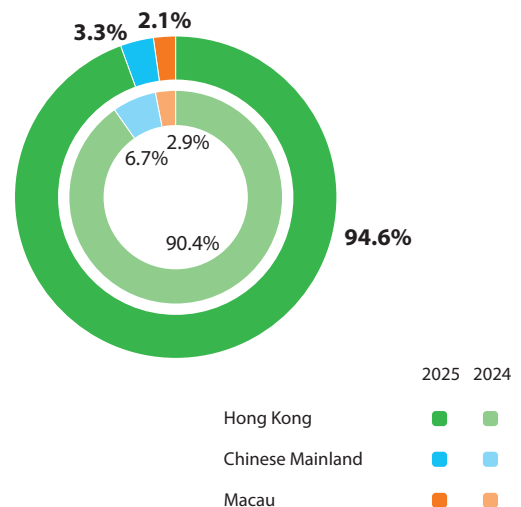
### For the six months ended 31 December



## Revenue by region

During the Period, the Group's revenue contribution from Hong Kong, Chinese Mainland and Macau was 94.6%, 3.3% and 2.1% (2024: 90.4%, 6.7% and 2.9%) respectively.

### For the six months ended 31 December



## Management Discussion and Analysis

- *Property & facility management services*: This segment contributed 9.4% (2024: 8.6%) of the Group's total revenue. The services were principally provided in Hong Kong.

Segment revenue increased by 0.9% or HK\$3.2 million to HK\$353.6 million from HK\$350.4 million. Such growth was mainly driven by new contracts for residential buildings.

Under the respective contract terms, approximately 20% of the property & facility management services segment's revenue is accounted for based on the management fees received. Should such revenue be recognised on the same basis as the rest of this segment's revenue derived from its lump sum contracts (i.e. with all direct operational costs for performing the related services borne by it) which are primarily facility management contracts, the property & facility management services segment's revenue for the Period would increase by HK\$1,600.0 million from its reported amount of HK\$353.6 million (2024: HK\$350.4 million) to about HK\$1,900.0 million (2024: HK\$1,900.0 million).

- *City essential services*: This segment contributed 63.2% (2024: 56.6% (restated)) of the Group's total revenue. The revenue of individual divisions of this services segment is as below:

	For the six months ended 31 December		
	2025 HK\$'M	2024 (restated) HK\$'M	% Change
Cleaning & pest control services	1,273.2	1,262.9	0.8%
Insurance solutions	75.7	62.9	20.3%
Technical support & maintenance services	568.1	560.4	1.4%
Environmental solutions	81.2	94.4	(14.0%)
Systems security, guarding & event services	391.3	334.2	17.1%
<b>Total</b>	<b>2,389.5</b>	<b>2,314.8</b>	<b>3.2%</b>

The growth in revenue reflected an increase in contributions from Hong Kong (HK\$91.4 million) and Chinese Mainland (HK\$20.4 million), partly offset by a decrease in Macau (HK\$37.1 million).

Segment revenue grew by 3.2% or HK\$74.7 million to HK\$2,389.5 million from HK\$2,314.8 million (restated) reflected the higher revenue contributions from (i) more new contracts from regular guarding and ad-hoc services; (ii) Beijing Nova acquired in December 2024; (iii) new general cleaning service contracts encompassing a wide range of buildings and facilities; and (iv) its technical support & maintenance services business' energy-efficient chiller replacement and renovation works for commercial buildings.

## Management Discussion and Analysis

- E&M services:** This segment contributed 27.4% (2024: 34.8% (restated)) of the Group's total revenue and 90% and 10% of this segment's revenue were contributed from Hong Kong and Chinese Mainland (2024: 82%, 18% and 0.1% (restated) from Hong Kong, Chinese Mainland and Macau respectively). Lower revenue contribution was recorded in the Period from Hong Kong (HK\$229.4 million), and Chinese Mainland (HK\$160.0 million) and Macau (HK\$1.4 million).

	For the six months ended 31 December		
	2025 HK\$'M	2024 (restated) HK\$'M	% Change
Hong Kong	933.5	1,162.9	(19.7%)
Chinese Mainland	100.5	260.5	(61.4%)
Macau	–	1.4	(100.0%)
<b>Total</b>	<b>1,034.0</b>	<b>1,424.8</b>	<b>(27.4%)</b>

Segment revenue decreased by 27.4% or HK\$390.8 million to HK\$1,034.0 million from HK\$1,424.8 million (restated) and mainly reflected lower revenue contributions from a number of E&M engineering installation projects which were near completion in the same period last year including a residential estate in Tuen Mun, the expansion of a government building in Central and Hangzhou Westlake 66 in Chinese Mainland, and delays of certain design and construction projects in Hong Kong, mitigated by the substantial progress for a shopping mall in Kwun Tong.

Under contract terms, only the management fees and reimbursable costs of the Kai Tak Sports Park project management project were accounted as revenue. Should such revenue be recognised on the same basis as the rest of this segment's revenue derived from its E&M installation contracts (i.e. with all direct project costs for performing the related installation services borne by it), this segment's revenue in the Period would increase by HK\$300.0 million from its reported amount of HK\$1,034.0 million (2024: HK\$1,424.8 million (restated)) to about HK\$1,300.0 million (2024: HK\$2,000.0 million (restated)).

### Gross profit

The following tables present the breakdown of the Group's gross profit by business segment:

	For the six months ended 31 December			
	2025		2024 (restated)	
	Gross profit HK\$'M	Gross profit margin %	Gross profit HK\$'M	Gross profit margin %
<b>Gross profit and gross profit margin including government grants</b>				
Property & facility management services	107.4	30.4%	110.7	31.6%
City essential services	274.2	11.5%	250.0	10.8%
E&M services	135.7	13.1%	163.7	11.5%
<b>Total</b>	<b>517.3</b>	<b>13.7%</b>	<b>524.4</b>	<b>12.8%</b>

# Management Discussion and Analysis

During the Period, the Group's property & facility management services segment, city essential services segment and E&M services segment contributed 20.8% (2024: 21.1%), 53.0% (2024: 47.7% (restated)) and 26.2% (2024: 31.2% (restated)) of its gross profit respectively. The Group's gross profit decreased by HK\$7.1 million or 1.4% to HK\$517.3 million from HK\$524.4 million for the same period last year, with an overall gross profit margin increased to 13.7% from 12.8%, mainly reflecting a lower contribution from its E&M business and a decrease in government grants, mitigated by a higher contribution from the Group's city essential services segment.

- **Property & facility management services:** This segment recorded a decrease in its gross profit of HK\$3.3 million to HK\$107.4 million from HK\$110.7 million, with a stable gross profit margin at 30.4%.
- **City essential services:** This segment recorded an increase in its gross profit of HK\$24.2 million to HK\$274.2 million from HK\$250.0 million (restated), with its gross profit margin improved to 11.5% from 10.8% (restated). This was caused by higher contributions from (i) more new contracts from regular guarding and ad-hoc services; (ii) Beijing Nova acquired in December 2024; (iii) new general cleaning service contracts; and (iv) its technical support & maintenance services business' routine operational and maintenance contracts.
- **E&M services:** The gross profit of the E&M services segment decreased by HK\$28.0 million to HK\$135.7 million from HK\$163.7 million (restated) with its gross profit margin improved to 13.1% from 11.5% (restated), principally reflected lower revenue from its projects in Hong Kong and Chinese Mainland. The increased gross profit margin was mainly driven by additional income from projects' variation orders and cost saving measures.

## General and administrative expenses

General and administrative expenses of the Group for the Period increased by HK\$14.9 million or 6.0% to HK\$263.7 million from HK\$248.8 million for same period last year, reflecting the Group's acquisition of Beijing Nova in December 2024.

## Other income, net

Other net income of HK\$6.6 million was recorded by the Group during the Period compared to HK\$4.1 million recorded in same period last year.

The other net income recorded in both periods mainly represented gains on disposal of properties in the Chinese Mainland.

## Finance income

The Group recorded finance income of HK\$2.5 million (2024: HK\$18.1 million). The decrease mainly reflected lower interest income from bank deposits and receivables.

## Finance costs

The Group's finance costs of HK\$7.7 million (2024: HK\$12.8 million) for the Period included interest expenses of (i) HK\$5.8 million (2024: HK\$11.5 million) for the Group's bank borrowings and other liabilities and (ii) HK\$1.9 million (2024: HK\$1.3 million) for lease liabilities.

## Income tax expenses

The effective tax rate of the Group remained stable at 15.5% (2024: 15.4%).

## Management Discussion and Analysis

### Profit for the period attributable to shareholders of the Company

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

	For the six months ended 31 December			
	2025	2024	Change	% Change
	HK\$'M	(restated) HK\$'M	HK\$'M	
<b>Profit attributable to shareholders including government grants</b>				
Property & facility management services	45.9	45.1	0.8	1.8%
City essential services	118.9	117.8	1.1	0.9%
E&M services	60.1	89.2	(29.1)	(32.6%)
Unallocated corporate expenses and finance costs*	(9.0)	(10.5)	1.5	(14.3%)
<b>Total</b>	<b>215.9</b>	<b>241.6</b>	<b>(25.7)</b>	<b>(10.6%)</b>

\* Unallocated corporate expenses and finance costs comprise the Company's corporate expenses of HK\$3.9 million (2024: HK\$3.7 million) and interest expenses of HK\$5.1 million (2024: HK\$6.8 million).

The Group's profit for the Period decreased by 10.6% or HK\$25.7 million to HK\$215.9 million compared to HK\$241.6 million for the same period last year. The decrease mainly resulted from a lower contribution from the E&M services segment and a decrease in government grants, partly offset by the effect of the growth at the city essential services segment (principally the systems security, guarding & event services and the technical support & maintenance services businesses) and the property & facility management services segment. Details of the government grants recognised by the Group are set out in Note 7 to the condensed consolidated interim financial statements. The net profit margin of the Group decreased to 5.7% for the Period from 5.9% for the same period last year.

	For the six months ended 31 December			
	2025	2024	Change	% Change
	HK\$'M	HK\$'M	HK\$'M	
<b>Profit attributable to shareholders excluding government grants</b>				
Profit attributable to shareholders as reported	215.9	241.6	(25.7)	(10.6%)
Excluding government grants	–	(1.6)	1.6	(100.0%)
<b>Profit attributable to shareholders excluding government grants</b>	<b>215.9</b>	<b>240.0</b>	<b>(24.1)</b>	<b>(10.0%)</b>

## Management Discussion and Analysis

To better illustrate the Group's financial results for both periods, if excluding the effects of government grants (2025: Nil; 2024: HK\$1.6 million) in the Group's profit attributable to shareholders (2025: HK\$215.9 million; 2024: HK\$241.6 million), the Group would record a decrease in adjusted net profit of 10.0% to HK\$215.9 million for the six months ended 31 December 2025 as compared to its adjusted net profit of HK\$240.0 million for the six months ended 31 December 2024.

