

Corporate Governance Report

The Company is committed to maintaining a high standard of corporate governance practices to safeguard the interests of its shareholders and enhance the performance of the Group. From time to time, the board of Directors (the “Board”) reviews and enhances its corporate governance practices in order to ensure that the Group is under the leadership of an effective board so as to optimise returns for its shareholders.

CORPORATE GOVERNANCE CODE

Throughout the year ended 30 June 2026, the Company has complied with all the applicable code provisions of the Corporate Governance Code (the “CG Code”) set out in Appendix C1 of the Listing Rules, with the exception of code provision C.1.3.

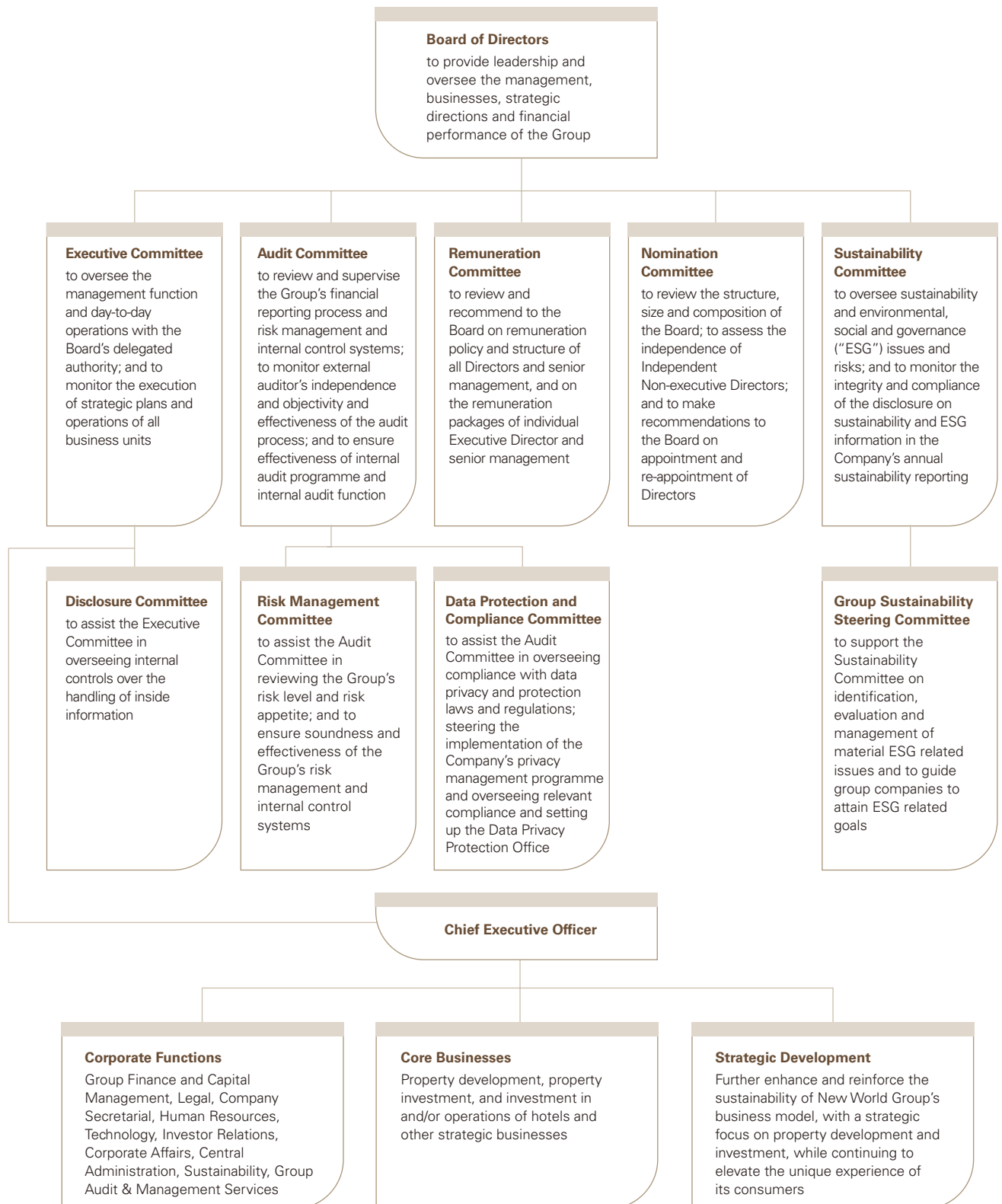
Code provision C.1.3 is in relation to guidelines for securities dealings by relevant employees. Under code provision C.1.3, the Board should establish written guidelines on no less exacting terms than the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix C3 of the Listing Rules for its relevant employees in respect of their dealings in the securities of the Company. Instead of following the Model Code strictly, the Board has established its own guidelines which are on less exacting terms than the Model Code. Such deviation from the CG Code is considered necessary because of the large number of employees of the Group (around 9,200) and the Group’s diversified businesses. For these reasons, to strictly follow the exact guidelines of the Model Code will cause an immense administrative burden to the Company in processing written notifications from the relevant employees who deal in the securities of the Company, which can be avoided under the Company’s own guidelines.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct for securities transactions by its Directors.

Having made specific enquiries of all Directors, the Directors confirmed that they have complied with the required standard set out in the Model Code during the year ended 30 June 2026.

BOARD GOVERNANCE



BOARD OF DIRECTORS

Composition

As at the date of this report, the Board comprises a total of 18 Directors, being eight Executive Directors, four Non-executive Directors and six Independent Non-executive Directors. The number of Independent Non-executive Directors represents not less than one-third of the Board as required by Rule 3.10A of the Listing Rules. Details of the composition of the Board are set out in the section headed “Directors” in the Report of the Directors of this annual report. The biographies of the Directors are set out in the section “Directors’ Profile” of this annual report. Dr. Cheng Kar-Shun, Henry is the father of Ms. Cheng Chi-Man, Sonia and Mr. Cheng Chi-Ming, Brian, the brother-in-law of Mr. Doo Wai-Hoi, William, the brother of Mr. Cheng Kar-Shing, Peter and the uncle of Mr. Cheng Chi-Heng. Save as aforesaid, none of the members of the Board is related to one another.

Name of Directors	Length of Tenure ⁽¹⁾ (Year)	Current Period of Appointment ⁽²⁾	
		From (DD/MM/YYYY)	To (DD/MM/YYYY)
Executive Directors			
Dr. Cheng Kar-Shun, Henry (Chairman)	53	16/03/2024	15/03/2027
Ms. Huang Shaomei, Echo (Chief Executive Officer)	6	29/11/2024	28/11/2027
Ms. Cheng Chi-Man, Sonia	14	16/03/2024	15/03/2027
Mr. Sitt Nam-Hoi	8	01/06/2024	31/05/2027
Ms. Chiu Wai-Han, Jenny	6	01/05/2026	30/04/2029
Mr. Ho Gilbert Chi-Hang	1	29/11/2024	28/11/2027
Mr. Lau Fu-Keung (Chief Financial Officer)	1	29/11/2024	28/11/2027
Mr. Chan Yiu-Ho	<1	12/12/2025	11/12/2028
Non-executive Directors			
Mr. Doo Wai-Hoi, William (Non-executive Vice-chairman)	13	01/07/2025	30/06/2028
Mr. Cheng Kar-Shing, Peter	31	16/03/2024	15/03/2027
Mr. Cheng Chi-Heng	16	01/12/2025	30/11/2028
Mr. Cheng Chi-Ming, Brian	3	01/12/2025	30/11/2028
Independent Non-executive Directors			
Mr. Lee Luen-Wai, John	22	16/03/2024	15/03/2027
Mr. Ip Yuk-Keung, Albert	8	01/06/2024	31/05/2027
Mr. Chan Johnson Ow	5	10/09/2024	09/09/2027
Mrs. Law Fan Chiu-Fun, Fanny	3	01/12/2025	30/11/2028
Ms. Lo Wing-Sze, Anthea	3	01/12/2025	30/11/2028
Ms. Wong Yeung-Fong, Fonia	3	01/12/2025	30/11/2028

Notes:

- (1) representing the number of complete years from the date of initial appointment as a Director up to the date of this annual report.
- (2) referring to the term of appointment under the Director's current letter of appointment, subject to retirement by rotation in accordance with the Articles of Association of the Company (the "Articles of Association") and renewable upon expiry.

Board Refreshment

The composition of the Board has been refreshed in an orderly manner over the past few years to bring in fresh perspectives and diverse expertise, thereby enhancing both the diversity and independence of the Board. The Board, through the Nomination Committee, will continue to review the structure of the Board regularly and make recommendations to support the sustainable growth of the Group. The Nomination Committee will identify appropriate candidates through multiple channels and make recommendations to the Board based on the Board diversity policy (the "Diversity Policy") and the nomination policy (the "Nomination Policy").

During the year under review, Mr. Chan Yiu-Ho was appointed as an Executive Director with effect from 12 December 2025.

Diversity

(a) Board Diversity

The Board has adopted the Diversity Policy since August 2013, which sets out the Company's approach to achieving diversity on the Board. Under the Diversity Policy, the Company recognises and embraces the benefits of a diverse Board and considers increasing Board diversity as an essential element in maintaining its competitive advantage and supporting its sustainable development. In determining an optimum composition of the Board, the Company considers all aspects of diversity and take into account factors based on its own business model and specific needs from time to time. Board members' appointments are based on meritocracy and candidates are considered against objective criteria, with due regard to the benefits of diversity on the Board. The selection of candidates is based on a range of diversity perspectives, including but not limited to gender, age, skills, regional and industry experience and expertise, cultural and educational background, and professional experience. The ultimate decision is based on merit and contribution that the selected candidates can bring to the Board.

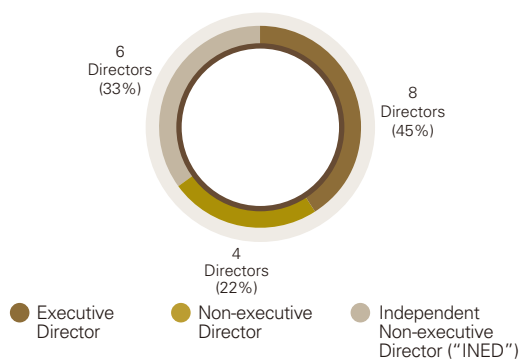
The appointment of Mr. Chan Yiu-Ho as an Executive Director was considered by the Nomination Committee, which took into consideration his skills, expertise and professional experience when determining his eligibility as a Director. Such appointment was then approved by the Board upon the recommendation of the Nomination Committee and took effect on 12 December 2025.

Currently, out of 18 Directors, six are female, representing 33.33% of the Board, which exceeds the Company's target of 30% female representation at the Board level. The Company is committed to maintaining a diverse Board, including female representation of more than 30%.

