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Kato (Hong Kong) Holdings Limited

嘉濤（香港）控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2189)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024

FINANCIAL HIGHLIGHTS

- The Group recorded a total revenue for the Year of approximately HK\$271.3 million, representing a decrease of approximately 33.5% as compared to the Previous Year.
- The Group recorded a profit attributable to the owners of the Company for the Year of approximately HK\$64.2 million, representing a decrease of approximately 49.1% as compared to the Previous Year.
- The Board has recommended a final dividend of HK2.0 cents per share for the Year, which is subject to the approval of the Shareholders at the forthcoming AGM.

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Kato (Hong Kong) Holdings Limited (the “**Company**”) hereby presents the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2024 (the “**Year**”) together with the comparative figures for the year ended 31 March 2023 (the “**Previous Year**”), as follows:

Consolidated Statement of Profit or Loss

For the year ended 31 March 2024

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	3	271,334	408,297
Fair value gain on investment properties		18,613	10,400
Employee benefit expenses, net		(107,656)	(141,212)
Depreciation of property and equipment		(10,840)	(8,784)
Depreciation of right-of-use assets		(36,796)	(35,857)
Property rental and related expenses		(5,711)	(3,702)
Food and beverage costs		(11,601)	(8,501)
Utility expenses		(6,725)	(5,176)
Supplies and consumables		(2,058)	(2,549)
Repairs and maintenance		(2,748)	(1,387)
Subcontracting fees, net		(6,027)	(25,519)
Laundry expenses		(2,457)	(3,172)
Medical fees and related expenses		(3,017)	(4,990)
Legal and professional fees		(3,162)	(2,922)
Other income and other gains, net		6,415	1,432
Other operating expenses		(15,296)	(14,357)
Finance costs, net		(8,367)	(8,537)
		<hr/>	<hr/>
Profit before taxation	4	73,901	153,464
Income tax expense	5	(9,793)	(27,681)
		<hr/>	<hr/>
Profit for the year		<u>64,108</u>	<u>125,783</u>

Consolidated Statement of Profit or Loss (continued)

For the year ended 31 March 2024

	Note	2024 HK\$'000	2023 HK\$'000
Profit/(loss) for the year attributable to:			
— Owners of the Company		64,185	126,150
— Non-controlling interests		(77)	(367)
		<u>64,108</u>	<u>125,783</u>
Earnings per share attributable to the owners of the Company (in HK cents)			
— Basic earnings per share	7	<u>6.42</u>	<u>12.62</u>
— Diluted earnings per share	7	<u>6.42</u>	<u>12.62</u>

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2024

	2024	2023
<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year	64,108	125,783
Other comprehensive income/(loss):		
<i>Item that will not be reclassified to profit or loss</i>		
Fair value changes of financial assets at fair value through other comprehensive income	(236)	(10)
Fair value changes on property revaluation	25,493	—
Remeasurements of employee benefit obligations	2,262	—
	<hr/>	<hr/>
Other comprehensive income/(loss) for the year, net of tax	27,519	(10)
	<hr/>	<hr/>
Total comprehensive income for the year	91,627	125,773
	<hr/> <hr/>	<hr/> <hr/>
Total comprehensive income/(loss) for the year attributable to:		
— Owners of the Company	91,704	126,140
— Non-controlling interests	(77)	(367)
	<hr/>	<hr/>
	91,627	125,773
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Consolidated Statement of Financial Position

As at 31 March 2024

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
ASSETS			
NON-CURRENT ASSETS			
Property and equipment		105,014	110,077
Investment properties		368,100	107,800
Right-of-use assets		282,115	337,729
Deferred tax assets		2,485	2,005
Prepayments and deposits		4,946	4,920
Financial assets at fair value through other comprehensive income		697	933
Total non-current assets		<u>763,357</u>	<u>563,464</u>
CURRENT ASSETS			
Trade receivables	8	12,682	44,127
Prepayments, deposits and other receivables		9,251	13,181
Short-term bank deposits		30,100	501
Restricted bank deposits		10,491	6,590
Cash and cash equivalents		37,420	71,439
Total current assets		<u>99,944</u>	<u>135,838</u>
Total assets		<u>863,301</u>	<u>699,302</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		10,000	10,000
Reserves		424,293	362,629
		434,293	372,629
Non-controlling interests		234	311
Total equity		<u>434,527</u>	<u>372,940</u>