### Other comprehensive income

The Group recorded other comprehensive income for the Period of HK\$7.0 million (2024: HK\$7.0 million), reflected a favourable exchange reserve movement of HK\$3.8 million (2024: unfavourable exchange reserve movement of HK\$1.4 million) recorded during the Period following an appreciation of the Renminbi ("RMB") for conversion of the Group's net investments in Chinese Mainland, and remeasurement gains on long service payment liabilities of HK\$2.0 million (2024: HK\$8.0 million) and defined benefit retirement scheme of HK\$1.2 million (2024: HK\$0.4 million).

### Capital structure

As at	31 December		30 June		Increase/ (decrease) HK\$'M
	2025 HK\$'M	% to total equity	2025 HK\$'M	% to total equity	
Non-current assets	396.1	28.4%	410.9	32.6%	(14.8)
Cash and bank balances	763.3	54.8%	743.9	59.0%	19.4
Borrowings <sup>(i)</sup>	378.9	27.2%	318.9	25.3%	60.0
Net cash <sup>(ii)</sup>	384.4	27.6%	425.0	33.7%	(40.6)
Working capital <sup>(iii)</sup>	1,110.1	79.7%	1,296.4	102.8%	(186.3)
Total equity	1,393.1	100.0%	1,261.7	100.0%	131.4

Notes:

(i) All borrowings are bank loans.

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

(iii) Being net current assets.

### Liquidity and financial resources


The Group's finance and treasury functions are centrally managed and controlled at its headquarters in Hong Kong. As at 31 December 2025, the Group had total cash and bank balances of HK\$763.3 million (30 June 2025: HK\$743.9 million), of which 87%, 11% and 2% (30 June 2025: 84%, 14% and 2%) were denominated in Hong Kong dollars, RMB and other currencies respectively, and total borrowings of HK\$378.9 million (30 June 2025: HK\$318.9 million), which were denominated in Hong Kong dollars. The Group's net cash balance

decreased by HK\$40.6 million to HK\$384.4 million as at 31 December 2025 as compared to HK\$425.0 million as at 30 June 2025 mainly reflecting the distribution of the Company's final dividend for its financial year ended 30 June 2025 of HK\$83.3 million and preferred distribution on the convertible preference shares of HK\$8.5 million, and the Group's payments for principal portions of lease liabilities of HK\$21.3 million and additional investment in an 27%-owned associate, Townlife Holding Company Limited, of HK\$11.9 million, partly mitigated by net cash inflow from operating activities. The Group's net

## Management Discussion and Analysis

gearing ratio was maintained at zero as at 31 December 2025 (30 June 2025: zero). This ratio is calculated as net debt divided by total equity. Net debt is calculated as total bank borrowings less cash and cash equivalents.

Adopting a prudent financial management approach in implementing its treasury policies, the Group maintained a healthy liquidity position throughout the reporting period. As at 31 December 2025, the Group had total banking facilities in respect of bank overdrafts, bank loans, bank guarantees and/or trade financing of HK\$3,060.3 million (30 June 2025: HK\$3,119.9 million). As at 31 December 2025, HK\$378.9 million (30 June 2025: HK\$318.9 million) of the Group's banking facilities had been utilised for bank borrowings and HK\$925.6 million (30 June 2025: HK\$862.8 million) of the Group's banking facilities had been utilised for bank guarantees and trade finance. The Group believes it has sufficient committed and unutilised banking facilities to meet current business operation and capital expenditure requirements.



*The Group's net gearing ratio was maintained at zero as at 31 December 2025.*

### Debt profile and maturity

As at 31 December 2025, the Group's total debts amounted to HK\$378.9 million (30 June 2025: HK\$318.9 million), of which HK\$40.0 million is renewed on a weekly basis, HK\$20.0 million on a monthly basis and HK\$318.9 million matures in October 2026. The Group has managed its debt maturity profile to minimise its refinancing risks. All of these debts are denominated in Hong Kong Dollar and bear interest at floating rates.

### Foreign currency exposure

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

As part of the Group's business is carried out in Chinese Mainland, some of its assets and liabilities are denominated in RMB. The majority of these assets and liabilities had arisen from the net investments in Chinese Mainland operations with net assets of HK\$232.0 million as at 31 December 2025 (30 June 2025: HK\$230.8 million). The foreign currency translation arising from translation of these Chinese Mainland operations' financial statements from RMB (functional currency of these Chinese Mainland operations) into Hong Kong dollars (the Group's presentation currency) does not affect the Group's profit before and after tax and will be recognised in its other comprehensive income.

During the Period, the fluctuation of RMB against Hong Kong dollars was 3% (comparing the highest exchange rate with the lowest exchange rate of the RMB against the Hong Kong dollars during the Period).

As at 31 December 2025, if the Hong Kong dollars had strengthened/weakened by another 3% against the RMB with all other variables unchanged, the Group's other comprehensive income would have been HK\$7.0 million lower/higher.

### Capital commitments

As at 31 December 2025, the Group had capital commitments of HK\$0.7 million (30 June 2025: HK\$15.9 million) in relation to purchase of plant and equipment.

# Management Discussion and Analysis

## Contingent liabilities

In carrying out the ordinary course of business, the Group is subject to the risk of being named as defendant in legal actions, claims and disputes in connection with its business activities. The nature of the legal proceedings initiated against the Group mainly includes claims for compensation by the Group's existing or former employees for work-related injuries. The Group maintains insurance cover and, in the opinion of the Directors, based on current available evidence, any such existing claims and legal proceedings against the Group are not expected to have significant adverse financial impact to the Group as at 31 December 2025.

## Convertible preference shares

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

The convertible preference shares are (i) convertible into 43,676,379 ordinary shares of the Company at an initial price of HK\$3.2260 per share (subject to adjustments upon occurrence of certain prescribed events, including consolidation, subdivision or reclassification of shares in the capital of the Company, capitalisation of profits or reserves etc., in each case if not also made available to the holder(s) of the convertible preference shares), provided that any conversion shall not result in the Company failing to comply with any public float requirement under the

*Adopting a prudent financial management approach in implementing its treasury policies, the Group maintained a healthy liquidity position throughout the reporting period.*

Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, within a period of 10 years after their date of issue of 16 December 2019 (the "Issue Date") and (ii) redeemable by the Company at its sole discretion at a redemption price equals to the Issue Price together with all outstanding preferred distributions accrued to the date fixed for redemption at any time after 10 years following the Issue Date. The convertible preference shares are treated as contingently issuable potential ordinary shares under Hong Kong Accounting Standard ("HKAS") 33 "Earnings per Share" and, since the conditions for their conversion were not met as at 31 December 2025, the effect of their conversion is not included in the calculation of the diluted earnings per share for six months ended 31 December 2025 and 2024 pursuant to HKAS 33's requirements as described in Note 9 to the condensed consolidated interim financial statements. Assuming that all of the outstanding convertible preference shares were converted as at the end of the Period of 31 December 2025 and assuming their conditions for conversion were met, the Company's earnings per share after taking into account of the dilutive impact of such conversion for the six months ended 31 December 2025 would be HK\$0.44 per share, calculated as the Group's profit attributable to shareholders of the Company of HK\$215.9 million divided by the weighted average number of the Company's ordinary shares in issue of 493.7 million (after taking into account the weighted average number of incremental number of ordinary shares that would be issued from the conversion of the convertible preference shares on its Issue Date of 43.7

## Management Discussion and Analysis

million). The convertible preference shares confer their holder(s) the right to receive preferred distributions from the Issue Date at a rate of 6.0% per annum on its Issue Price, payable annually in arrears. As (i) the Company may at its sole discretion redeem either in whole or in part the convertible preference shares for the time being outstanding (i.e. it has no obligation to settle them in cash unless it elects at its sole discretion to redeem) and (ii) the convertible preference shares are only convertible within a period of 10 years after the Issue Date but redeemable only after 10 years following the Issue Date, an analysis on the Company's share price at which it would be equally financially advantageous for the convertible preference share holder(s) to convert or redeem the convertible preference shares based on their implied rate of return at a range of dates in the future is not applicable. Based on the financial and liquidity position of the Group (with details set out in the paragraphs headed "Liquidity and financial resources" of this section), to the best knowledge of the Company, the Company expects that it will be able to meet its redemption obligations under the outstanding convertible preference shares issued by it.

*The Group offers attractive remuneration packages and tailored training to its employees with an aim of promoting upward mobility and fostering employee loyalty.*



As at 31 December 2025, the Group had a total of 25,804 employees (31 December 2024: 25,753) including 9,709 (31 December 2024: 9,638) casual workers and employees whose relevant costs are directly reimbursed by or charged to our customers or charged by sub-contractors. Staff costs for the Period, including salaries and benefits, were HK\$1,987.2 million (2024: HK\$1,930.0 million). The increase mainly reflects an increase in the number of staff.

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

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

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



## Property & Facility Management Services Segment

Our Property & Facility Management Group possesses over 50 years of experience in providing management services, improving asset quality, reputation and value. Increasing demand for upgraded one-stop professional property and facility management solutions presents growth opportunities for the Group. The business outlook is robust:

- Demand for professional property management services in Hong Kong is increasing, and this trend is set to continue as government policies boost the supply of residential units over the next decade. Currently, our Property & Facility Management Group only occupies a small share of the market and looks forward to the ample business opportunities in the market for it to further expand.
- With heightened awareness of property owners' rights, demand for services from independent (non-property own developer related) property and facility management companies is growing.

- Increased supply of residential properties in Hong Kong presents opportunities for the Group in the first-hand property sales market. Furthermore, the government's new immigration initiatives – particularly the Top Talent Pass Scheme ("TTPS") – will promote property sales and leasing, thereby stimulating housing demand and driving the growth of the Group's sales and leasing services.
- Our Property & Facility Management Group employs over 5,000 staff and excels in adopting new operating models, integrating skills with innovative technologies and IoT applications to deliver efficient services for clients seeking effective technological solutions. The Group has implemented technological applications at over 120 sites, including Sm@rtUrban, ComEasy and drone systems.
- Urban, International Property Management and Kiu Lok are licensed property management companies operating under the Property Management Services Ordinance ("PMSO") (Cap. 626 of the Laws of Hong Kong). With over 400 Tier 1 and Tier 2 property management practitioners, they have one of the largest licensed service teams in the industry. Thus, the Group is well prepared to meet PMSO-associated market demand and maintain its competitive advantage in future tenders and business development.