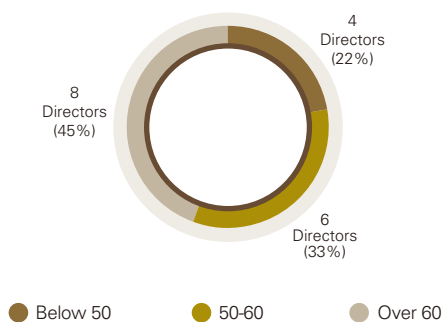
The Board, through the Nomination Committee, reviewed the implementation of the Diversity Policy during the year and considered it effective, as the diversity mix of the Board as presented below continues to contribute to the Board's efficiency and effectiveness and complies with the Listing Rules by maintaining an appropriate diversity mix relevant to the Group's strategy, governance and business needs.

Board Diversity Mix

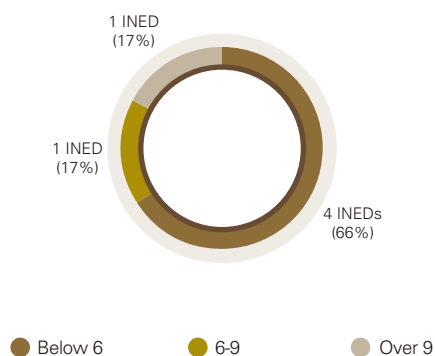
Designation



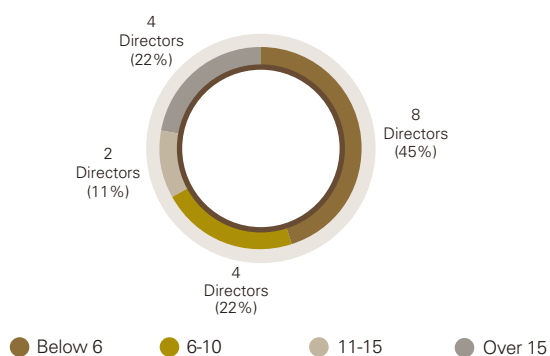
Age Group



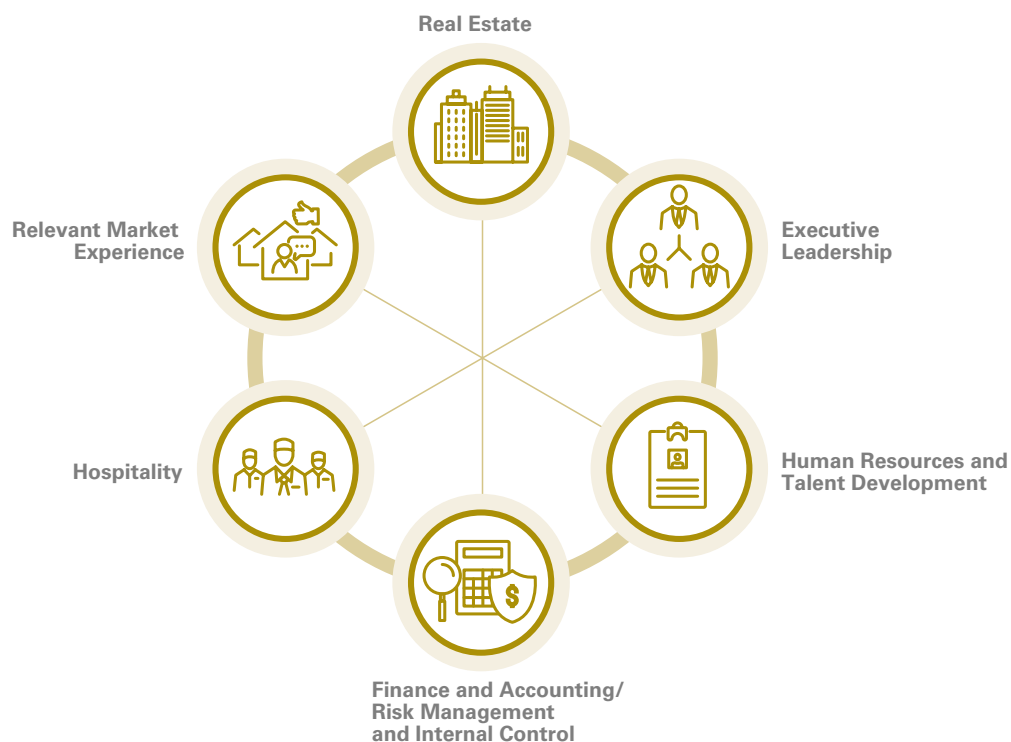
Length of Service – INED only (No. of years)

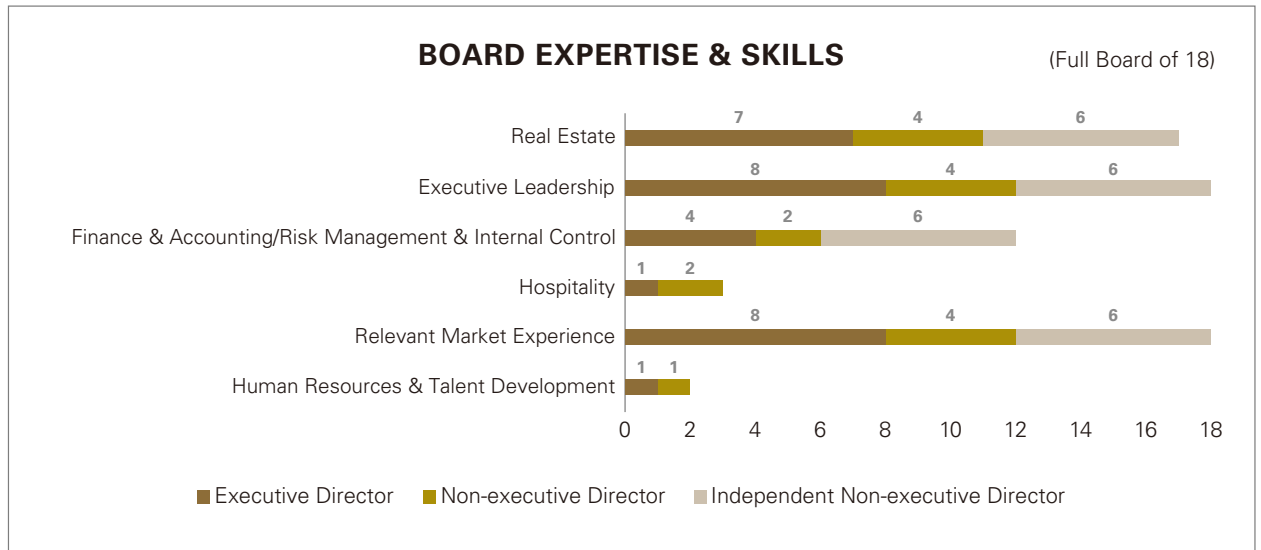


Length of Service – Full Board (No. of years)



Board Expertise & Skills





The skill matrix above sets out the expertise and skills of the Board that align with the Group's purpose, values, strategy and culture, and enable the Board to discharge its responsibilities and duties effectively in terms of:

- monitoring and guiding the execution of strategic priorities in pursuing the Group's vision, mission and values, as well as its long-term success in its core businesses and markets;
- promoting best-in-class corporate governance practices throughout the Group;
- overseeing the implementation of robust and effective risk management, internal control, financial reporting and compliance systems, having regard to the Group's core businesses as well as the Company's status as a public company listed on the Stock Exchange;
- formulating competitive remuneration policies to attract, retain and motivate individuals of the right caliber to contribute to the Group's success; and
- fostering a dynamic and forward-looking culture throughout the Group to support its long-term sustainable growth and excellence.

The Nomination Committee regularly reviews the structure, size and composition of the Board in accordance with the Listing Rules, the Diversity Policy and the Nomination Policy. At present, the Board has not adopted any specific plan to acquire further skills, as it considered that the Board consists of a diverse mix of members which provide a good balance of skills and experience appropriate to the business needs of the Group.

(b) Workforce Diversity

Gender diversity is also promoted across all levels of the Group through a series of diversity and inclusion-focused activities. The Board has adopted Workforce Diversity, Equity and Inclusion Policy (the “DEI Policy”) since July 2025, which sets out the Group’s objectives for achieving diversity, equity and inclusion within the workforce and oversight of the implementation of the Group’s relevant strategies. It also enables the Group to create a safe, diverse and inclusive place to work where the wellbeing of its people is prioritised and discrimination, bullying victimisation, vilification or any form of harassment are not tolerated. The Company strives to maintain a gender-balanced workforce. The gender ratios of the senior management and workforce (excluding senior management) of the Group are set out in the “Corporate Sustainability” section of this annual report.

The Board has not set any numerical targets and timelines in respect of gender diversity on the workforce (including the senior management), as it considered that the Group has a gender-balanced workforce.

Appointment and Re-election

Each Director has entered into a formal letter of appointment, setting out the terms and conditions of the appointment and his/her duties and responsibilities, with the Company for a term of three years, subject to retirement by rotation in accordance with the Articles of Association.

Article 103(A) of the Articles of Association provides that at each annual general meeting, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Also, pursuant to Article 94 of the Articles of Association, any Director appointed to fill a casual vacancy or as an addition to the Board is subject to re-election at the next following general meeting or next following annual general meeting of the Company respectively.

The Board has adopted the Nomination Policy since November 2018, which sets out the criteria and procedures to be followed when considering the appointment of a candidate as a Director and the re-appointment of an existing Director. In the case of identifying a candidate to be appointed as a Director, the Nomination Committee shall hold a meeting to consider the candidate identified or selected pursuant to the nomination criteria and make a recommendation to the Board as appropriate. The Board shall deliberate and decide on the appointment based upon the recommendation of the Nomination Committee. In the case of re-appointment of an existing Director, the Nomination Committee shall review the overall contribution and service of the retiring Director to the Company, determine whether the retiring Director continues to meet the nomination criteria set out in the Nomination Policy and if appropriate, recommend the retiring Director to the Board for consideration and recommendation to shareholders for the proposed re-election of such Director at a general meeting. The factors considered in assessing the suitability of a proposed candidate for appointment as a Director or an existing Director for re-appointment are as follows:

- Contribution to the Board with due regard to the Diversity Policy;
- Reputation for integrity;
- Commitment to devote sufficient time to discharge duties as a Board member;
- Potential conflicts of interest with the Company; and
- Satisfaction of independence requirements of the Listing Rules in the case of a candidate for Independent Non-executive Director.

Directors' Time Commitment and Contribution to the Board

The Board, through the Nomination Committee, annually evaluates whether each Director devotes sufficient time to his/her role and makes an adequate contribution to the Board. Directors are required to disclose to the Company the amount of time devoted to performing their duties within the Group, as well as the number and nature of directorships and offices held in other listed public companies and any other significant external time commitments, together with an indication of the time involved in each.

After reviewing such information and taking into account the Directors' attendance and participation at Board and Board committee meetings, general meetings and business update sessions, the Nomination Committee considered that each Director has devoted sufficient time, attention and efforts to the Group's affairs to perform his/her roles as a Director during the year.