Consolidated Statement of Financial Position (continued)

As at 31 March 2024

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
LIABILITIES			
NON-CURRENT LIABILITIES			
Accruals and other payables	9	6,672	5,350
Lease liabilities		121,206	149,475
Bank borrowings		207,991	86,023
Deferred tax liabilities		—	1,716
		<hr/>	<hr/>
Total non-current liabilities		335,869	242,564
CURRENT LIABILITIES			
Trade and other payables	9	24,376	36,920
Contract liabilities		964	1,015
Amount due to a director		250	—
Bank borrowings		26,323	5,429
Lease liabilities		28,783	29,102
Income tax payable		12,209	11,332
		<hr/>	<hr/>
Total current liabilities		92,905	83,798
		<hr/>	<hr/>
Total liabilities		428,774	326,362
		<hr/>	<hr/>
Total equity and liabilities		863,301	699,302
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Kato (Hong Kong) Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 19 April 2018 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as combined and revised) of the Cayman Islands. The address of the Company’s registered office situated at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in the provision of residential care services and day care services for the elderly in Hong Kong.

These consolidated financial statements are presented in thousands of Hong Kong Dollar (“**HK\$’000**”), unless otherwise stated.

2 BASIS OF PREPARATION

(a) Compliance with HKFRS and HKCO

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRS**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance (“**HKCO**”) Cap. 622.

HKFRS comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards
- Interpretations developed by the HKICPA.

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

(b) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, except for the financial asset at fair value through profit or loss, the financial assets at fair value through other comprehensive income and investment properties, which are carried at fair value.

(c) **New and amended standards adopted by the Group**

The Group has applied the following new and amended standards for the first time for their annual reporting period commencing 1 April 2023:

HKFRS 17 and the related amendments	Insurance contracts
HKFRS 17	Initial application of HKFRS 17 and HKFRS 9 — comparative information
HKAS 8 (Amendments)	Definition of accounting estimates
HKAS 12 (Amendments)	International Tax Reform — Pillar Two Model Rules
HKAS 12 (Amendments)	Deferred tax related to assets and liabilities arising from a single transaction
HKAS 1 (Amendments) and HKFRS Practice Statement 2	Disclosure of accounting policies

The new and amended standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(d) **Amended standards and interpretations (together refers as “Amendments”) issued but not yet effective**

A number of Amendments have been issued but not effective during the year and have not been early adopted by the Group in preparing these consolidated financial statements:

		Effective for annual periods beginning on or after
HKAS 1 (Amendments)	Classification of liabilities as current or non-current	1 January 2024
HKAS 1 (Amendments)	Non-current liabilities with covenants	1 January 2024
HKAS 7 and HKFRS 7 (Amendments)	Supplier finance arrangements	1 January 2024
HKFRS 16 (Amendments)	Lease liability in a sale and leaseback	1 January 2024
Hong Kong Interpretation 5 (Revised)	Presentation of financial statements — Classification by the borrower of a term loan that contains a repayment on demand clause	1 January 2024
HKAS 21 (Amendments)	Lack of exchangeability	1 January 2025
HKFRS 10 (Amendments) and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The directors of the Company have assessed the financial impact on the Group of the adoption of the above Amendments. These Amendments are not expected to have a material impact on the Group in the future reporting periods and on foreseeable future transactions. The Group intends to adopt these Amendments when they become effective.

3 REVENUE AND SEGMENT INFORMATION

The executive directors, who are the chief operating decision-maker (“**CODM**”) of the Group, review the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the executive directors that are used to make strategic decisions.

The CODM has determined the operating segments based on these reports. The Group is organised into two business segments:

- (a) elderly care services segment (“**Elderly care services**”); and
- (b) investment properties holding segment (“**Investment properties holding**”).

(a) **Segment revenue and results**

The following tables present revenue and segment results regarding the Group's reportable segments for the years ended 31 March 2024 and 2023 respectively.