## Management Discussion and Analysis

*Demand for professional property management services in Hong Kong is increasing, and this trend is set to continue as government policies boost the supply of residential units over the next decade.*

- Our Property & Facility Management Group has a technical and engineering team of over 500 highly trained technicians specialising in the repair, maintenance, renovation and refurbishment of large private housing estates, commercial premises and modern intelligent buildings, thereby providing prompt technical support for enhancing property value. Urban renewal and urgent Mandatory Building Inspection Scheme repair works will serve as another growth driver.
- Leveraging synergies with other business units, the segment has partners with a wide range of professional service providers and contractors. Its economies of scale and strong bargaining power enable the delivery of cost-effective, competitively priced services with high operational efficiency.
- Beyond statutory compliance, the segment upholds rigorous governance standards in environmental protection, corporate social responsibility, and risk and crisis management. For example, Urban is known as “Hong Kong’s Premier Community Manager”, organising over 50 corporate social responsibility activities a year. The segment also maintains a meticulous risk and crisis management system to address issues ranging from building service disruptions to pandemic control.
- The Group’s strong reputation has fostered client trust and built a robust customer network to support its property sales and leasing services.

Digital platforms such as websites, social media and instant messaging are used to engage clients, provide convenient access to property information, and promote property sales and leasing services.

### City Essential Services Segment

#### 1. Cleaning & Pest Control Services

Building on the healthy and stable growth of its business in the current fragmented market over the past year, particularly with regard to the expansion of its Kai Tak Development Area portfolio, Waihong anticipates promising prospects in the years ahead:

- Numerous private and public sector tenders, with contract value totalling billions of Hong Kong dollars, are expected in the coming years. Leveraging its market leadership, highly experienced professionals, strong integrity and governance practices and existing service contracts, Waihong is well placed to seize new business opportunities.
- Waihong is exploring new market opportunities by introducing smart, innovative equipment to attract more clients. It has also integrated IoT systems, smart toilet systems, drones, Check-in Easy attendance systems, ComEasy inspection systems, and robots to improve process efficiency, scheduling, inventory management and customer satisfaction. Waihong will continue to invest in technology, including robotic transport platforms and curtain wall cleaning robots to reinforce its competitiveness, improve working processes and safety, and support long-term profitability.

*Numerous private and public sector tenders, with contract value totalling billions of Hong Kong dollars, are expected in the coming years. Waihong is well placed to seize new business opportunities.*

# Management Discussion and Analysis



- Committed to sustainability, Waihong is introducing more innovative services and green initiatives to differentiate itself in the cleaning industry and lay a foundation for high-quality growth in the future. With sustainability becoming a global priority, Waihong will seize related business opportunities by implementing green practices, including providing disposal services for municipal solid waste, medical waste, liquid waste and construction waste, as well as the collection of wastepaper, food waste and used batteries. In September 2025, Waihong achieved ISO 14064-1 certification under the Greenhouse Gas Requirements System, underscoring its commitment to social responsibility and carbon emission reduction.

## 2. Insurance Solutions

As Hong Kong's largest local insurance broker, Nova has a 37-year history and a strong, professional team and a number of competitive advantages positioning it for future growth:

- Corporate insurance buyers with complex and price-sensitive requirements need professional brokers to secure better deals. Nova's quality services have enabled it to win new accounts from competitors.
- Nova continues to leverage its core strengths, including construction-related insurance. With new commercial and residential developments and infrastructure projects in the government pipeline, it sees ample business opportunities in Hong Kong.
- Looking ahead, Nova will continue to pursue growth in its core areas, including construction, property management, hospitality, educational institutions, and non-government organisations. It will also expand its employee benefits portfolio and prioritise higher-yield specialty products such as cyber insurance, professional indemnity insurance, directors and officers liability insurance, and trade credit insurance.



# Management Discussion and Analysis

*Corporate insurance buyers with complex and price-sensitive requirements need professional brokers to secure better deals. Nova's quality services have enabled it to win new accounts from competitors.*

- Nova remains confident in achieving sustainable growth and retaining its market leadership. The adoption of AI to automate routine processes will enhance its operational excellence, enabling it to streamline repetitive tasks, reduce human error and accelerate decision making, allowing greater focus on higher-value activities, scalable growth, and cost optimisation.
  - Having acquired Beijing Nova Insurance Services Limited ("Beijing Nova") on 27 December 2024, Nova has entered the lucrative Chinese insurance brokerage market, and broadened its geographical footprint, thereby diversifying its revenue stream and reducing its reliance on a single market. The collaboration between Beijing Nova and Nova Hong Kong will also allow both parties to tap new opportunities in the Greater Bay Area and across the country. In 2025, Beijing Nova expanded its Chinese Mainland operation through its new branch in Suzhou, in addition to its headquarters in Beijing and existing branches in Shanghai and Guangzhou.
  - In the coming years, Beijing Nova will focus on growth in several areas. It will apply its expertise in real estate development and property management to find new clients and assist more overseas and Hong Kong partners in serving clients in China. It will also explore opportunities for new partnerships.
  - In 2025, FSE Nova (China) Company Limited formed an associate, Townlife Holding Company Limited, with Towngas Lifestyle (China) Co. Ltd, in which it holds a 27% equity interest. The venture aims to provide comprehensive insurance brokerage services to over 40 million Towngas household customers in Hong Kong and the Chinese Mainland.
- ### 3. Technical Support & Maintenance Services
- The division has continued to push for longer-term contracts for government fire services systems and secure more electrical system contracts. Although a complementary business, it has strong growth prospects and the potential to bolster the Group's revenue and profit:
- In the private sector, maintenance and system retrofit works provide stable income that supports the Group's main businesses. In Macau, casino groups are expected to increase investment in gaming halls, guest accommodations, and dining and retail facilities in the first half of 2025. The division will strive to secure system upgrade contracts and large-scale alteration and addition projects from casino groups.
  - With Hong Kong targeting carbon neutrality before 2050 and rising expectations for better building energy performance, large developers are investing in efficiency upgrades across new and existing buildings. This ongoing demand for retrofit works offers the division significant and sustainable growth opportunities. In 2023, the division secured a chiller replacement contract with CLP Holdings subsidiary CLPe Solutions. It delivered Hong Kong's first zero-carbon chiller system, converting an air-cooled system into a 9,300-refrigerant-ton water-cooled chiller system, demonstrating its expertise in collaborating with power companies and other commercial parties on similar projects. Indeed, the division was awarded a new contract this year by CLPe Solutions for the replacement of a 6,000-refrigerant-ton chiller in a prestigious commercial building in Kwun Tong. The division has plans to collaborate with hospitals and major shopping complexes in the near future.

# Management Discussion and Analysis



- By combining Building Information Modelling (“BIM”) with the Group’s mobile maintenance app, the division uses innovative technology to improve efficiency, enhance safety, and reduce work-related accidents. For the newly awarded large-scale HVAC maintenance contracts, the division will offer a range of value-added services to help clients improve energy savings and asset management.

## 4. Environmental Solutions

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

### *Environment Solutions (water and air treatment, laboratory testing & certification, and building materials trading)*

- The division’s environmental engineering operation has grown steadily, driven by its seawater and freshwater treatment products such as electrochlorination systems, and odour removal products such as biotech deodorisation systems. Despite intense competition in HVAC water treatment services, the division’s patented nanobubble ozonation system and real-time monitoring capabilities position it well to expand market share.

- For the division’s building materials trading business, technological advancement and the focus on healthy, green living will create opportunities to promote new products with innovative features. The business has identified new building materials and products that align with current market trends.

### *Smart Solutions (EV charging, IoT platform and smart facilities)*

- The Hong Kong Roadmap on Popularisation of Electric Vehicles (“EV”), announced by the government in 2021 and targeting zero vehicular emissions by 2050, has fuelled demand for relevant installations in car parks, presenting the Group with ample business opportunities.
- To address the evolving market, the division is identifying new and more powerful products. It will continue to work with vendors to customise systems according to specific customer needs and smart city blueprints, using advanced technologies and smart solutions such as AI and IoT, intelligent intellectual property/information technology-based systems and various 5G mobile applications to enhance building management and environmental monitoring and support sustainability, environmental quality, and customer satisfaction.

*The Hong Kong Roadmap on Popularisation of Electric Vehicles and targeting zero vehicular emissions by 2050, has fuelled demand for relevant installations in car parks, presenting the Group with ample business opportunities.*

# Management Discussion and Analysis

## Green Solutions (landscape)

- Growing market demand for green elements in indoor and outdoor spaces has created more opportunities for the Group's landscape services business. Government greening policies, urban planning initiatives and support are driving business development.



## 5. Systems Security, Guarding & Event Services

Demand for security services is expected to grow significantly in the coming years, driven mainly by the event service industry, giving the Group's Systems Security, Guarding & Event Services division an optimistic outlook:

- Recent Hong Kong Government's initiatives to improve building management, including the "Joint Property Management" pilot scheme for older single-block buildings, are drawing increasing attention. Under this approach, multiple neighbouring buildings jointly appoint a property management company to provide basic services in a more cost-effective and coordinated manner. This model increases the need for consistent security support, including on-site guarding, routine patrols, alarm systems, and monitored surveillance. General Security is well positioned to support such projects with integrated services combining manpower-based guarding, system design, installation, and ongoing maintenance. As building management in older districts evolves, demand for reliable, scalable security solutions for shared management models is expected to remain steady.

*Government efforts to promote mega-event tourism will also significantly boost demand for security services.*

- Government efforts to promote mega-event tourism will also significantly boost demand for security services. By strategically positioning itself in the event services industry, Perfect Event has delivered strong client satisfaction and notable profit growth.
- Rising expectations for skilled supervisory personnel have led General Security and Perfect Event to adopt a multi-faceted talent strategy encompassing wider recruitment, referral programmes, targeted searches for high-potential candidates, and enhanced training and development initiatives. With strong expertise in event security, customer services, and established strategic partnerships with major event operators and managers, this division is well positioned to capture growth opportunities. Resources will be focused on the event and ad hoc businesses, which offer stronger margins. These initiatives will enable General Security to strengthen its operational capabilities, enhance service quality and capitalise on higher-margin growth opportunities.