Additionally, each Director is required to update and confirm to the Nomination Committee his/her educational background, professional knowledge/qualifications, major appointments and work experience, as well as the skill he/she possesses, all of which contribute to the Board's effectiveness.

The Nomination Committee also reviews the continuous professional development undertaken by each Director during the year, including the number of training hours, topics covered (as required under the Listing Rules) and modes of training taken, in order to assess whether each Director has devoted efforts to stay abreast of the latest developments in, inter alia, board functions, directors' duties, laws and regulations, corporate governance, ESG and industry and business matters relevant to the Group.

Following its review of the above information for the year ended 30 June 2026, the Nomination Committee was satisfied that each Director has made effective contribution to the Board and has properly discharged his/her duties and responsibilities as a Director during the year.

Board Evaluation

The Company conducted an internal board evaluation exercise covering the period from mid-May 2023 to the end of FY2025 to solicit Directors' views on the performance and effectiveness of the Board by means of a questionnaire. The results and recommendations were presented and reviewed at a meeting of the Independent Non-executive Directors, and the final report (the "2025 Board Evaluation Report") was submitted to the Nomination Committee and the Board for consideration in September 2025. The evaluation process and a summary of findings and recommendations were disclosed in the Corporate Governance Report contained in the Company's 2025 Annual Report.

The measures taken during the year in response to the recommendations made in the 2025 Board Evaluation Report are summarised below:

Recommendations	Measures taken during the year
(i) To increase the frequency of business update sessions for the Independent Non-executive Directors from annually to semi-annually.	Business update sessions were held semi-annually in September 2025 and March 2026, during which the management of various business units presented the latest business development to the Independent Non-executive Directors.
(ii) Starting from FY2026, the Company will enhance directors' training by incorporating more real case examples, providing materials relevant to the five specified topics under the new Rule 3.09G of the Listing Rules, and setting a target of 10–12 training hours for the year.	During FY2026, the Company arranged internal and external training programmes and provided reading materials for Directors covering all five topics specified under Rule 3.09G of the Listing Rules. The participation records of each Director are set out in the section headed "Directors' Continuous Professional Development" of this report. Shanghai and Hangzhou site visits were also arranged in April 2026 to provide Directors with first-hand insights into the Group's business operations and latest developments. In addition, real-life case studies were incorporated into the internal training sessions covering industry-specific developments, business trends and the Group's strategies, which were conducted at the quarterly meetings of the Independent Non-executive Directors.
(iii) To involve full Board members for briefings on progress updates in relation to strategic issues so as to enhance Board cohesion and promote Board dynamics.	Five Board meetings were held during FY2026, at which the Group's strategies, business activities and significant transactions were presented to and deliberated by the Board.

The Company will continue to conduct a formal evaluation of the performance of the Board, either internally or by an external provider, at least every two years. The next Board performance evaluation will be conducted in 2027.

Chairman, Chief Executive Officer and Other Executive Directors

Dr. Cheng Kar-Shun, Henry, the Chairman, has led the Board and ensured that the Board works effectively and that all important issues are discussed in a timely manner. During the year under review, Ms. Huang Shaomei, Echo, the Chief Executive Officer, oversaw the Company's day-to-day businesses and the implementation of major strategies and policies of the Company. Each of the other Executive Directors takes up different responsibilities according to their own expertise. The responsibilities of the Chairman, the Chief Executive Officer and the other Executive Directors are clearly set out in their respective letters of appointment. The positions of the Chairman and the Chief Executive Officer are held by separate individuals so as to maintain an effective segregation of duties.

Non-executive Directors

Non-executive Directors (including Independent Non-executive Directors) serve the function of bringing independent judgement on the development, performance and risk management of the Company. They have the same duties of care and skill and fiduciary duties as the Executive Directors.

Independence

The Company has received a written confirmation of independence from each Independent Non-executive Director. The Board, through the Nomination Committee, has assessed the independence of the Independent Non-executive Directors with reference to all the factors set out in Rule 3.13 of the Listing Rules, and considered that all Independent Non-executive Directors are independent in accordance with the Listing Rules.

During the year, Independent Non-executive Directors met quarterly with members of senior management and representatives from major business units, providing valuable opportunities for Independent Non-executive Directors to better understand the businesses of the Group and to discuss a wide range of business matters concerning the Group. Business update sessions were held semi-annually, during which the management of various business units presented the latest business developments to the Independent Non-executive Directors. The Chairman also held an annual meeting with the Independent Non-executive Directors without the presence of other Directors.

Taking into account the following channels, the Nomination Committee reviewed and considered that the Company had in place mechanisms which remain effective to ensure a strong independent element on the Board:

- There is a sufficient number of six Independent Non-executive Directors, representing not less than one-third of the Board, and all of them continue to devote adequate time and make effective contribution to the Company;
- All Independent Non-executive Directors share their views and opinions through regular quarterly meetings with heads of core departments and particular business units;
- Presentation sessions on the performance of business segments are arranged semi-annually by core business units for Independent Non-executive Directors, providing opportunities for them to share and express their views and inputs;

- Site visits are arranged for Independent Non-executive Directors from time to time to enhance their understanding of the Company's new and on-going projects;
- An annual meeting between the Chairman and all Independent Non-executive Directors without the presence of other Directors provides an effective platform for the Chairman to hear independent views on various issues concerning the Group; and
- Independent professional advice will be provided to Independent Non-executive Directors upon reasonable request to assist them in performing their duties.

Role of the Board

The Board is the ultimate decision-making body of the Company except for matters requiring approval of the shareholders in accordance with the Articles of Association, the Listing Rules or other applicable laws and regulations. It oversees the management, businesses, strategic directions and financial performance of the Group. It is collectively responsible for the management and operations of the Company. Day-to-day businesses of the Company are delegated to the management team which works under the leadership and supervision of the Chief Executive Officer and the Executive Committee of the Board.

The Board strives to foster and promote a desired culture throughout all levels of the Company, and ensures the desired culture is reflected in the Company's strategy, business models and operating practices towards the sustainable growth of the Group. Employees are encouraged to voice out their practical innovative ideas which are fully integrated into the Group's business development. For further details of the Group's culture, please refer to the "Corporate Sustainability" section of this annual report.

The Board is responsible for performing the corporate governance duties of the Company including:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of the Directors and senior management;

- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and the Directors; and
- (e) to review the Company's compliance with the CG Code and disclosures in the Corporate Governance Report.

During the year, the Board reviewed the Company's compliance with the CG Code and the applicable statutory and regulatory requirements.

The Group has complied with all major aspects of laws and regulations that are significant to its business operations, and there were no threatened or concluded cases of a material nature in connection with legal compliance during the year.

Board Meetings

Regular Board meetings are held at least four times a year with at least 14 days' notice, and additional meetings with reasonable notice are held as and when the Board considers appropriate. The Board held four regular Board meetings and one ad hoc Board meeting during the year ended 30 June 2026. The Joint Company Secretaries assist the Chairman in preparing the agenda for each meeting. A draft agenda for each regular Board meeting is circulated to all Directors to enable them to include other matters on the agenda. The agenda accompanying board papers are sent to all Directors at least three days before each regular Board meeting. Board decisions are voted upon at the Board meetings. The Joint Company Secretaries record in sufficient detail the matters considered and decisions reached, including any concerns raised or dissenting views expressed by the Directors. Minutes of meetings are kept by the Joint Company Secretaries with copies circulated to all Directors for information and records.

Corporate Governance Report

The attendance records of the Directors at the Board and Board committee meetings and general meetings for the year ended 30 June 2026 are set out below:

Name of Directors	Number of Meetings Attended/Eligible to Attend for the Year Ended 30 June 2026						
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Sustainability Committee Meeting	Annual General Meeting	Extraordinary General Meeting
<i>Executive Directors</i>							
Dr. Cheng Kar-Shun, Henry	4/5	—	2/2	—	—	1/1	0/1
Ms. Huang Shaomei, Echo	5/5	—	—	—	—	1/1	1/1
Ms. Cheng Chi-Man, Sonia	5/5	—	—	2/2	—	1/1	1/1
Mr. Sitt Nam-Hoi	5/5	—	—	—	2/2	1/1	1/1
Ms. Chiu Wai-Han, Jenny	5/5	—	—	—	—	1/1	1/1
Mr. Ho Gilbert Chi-Hang	5/5	—	—	—	—	1/1	1/1
Mr. Lau Fu-Keung	5/5	—	—	—	—	1/1	1/1
Mr. Chan Yiu-Ho ⁽¹⁾	3/3	—	—	—	—	—	1/1
<i>Non-executive Directors</i>							
Mr. Doo Wai-Hoi, William	4/5	—	—	—	—	1/1	1/1
Mr. Cheng Kar-Shing, Peter	5/5	—	—	—	—	1/1	1/1
Mr. Cheng Chi-Heng	4/5	—	—	—	—	1/1	1/1
Mr. Cheng Chi-Ming, Brian	4/5	—	—	—	—	1/1	1/1
<i>Independent Non-executive Directors</i>							
Mr. Lee Luen-Wai, John	5/5	4/4	2/2	2/2	—	1/1	1/1
Mr. Ip Yuk-Keung, Albert	5/5	4/4	—	2/2	2/2	1/1	1/1
Mr. Chan Johnson Ow	5/5	4/4	2/2	—	1/2	1/1	1/1
Mrs. Law Fan Chiu-Fun, Fanny	5/5	4/4	—	—	2/2	1/1	1/1
Ms. Lo Wing-Sze, Anthea	5/5	4/4	—	—	—	1/1	1/1
Ms. Wong Yeung-Fong, Fonia	5/5	—	—	—	2/2	1/1	1/1

Note:

(1) appointed as an Executive Director on 12 December 2025

Directors' Continuous Professional Development

Each newly appointed Director is provided with the necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under the relevant statutes, laws, rules and regulations. From time to time, the Joint Company Secretaries also provide the Directors with updates on the latest developments and changes in the Listing Rules and other relevant legal and regulatory requirements.

The newly appointed Director, Mr. Chan Yiu-Ho, has obtained legal advice (as referred to in Rule 3.09D of the Listing Rules) from a firm of solicitors qualified to advise on Hong Kong laws and engaged by the Company on 10 December 2025. The advice pertained to the requirements under the Listing Rules applicable to him as a Director and the possible consequences of making a false declaration or giving false information to the Stock Exchange. Mr. Chan has confirmed that he understood his obligations as a Director. As Mr. Chan is not regarded as a first-time director as defined under the Listing Rules, the additional continuous professional development requirement under Rule 3.09H of the Listing Rules did not apply to him.

The Chief Executive Officer reports the Group's business activities, including financial and operation reviews, segment performance, strategies and new initiatives at Board meetings. In addition, all Directors are provided with monthly updates on the performance of major business segments and year-to-date financials. All these enable the Board to obtain a balanced and understandable assessment of the Group's performance, position and prospects in sufficient detail to enable each Director and the Board as a whole to discharge their duties.