For the year ended 31 March 2024

	Elderly care services HK\$'000	Investment properties holding HK\$'000	Total HK\$'000
Revenue from contract with customers within the scope of HKFRS15			
<i>Recognised over time:</i>			
Rendering of elderly home care services	200,664	—	200,664
Rendering of elderly community home care services	8,956	—	8,956
Rendering of medical and laboratory services	10,332	—	10,332
Rental and properties management fee income	—	1,470	1,470
<i>Recognised at a point in time:</i>			
Sales of elderly home related goods	43,278	—	43,278
Revenue arising from operating lease within the scope of HKFRS 16:			
Fixed	—	6,634	6,634
Segment revenue	<u>263,230</u>	<u>8,104</u>	<u>271,334</u>
Segment results	67,677	19,847	87,524
Corporate and other unallocated expenses			(5,256)
Finance costs, net			(8,367)
Profit before taxation			<u>73,901</u>
Other information:			
Depreciation of property and equipment	(10,840)	—	(10,840)
Depreciation of right-of-use assets	(34,094)	(2,702)	(36,796)
Fair value gain on investment properties	—	18,613	18,613
Capital expenditures	<u>24,902</u>	<u>178,287</u>	<u>203,189</u>

For the year ended 31 March 2023

	Elderly care services <i>HK\$'000</i>	Investment properties holding <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from contract with customers within the scope of HKFRS15			
<i>Recognised over time:</i>			
Rendering of care support services to persons under quarantine	178,179	—	178,179
Rendering of elderly home care services	175,374	—	175,374
Rendering of elderly community home care services	8,010	—	8,010
Rendering of medical and laboratory services	4,030	—	4,030
Rental and properties management fee income	—	1,542	1,542
<i>Recognised at a point in time:</i>			
Sales of elderly home related goods	36,541	—	36,541
Revenue arising from operating lease within the scope of HKFRS 16:			
Fixed	—	4,573	4,573
Variable	—	48	48
Segment revenue	<u>402,134</u>	<u>6,163</u>	<u>408,297</u>
Segment results	<u>178,893</u>	<u>(319)</u>	<u>178,574</u>
Corporate and other unallocated expenses			(16,573)
Finance costs, net			<u>(8,537)</u>
Profit before taxation			<u>153,464</u>
Other information:			
Depreciation of property and equipment	(8,784)	—	(8,784)
Depreciation of right-of-use assets	(33,155)	(2,702)	(35,857)
Fair value gain on investment properties	—	10,400	10,400
Capital expenditures	<u>67,663</u>	<u>—</u>	<u>67,663</u>

The Group's revenue was derived solely from its operations in Hong Kong during the year ended 31 March 2024 (2023: same), and the non-current assets of the Group were located in Hong Kong as at 31 March 2024 (2023: same).

Revenue of approximately HK\$128,420,000 (2023: HK\$286,550,000) for the year ended 31 March 2024 was derived from the Government of HKSAR under the Enhanced Bought Place Scheme (“**EBPS**”), Bought Place Scheme (“**BPS**”), by provision of residential care services in the Contract Home and care support services to persons under quarantine, which amounted to more than 10% (2023: same) of the Group’s revenue.

The Group did not recognise any revenue-related contract assets during the year ended 31 March 2024 (2023: Nil).

(b) Segment assets and liabilities

As at 31 March 2024

	Elderly care services HK\$'000	Investment properties holding HK\$'000	Total HK\$'000
Assets			
Segment assets	<u>389,737</u>	<u>436,588</u>	<u>826,325</u>
Unallocated:			
Financial assets at fair value through other comprehensive income			697
Short-term bank deposits			30,100
Cash and cash equivalents			<u>6,179</u>
Total assets			<u><u>863,301</u></u>
Liabilities			
Segment liabilities	<u>184,046</u>	<u>4,416</u>	188,462
Unallocated:			
Bank borrowings			234,314
Other payables			5,748
Amount due to a director			<u>250</u>
Total liabilities			<u><u>428,774</u></u>

As at 31 March 2023

	Elderly care services <i>HK\$'000</i>	Investment properties holding <i>HK\$'000</i>	Total <i>HK\$'000</i>
Assets			
Segment assets	<u>475,877</u>	<u>175,790</u>	<u>651,667</u>
Unallocated:			
Financial assets at fair value through other comprehensive income			933
Short-term bank deposits			501
Cash and cash equivalents			<u>46,201</u>
Total assets			<u><u>699,302</u></u>
Liabilities			
Segment liabilities	<u>221,947</u>	<u>1,314</u>	223,261
Unallocated:			
Bank borrowings			91,452
Other payables			<u>11,649</u>
Total liabilities			<u><u>326,362</u></u>