# Management Discussion and Analysis

## E&M Services Segment

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

- Capital and Construction Expenditure – The Construction Industry Council forecasts public and private E&M construction spending above HK\$30 billion and HK\$25 billion, respectively, over the next five years, pointing to an increasing demand for professional construction services. The Group will focus on rendering these services to public and private housing and infrastructure projects in the coming years.

Government efforts to improve land production efficiency, lower construction costs by streamlining approval processes, optimise administrative procedures, strengthen internal collaboration, apply technology, and review relevant standards aimed to safeguard public interests and meet development needs.

*The Construction Industry Council forecasts public and private E&M construction spending above HK\$30 billion and HK\$25 billion, respectively, over the next five years, pointing to an increasing demand for professional construction services.*

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

Additionally, over 150,000 public and private housing units are expected to become available within the next 10 to 15 years, both along the Northern Link and in the Siu Ho Wan MTR Depot topside development. The Hong Kong Housing Authority will also announce redevelopment plans for the Ma Tau Wai and Sai Wan estates.

Key ongoing and upcoming projects include URA- and Housing Society-led residential and commercial redevelopments, developments in the Kai Tak Development Area, Yau Tong and Ap Lei Chau, associated railway property projects, and the development of Tseung Kwan O Area 137. Over the next five years, the URA will begin redeveloping the "Nullah Road Urban Waterway" in Mong Kok East and the "Street Consolidation Areas" in Yau Ma Tei South, with renewal master plans for Tsuen Wan and Sham Shui Po submitted in late 2025.

- Railway Development – With the Hong Kong Government embarking on a railway extension project, the MTR has started construction on two-line extensions (Tuen Mun South Extension and Tung Chung Line Extension) and the Kwu Tung and Oyster Bay stations. The government has completed the public consultation on the enhancement of three railways, namely the Hong Kong-Shenzhen Western Rail Link (Hung Shui Kiu-Qianhai), the Central Rail Link and the Tseung Kwan O Line Southern Extension. To support new town development in the proposed Northern Metropolis, the MTR will progressively tender for two new railways – the Northern Link (NOL) Eastern Extension and the Northeast New Territories Line.
- Smart and Green Mass Transit Systems – The government has invited suppliers and operators to study and build three smart and green mass transit systems for the East Kowloon, Kai Tak, and Hung Shui Kiu/Ha Tsuen projects.

## Management Discussion and Analysis

- **Airport Development** – The government has also been working with the Airport Authority Hong Kong to turn the “Airport City” vision into reality, transforming Lantau into an aerotropolis connecting the Greater Bay Area with the world. New projects, including an ecosystem for the art industry, AsiaWorld-Expo Phase 2 development, a marina with ancillary facilities, and a fresh food market, are expected to be completed between 2026 and 2031, and will promote high-end commercial, tourism and leisure activities.
- **District Cooling System** – As part of the government’s low-carbon development initiatives, district cooling systems (“DCS”) are being expanded beyond the West Kowloon Cultural District to new development areas (i.e. Tung Chung East and Kwu Tung North) and the proposed Northern Metropolis to help curb energy consumption.
- **Convention and Exhibition** – To maintain Hong Kong’s position as a premier venue for large-scale international conventions and exhibitions, the Airport Authority has begun the construction of AsiaWorld-Expo Phase 2. The government will also advance the Wan Chai North redevelopment project near the Hong Kong Convention and Exhibition Centre within the next few years.
- **Sports and Recreational Facilities** – The Culture, Sports and Tourism Bureau will create a 10-year development blueprint for 30 sports and recreational facilities, including Hong Kong’s second sports park in Whitehead, Ma On Shan, and large-scale sports and recreation facilities in the proposed Northern Metropolis. The government will also review the Hong Kong Stadium redevelopment plan to maximise synergies with the Kai Tak Sports Park.
- **Technology Park and Manufacturing Centre** – To encourage and enhance Innovation and Technology (“I&T”), the Hong Kong Government is working with Shenzhen to develop the Shenzhen-Hong Kong I&T Co-Operation Zone under a “one zone, two parks” model. The project, developed in two phases from west to east, saw the first two buildings completed in mid-2025, with the remaining five to be completed over the next five years. The government will expedite the development of the San Tin Technopole in the Northern Metropolis and expand the Science Park and Cyberport, with the first phase kicked off in 2025.
- **Northern Metropolis** – The government has identified three land parcels in the Hung Shui Kiu/Ha Tsuen New Development Areas (“NDA”), the Fanling North NDA and the San Tin Technopole as pilot sites to be granted to successful bidders for the collective development of commercial and community facilities. In the Northern Metropolis, the following will be developed: (i) modern logistics clusters in the Hung Shui Kiu/Ha Tsuen NDA; (ii) over 80 hectares of land in Ngau Tam Mei for the Northern Metropolis University Town and an integrated medical teaching and research hospital, and (iii) Second Hospital Development such as Ngau Tam Mei Hospital and Hung Shui Kiu Hospital.



## Management Discussion and Analysis

- Technology and Operational Efficiency – Rising construction volumes and costs, an ageing workforce, skilled labour shortages, and numerous serious safety incidents in large-scale projects in recent years have created significant challenges for the local construction industry, including the Group. In 2019, the Development Bureau launched the “Construction 2.0” initiative (i.e. Innovation, Professionalisation and Revitalisation), which the Group supports. In 2023, the Bureau reviewed the labour shortage situation in the city and introduced the Labour Importation Scheme for the Construction Sector. The initial import ceiling was set at 12,000 workers. To date, 7,332 workers have been approved under the Scheme.
- Macau – Macau’s hotels and casinos continue to demand renovation and improvement works, with new projects by The Venetian and Wynn Macau Group set to begin in 2026. Since the licences of the six major casino operators were renewed for 10 years in January 2023, work has been underway on the Galaxy Macau Phase 4 development, and renovation works are in progress or will soon begin in existing casinos and hotel areas. These developments, coupled with the city’s move toward a broader tourism economy, are generating additional opportunities for the Group.
- Chinese Mainland – The Group adopts a disciplined approach, focusing on providing E&M services to major property projects for Hong Kong developers and foreign investors. Beyond its core bases in Beijing and Shanghai, the Group has a presence in other Tier 1 and Tier 2 cities such as Tianjin, Shenyang, Wuhan, Kunming and Hangzhou. The development of the Greater Bay Area, along with the rapidly growing Guangdong Pilot Free Trade Zones in Hengqin, Qianhai and Nansha, is expected to create new business opportunities for the Group.

*Casino groups in Macau are expected to increase investment in gaming halls, guest accommodations, and dining and retail facilities. We will strive to secure system upgrade contracts and large-scale alteration from casino groups.*

- With a long-standing brand and extensive experience, the Group is a leading E&M service company in Hong Kong and a capable and trustworthy E&M service partner in the Chinese Mainland.
- In addition to having a full range of licences and qualifications and being able to effectively manage tendering risks, the Chinese Mainland operation has integrated operating and control procedures, a robust network of well-established customers and suppliers, and an experienced and well-trained workforce to support its business. These attributes have enabled it to continuously improve operational efficiency and provide the most cost-effective services to clients.
- In response to the growing emphasis on sustainability, environmental protection, social responsibility and governance among corporate clients and property investors, the business segment has optimised designs and explored relevant innovative methods to help build a greener future. At the project level, green building designs, MiC, MiMEP and DfMA are being adopted to reduce energy usage, carbon emissions and construction waste.

## Management Discussion and Analysis

*In response to the growing emphasis on ESG among stakeholders, our E&M services segment has optimised designs and explored innovative methods to reduce energy usage, carbon emissions and construction waste.*

### Conclusion

Despite facing various challenges and difficulties, the Group's operations remained stable during the Period. Going forward, the Group will continue to strengthen its management quality and our staff's concentration through more frequent operation meetings, project reviews and staff training. In addition, it will strive to maintain its strong financial position to ensure it is well positioned to seize new business opportunities as they arise. We are confident that we will achieve continuous growth.

- To boost operational efficiency and project management capabilities, the Group has invested in innovative construction technologies such as BIM, Common Data Environment ("CDE"), the Digital Works Supervision System ("DWSS"), modularisation and prefabrication, AI technology, robotic total solutions and the Sky Drilling Machine, 3D laser scanning and mobile apps.
- In addition, senior executives in this segment hold key roles in leading industry organisations, including the Construction Industry Council, as well as in professional institutions such as The Hong Kong Institution of Engineers and trade/industry associations such as The Hong Kong Federation of Electrical and Mechanical Contractors Limited. These engagements demonstrate the Group's commitment to professionalism and keeping pace with the development of the modern construction industry, while also raising its profile.

# Report on Review of Interim Financial Information



羅兵咸永道

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

## INTRODUCTION

We have reviewed the interim financial information set out on pages 46 to 80, which comprises the interim condensed consolidated statement of financial position of FSE Lifestyle Services Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 31 December 2025 and the interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and notes, comprising material accounting policy information and other explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” as issued by the HKICPA. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” as issued by the HKICPA.

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 24 February 2026

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## Condensed Consolidated Income Statement – Unaudited

	Notes	For the six months ended	
		31 December	
		2025	2024
		HK\$'000	HK\$'000
<b>Revenue</b>	5	<b>3,777,064</b>	4,090,017
Cost of services and sales		(3,259,765)	(3,565,596)
<b>Gross profit</b>		<b>517,299</b>	524,421
General and administrative expenses		(263,738)	(248,823)
Other income, net	6	6,559	4,101
<b>Operating profit</b>	7	<b>260,120</b>	279,699
Finance income		2,485	18,085
Finance costs		(7,691)	(12,759)
Share of results of associates		503	576
Share of results of joint ventures		71	(73)
<b>Profit before income tax</b>		<b>255,488</b>	285,528
Income tax expenses	8	(39,480)	(43,857)
<b>Profit for the period</b>		<b>216,008</b>	241,671
<b>Attributable to:</b>			
Shareholders of the Company		215,938	241,620
Non-controlling interests		70	51
		<b>216,008</b>	241,671
<b>Earnings per share for profit attributable to ordinary shareholders of the Company (expressed in HK\$)</b>			
Basic and diluted	9	<b>0.47</b>	0.53

The notes on pages 52 to 80 are an integral part of these condensed consolidated interim financial statements.