All Directors shall participate in continuous professional development to develop and refresh their knowledge and skills. During the year ended 30 June 2026, the Company has arranged internal and external training sessions for Directors with specified focus topics on board and directors' duties, corporate governance and ESG, and industry and business updates. On top of it, the Company has continued to provide the Directors with reading materials on board and directors' duties, Listing Rules and Hong Kong law compliance, corporate governance and ESG, risk management and internal controls, and industry and business updates for self-study. All of these are of sufficient quality to adequately support Directors' in developing their knowledge and expertise and cover the specified topics as required under Rule 3.09G of the Listing Rules. All Directors have participated in continuous professional development as required under Rules 3.09F and 3.09G of the Listing Rules during the year.

The records of Directors' participation in continuous professional development for the year ended 30 June 2026 are set out below:

Records of Directors' Continuous Professional Development for the Year Ended 30 June 2026				
Name of Directors	Hours (by Mode of Training ⁽¹⁾) (Topic(s) ⁽²⁾ /Training Provider(s) ⁽³⁾)			Total Hours
	Internal Training	External Training	Self-study	
Executive Directors				
Dr. Cheng Kar-Shun, Henry	—	9 (a,b,c,d,e / i,iii,vi)	13 (a,b,c,d,e / iii,iv,v)	22
Ms. Huang Shaomei, Echo	5 (e / v)	1 (b / i)	13 (a,b,c,d,e / iii,iv,v)	19
Ms. Cheng Chi-Man, Sonia	—	37 (a,b,c,d,e / iii,vi)	18.5 (a,b,c,d,e / i,iii,iv,vi)	55.5
Mr. Sitt Nam-Hoi	—	2 (b,c / i,iii)	11 (a,b,c,d,e / iv)	13
Ms. Chiu Wai-Han, Jenny	5 (e / v)	7.5 (b,d / i,ii)	11.5 (a,b,c,d,e / i,iii,iv,v)	24
Mr. Ho Gilbert Chi-Hang	2 (e / v)	25.5 (a,b,c,d,e / i,ii,iii,iv,vi)	26 (a,b,c,d,e / i,iii,iv,vi)	53.5
Mr. Lau Fu-Keung	5 (e / v)	24.5 (a,b,c,d / i,ii,iii)	13 (a,b,c,d,e / i,ii,iii,iv,v)	42.5
Mr. Chan Yiu-Ho ⁽⁴⁾	5 (e / v)	1 (c / iii)	9.5 (a,b,c,d,e / i,iv,v)	15.5
Non-executive Directors				
Mr. Doo Wai-Hoi, William	—	1 (c / iii)	12 (a,b,c,d,e / iii,iv)	13
Mr. Cheng Kar-Shing, Peter	—	2 (b,c / i,iii)	12 (a,b,c,d,e / iii,iv)	14
Mr. Cheng Chi-Heng	—	2.5 (c,d,e / iii)	9 (a,b,c,d,e / iv)	11.5
Mr. Cheng Chi-Ming, Brian	—	17 (a,b,c,d,e / i,iii,iv,vi)	12 (a,b,c,d,e / iii,iv)	29
Independent Non-executive Directors				
Mr. Lee Luen-Wai, John	17.5 (e / v)	10 (b,c / i,ii,iii)	10 (a,b,c,d,e / iii,iv)	37.5
Mr. Ip Yuk-Keung, Albert	12.5 (e / v)	2.5 (c / iii,iv)	8 (a,b,c,d,e / iv)	23
Mr. Chan Johnson Ow	17.5 (e / v)	2 (b,c / i,iii)	10 (a,b,c,d,e / iii,iv)	29.5
Mrs. Law Fan Chiu-Fun, Fanny	17.5 (e / v)	1 (c / iii)	4 (a,b,c,d,e / iii,iv)	22.5
Ms. Lo Wing-Sze, Anthea	17.5 (e / v)	2 (c / i,iii)	10 (a,b,c,d,e / iii,iv)	29.5
Ms. Wong Yeung-Fong, Fonia	17.5 (e / v)	1 (c / iii)	12 (a,b,c,d,e / iii,iv)	30.5

Notes:

- (1) Modes of Training:
 - “Internal training” includes seminars, forums, briefings, site visits and other learning activities organised by the Group, including participation as either an attendee or a speaker/panellist.
 - “External training” includes seminars, webinars, forums, conferences, workshops and other learning activities organised by external parties (such as regulatory bodies, professional bodies, professional firms, industry associations and other listed issuers), including participation as either an attendee or a speaker/panellist.
 - “Self-study” includes self-directed learning undertaken by Directors through learning resources (e.g. publications, online materials, regulatory/industry/market updates, etc.) published and/or circulated by external parties (such as regulatory bodies, professional bodies, professional firms, industry associations and other listed issuers) or the Group.
- (2) Training Topics:
 - (a) the roles, functions and responsibilities of the board, its committees and its directors, and board effectiveness
 - (b) issuers’ obligations and directors’ duties under Hong Kong law and the Listing Rules, and key legal and regulatory developments (including Listing Rules updates relevant to the discharge of such obligations and duties)
 - (c) corporate governance and ESG matters (including developments on sustainability and climate- and nature-related risks and opportunities relevant to the issuer and its business)
 - (d) risk management and internal control
 - (e) updates on industry-specific developments, business trends and strategies relevant to the issuer
- (3) Training Providers:
 - (i) regulatory bodies
 - (ii) professional bodies
 - (iii) professional firms
 - (iv) industry associations
 - (v) the Group
 - (vi) others
- (4) appointed as an Executive Director on 12 December 2025

BOARD COMMITTEES

The Board discharges some of its responsibilities through delegation to respective Board-level committees, namely the Executive Committee, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Sustainability Committee. All the Board committees are empowered by the Board under their own terms of reference which have been posted on HKEX’s website and/or the Company’s website.

Executive Committee

Members:

Executive Directors

Dr. Cheng Kar-Shun, Henry (*Chairman*)
Ms. Huang Shaomei, Echo
Ms. Cheng Chi-Man, Sonia
Mr. Sitt Nam-Hoi
Ms. Chiu Wai-Han, Jenny
Mr. Ho Gilbert Chi-Hang
Mr. Lau Fu-Keung
Mr. Chan Yiu-Ho*

* became a member with effect from 12 December 2025



The Board has delegated to the Executive Committee, comprising all Executive Directors, the authority and responsibility for handling the management functions and day-to-day operations of the Company, while reserving certain key matters such as the declaration of an interim dividend, and the recommendation for a final dividend or other distributions for approval by the Board. The Executive Committee monitors the execution of the Company's strategic plans and the operations of all business units of the Company, manages and develops the Company's businesses generally, and oversees internal controls over the handling of inside information. The Executive Committee meets regularly as and when necessary.

Audit Committee

Members:

Independent Non-executive Directors	Mr. Lee Luen-Wai, John (<i>Chairman</i>)
	Mr. Ip Yuk-Keung, Albert
	Mr. Chan Johnson Ow
	Mrs. Law Fan Chiu-Fan, Fanny
	Ms. Lo Wing-Sze, Anthea

The Audit Committee is responsible for reviewing the Group's financial controls, its risk management and internal control systems (covering ESG topics), financial and related ESG disclosures. The Audit Committee is empowered to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. It also reviews the internal audit programme and ensures the internal audit function is adequately resourced and effective.

During the year, the Audit Committee held four meetings and the work performed by the Audit Committee included the following:

- (i) reviewed the audited financial statements of the Company for the year ended 30 June 2025 and the unaudited interim financial statements of the Company for the six months ended 31 December 2025 with recommendations to the Board for approval;
- (ii) reviewed reports on risk management and internal control systems of the Group;
- (iii) discussed with the management and the external auditor on the accounting policies and practices which may affect the Group and the financial reporting matters;
- (iv) reviewed the continuing connected transactions;
- (v) reviewed the work undertaken by the Data Protection and Compliance Committee, which included the preparation and maintenance of a personal data inventory, the preparation of new policies or guidelines relating to data privacy and protection matters, and the provision of relevant staff training; and
- (vi) reviewed the key risk indicators and the enterprise risk management system of the Group.

Remuneration Committee

Members:

Independent Non-executive Directors Mr. Lee Luen-Wai, John (*Chairman*)
Mr. Chan Johnson Ow

Executive Director Dr. Cheng Kar-Shun, Henry

The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure for the remuneration of all Directors and senior management of the Company (comprising Executive Directors only) and on the establishment of a formal and transparent procedure for developing the Company's remuneration policy for approval by the Board. Directors' fees, including allowances, are benchmarked against those of other listed companies of similar size and in the similar industry, and are commensurate with Directors' responsibilities and workload.

The Remuneration Committee shall also make recommendations to the Board on the remuneration packages of individual Executive Director and senior management. The remuneration of each Executive Director and member of senior management is determined with reference to his/her duties and responsibilities with the Company, the Company's performance as well as remuneration benchmarks in the industry and prevailing market conditions. The Company's Human Resources Department provides materials on relevant remuneration data, remuneration benchmarks, market analysis and proposals to the Remuneration Committee for consideration. The remuneration package is performance-based and linked to the Company's profitability, with the aim of remaining competitive in attracting and retaining talented employees.

During the year, the Remuneration Committee held two meetings and the work performed by the Remuneration Committee included the following:

- (i) reviewed the remuneration policy of the Company, including that for the Directors and senior management of the Company; and
- (ii) reviewed and approved the remuneration package for the Executive Directors and senior management of the Company.

The remuneration for Executive Directors comprises basic salary, pensions and discretionary bonus. Share options may be granted to Directors and senior management to subscribe for shares in the Company under the Company's share option scheme. Details of the remuneration paid to the Directors for the financial year ended 30 June 2026 are disclosed in the notes to the financial statements.

Nomination Committee

Members:

Independent Non-executive Directors Mr. Lee Luen-Wai, John (*Chairman*)
Mr. Ip Yuk-Keung, Albert

Executive Director Ms. Cheng Chi-Man, Sonia

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, assessing the independence of Independent Non-executive Directors, taking into account the independence requirements set out in Rule 3.13 of the Listing Rules, and making recommendations to the Board on the appointment and re-appointment of Directors. To align with the amendments to the CG Code relating to the composition of the members of the Nomination Committee and skills matrix, the terms of reference of the Nomination Committee were revised and took effect on 1 July 2025. The Chairman of the Nomination Committee is independent from the management.

During the year, the Nomination Committee held two meetings and the work performed by the Nomination Committee included the following:

- (i) made recommendations to the Board on change(s) to the Board;
- (ii) reviewed the structure, size and composition of the Board in accordance with the Listing Rules, the Diversity Policy and the Nomination Policy, and considered that the Board consists of a diverse mix of members and has provided a good balance of skills and experience appropriate to the business needs of the Group;
- (iii) reviewed the Diversity Policy and the Nomination Policy and considered they remain effective and appropriate for the Company;
- (iv) reviewed the re-election of retiring Directors and recommended the same to the Board for putting forward to the shareholders for approval at the annual general meeting of the Company held on 20 November 2025;
- (v) reviewed the implementation and effectiveness of mechanisms to ensure independent views and input are available to the Board; and
- (vi) reviewed and discussed the findings and recommendations in the 2025 Board Evaluation Report.