4 PROFIT BEFORE TAXATION

Profit before taxation is stated after charging/(crediting) the followings:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Depreciation of property and equipment	10,840	8,784
Depreciation of right-of-use assets	36,796	35,857
Property rental and related expenses	5,711	3,702
Lease payments for short-term leases	1,532	911
Rent concessions	—	(451)
Building management fees and rates	4,179	3,242
Employee benefit expenses, net	107,656	141,212
Wages and salaries	100,449	119,635
Retirement benefit scheme contributions	3,178	2,219
Staff welfare and benefits	817	9,346
Provision for long service payments	477	989
Directors' remunerations	4,578	17,826
Share-based payment expenses — staff portion	1,306	1,306
Government subsidies (<i>Note (i)</i>)	(3,149)	(10,109)
Legal and professional fees	3,162	2,922
Subcontracting fees, net	6,027	25,519
Subcontracting fees	12,689	33,341
Government subsidies	(6,662)	(7,822)
Auditor's remuneration	2,200	2,000
Write-off of trade receivables	—	161
Provision for loss allowance on trade receivables	18	—
Insurance expenses	1,006	1,026
Donation	603	665
Government subsidies	(802)	(882)
Gain on disposal of financial asset at fair value through profit or loss	—	(537)

As at 31 March 2024, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2023: Nil).

Notes:

- (i) During the year ended 31 March 2023, the Group successfully applied for funding support from the Employment Support Scheme (“**ESS Scheme**”) under the Anti-epidemic Fund set up by the Government of HKSAR and received subsidies of approximately HK\$4,600,000 under this scheme. The purpose of the funding is to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grant, the Group is required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees. There are no unfulfilled conditions or other contingencies attaching to these grants. There is no such government subsidies under ESS Scheme for the year ended 31 March 2024.

5 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the two-tiered rate of 8.25% for the first HK\$2,000,000 of the estimated assessable profit of the qualifying group entity and 16.5% on the remaining estimated assessable profit of the Group for the years ended 31 March 2024 and 2023.

An analysis of the income tax expense is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong profits tax		
Current year	12,269	25,233
(Over)/under-provision in prior year	(280)	2,643
	<u>11,989</u>	<u>27,876</u>
Deferred tax	<u>(2,196)</u>	<u>(195)</u>
	<u>9,793</u>	<u>27,681</u>

6 DIVIDENDS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
2023 final dividend paid (HK2.2 cents per share)	22,000	—
2024 interim dividend paid (HK1.0 cents per share)	10,000	—
2022 final dividend paid (HK2.5 cents per share)	—	25,000
2023 interim dividend paid (HK2.2 cents per share)	—	22,000
	<u>32,000</u>	<u>47,000</u>

A final dividend in respect of the year ended 31 March 2024 of HK2.0 cents per share, amounting to a total dividend of HK\$20,000,000, is to be proposed for approval at the forthcoming annual general meeting. The proposed final dividend has not been recognised as a liability in the consolidated financial statements.

7 EARNINGS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the years ended 31 March 2024 and 2023.

	2024	2023
Profit attributable to the owners of the Company (<i>HK\$'000</i>)	64,185	126,150
Weighted average number of shares in issue (<i>thousand shares</i>)	<u>1,000,000</u>	<u>1,000,000</u>
Basic earnings per share (<i>in HK cents</i>)	<u><u>6.42</u></u>	<u><u>12.62</u></u>

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Shares issuable under the share option scheme are the only dilutive potential ordinary shares. A calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average daily quoted market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

For the year ended 31 March 2024, dilutive earnings per share was of the same amount as the basic earnings per share as the share options were anti-dilutive (2023: same).

8 TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	12,700	44,639
Less: loss allowance	<u>(18)</u>	<u>(512)</u>
	<u><u>12,682</u></u>	<u><u>44,127</u></u>

The ageing analysis of the Group's trade receivables, based on invoice date, as at 31 March 2024 and 2023 are as follows:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 30 days	7,566	36,959
31–60 days	4,779	4,920
61–180 days	101	1,994
Over 180 days	254	766
	<u>12,700</u>	<u>44,639</u>

The Group's trade receivables are non-interest-bearing and denominated in HK\$. The carrying amounts of trade receivables approximate their fair values due to their short maturities.