## Condensed Consolidated Statement of Comprehensive Income – Unaudited

	For the six months ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
<b>Profit for the period</b>	<b>216,008</b>	241,671
<b>Other comprehensive income/(loss):</b>		
<i>Item that may be subsequently reclassified to condensed consolidated income statement:</i>		
Currency translation differences	3,825	(1,416)
<i>Items that will not be subsequently reclassified to condensed consolidated income statement:</i>		
Remeasurement gains on long service payment liabilities, net of tax	2,043	8,034
Remeasurement gains on defined benefit retirement scheme, net of tax	1,163	385
<b>Other comprehensive income for the period, net of tax</b>	<b>7,031</b>	7,003
<b>Total comprehensive income for the period</b>	<b>223,039</b>	248,674
<b>Attributable to:</b>		
Shareholders of the Company	222,969	248,623
Non-controlling interests	70	51
	<b>223,039</b>	248,674

The notes on pages 52 to 80 are an integral part of these condensed consolidated interim financial statements.

## Condensed Consolidated Statement of Financial Position – Unaudited

		As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
	Notes		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	48,403	56,537
Right-of-use assets	11	83,227	98,386
Other intangible assets	11	237,794	241,253
Interests in associates		13,331	1,658
Interests in joint ventures		1,275	1,204
Deferred income tax assets		7,723	8,862
Pension assets		4,342	2,997
		<b>396,095</b>	<b>410,897</b>
<b>Current assets</b>			
Trade and other receivables	12	2,473,959	2,507,155
Contract assets		752,722	703,547
Inventories		8,523	7,181
Cash and bank balances	13	763,290	743,864
		<b>3,998,494</b>	<b>3,961,747</b>
<b>Total assets</b>		<b>4,394,589</b>	<b>4,372,644</b>
<b>EQUITY</b>			
Ordinary shares	14	45,000	45,000
Convertible preference shares	14	140,900	140,900
Reserves		1,206,157	1,074,892
Shareholders' funds		1,392,057	1,260,792
Non-controlling interests		1,021	951
<b>Total equity</b>		<b>1,393,078</b>	<b>1,261,743</b>

The notes on pages 52 to 80 are an integral part of these condensed consolidated interim financial statements.

		As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
	Note		
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		39,349	51,544
Long service payment liabilities		48,640	48,449
Deferred income tax liabilities		25,102	26,611
Borrowings		–	318,920
		<b>113,091</b>	<b>445,524</b>
<b>Current liabilities</b>			
Trade and other payables	15	2,209,212	2,295,550
Contract liabilities		210,913	236,772
Borrowings		378,920	–
Current portion of lease liabilities		40,728	39,482
Taxation payable		48,647	93,573
		<b>2,888,420</b>	<b>2,665,377</b>
<b>Total liabilities</b>		<b>3,001,511</b>	<b>3,110,901</b>
<b>Total equity and liabilities</b>		<b>4,394,589</b>	<b>4,372,644</b>
<b>Net current assets</b>		<b>1,110,074</b>	<b>1,296,370</b>
<b>Total assets less current liabilities</b>		<b>1,506,169</b>	<b>1,707,267</b>

The notes on pages 52 to 80 are an integral part of these condensed consolidated interim financial statements.

## Condensed Consolidated Statement of Changes in Equity – Unaudited

	Ordinary shares (Note 14) HK\$'000	Convertible preference shares (Note 14) HK\$'000	Reserves HK\$'000	Equity attributable to shareholders of the Company HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
<b>As at 1 July 2024</b>	45,000	140,900	802,645	988,545	327	988,872
<b>Profit for the period</b>	-	-	241,620	241,620	51	241,671
<b>Other comprehensive (loss)/income:</b>						
Currency translation differences	-	-	(1,416)	(1,416)	-	(1,416)
Remeasurement gains on long service payment liabilities, net of tax	-	-	8,034	8,034	-	8,034
Remeasurement gains on defined benefit retirement scheme, net of tax	-	-	385	385	-	385
<b>Total comprehensive income for the period</b>	-	-	248,623	248,623	51	248,674
<b>Transactions with shareholders:</b>						
Dividend to ordinary shareholders	-	-	(96,300)	(96,300)	-	(96,300)
Distribution to convertible preference shareholder (Note 10)	-	-	(8,454)	(8,454)	-	(8,454)
<b>As at 31 December 2024</b>	45,000	140,900	946,514	1,132,414	378	1,132,792
<b>As at 1 July 2025</b>	45,000	140,900	1,074,892	1,260,792	951	1,261,743
<b>Profit for the period</b>	-	-	215,938	215,938	70	216,008
<b>Other comprehensive income:</b>						
Currency translation differences	-	-	3,825	3,825	-	3,825
Remeasurement gains on long service payment liabilities, net of tax	-	-	2,043	2,043	-	2,043
Remeasurement gains on defined benefit retirement scheme, net of tax	-	-	1,163	1,163	-	1,163
<b>Total comprehensive income for the period</b>	-	-	222,969	222,969	70	223,039
<b>Transactions with shareholders:</b>						
Dividend to ordinary shareholders	-	-	(83,250)	(83,250)	-	(83,250)
Distribution to convertible preference shareholder (Note 10)	-	-	(8,454)	(8,454)	-	(8,454)
<b>As at 31 December 2025</b>	45,000	140,900	1,206,157	1,392,057	1,021	1,393,078

The notes on pages 52 to 80 are an integral part of these condensed consolidated interim financial statements.

## Condensed Consolidated Statement of Cash Flows – Unaudited

	Notes	For the six months ended	
		31 December	
		2025	2024
		HK\$'000	HK\$'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	16(a)	168,920	119,236
Decrease in trust cash		24,988	1,932
Hong Kong profits tax paid		(83,759)	(85,871)
Interest paid		(7,691)	(8,871)
Chinese Mainland and Macau income tax paid		(1,591)	(2,669)
Net cash generated from operating activities		100,867	23,757
<b>Cash flows from investing activities</b>			
Additional investment in an associate	16(b)	(11,880)	–
Purchase of property, plant and equipment		(5,714)	(6,522)
Proceeds from disposal of right-of-use assets		8,429	4,004
Interest received		2,485	7,986
Dividend received from associates		710	590
Proceeds from disposal of property, plant and equipment		703	1,433
Acquisition of a subsidiary	16(c)	–	(69,822)
Net cash used in investing activities		(5,267)	(62,331)
<b>Cash flows from financing activities</b>			
Proceeds from bank borrowings		109,856	608,259
Dividend paid to ordinary shareholders		(83,250)	(96,300)
Repayments of bank borrowings		(49,856)	(433,700)
Payments of principal portion of lease liabilities		(21,292)	(24,147)
Distribution paid to convertible preference shareholder		(8,454)	(8,454)
Net cash (used in)/generated from financing activities		(52,996)	45,658
<b>Net increase in cash and cash equivalents during the period</b>		<b>42,604</b>	<b>7,084</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>652,143</b>	<b>559,011</b>
Exchange differences	16(d)	1,631	(222)
<b>Cash and cash equivalents at the end of the period</b>		<b>696,378</b>	<b>565,873</b>
<b>Representing:</b>			
Cash and bank balances as stated in the condensed consolidated statement of financial position		763,290	622,357
Less: Trust cash	13	(55,793)	(56,484)
Less: Time deposit with original maturity over three months	13	(11,119)	–
<b>Cash and cash equivalents at the end of the period</b>		<b>696,378</b>	<b>565,873</b>

The notes on pages 52 to 80 are an integral part of these condensed consolidated interim financial statements.

# 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, car park management services, property agency and related services for buildings, cleaning & pest control and management of waste disposal services, recycling and environmental disposal services, insurance solutions services, technical support and maintenance services, trading of environmental products and provision of related engineering consultancy services, EV charging infrastructure services, trading of EV charging and building materials, provision of landscaping services, systems security, guarding & event services and mechanical and electrical engineering services in Hong Kong, Chinese Mainland 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 24 February 2026.

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

This unaudited condensed consolidated interim financial information for the six months ended 31 December 2025 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 2025, which has been prepared in accordance with HKFRS Accounting Standards.

The accounting policies applied are consistent with those set out in the annual report for the year ended 30 June 2025, except for the adoption of new and amended standards as set out below.

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

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

For the six months ended 31 December 2025, the Group adopted the following amendments to existing standards which are effective for the accounting periods of the Group beginning on 1 July 2025:

Amendments to HKAS 21 and HKFRS 1      Lack of Exchangeability

The Group's adoption of the above pronouncement 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 2025 and have not been early adopted by the Group:

		<b>Effective for accounting periods beginning on or after</b>
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
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature — dependent Electricity	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency	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 2025.

There have been no changes in the risk management policies since the Group's financial year ended 30 June 2025.

### 3.2 Fair value estimation

At 31 December 2025 and 30 June 2025, 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 2025.

## 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, asset management services, car park management services and guarding services;

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

- (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, EV charging infrastructure services and landscaping services) and systems security, guarding & event services and trading of environmental, EV charging, building materials and systems security products; and
- (iii) E&M services — Provision of engineering and consultancy services on installation.

To align more closely with the market dynamics and the Group's strategic direction, the Group's CODM has reclassified the Group's Extra Low Voltage ("ELV") business from the city essential services segment to the E&M services segment starting from this financial year. As a result of such change occurred during the six months ended 31 December 2025, the Group's prior period corresponding segment information that is presented for comparative purpose has been restated accordingly.