Sustainability Committee

Members:

Executive Director	Mr. Sitt Nam-Hoi (<i>Chairman</i>)
Independent Non-executive Directors	Mr. Ip Yuk-Keung, Albert Mr. Chan Johnson Ow Mrs. Law Fan Chiu-Fun, Fanny Ms. Wong Yeung-Fong, Fonia

The Sustainability Committee is responsible for the oversight of the Company's ESG and climate-related issues and risks. Supported by the Group Sustainability Steering Committee, which comprises heads of business units, the Board-level Sustainability Committee oversees the ESG management approach and policies, the processes for identifying and evaluating material ESG-related issues to internal and external stakeholders (including risks to the Group's businesses) and delivering commitments and targets under the "Sustainability Vision 2030+", which guide the Company to evolve as a future-proof company towards 2050. The Sustainability Committee monitors the integrity of the Company's sustainability and ESG information in annual sustainability reporting and advises the Board on the matters in the applicable code provisions of the Environmental, Social and Governance Reporting Code (Appendix C2) of the Listing Rules.

The Sustainability Committee met twice during the year. It discussed and endorsed the Group's sustainability strategy, targets and policies. It also reviewed the process of sustainability reporting and ESG disclosures and monitored the progress of target achievement and sustainability performance. In addition, the Sustainability Committee discussed relevant global trends including sustainable finance, ESG ratings, materiality, employee well-being, climate risks, evolution of sustainability disclosures including the standards issued by the International Sustainability Standards Board ("ISSB"), and governance of sustainability matters.

AUDITOR'S REMUNERATION

During the year ended 30 June 2026, the total fee paid/payable in respect of assurance and non-assurance services provided by the Group's external auditors is set out below:

Type of services	Fee paid/payable for the year ended 30 June	
	2026 HK\$m	2025 HK\$m
Assurance services	43.5	46.1
Non-assurance services	13.9	16.5
Total	57.4	62.6

The Group's external auditor is PricewaterhouseCoopers (Certified Public Accountants and Registered Public Interest Entity Auditor). PricewaterhouseCoopers has written to the Audit Committee confirming that they are independent with respect to the Company and that there is no relationship between PricewaterhouseCoopers and the Company which may reasonably be thought to bear on their independence. In order to maintain the external auditor's independence, the Group has reviewed the services provided by PricewaterhouseCoopers to the Group and it would only be employed for non-assurance work if the work does not compromise the external auditor's independence.

During the year, the external auditor provided assurance and permissible non-assurance services to the Group. Assurance services include services provided in connection with the audit of the Group's consolidated financial statements and certain of its subsidiaries, and services such as issuance of special audit or assurance reports for other regulatory or compliance purposes. Permissible non-assurance services include services such as tax compliance services, tax advisory, transfer pricing services, due diligence and transaction advisory services relating to acquisition and disposal activities, ESG and green finance services and data privacy services as well as other related services. None of these services provided compromises the independence as auditor, in terms of Hong Kong Institute of Certified Public Accountants' Code of Ethics for Professional Accountants.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Board, supported by the group finance and capital management department, is responsible for the preparation of the financial statements of the Company and the Group. The Board has prepared the financial statements in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. Appropriate accounting policies have also been used and applied consistently except the adoption of amendments to standards and interpretation. The Directors consider that it is appropriate to prepare the consolidated financial statement on a going concern basis.

The statement by the auditor of the Company and the Group regarding its reporting responsibilities on the financial statements of the Company and the Group is set out in the Independent Auditor's Report in this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems. The Audit Committee is delegated with the authority from the Board to oversee the Group's management in design, implementation and monitoring of the risk management and internal control systems. It also advises the Board on the Group's risk-related matters.

Sound and effective risk management and internal control systems have been established and maintained for safeguarding assets against unauthorised use or disposition, ensuring the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensuring compliance of applicable laws, rules and regulations.

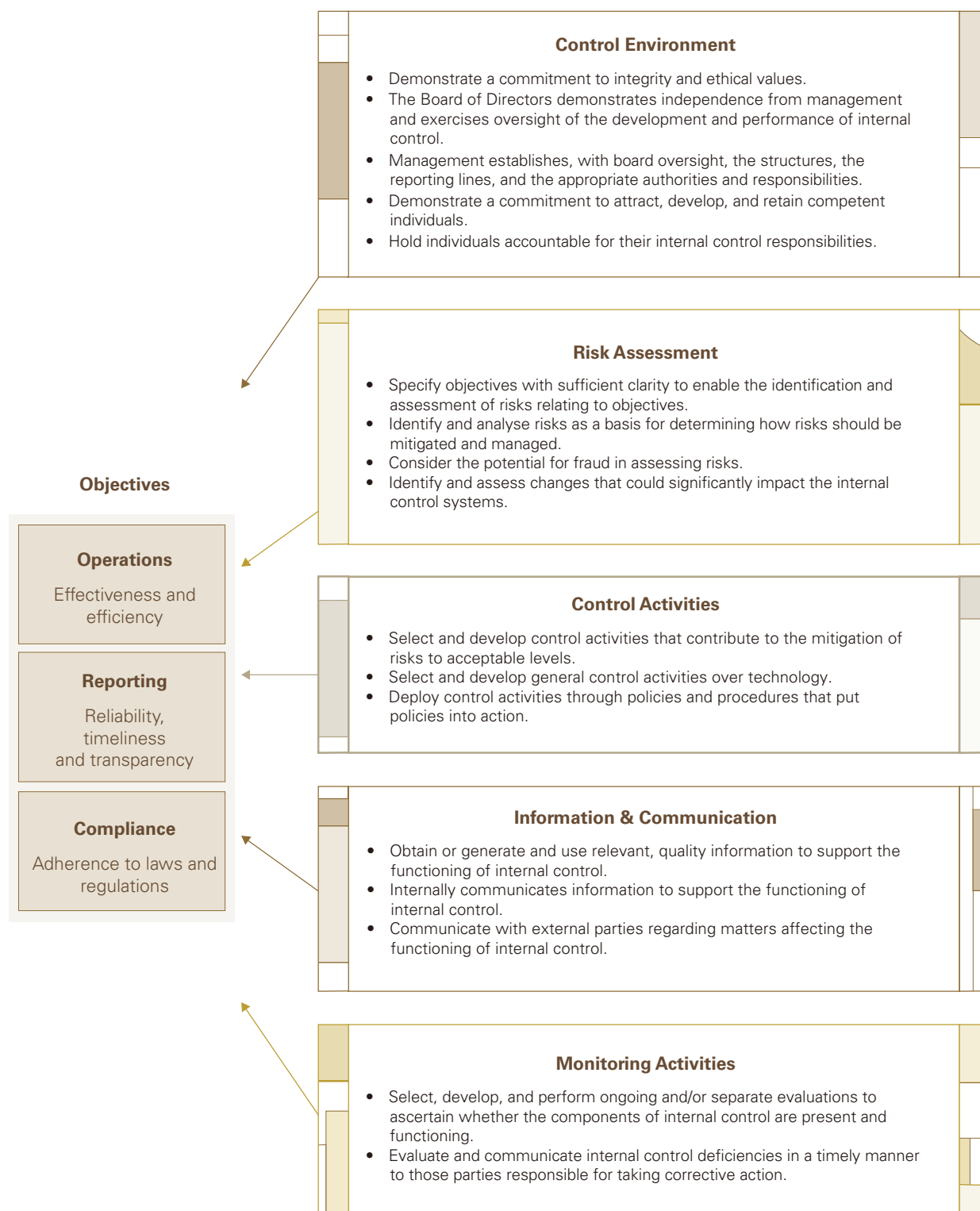
INTERNAL AUDIT

An internal audit department has been established to conduct internal audit of the Company and its subsidiaries, joint ventures and associated companies. The internal audit department performs risk-based audits to review the effectiveness of the Group's material internal controls so as to provide assurance that all key risks are identified and managed, and to ensure that the risk management and internal control measures are carried out appropriately and functioning as intended. Major audit findings and recommendations are reported to the Audit Committee, which in turn reports to the Board. The implementation of the agreed actions in response to the identified audit issues are tracked and followed up regularly, and the status is reported to the Audit Committee.

The Group Audit Director plays a major role in monitoring the internal governance and process of the Group for meeting its business objective, reports directly to the Audit Committee and Risk Management Committee and administratively to the Executive Director and Chief Executive Officer. The Group Audit Director also has the right to consult the Audit Committee without reference to management.

INTERNAL CONTROL

With reference to the “Internal Control – Integrated Framework” issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”), the key features of our internal control systems are outlined below:



Policies, Guidelines and Practices

Enterprise Risk Management Policy

- The policy outlines the Group’s risk management framework and methodology, and provides guidance to business units and corporate departments of the Group in implementing effective risk management practices.

Whistleblowing Policy

- The Company has established a “Whistleblowing Policy” that enables employees to report serious concerns regarding suspected fraud, corruption, malpractice, misconduct or irregularity directly to the internal audit department for of the Group. Reported cases will be investigated confidentially and promptly, with the results of investigations reported to both the Executive Committee and the Audit Committee.

Anti-Corruption Policy

- The policy provides guidelines on standards of conduct to uphold integrity of the Group. It draws on principles from the UN Global Compact, the UN Convention Against Corruption, the World Economic Forum’s Partnering Against Corruption Initiative, and the Transparency International’s Business Principles for Countering Bribery to establish a strong tone at the top regarding anti-corruption commitment and relevant reporting channels. All employees of the Group are required to confirm annually that they have read and agreed to be bound by the policy.

Conflict of Interest Policy

- The policy offers guidance to all employees of the Group on reporting and handling (potential) conflict of interest, raises awareness among directors and employees, and promotes good corporate governance practices.

Disclosure Policy and Disclosure Procedure Manual in respect of Inside Information

- The Company has established the Disclosure Committee, which convenes at least twice a year, to oversee internal controls related to inside information as well as the timeliness, accuracy and completeness of disclosable information. The Disclosure Policy and the Disclosure Procedure Manual set out the Company’s policies and practices for handling and disseminating inside information, with reference to the requirements and principles outlined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong), the Listing Rules and the “Guidelines on Disclosure of Inside Information” published by the Securities and Futures Commission. All Directors and employees are bound by the Disclosure Policy and the Disclosure Procedure Manual to ensure the proper handling and dissemination of inside information.

Anti-Money Laundering (“AML”) & Counter-Terrorist Financing Policy

- The policy aims to ensure that the Group, its directors, officers and employees understand the AML/Counter – Terrorist Financing requirements applicable to them and are aware of their roles and responsibilities in achieving compliance. It also seeks to establish and align AML/Counter-Terrorist Financing compliance objectives, compliance governance framework, compliance control design and monitoring systems to ensure consistent implementation of AML/Counter-Terrorist Financing controls across the Group.