9 TRADE AND OTHER PAYABLES

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables	2,310	2,370
Accruals and other payables	11,901	13,261
Accrued wages and salaries and contributions to MPF schemes	6,746	17,669
Deposits from customers	3,111	2,961
Rental deposits received	3,861	914
Provision for reinstatement cost	575	575
Employee benefit obligations	2,544	4,520
	<u>31,048</u>	<u>42,270</u>
Less: Non-current portion	<u>(6,672)</u>	<u>(5,350)</u>
Current portion	<u>24,376</u>	<u>36,920</u>

As at 31 March 2024 and 2023, the carrying amounts of trade and other payables approximate to their fair values and are denominated in HK\$.

Trade payables are unsecured, non-interest bearing and repayable in accordance with contractual terms. The ageing analysis of trade payables by invoice date is as follows:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 60 days	<u>2,310</u>	<u>2,370</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Elderly home care services

Kato (Hong Kong) Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) is an established operator of residential care homes for the elderly (the “**RCHE(s)**”) in Hong Kong offering a comprehensive range of residential care services for the elderly, including (i) the provision of accommodation, professional nursing and care-taking services, nutritional management, medical services, physiotherapy and occupational therapy services, psychological and social care services, individual care plans and recreational services; and (ii) the sale of healthcare and medical goods and the provision of add-on healthcare services to the residents.

As at 31 March 2024 and 2023, the Group had a network of nine care and attention homes for the elderly with 1,229 residential care places strategically located across five districts in Hong Kong. The Group’s care and attention homes operate under the brand names of “Fai To 輝濤”, “Kato 嘉濤”, “Happy Luck Home”, “Tsuen Wan Centre”, “Pine Villa” and “Ka Shui Garden 嘉瑞園”, all bearing the same logo.

The Group’s customers primarily consisted of two groups, namely (i) the Social Welfare Department (the “**SWD**”) with which the Group entered into contractual arrangements pursuant to which the SWD purchased residential care places from the Group under the Enhanced Bought Place Scheme (“**EBPS**”) or pursuant to which the SWD subsidised residential care places from the Group under the awarded tender operating a Contract Home; and (ii) individual customers who settled their own residential fee, being those who were subsidised by the SWD under the Residential Care Service Voucher Scheme for the Elderly and those who were subsidised by the SWD under the EBPS but settled the unsubsidised portion by themselves.

The following table sets forth a summary of the basic information of the Group's RCHEs as at 31 March 2024:

	Location	Year of commencement of operations by the Group	Number of residential care places (excluding isolated beds)			Classification under the EBPS
			Under the EBPS and Contract Home	For individual customers not under the EBPS and Contract Home	Total	
Kato Home for the Elderly (" Kato Elderly Home ")	Tuen Mun	1999	126	54	180	EA1 ⁽¹⁾
Kato Home for the Aged	Tuen Mun	1998	86	37	123	EA2 ⁽²⁾
Fai-To Home for the Aged (On Lai) Branch (" Fai To Home (On Lai) ")	Tuen Mun	1997	28	28	56	EA2 ⁽²⁾
Fai To Home for the Aged (Tuen Mun) Branch (" Fai To Home (Tuen Mun) ")	Tuen Mun	1995	45	45	90	EA2 ⁽²⁾
Fai To Sino West Combined Home for the Aged (" Fai To Sino West Home ")	To Kwa Wan	2000	148	146	294	EA1 ⁽¹⁾
Happy Luck Elderly Home Limited (" Happy Luck Home ")	Tsuen Wan	2015	74	72	146	EA1 ⁽¹⁾
Tsuen Wan Elderly Centre Limited (" Tsuen Wan Centre ")	Tsuen Wan	2008	79	71	150	EA1 ⁽¹⁾
Pine Villa	Tseung Kwan O	2013	N/A	90	90	N/A
Ka Shui Garden Nursing Home for the Elderly (" KSG Nursing Home ")	Sham Shui Po	2023	80	20	100	N/A
			666	563	1,229	

Notes:

1. Being one of the two categories under the EBPS. EA1 homes have higher requirements in terms of staffing and per capita net floor space as compared to EA2 homes. As required under the EBPS, the staffing requirement for an EA1 homes with 40 places is 21.5, calculated on the basis of eight working hours per staff per day including relief staff and its per capita net floor area is 9.5 m².
2. Being one of the two categories under the EBPS. EA2 homes have lower requirements in terms of staffing and per capita net floor area as compared to EA1 homes. As required under the EBPS, the staffing requirement for an EA2 homes with 40 places is 19, calculated on the basis of eight working hours per staff per day, including relief staff, and its per capita floor net area is 8 m².