	For the six months ended	
	31 December 2025	2024 (restated)
	HK\$'000	HK\$'000
<b>Revenue</b>		
Property & facility management services	353,615	350,412
City essential services		
— Cleaning & pest control services	1,273,248	1,262,906
— Insurance solutions	75,740	62,908
— Technical support & maintenance services		
— Renovations, system retrofit and repairing <sup>(i)</sup>	508,506	501,869
— Routine maintenance <sup>(ii)</sup>	59,581	58,553
— Environmental solutions		
— Rendering of services <sup>(iii)</sup>	65,360	75,704
— Sales of goods <sup>(iv)</sup>	15,764	18,741
— Systems security, guarding & event services		
— Rendering of services <sup>(v)</sup>	368,988	320,686
— Sales of goods <sup>(vi)</sup>	22,307	13,471
City essential services subtotal	2,389,494	2,314,838
E&M services	1,033,955	1,424,767
<b>Total<sup>(vii)</sup></b>	<b>3,777,064</b>	<b>4,090,017</b>

# Notes to the Condensed Consolidated Interim Financial Statements

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

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 installation and maintenance of water treatment systems, odour abatement systems, construction site wastewater treatment systems, EV charging infrastructure, IoT solutions, consultancy services for energy audit, carbon audit, building environmental assessment, indoor air quality and water quality assessment, laboratory services and landscape management.
- (iv) Environmental solutions — Sales of goods: Sales of tiles, building service products including pipes, pumps, accessory valves and fittings, building automation systems, heating, ventilation, air-conditioning parts, fire services products, environmental engineering products covering building services water treatment and odour abatement systems, air quality monitoring machines, construction site wastewater treatment systems, EV charging products and plants.
- (v) Systems security, guarding & event services — Rendering of services: Provision of systems security, guarding, escort and surveillance security, cash and valuable transit, alarm monitoring, customer service ambassador and event services.
- (vi) Systems security, guarding & event services — Sales of goods: Sales of CCTV, burglar alarm, mobile patrol, access control, intercom, carpark barrier and face reader systems, and handheld and walkthrough metal detectors.
- (vii) 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	
	2025	2024
	HK\$'000	(restated) HK\$'000
<b>Contracting revenue recognised based on percentage of completion method</b>		
Technical support & maintenance services		
— Renovations, system retrofit and repairing	153,308	248,588
Environmental solutions		
— Rendering of services	1,289	5,114
E&M services	1,033,955	1,424,767
<b>Total</b>	<b>1,188,552</b>	<b>1,678,469</b>

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

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 2025 and 30 June 2025, 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).

# 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 2025

The segment results for the six months ended 31 December 2025 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	353,615	2,389,494	1,033,955	–	3,777,064
Revenue — Internal	670	48,079	–	(48,749)	–
<b>Total revenue</b>	<b>354,285</b>	<b>2,437,573</b>	<b>1,033,955</b>	<b>(48,749)</b>	<b>3,777,064</b>
<b>Timing of revenue recognition</b>					
Over time	354,285	2,368,725	1,033,955	(48,230)	3,708,735
At a point in time	–	68,848	–	(519)	68,329
<b>Total revenue</b>	<b>354,285</b>	<b>2,437,573</b>	<b>1,033,955</b>	<b>(48,749)</b>	<b>3,777,064</b>
<b>Operating profit before unallocated corporate expenses</b>	<b>54,278</b>	<b>139,626</b>	<b>70,100</b>	<b>–</b>	<b>264,004</b>
Unallocated corporate expenses					(3,884)
<b>Operating profit</b>					<b>260,120</b>
Finance income					2,485
Finance costs					(7,691)
Share of results of associates					503
Share of results of joint ventures					71
<b>Profit before income tax</b>					<b>255,488</b>
Income tax expenses (Note 8)					(39,480)
<b>Profit for the period</b>					<b>216,008</b>
<b>Other items</b>					
Depreciation and amortisation	6,348	19,992	12,854	–	39,194
Impairment losses on trade and other receivables, net (Note 7)	–	75	–	–	75
Provision for inventories (Note 7)	–	23	–	–	23
Additions to non-current assets (other than financial instruments and deferred income tax assets)	1,151	12,850	1,971	–	15,972

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

### (a) For the six months ended and as at 31 December 2025 *(Continued)*

The segment assets and liabilities as at 31 December 2025 are as follows:

	Property & facility management services HK\$'000	City essential services HK\$'000	E&M services HK\$'000	Total HK\$'000
Segment assets	452,735	2,142,523	1,795,321	4,390,579
Unallocated assets				4,010
<b>Total assets</b>				<b>4,394,589</b>
Segment liabilities	160,363	1,119,310	1,254,606	2,534,279
Unallocated liabilities				467,232
<b>Total liabilities</b>				<b>3,001,511</b>

# Notes to the Condensed Consolidated Interim Financial Statements

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

### (b) For the six months ended 31 December 2024 and as at 30 June 2025

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, as restated	350,412	2,314,838	1,424,767	–	4,090,017
Revenue — Internal	556	57,396	–	(57,952)	–
<b>Total revenue, as restated</b>	<b>350,968</b>	<b>2,372,234</b>	<b>1,424,767</b>	<b>(57,952)</b>	<b>4,090,017</b>
<b>Timing of revenue recognition</b>					
Over time, as restated	350,968	2,310,878	1,424,767	(53,890)	4,032,723
At a point in time	–	61,356	–	(4,062)	57,294
<b>Total revenue, as restated</b>	<b>350,968</b>	<b>2,372,234</b>	<b>1,424,767</b>	<b>(57,952)</b>	<b>4,090,017</b>
<b>Operating profit before unallocated corporate expenses, as restated</b>	<b>52,283</b>	<b>133,941</b>	<b>97,113</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

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

### (b) For the six months ended 31 December 2024 and as at 30 June 2025 *(Continued)*

The segment assets and liabilities as at 30 June 2025 are as follows:

	Property & facility management services HK\$'000	City essential services HK\$'000	E&M services HK\$'000	Total HK\$'000
Segment assets, as restated	449,258	2,170,587	1,750,405	4,370,250
Unallocated assets				2,394
<b>Total assets</b>				<b>4,372,644</b>
Segment liabilities, as restated	166,625	1,150,842	1,376,038	2,693,505
Unallocated liabilities				417,396
<b>Total liabilities</b>				<b>3,110,901</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:

	For the six months ended	
	31 December 2025 HK\$'000	2024 HK\$'000
<b>Revenue</b>		
Hong Kong	3,574,252	3,698,418
Chinese Mainland	123,826	274,100
Macau	78,986	117,499
<b>Total</b>	<b>3,777,064</b>	<b>4,090,017</b>

# Notes to the Condensed Consolidated Interim Financial Statements

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

The non-current assets excluding 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 2025 HK\$'000	As at 30 June 2025 HK\$'000
<b>Non-current assets, other than deferred income tax assets and pension assets</b>		
Hong Kong	363,836	373,125
Chinese Mainland	13,307	17,737
Macau	6,887	8,176
<b>Total</b>	<b>384,030</b>	<b>399,038</b>

## 6 OTHER INCOME, NET

	For the six months ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Gains on disposal of right-of-use assets, net	4,666	2,637
Sundries	1,375	670
Gains on disposal of property, plant and equipment, net	344	805
Exchange gains/(losses), net	174	(232)
Ex-gratia payment from the government for retirement of motor vehicles	–	221
<b>Total</b>	<b>6,559</b>	<b>4,101</b>

## 7 OPERATING PROFIT

	Notes	For the six months ended	
		31 December	
		2025	2024
		HK\$'000	HK\$'000
<b>Operating profit is stated after charging:</b>			
Staff costs (including Directors' emoluments) <sup>(i)</sup>		<b>1,987,184</b>	1,929,957
Subcontracting fees		<b>987,857</b>	1,070,507
Raw materials and consumables used		<b>346,335</b>	609,763
Depreciation of right-of-use assets	11	<b>21,763</b>	24,326
Depreciation of property, plant and equipment	11	<b>13,537</b>	12,614
Cost of inventories sold		<b>5,165</b>	12,748
Amortisation of other intangible assets <sup>(ii)</sup>	11	<b>3,894</b>	1,926
Expenses relating to short-term leases		<b>1,187</b>	710
Impairment losses on trade and other receivables, net		<b>75</b>	1,512
Provision for inventories		<b>23</b>	16

Notes:

- (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. All of which was offset in its staff costs.
- (ii) 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.

# Notes to the Condensed Consolidated Interim Financial Statements

## 8 INCOME TAX EXPENSES

	For the six months ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
Current income tax		
Hong Kong profits tax	40,447	43,586
Macau taxation	(521)	57
Chinese Mainland income tax	634	676
Deferred income tax credit	(1,080)	(462)
<b>Total</b>	<b>39,480</b>	<b>43,857</b>

Hong Kong profits tax has been provided at the rate of 16.5% (Six months ended 31 December 2024: 16.5%) on the estimated assessable profit. Taxation on Chinese Mainland 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 2025 (Six months ended 31 December 2024: 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	
	2025	2024
	HK\$'000	HK\$'000
Profit attributable to shareholders of the Company	215,938	241,620
Less: Preferred distribution to the holder of convertible preference shares	(4,262)	(4,262)
Earnings used in the basic earnings per share calculation	211,676	237,358
Weighted average number of ordinary shares in issue (shares in thousands)	450,000	450,000
Basic earnings per share (HK\$)	0.47	0.53

## **9 EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY** *(Continued)*

### **(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 2025 and 2024, 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 2025 and 2024. As a result, the diluted earnings per share equals to the basic earnings per share for the six months ended 31 December 2025 and 2024.

## **10 DIVIDEND AND DISTRIBUTION**

At a meeting held on 24 February 2026, the Board has resolved to declare the payment of an interim dividend of HK18.9 cents (Six months ended 31 December 2024: HK21.1 cents) per ordinary share to the ordinary shareholders of the Company for the six months ended 31 December 2025, equivalent to a total amount of HK\$85.05 million (Six months ended 31 December 2024: HK\$94.95 million). The interim dividend will be paid in cash.

At a meeting held on 26 September 2025, 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 2024: HK\$8.5 million). The preferred distribution was paid in December 2025.

# 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 2024</b>			
Opening net book value as at 1 July 2024	65,425	51,962	173,021
Exchange differences	(25)	(40)	–
Additions	6,522	30,095	–
Acquisition of a subsidiary (Note 16(c))	682	2,229	73,192*
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>
<b>Six months ended 31 December 2025</b>			
Opening net book value as at 1 July 2025	<b>56,537</b>	<b>98,386</b>	<b>241,253</b>
Exchange differences	<b>48</b>	<b>109</b>	<b>435</b>
Additions	<b>5,714</b>	<b>10,258</b>	–
Disposals	<b>(359)</b>	<b>(3,763)</b>	–
Depreciation and amortisation charges	<b>(13,537)</b>	<b>(21,763)</b>	<b>(3,894)</b>
<b>Closing net book value as at 31 December 2025</b>	<b>48,403</b>	<b>83,227</b>	<b>237,794</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(c).