Responsible Investment Policy

- The policy is designed to integrate the Group’s “ESG” commitments, standards and guidelines into its internal investment decision making processes.

Privacy Management Programme

- The Privacy Management Programme sets out a strategic framework to assist the Company in building a robust privacy infrastructure, supported by effective ongoing review and monitoring processes, and provides guidance to all employees of the Group.

Personal Data Privacy Policy and Guidelines

- The policy aims to ensure the entire personal data life cycle from collection, use and transfer to retention remains within the parameters of the application regulatory regime. It also provides guidance to all employees of the Group on the policies and procedures for operating in compliance with the relevant laws.

Personal Data Access and Correction Policy

- The policy provides guidance to all employees of the Group on handling data access and correction requests in accordance with applicable laws.

Personal Data Privacy Enquiries and Complaints Handling Policy

- The policy offers guidance to all employees of the Group on handling personal data privacy enquiries and complaints in accordance with applicable laws.

Personal Identifiers Policy

- The policy provides guidance to all employees of the Group on the framework and mechanisms related to the collection, accuracy, retention, use and security of personal identifiers in accordance with applicable laws.

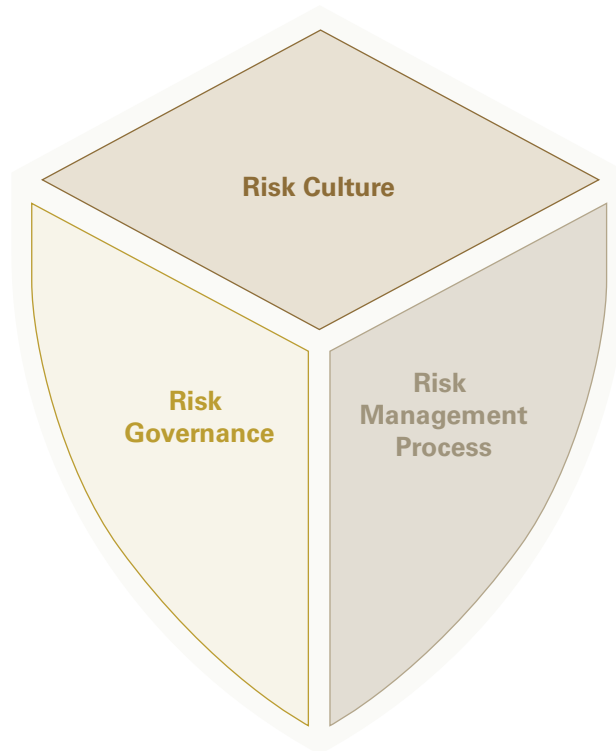
RISK MANAGEMENT

Robust and effective risk management is a vital and integral component of corporate governance. It ensures that risks encountered in the pursuit of the Group's strategic objectives are managed within its defined risk appetite, supporting the Group's sustainable growth and development.

To achieve this, the Group adopts an enterprise-wide, holistic and systematic approach known as Enterprise Risk Management ("ERM"). The ERM framework embeds risk management into business strategy, day-to-day operations and management processes. It is forward-looking and focused on supporting the achievement of the Group's strategic goals and performance objectives.

Enterprise Risk Management Framework

The Group has developed a tailor-made ERM framework with reference to internationally recognised standards, including COSO's Enterprise Risk Management – Integrating with Strategy and Performance, the International Organization for Standardization ("ISO") 31000 Risk Management and the World Business Council for Sustainable Development ("WBCSD").



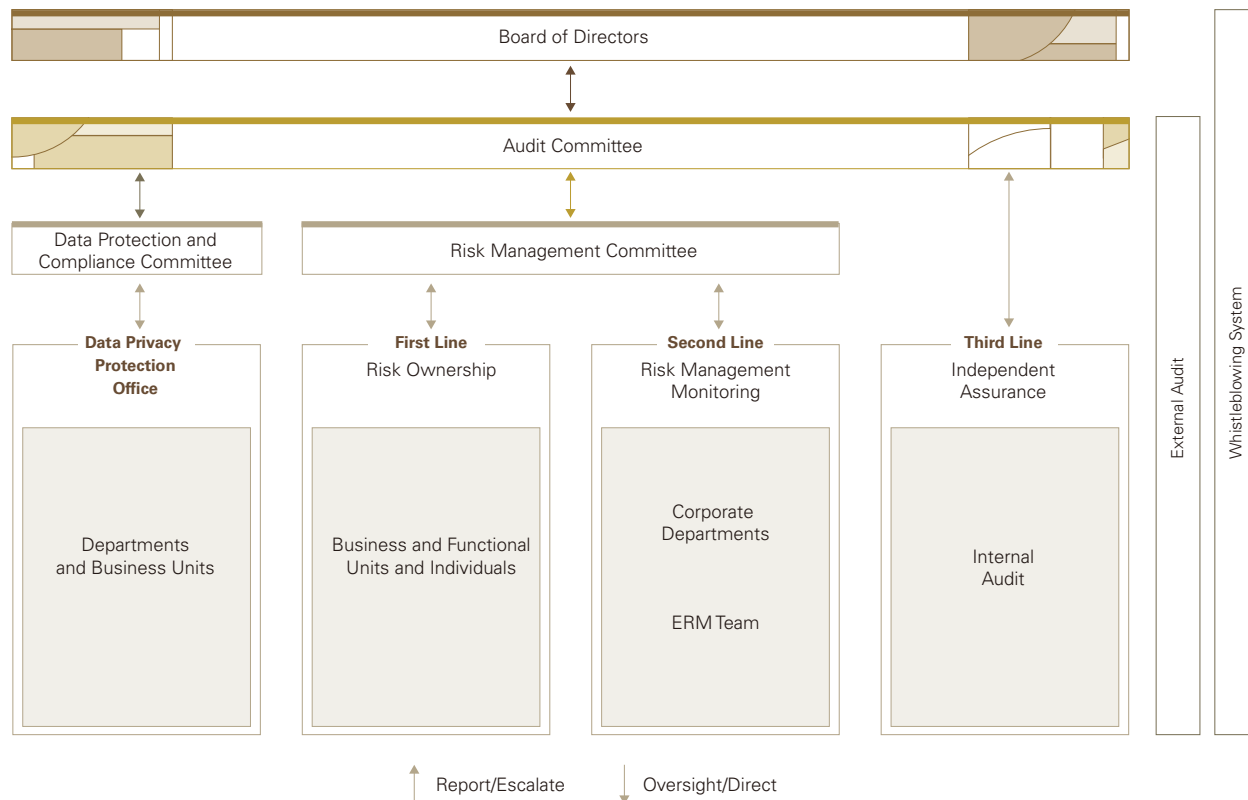
Risk Culture

Risk culture refers to the shared values and behaviours of all employees of the Group that influence the Group's risk-related decisions. The Group is committed to fostering a culture of speaking up across all levels. This includes both online and offline learning initiatives that encourage corporate and frontline employees to proactively communicate potential issues – whether related to operational risks, unsatisfactory customer service, grievances, whistleblowing, or suggestions for improving the working environment. A positive risk culture is characterised by the following attributes:

- Every employee is able to identify, understand, openly discuss and efficiently respond to current and emerging risks
- Risks are clearly and efficiently communicated to relevant stakeholders
- Policies, guidelines and rules are consistently followed by all employees

Risk Governance Structure

The Group adopts a “Three Lines” governance model illustrated as below.



Risk Oversight

Board of Directors

- Establishes a strong risk management culture and defines the Group’s risk appetite.
- Evaluates and determines the level of risk the Group should undertake, with regular monitoring.
- Sets strategic direction by proposing strategies that address key risks and align with the Group’s values and core business.
- Ensures annual disclosures comply with relevant regulatory requirements.
- Demonstrates openness, integrity, and accountability to stakeholders throughout the decision-making process.

Audit Committee

- Reviews the effectiveness of the Group's risk management system, including the identification, assessment, monitoring and reporting of risks.
- Evaluates and ensures that appropriate and effective business operations, risk management and internal control systems are in place.
- Provides market insights and strategic advice to enhance the Group's business performance and risk management practices.
- Assesses strategic risks and reviews related reports submitted by respective risk owners.
- Oversees compliance with data privacy and protection laws and regulations applicable to the Group.

Risk Management Committee

- Reviews ERM activities and the Group's risk profile, ensuring timely communication to the Audit Committee at least twice a year and to the Board of Directors as appropriate.
- Ensures a comprehensive and consistent approach to manage risks across the Group.
- Regularly assesses the ERM framework to ensure it remains fit for purpose and aligned with business, operational and regulatory requirements.
- Ensures that all key risks are properly identified, managed and monitored.

Data Protection and Compliance Committee

- Oversees compliance with data privacy and protection laws and regulations applicable to the Company, and reports to the Audit Committee at least twice a year on the Company's overall compliance status, issues encountered, privacy-related complaints and potential data breach incidents.
- Guides the development and implementation of the Company's Privacy Management Programme ("PMP").
- Establishes the Data Privacy Protection Office to support the day-to-day implementation and management of the PMP's programme controls.
- Ensures the compliance with Company's data privacy and protection policies, standards and guidelines, and reviews and recommends necessary updates.
- Reviews and assesses cyber risk mitigation and incident (including data breach) response strategies to ensure alignment with market best practices, business objectives, privacy expectations and the Company's risk appetite.
- Reviews and enhances information security standards in line with the Company's risk tolerance and relevant industry standards.

First Line

Business and Functional Units and Individuals

- Act as risk owners by identifying, assessing, monitoring and reporting risks.
- Ensure the effectiveness of risk management systems and mitigation strategies.
- Implement appropriate risk management measures and actions to safeguard the Group's interest and support business performance.

Second Line

Corporate Departments

- Support risk owners in implementing the risk management framework and overseeing risk information management.
- Ensure that risk management processes are functioning effectively as intended.
- Ensure operations are conducted efficiently and effectively, with appropriate consideration, assessment and management of risks.

ERM Team

- Facilitates the processes of risk identification, assessment, monitoring and reporting.
- Aggregates, analyses, prioritises and reports key risks to the Risk Management Committee.
- Provides expertise and support to management and risk owners on risk-related matters.
- Assists the Group in proactively identifying emerging risks.
- Ensures the ERM framework is effectively implemented across the Group.
- Supports the integration of ERM within the Group's strategic planning.

Third Line

Internal Audit

- Maintains primary accountability to the governing body and independence from management responsibilities.
- Provides independent and objective assurance and advice to management and the governing body on the adequacy and effectiveness of governance and risk management (including internal control), and supports the achievement of organisational objectives while promoting continuous improvement.
- Reports any impairments to independence and objectivity (if any) to the governing body and implements appropriate safeguards as necessary.

External Audit

- Provides independent assurance on the effectiveness of the Group's risk management and internal controls over financial reporting.
- The Audit Committee meets with the external auditor at least once a year and reviews reports relating to financial reporting, internal controls and the risk management process, and considers appropriate safeguards where necessary.