## 12 TRADE AND OTHER RECEIVABLES

	As at 31 December 2025 HK\$'000	As at 30 June 2025 HK\$'000
Trade receivables		
Third parties	1,029,267	1,054,907
Related companies (Note 17(c))	231,222	224,876
	<b>1,260,489</b>	<b>1,279,783</b>
Less: Provision for impairment		
Third parties	(13,281)	(13,496)
Related companies (Note 17(c))	(45)	(45)
	<b>1,247,163</b>	<b>1,266,242</b>
Retention receivables		
Third parties	317,111	325,543
Related companies (Note 17(c))	109,308	109,486
	<b>426,419</b>	<b>435,029</b>
Accrued contract revenue	482,196	469,654
Less: Provision for impairment	(149)	(149)
	<b>482,047</b>	<b>469,505</b>
Other receivables and prepayments		
Third parties	275,865	275,256
Related companies (Note 17(c))	44,284	63,017
	<b>320,149</b>	<b>338,273</b>
Less: Provision for impairment		
Third parties	(1,819)	(1,894)
	<b>318,330</b>	<b>336,379</b>
<b>Total</b>	<b>2,473,959</b>	<b>2,507,155</b>

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

# 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 2025 HK\$'000	As at 30 June 2025 HK\$'000
Current to 90 days	1,160,178	1,181,082
91 to 180 days	52,550	44,882
Over 180 days	34,435	40,278
<b>Total</b>	<b>1,247,163</b>	<b>1,266,242</b>

## 13 CASH AND BANK BALANCES

	As at 31 December 2025 HK\$'000	As at 30 June 2025 HK\$'000
Time deposits with original maturities within three months	143,729	37,944
Time deposits with original maturities over three months	11,119	10,940
Trust cash <sup>(i)</sup>	55,793	80,781
Other cash at banks and on hand	552,649	614,199
<b>Total</b>	<b>763,290</b>	<b>743,864</b>

## 13 CASH AND BANK BALANCES *(Continued)*

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			
	2025		2024	
	Number of shares	HK\$'000	Number of shares	HK\$'000
<b>Authorised:</b>				
Ordinary shares of HK\$0.1 each				
As at 1 July and 31 December	<b>900,000,000</b>	<b>90,000</b>	900,000,000	90,000
Convertible preference shares of HK\$0.1 each (Note a)				
As at 1 July and 31 December	<b>100,000,000</b>	<b>10,000</b>	100,000,000	10,000
<b>Total</b>	<b>1,000,000,000</b>	<b>100,000</b>	1,000,000,000	100,000
<b>Issued and fully paid:</b>				
Ordinary shares of HK\$0.1 each				
As at 1 July and 31 December	<b>450,000,000</b>	<b>45,000</b>	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	<b>43,676,379</b>	<b>140,900</b>	43,676,379	140,900
<b>Total</b>	<b>493,676,379</b>	<b>185,900</b>	493,676,379	185,900

As at 31 December 2025 and 30 June 2025, 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 2025 HK\$'000	As at 30 June 2025 HK\$'000
Trade payables		
Third parties	706,282	584,867
Related companies (Note 17(c))	1,163	711
	<b>707,445</b>	585,578
Other payables		
Third parties	236,621	310,821
Related companies (Note 17(c))	12,562	16,732
	<b>249,183</b>	327,553
Retention payables		
Third parties	287,082	277,820
Accrued expenses	533,259	572,495
Provision for contracting costs	432,243	532,104
<b>Total</b>	<b>2,209,212</b>	2,295,550

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 2025 HK\$'000	As at 30 June 2025 HK\$'000
1 to 90 days	502,947	461,015
91 to 180 days	43,552	28,650
Over 180 days	160,946	95,913
<b>Total</b>	<b>707,445</b>	585,578

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 2025.

# 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 operations:

	Notes	For the six months ended	
		2025	2024
		HK\$'000	HK\$'000
<b>Profit before income tax</b>		<b>255,488</b>	285,528
Depreciation of right-of-use assets	11	21,763	24,326
Depreciation of property, plant and equipment	11	13,537	12,614
Finance costs		7,691	12,759
Long service payment liabilities			
Expenses recognised in the condensed consolidated income statement		4,589	4,448
Benefit paid		(1,953)	(2,121)
Amortisation of other intangible assets	11	3,894	1,926
Impairment losses on trade and other receivables, net	7	75	1,512
Pension costs on defined benefits plan		66	184
Provision for inventories	7	23	16
Gains on disposal of right-of-use assets, net	6	(4,666)	(2,637)
Finance income		(2,485)	(18,085)
Share of results of associates		(503)	(576)
Gains on disposal of property, plant and equipment, net	6	(344)	(805)
Unrealised exchange differences		(174)	232
Share of results of joint ventures		(71)	73
<b>Operating cash flows before changes in working capital</b>		<b>296,930</b>	319,394
Change in working capital:			
Trade and other payables		(93,472)	(95,801)
Net contract assets and liabilities		(72,073)	(76,268)
Inventories		(1,365)	1,723
Pension assets		(18)	(17)
Trade and other receivables		38,918	(29,795)
<b>Cash generated from operations</b>		<b>168,920</b>	119,236

### (b) Additional investment in an associate

On 8 August 2025, the Group invested additional HK\$11,880,000 into its 27%-owned associate, Townlife Holding Company Limited.

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

(Continued)

### (c) 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 Chinese Mainland.

The following table summarises the 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.

### (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.

# Notes to the Condensed Consolidated Interim Financial Statements

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

(Continued)

### (e) Major non-cash transactions

During the six months ended 31 December 2025, the Group acquired right-of-use assets and recognised lease liabilities, including lease modifications, totaling HK\$10.3 million (Six months ended 31 December 2024: HK\$30.1 million).

## 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 2025 and 2024.

### (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
Ease King Investment Limited	Note i
FSE Management Company Limited	Note i
Great City Developments Limited	Note i
Kingdom of Morocco (Consulate General-HK) Company Limited	Note i
Ocean Front Investments Limited	Note i
Perfect Modern Limited	Note i
Power Estate Investments Limited	Note i
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
Anway Limited	Note ii
AOS Management (HK) Limited	Note ii
AOS Management Limited	Note ii
Beamland Limited	Note ii
Bright Link Engineering Limited	Note ii
Broadway-Nassau Investments Limited	Note ii
Carlyle & Co.	Note ii
Chow Tai Fook Art Foundation Limited	Note ii
Chow Tai Fook Enterprises Limited	Note ii
Chow Tai Fook Jewellery Company Limited	Note ii
Chow Tai Fook Life Insurance Company Limited	Note ii
Cititop Limited	Note ii
CTF Services Limited (formerly known as NWS Holdings Limited)	Note ii

## 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
Eastrade Holdings 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
Hip Hing Builders Company Limited	Note ii
Hip Hing Construction Company Limited	Note ii
Hip Hing Engineering Company Limited	Note ii
Hong Kong Convention and Exhibition Centre (Management) Limited	Note ii
Hong Kong Golf & Tennis Academy Management Company Limited	Note ii
Hong Kong Island Development Limited	Note ii
Humansa Imaging Limited	Note ii
Hyatt Regency Hong Kong	Note ii
K11 AFLM Limited	Note ii
K11 Art Mall Properties Company Limited	Note ii
K11 Artus Limited	Note ii
K11 Concepts Limited	Note ii
K11 Gentry Club Limited	Note ii
K11 Property Management Company Limited	Note ii
K11 Select Limited	Note ii
K11 Theme Parks Limited	Note ii
Kai Tak Sports Park Limited	Note ii
Kid World Services Limited	Note ii
Kiu Lok Properties Services (China) Limited	Note ii
Luxba Limited	Note ii
Maronne Limited	Note ii
Nature Discovery Park Limited	Note ii
New Town Project Management Limited	Note ii
New World China Land Limited	Note ii
New World Corporate Services Limited	Note ii
New World Development Company Limited	Note ii
New World Facilities 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
New World Hotel Management Limited	Note ii
New World Property Management Company Limited	Note ii
New World Tower Company Limited	Note ii
NW Project Management Limited	Note ii
Park New Astor Hotel Limited	Note ii
Pridemax Limited	Note ii
Renaissance Harbour View Hotel HK	Note ii
Rosewood Hotels (Hong Kong) Limited	Note ii
Roxy Limited	Note ii
Super Record Limited	Note ii
The Artizen Management Company Limited	Note ii
The Town Club (HK) Limited	Note ii
Treasure High Limited	Note ii
Urban Parking Limited	Note ii
Vibro (H.K.) Limited	Note ii
Vibro Construction Company Limited	Note ii
Victoria Educational Organisation Limited	Note ii
Wise City Investment Limited	Note ii
商吉置業(深圳)有限公司	Note ii
商順置業(深圳)有限公司	Note ii
深圳市太子灣樂居置業有限公司	Note ii
新世界百貨(中國)有限公司	Note ii
新世界協中建築有限公司	Note ii
寧波新立房地產開發有限公司	Note ii
廣州永沛房地產開發有限公司	Note ii
廣州耀勝房地產開發有限公司	Note ii

Notes:

- (i) These companies are commonly controlled by the Ultimate Controlling Shareholder and/or the family 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 2025 and 2024.

	For the six months ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
Contract revenue (Note i)		
Related companies commonly controlled by the Ultimate Controlling Shareholder	433	921
Other related companies (Note ii)	489,438	588,078
<b>Total</b>	<b>489,871</b>	<b>588,999</b>
Cleaning service income (Note i)		
Related companies commonly controlled by the Ultimate Controlling Shareholder	816	813
Other related companies (Note ii)	106,708	87,692
<b>Total</b>	<b>107,524</b>	<b>88,505</b>
Premises management service fee and building manager remuneration (Note iii)		
Related companies commonly controlled by the Ultimate Controlling Shareholder	659	722
Other related companies (Note ii)	8,656	10,252
<b>Total</b>	<b>9,315</b>	<b>10,974</b>
Security service income (Note iv)		
Related companies commonly controlled by the Ultimate Controlling Shareholder	2,003	2,146
Other related companies (Note ii)	175,463	133,869
<b>Total</b>	<b>177,466</b>	<b>136,015</b>
Insurance solutions consultancy fee income from other related companies (Note ii, v)	14	12
Landscaping service income (Note vi)		
Related companies commonly controlled by the Ultimate Controlling Shareholder	13	14
Other related companies (Note ii)	5,542	3,875
<b>Total</b>	<b>5,555</b>	<b>3,889</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	
	2025	2024
	HK\$'000	HK\$'000
Additions of right-of-use assets and rental expenses (Note vii)		
Related companies commonly controlled by the Ultimate Controlling Shareholder	7,647	17,330
Other related companies (Note ii)	26	25
<b>Total</b>	<b>7,673</b>	<b>17,355</b>
Appointment fees to other related companies (Note ii, viii)	1,474	1,452
Contracting service expenses to other related company (Note ii, ix)	172	425
Miscellaneous service fees expenses to other related companies (Note ii, x)	272	65

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 2025 HK\$'000	As at 30 June 2025 HK\$'000
Trade receivables		
Related companies commonly controlled by the Ultimate Controlling Shareholder	1,350	744
Other related companies (Note i)	229,827	224,087
<b>Total</b>	<b>231,177</b>	<b>224,831</b>
Retention receivables		
Other related companies (Note i)	109,308	109,486
Other receivables		
Other related companies (Note i)	44,284	63,017
Contract assets		
Other related companies (Note i)	187,583	144,858
Trade payables		
Related companies commonly controlled by the Ultimate Controlling Shareholder	1,163	600
Other related companies (Note i)	–	111
<b>Total</b>	<b>1,163</b>	<b>711</b>
Other payables		
Related companies commonly controlled by the Ultimate Controlling Shareholder	1,912	536
Other related companies (Note i)	10,650	16,196
<b>Total</b>	<b>12,562</b>	<b>16,732</b>
Contract liabilities		
Related companies commonly controlled by the Ultimate Controlling Shareholder	14,057	12,483
Other related companies (Note i)	37,980	47,930
	<b>52,037</b>	<b>60,413</b>
Lease liabilities		
Related companies commonly controlled by the Ultimate Controlling Shareholder	58,467	64,888

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	
	2025	2024
	HK\$'000	HK\$'000
Fees	2,611	2,284
Salaries and other emoluments	50,855	53,786
Contributions to defined contribution schemes	2,562	2,770
<b>Total</b>	<b>56,028</b>	<b>58,840</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	As at
	31 December	30 June
	2025	2025
	HK\$'000	HK\$'000
Property, plant and equipment	678	4,040
Investment in an associate	–	11,880
<b>Total</b>	<b>678</b>	<b>15,920</b>

## 19 COMPARATIVE AMOUNTS

As explained in Note 5 to the condensed consolidated financial statements, due to the Group's change in operating segments determined by the Group's CODM during the six months ended 31 December 2025, certain comparative amounts have been restated to conform with the current period's accounting treatments and presentation.

## Interim Dividend

The Board has resolved to declare the payment of an interim dividend of HK18.9 cents (Six months ended 31 December 2024: HK21.1 cents) per ordinary share to the ordinary shareholders of the Company for the six months ended 31 December 2025. The interim dividend will be paid in cash to shareholders whose names appear on the register of ordinary shareholders of the Company at the close of business on Friday, 13 March 2026. It is expected that the dividend warrants will be posted to shareholders on or about Friday, 27 March 2026.

### CLOSURE OF REGISTER OF ORDINARY SHAREHOLDERS

For the purpose of determining shareholders' entitlement to the interim dividend, the register of ordinary shareholders of the Company will be closed. Details of such closure are set out below:

Ex-dividend date	10 March 2026
Latest time to lodge transfer documents for registration	4:30 pm on 11 March 2026
Closure of register of ordinary shareholders	12 and 13 March 2026
Record date	13 March 2026
Interim dividend payment date	on or about 27 March 2026

During the above closure period, no transfer of ordinary shares will be registered. In order to qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than the latest time specified above.

## Other Information

### REVIEW OF INTERIM RESULTS

The Audit Committee of the Company was established by the Board for the purposes of, among other things, reviewing and providing supervision over the Group's financial reporting process and internal controls. It currently comprises four independent non-executive directors of the Company. The Audit Committee has reviewed the Group's unaudited condensed consolidated interim financial statements for the six months ended 31 December 2025 and discussed financial related matters with the management and the external auditors of the Company.

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 31 December 2025 have been reviewed by the Company's external auditors, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

### COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and enhance corporate value of the Group. Throughout the six months ended 31 December 2025, the Company had complied with all the code provisions set out in the Corporate Governance Code contained in Appendix C1 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), with the exception of code provision F.1.3.

Code provision F.1.3 requires the chairman of the board to attend the annual general meeting. Dr. Cheng Kar Shun, Henry, the Chairman of the Board, was unable to attend the annual general meeting of the Company held on 21 November 2025 (the "2025 AGM") due to his prior commitment to another important engagement. Mr. Doo Wai Hoi, William ("Mr. Doo"), also the Chairman of the Board, who took the chair of the 2025 AGM, together with other members of the Board who attended the 2025 AGM, was of sufficient caliber for answering questions at the 2025 AGM.

### DIRECTORS' DEALINGS IN THE COMPANY'S SECURITIES

The Company has adopted its own Securities Dealing Code, which is no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules, as the code for dealing in securities of the Company by its directors. In response to a specific enquiry by the Company, all directors of the Company confirmed that they had complied with the required standard set out in the Securities Dealing Code adopted by the Company throughout the six months ended 31 December 2025.

## UPDATE ON DIRECTOR'S INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in information of director of the Company since the publication of the 2024-2025 Annual Report is set out below:

- Dr. Cheng Kar Shun, Henry was appointed as the Chairman and an executive director of New World Department Store China Limited, a company listed on the Stock Exchange (stock code: 825), with effect from 9 January 2026.

Save as disclosed above, there are no other changes in information of the directors of the Company that are required to be disclosed under Rule 13.51B(1) of the Listing Rules.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 31 December 2025, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code 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.

## Other Information

### Long position in ordinary shares of associated corporation — FSE Holdings Limited (“FSE Holdings”)

Name	Capacity/nature of interest	Number of shares	Percentage of Shareholding <sup>(5)</sup>
Mr. Doo	Interest of spouse	440,000,000 <sup>(1)</sup>	88%
Mr. Lam Wai Hon, Patrick (“Mr. Lam”)	Interest of controlled corporation	20,000,000 <sup>(2)</sup>	4%
Mr. Doo William Junior Guilherme (“Mr. Doo Jr”)	Interest of controlled corporation	35,000,000 <sup>(3)</sup>	7%
Mr. Lee Kwok Bong (“Mr. Lee”)	Interest of controlled corporation	5,000,000 <sup>(4)</sup>	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 31 December 2025.

Save as disclosed above, none of the directors or chief executive of the Company had any other 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 31 December 2025.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2025, the interests and short positions of persons in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

### Long position in ordinary shares and underlying shares of the Company

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

## Other Information

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 31 December 2025. On a fully diluted basis upon full conversion of the CPS assuming no change in the number of voting shares of the Company, the total number of voting shares of the Company in issue will be 493,676,379 and the percentage of shareholdings held by FSE Holdings and FMC will be 77.21% and 8.85% respectively and in each case, each of Sino Spring, Fung Seng, Fungseng Prosperity, Doo Family and Mrs. Doo is deemed to be interested in all the shares in which FSE Holdings is interested under Part XV of the SFO. These percentage shareholdings on a fully diluted basis are provided for illustrative purposes only. The terms of the CPS will not permit conversion if immediately after such conversion, the public float of the ordinary shares of the Company will fall below the minimum public float requirements of the Listing Rules.

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 31 December 2025.

### 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”).

No share option has been granted under the 2015 Scheme or the 2025 Scheme since their adoption. Under the 2015 Scheme, the number of options available for grant as at 1 July 2025 and immediately before its termination on 19 November 2025 was 45,000,000 without any sub-limit for any category of eligible participants. Under the 2025 Scheme, the number of options available for grant as at 21 November 2025 (i.e. date of adoption of the 2025 Scheme) and 31 December 2025 was 45,000,000 without any sub-limit for any category of eligible participants.

### 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 treasury shares (the “Treasury Shares”) within the meaning under the Listing Rules) during the six months ended 31 December 2025.

No Treasury Share was held by the Company as at 31 December 2025.

# Corporate Information

## BOARD OF DIRECTORS

### Non-executive Director

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

### Executive Directors

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

Mr. Lam Wai Hon, Patrick

*(Executive Vice-Chairman & Chief Executive Officer)*

*(also alternate to Dr. Cheng Kar Shun, Henry)*

Mr. Doo William Junior Guilherme *BBS, JP*

Mr. Lee Kwok Bong

Mr. Soon Kweong Wah

Dr. Cheng Chun Fai

Mr. Chan Ju Wai

### Independent Non-executive Directors

Mr. Kwong Che Keung, Gordon

Mr. Hui Chiu Chung, Stephen *JP*

Mr. Lee Kwan Hung, Eddie

Ms. Leung Wan Chong Christine

Mr. Martin Nicholas Hadaway *JP*

## AUDIT COMMITTEE

Mr. Kwong Che Keung, Gordon *(Chairman)*

Mr. Hui Chiu Chung, Stephen *JP*

Mr. Lee Kwan Hung, Eddie

Ms. Leung Wan Chong Christine

## REMUNERATION COMMITTEE

Mr. Hui Chiu Chung, Stephen *JP (Chairman)*

Mr. Kwong Che Keung, Gordon

Mr. Lee Kwan Hung, Eddie

Mr. Lam Wai Hon, Patrick

Mr. Doo William Junior Guilherme *BBS, JP*

## NOMINATION COMMITTEE

Mr. Lee Kwan Hung, Eddie *(Chairman)*

Mr. Hui Chiu Chung, Stephen *JP*

Ms. Leung Wan Chong Christine

Mr. Lam Wai Hon, Patrick

Mr. Doo William Junior Guilherme *BBS, JP*

## ESG COMMITTEE

Dr. Cheng Chun Fai *(Chairman)*

Mr. Lee Kwok Bong

Mr. Soon Kweong Wah

Ms. Leung Wan Chong Christine

Mr. Kwan Chun Kit, Terry

Mr. Tsang Tin Ngai

## COMPANY SECRETARY

Mr. Chan Ju Wai

# Corporate Information

## AUDITOR

PricewaterhouseCoopers  
Certified Public Accountants and Registered PIE Auditor  
22/F Prince's Building  
Central  
Hong Kong

## PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
BNP Paribas Hong Kong Branch  
Chong Hing Bank Limited  
Crédit Agricole Corporate and Investment Bank,  
Hong Kong Branch  
Hang Seng Bank Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Nanyang Commercial Bank, Limited  
Standard Chartered Bank (Hong Kong) Limited

## REGISTERED OFFICE

Cricket Square, Hutchins Drive  
P. O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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8th Floor, Chevalier Commercial Centre  
8 Wang Hoi Road, Kowloon Bay  
Kowloon, Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
P. O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

## STOCK CODE

331

## INVESTOR RELATIONS

Strategic Financial Relations Limited  
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## WEBSITE

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