Whistleblowing System

- Enables all employees of the Group and other relevant parties to raise concerns, including suspected fraud, malpractice, misconduct or irregularities. All reported cases are handled confidentially and followed through in accordance with the Whistleblowing Policy and its related procedures.

Risk Appetite Setting

Risk appetite reflects the Group's willingness to take controlled and well-understood risks in pursuit of broader business objectives. NWD's strategic direction drives the Group's overall risk appetite, which defines the level of risk the Group is prepared to assume to achieve its goals. All risk-taking activities must be managed within this defined risk appetite.

The Board of Directors is responsible for approving the Group's Risk Appetite Statement. Senior management and business unit heads are tasked with cascading detailed interpretations and implementations of the risk appetite, ensuring the statement is effectively communicated to and understood by both internal and external stakeholders. They must also monitor and control their activities and business transactions to ensure alignment with the approved risk appetite.

Risk appetite is closely linked to the annual planning process, which sets business targets aligned with the Group's strategic objectives. It is also integrated into the ERM cycle, where management identifies risks and implements mitigation actions to manage the risk within the defined risk appetite. The Risk Appetite Statement should be communicated by management, reviewed by the Risk Management Committee, and disseminated throughout the Group to ensure consistent understanding and application. The risk appetite should also be reaffirmed at least annually to maintain alignment with the Group's strategy.

The Risk Appetite Statement is as follows:

Risk category	Risk Appetite Statement
Strategic	The Group aspires to create shared value and contributes to building a better society through innovation and sustainable business growth, including but not limited to developing its own ecosystem, redeploying resources from non-core businesses to core business areas.
Operational	The Group aims to optimise its operations within its organisational structure to support sustainable business growth. The Group acknowledges that operational risks are inherent to business activities but is committed to protecting its assets and those of its customers through cost-effective risk mitigation strategies.
Financial	The Group actively manages profitability, liquidity and funding to support its business strategy and ensure compliance with relevant accounting and banking requirements through prudent capital management.
Regulatory	The Group is committed to maintaining the highest standards of compliance with applicable laws, regulations, industry standards as well as internal policies, guidelines and procedures. We have zero tolerance for regulatory risks that could expose our organisation to significant legal or compliance violations, penalties, or reputational harm.

Risk Management Process

The Group adopts both top-down and bottom-up approaches to risk management. This involves collating and appraising bottom-up inputs from risk owners across key departments and business units of the Group, with refinements and adjustments made through top-down input from senior management and the Board of Directors in an iterative manner.

The risk management process is integrated into our daily operations and is an ongoing process involving all levels of the Group, from the Board of Directors to each individual employee of the Group. Risk owners and risk oversight parties are clearly defined across the Group. They are responsible for identifying, analysing and evaluating the risks faced by their businesses, and for executing appropriate management actions to avoid, mitigate or transfer risks, as well as to exploit, enhance or share opportunities.

The ERM process is illustrated in the diagram below.



Risk Identification

Our ERM process enables management to identify new and emerging risks, including medium- to long-term sustainability risks such as climate-related risks. The interconnectivity of sustainability risks is also considered, with sustainability factors integrated across all key risk areas.

The risk identification process includes top-down interviews with management and bottom-up discussions with business and functional units and individual contributors, to gather insights on changes in the risk landscape. This process is integrated with the Group's annual strategic planning exercise. The linkage between the risks and opportunities, and the annual Objectives and Key Results ("OKRs"), which are derived from the Group's long-term strategic objectives, is clearly explained during interviews and deep-dive workshops. Additional sources of risk identification include emerging risks identified by the ERM Team and risks reported through the early risk flagging mechanism.

Risk Assessment and Prioritisation

Identified key risks and opportunities are assessed across two or more dimensions (e.g. impact and likelihood) based on predefined risk assessment criteria that incorporate both qualitative and quantitative elements. Additional tools, such as the Climate Checklist from the Company's Climate Resilience Guideline, are also introduced during deep-dive workshops to support the risk assessment process.

The results of risk analysis are compared against the Group's predefined risk appetite and tolerance levels. This enables management to determine appropriate risk response strategies, prioritise risk treatment plans, and allocate limited resources effectively.

Risk Treatment

The selection of the most appropriate risk treatment plan considers the costs and benefits at both the Group and business unit levels. The optimum risk treatment aims to limit downside exposure while maximising upside potential. Any residual risks that exceed the approved risk appetite must be escalated to senior management and, if deemed necessary, to the Risk Management Committee.

Risk Monitoring

Continuous tracking of risk treatment plans is in place to monitor whether risks remain within the Group's risk appetite and aligned with desired levels, while ensuring adherence to relevant policies, minimum standards and regulations.

Monitoring is performed using various techniques supported by automated and other tools. Examples include management reports, Key Risk Indicators ("KRIs") monitoring, action tracking, key control testing, supervision, quality assurance, back-testing, scorecard reviews, policy reviews, and self-assessments.

Key Risk Indicator ("KRI")

KRIs serve as early warning signals, developed to monitor potential shifts in risk exposures and enable management and the Board of Directors to make timely, data-driven and strategic decisions. KRIs for previously identified key risks have been established, along with the relevant reporting mechanism. Acceptable thresholds (i.e. upper and lower limits) are also defined to support ongoing risk monitoring and escalation procedures.

Early Risk Flagging Mechanism

An early risk flagging mechanism has been established to enable the Group to proactively identify and assess emerging risks and broad areas of changes arising from both internal and external factors, and to respond in a timely manner. All employees of the Group are encouraged to immediately report any perceived potential risks, especially those expected to impact business areas, to the corresponding risk oversight parties.

Risk Reporting

Following a holistic review of the Group, the internal audit department submits a written report on the effectiveness of the Group's risk management and internal control systems to the Risk Management Committee and the Audit Committee on a half-yearly basis. Through the Risk Management Committee and the Audit Committee, the Board of Directors has put in place effective risk management and internal control systems that enable the Group to respond appropriately to significant risks in achieving its strategic objectives.

Key Risks of the Group

Through our combined top-down and bottom-up risk review processes, the Group has identified the following key risks across various business segments for the upcoming period:

Existing Risks	Risk Trend	Mitigation Actions
Macroeconomic Adverse changes in macroeconomic environment due to the uncertainties of local and global financial conditions.	Unchanged	• Closely monitor economic conditions and respond with suitable strategies • Identify opportunities for business collaboration and partnership to leverage the synergies within the New World Group ecosystem • Perform sensitivity assessment on potential impacts in relation to economic conditions
Sales and Market Competition Changes in market demand, supply, and pricing for products/services, together with intensifying competition may impact sales targets.	Unchanged	• Regular market research conducted and close communication with local government bodies to grasp the optimal sales opportunities • Engage professional media agency to assist in spotting and dealing with public relations emergencies in a timely manner • Evaluation on the effectiveness of marketing activities are regularly conducted in multi-dimension to facilitate timely adjustments on marketing strategies • Utilise technology to enhance customer experience and to increase operational efficiency and effectiveness

Existing Risks	Risk Trend	Mitigation Actions
Interest Rate and Inflation Fluctuation of interest rate impacting the future cost of business.	Increase	• Maintain an appropriate mix of fixed rate and floating rate debts • Enter into interest rate swaps to hedge against interest rate movements
Customer Demand  Change in customers' needs, wants and behaviour, impacting company's market share target and/or sales revenue target.	Decrease	• Conduct market update to monitor consumer trends • Review and act on the Voice of the Customer (VoC) • Leverage New World Group ecosystem to increase customer lifetime value
Government Policy and Intervention Government intervention, policies and regulations in the market impacting the achievement of financial and/or operation performance objectives.	Increase	• Regularly analyse government policy directions and maintain close relationships with district-, city-, and provincial-level authorities across regions • Maintain close communication within the management team to share and evaluate observations on government directions, ensuring a comprehensive understanding of policies and the business environment, and enabling timely contingency planning or business plan adjustments • Develop early-stage understanding of relevant government policies, town planning, and key officials for target projects through multiple channels; engage external advisors (e.g. legal and tax consultants) where necessary to identify market risks and conditions
Funding and Capital Management A risk associated with the company's ability to secure necessary funds to meet its obligations and manage its capital structure including debt and equity.	Unchanged	• Maintain an appropriate balance of secured and unsecured borrowings • Regular review on concentration of exposure with banks; explore new financial institutions when necessary • Diversify funding channels to reduce dependency on a single or limited sources of cash inflow • Adopt rolling cashflow forecast and scenario planning to ensure adequate liquidity for operating, investing and financing activities

Existing Risks	Risk Trend	Mitigation Actions
Business Return Variability in operating performance and shifting cost or pricing dynamics that may reduce expected ROI and profitability.	Unchanged	- Set and track Key Performance Indicators including sales revenue and cost - Strengthen cost control and execute cost-saving initiatives to enhance sustainable ROI
Brand Management and Reputation  Image, reputation and brand value impacting the stakeholder confidence towards the company.	Unchanged	- Align with relevant business units, departments and senior executives, as well as other internal stakeholders on communication strategies and key corporate messages to accurately reflect the company's value and operational performance - Iteratively refine communications plans and proactively identify reputational risks through collecting and monitoring stakeholders' feedback and public sentiment from engagements and social listening
Supply Chain, Outsourcing and Third-Party Management  Management of supply chain, outsourcing and third parties impacting service/product supply, quality and operational cost.	Increase	- Implement stringent project controls and monitoring, including close communication with consultants and experts, site inspections, regular project meetings, and prompt follow-up actions. - Maintain comprehensive project manuals and supplementary guidelines - Leverage technology and tools to enhance effectiveness and efficiency in project management and quality monitoring - Require suppliers to complete sustainability self-assessment questionnaires and comply with the Supplier Code of Conduct - Incorporate ESG requirements into the Sustainable Procurement Policy - Conduct regular supplier due diligence and performance evaluations, and onboard new suppliers to avoid over-concentration risk

Existing Risks	Risk Trend	Mitigation Actions
Climate Resilience and Adaptation  Climate change risks are embedded in our risk management process. <u>Physical risks</u> Increased severity and frequency of physical events (rainfall, sea-level rise, heat stress and wind), both acute and chronic resulting from climate change impact the value of our portfolio. Either through physical damage resulting in losses or replacement costs, or operational disruptions impacting revenue generating activities. <u>Transition risks</u> Financial impacts derived by markets shifting under the pressure presented by climate change. Includes costs associated with: • changes in market preferences, • the onboarding of new technologies, • responding to increased policy regulation, and • reputational shifts and investor sentiments.	Unchanged	• Adoption of the IFRS S2, HKEX Climate-related Disclosures, and other emerging standards for preparing climate-related disclosures • Continued to implement Climate Resilience Guideline to further incorporate climate resilience into assets • Engage both in-house expertise and external consultants to evaluate risks and quantify possible climate financial impacts • Adopt a consistent and practical assessment and prioritisation process to climate risks across the wider NWD portfolio • Implementation of site mitigation measures, including flood protection hardware e.g. flood gate • Sustainability Committee is responsible for overseeing the Group's sustainability risks and opportunities, including those presented by climate change • Climate change training workshops with latest updates on climate change and risk • Regular climate risk scenario analysis, review insurance coverage, update resilience plan and monitor accordingly For details of How NWD identifies, assesses and manages climate risks, please refer to the Corporate Sustainability section on pages 54 to 113 of this annual report.

 Risks including sustainability considerations

Cybersecurity Risks

Despite cybersecurity risks did not rank among the Group's top 10 risks this year, we have made significant progress in strengthening our cybersecurity framework.

- Senior management's oversight on cybersecurity initiatives
- Ongoing assessments to ensure robust security measures are applied and maintained
- Conduct mandatory cybersecurity training covering all business units to raise awareness of the importance of and the best practices in information handling and vigilance against phishing attacks

Our dedicated team has implemented robust security measures, advanced threat detection systems and comprehensive employee training programs to fortify our defences. These proactive initiatives ensure we remain vigilant and resilient against potential cyber threats, safeguarding our digital assets and maintaining stakeholder trust. We will continue to prioritise cybersecurity and adapt to the evolving threat landscape to protect our organisation effectively.

Emerging Risks and Responses Strategies

Emerging Risks	Impact	Mitigation Actions
Risks spanning across cybersecurity, technology and artificial intelligence ("AI") Category: Technological Description: With the fast-paced technological development, the (1) Cybersecurity risks include potential data breaches, ransomware attacks, (2) Technology risk leading to malfunctioning of the supply chain, and (3) AI risks, are all emerging as forever-expanding web of risks in unprecedented rate threatening to compromise operation on a significant scale	• Data breach incidents may lead to financial and reputational damage and stakeholders losing faith • Potential operational disruption due to technological failure jeopardising daily operation and customer experience • Hackers leverage AI to automate sophisticated attacks at scale, increasing breach likelihood, financial losses, operational disruption, and reputational damage • Ensuring compliance with applicable and evolving laws and regulations around AI and data protection can be challenging and costly	• Establish IT and AI governance, covering AI risk assessment framework, acceptable usage and ensuring human oversight for responsible application • Implement robust data protection measures, including both administrative and technical controls to safeguard confidential data • Leverage advanced threat intelligence and automated attack surface defences to proactively identify, validate, and remediate emerging threats • Shift from compliance-driven cybersecurity towards proactive cyber resilience and continuous security validation

Emerging Risks	Impact	Mitigation Actions
Multipolarization: Risks spanning across geopolitics, capital flows and investment sentiment. Category: Strategic Description: The emergence of multiple economic and political centres of influence, resulting in shifts in capital flows, investment patterns and business activities	• Changes in investment sentiment and capital allocation • Fluctuations in residential, commercial and retail demand • Increased geopolitical uncertainty and market volatility	• Monitor geopolitical and macroeconomic developments • Conduct scenario planning and market stress testing

By addressing these emerging risks, the Group can strengthen its resilience, enhance competitive positioning and capitalise on new opportunities in a rapidly evolving market environment.

Review of Risk Management and Internal Control Systems Effectiveness

On behalf of the Board of Directors, the Audit Committee reviews the effectiveness of the Group's risk management and internal control systems at least half-yearly, including for the financial year ended 30 June 2026.

The Board of Directors has considered the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit, financial reporting functions, as well as the ESG reporting function. During the year, the Board of Directors received and considered the reports from Internal Audit and the ERM on the effectiveness of the Group's internal control and risk management systems. These reports covered, among others, the results of internal controls reviews, audit findings, the Group's top risks, significant changes in risk assessments, and the monitoring of KRIs.

The Board of Directors also received management's certification regarding the effectiveness of the Group's risk management and internal control systems through the "Integrated Internal Control Self-Assessment Certificate". It is acknowledged that such systems are designed to manage, rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Based on the reviews conducted during the year, the Board of Directors was not aware of any significant control weaknesses and concluded that the Group's risk management and internal control systems are appropriate and effective.

The Group's risk management and internal control systems will continue to be reviewed regularly to support ongoing improvement.

COMPANY SECRETARY

Both Joint Company Secretaries are full-time employees of the Company and possess day-to-day knowledge of the Company's affairs. The Joint Company Secretaries report to the Chief Executive Officer and are responsible for advising the Board on governance matters. During the year under review, each of the Joint Company Secretaries has confirmed that he/she has taken no less than 15 hours of relevant professional training.

CONSTITUTIONAL DOCUMENTS

No change was made to the Company's Articles of Association during the year.

The Company has proposed the adoption of new Articles of Association with amendments to, inter alia, tie in with the latest legal and regulatory requirements in relation to (i) the treasury share regime, (ii) the implied consent mechanism for the dissemination of corporate communications by means of a website, (iii) the further expansion of the paperless listing regime, and (iv) the uncertificated securities market regime.

A special resolution to approve the adoption of the new Articles of Association will be proposed at the 2026 annual general meeting of the Company. Details of the proposed amendments to the Company's Articles of Association brought about by the adoption of the new Articles of Association are set out in the relevant circular to the shareholders.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The "Corporate Sustainability" section in this annual report is prepared in accordance with the Environmental, Social and Governance Reporting Code issued by the Stock Exchange, which provides an overview of the Group's efforts and performance in pursuing corporate sustainability. Supplementary information is available on the Company's website under Sustainability section.

The section also references the Global Reporting Initiative ("GRI") Standards 2021, the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), the International Sustainability Standards Board's ("ISSB") IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, the United Nations Global Compact ("UNGC"), the recommendations of the Taskforce on Nature-related Financial Disclosures ("TNFD"), and the standard for real estate industry set by the Sustainability Accounting Standards Board ("SASB").

SHAREHOLDERS' RIGHTS

Convening Extraordinary General Meeting ("EGM")

Shareholders representing at least 5% of the total voting rights of all shareholders of the Company having a right to vote at general meetings can deposit a written request to convene an EGM at the registered office of the Company for the attention of the Joint Company Secretaries. Such requisition, signed by the shareholders concerned, must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. If the Directors do not within 21 days from the date of the deposit of a request (after being verified to be valid) proceed to convene an EGM on a day not more than 28 days after the date on which the notice convening the EGM is given, the shareholders concerned, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene an EGM, but any EGM so convened shall not be held after the expiration of three months after the date on which the Directors become subject to the requirement to call a meeting.

Putting Forward Proposals at General Meetings

To put forward proposals at a general meeting, a request in writing must be made by:

- (i) shareholders representing at least 2.5% of the total voting rights of all shareholders of the Company having the right to vote at the general meeting; or
- (ii) at least 50 shareholders of the Company having the right to vote at the meeting,

to the Company to give to shareholders notice of any resolution which may properly be moved and is intended to be moved at an annual general meeting, or to circulate to shareholders any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at any general meeting.

The written request must be signed by all shareholders concerned in one or more documents in like form and deposited at the registered office of the Company for the attention of the Joint Company Secretaries not less than six weeks before the meeting in the case of a requisition requiring notice of a resolution at annual general meeting, and not less than seven days before the meeting in the case of a requisition requiring circulation of statement. Upon the request being verified to be valid, the Company will give notice of the resolution or circulate the statement.

Proposing a Person for Election as Director

If a shareholder of the Company intends to propose a person other than a Director of the Company for election as a Director of the Company at any general meeting, the shareholder concerned shall lodge with the registered office of the Company for the attention of the Joint Company Secretaries (i) a written notice of his intention to propose that person for election as a Director; and (ii) a written notice by that person of his/her willingness to be elected as a Director together with the necessary information within the period commencing no earlier than the day after the dispatch of the notice of the general meeting and ending no later than seven days prior to the date of such general meeting.

Detailed procedures can be found in the following documents which are available on the Company's website:

- "Procedures for Shareholders to convene Extraordinary General Meetings and putting forward proposals at General Meetings"; and
- "Procedures for Shareholders to propose a person for election as a Director".

Enquiries to the Board

Enquiries may be put to the Board through the Company's investor relations department at 30/F., New World Tower, 16-18 Queen's Road Central, Hong Kong (email: ir@nwd.com.hk).

DIVIDEND POLICY

The Board adopted a Dividend Policy in November 2018 which sets out the guidelines for the Board to determine the frequency of dividend payment and target dividend payout ratio for a financial year. In general, the Company would distribute to its shareholders funds surplus to the operating needs of the Company and its subsidiaries twice for each financial year as determined by the Board, subject to its shareholders' approval, where applicable. In general, it is the policy of the Company to maintain a balance between meeting shareholders' expectations and prudent capital management with a sustainable dividend policy. The following factors will be taken into account for determining the Company's target dividend payout ratio:

- any restrictions under the Hong Kong Companies Ordinance;
- any banking or other funding covenants by which the Company is bound from time to time;
- the capital expenditure and operating requirements of the Group; and
- the external economic and market situation.

After considering, among other factors, the financial performance and obligations of the Group as well as its future operational and funding requirements, the Board has resolved not to declare any dividend for the year ended 30 June 2026. It is confirmed that all dividend decisions made by the Board were made in accordance with the Dividend Policy.

In order to enhance long-term shareholder value, strengthening cash flow and reducing overall indebtedness will remain the Group's key priorities. To support these objectives, the Group will continue to execute its "Seven Measures to Reduce Indebtedness" as outlined in the Outlook section of the CEO's Report. The Board will review the Dividend Policy from time to time and will consider dividend distribution as and when appropriate, having regard to the Group's financial performance and funding requirements.

COMMUNICATION WITH SHAREHOLDERS

The Board and management maintain a continuing dialogue with the Group's shareholders and investors through various channels. The Chairman, the Chief Executive Officer, other members of the Board and the external auditor attend the annual general meeting to meet the shareholders. The Directors will answer questions raised by the shareholders about the performance of the Group. The Company holds press conferences and analyst briefings at least twice a year following the release of interim and annual results announcements at which the Executive Directors and management of the Company are available to answer questions and listen to feedback regarding the performance of the Group. Our corporate websites which contain corporate information, interim and annual reports, announcements and circulars issued by the Group as well as the recent developments of the Group enable the Group's shareholders to have timely and updated information of the Group. Shareholders can refer to the "Shareholders' Communication Policy" posted on the Group's websites for more details.

The Company has reviewed its prevailing Shareholders' Communication Policy during the year under review, and believes the Shareholders' Communication Policy is still appropriate and effective.

INVESTOR RELATIONS

To ensure that the investors have a comprehensive and thorough understanding of the Group, with the establishment of timely and effective two-way communications, the management and the investor relations department of the Group participate in different international investment conferences and arrange local and overseas non-deal roadshows on a regular basis to elaborate the Group's business development and market movement to investors in different locations. During the year under review, the Group reaped over 30 domestic and international awards for its investor relations, ESG and annual report in recognition of the management's efforts in maintaining a high level of standard in investor relations and ESG. For details, please refer to the "Investor Relations" section of this annual report.