The following table sets forth the average monthly occupancy rate of each respective care and attention homes as at 31 March 2024 and 2023:

	Average monthly occupancy rate^(Note) as at 31 March	
	2024	2023
	%	%
Kato Elderly Home	96.0	88.2
Kato Home for the Aged	83.9	88.7
Fai To Home (On Lai)	75.1	83.2
Fai To Home (Tuen Mun)	89.6	79.7
Fai To Sino West Home	84.4	78.4
Happy Luck Home	85.4	86.2
Tsuen Wan Centre	81.1	83.3
Pine Villa	97.1	96.5
KSG Nursing Home	92.9	48.5
Overall	87.3	84.1

Note:

The monthly occupancy rate is calculated by dividing the number of beds occupied as at the month end by the total number of beds available at each of our care and attention homes as at the relevant month end. The average monthly occupancy rate for the year is calculated by dividing the sum of the monthly occupancy rates by the total number of months in that year.

Community care and day care services for the elderly

(i) Home-based and centre-based services

Since May 2020, the Group has expanded its scope to community care by offering home-based services under the pilot scheme on Community Care Service Voucher (the “CCSV”) for the elderly launched by the SWD, which aim to help families in need of home care services while relieving their financial and caregiving pressures, including hospital outpatient and discharge escort, caregiver training, home safety assessment, physiotherapy, nursing support, etc.

As at 31 March 2024 and 2023, Fai To Sino West Home, Ka Shui Garden Day Care Centre (Hung Hom), Ka Shui Garden Day Care Centre (Tsuen Wan), Kato Elderly Home and Pine Villa are the recognised service providers under the pilot scheme on CCSV, covering five contract homes, with a total capacity of centre-based services of 120 places and home-based services of 1,000 voucher holders.

(ii) Day care service

Day-care centres for elderly provide on-site elderly care services during daytime, which generally exclude overnight care services. To extend the Group's reach to non-residents, since May 2020, the Group has commenced providing day care services to elderly, covering a range of centre-based care and support services during daytime to enable the day care service users who suffer from moderate to severe level of impairment to achieve optimal level of functioning, develop their potential, improve their quality of life, and continue to live in their own homes wherever feasible and possible. As at 31 March 2024 and 2023, two of the Group's care and attention homes for the elderly were entitled to offer day care services with a total of 30 subsidised day care places pursuant to the Bought Place Scheme Day Care Units for the Elderly (the "BPS").

Medical and laboratory services

The Group tapped into medical diagnostic and imaging and health check markets in Hong Kong in 2022. The Group provide versatile healthcare services, including but not limited to general physical examinations, X-ray, ECG, mammography, ultrasound, DEXA Bone Densitometry and various laboratory tests. As at 31 March 2024, the Group had four (2023: five) medical and health check-up centres located across four districts in Hong Kong.

Care support services to persons under quarantine

To cope with the COVID-19 outbreak in RCHEs and in view of the logistical issues and unsuitability of arranging special medical equipment and facilities to be sent to general quarantine centres, the government of the HKSAR (the "Government") invited various RCHE players to participate in setting up quarantine and community treatment facilities. The Company was selected and participated in setting up a temporary quarantine centre for residents of RCHEs, housing nursing staffs on duty round the clock and designated staffs responsible for assisting elderly residents' needs. The facility helped to triage patients from public hospitals and allowed public hospitals to concentrate their manpower and resources on taking care of patients who needed more healthcare services.

FINANCIAL REVIEW

Revenue

The Group's revenue was principally generated from the provision of residential care services and day care services for the elderly in Hong Kong. The Group's revenue was derived from (i) rendering of elderly home care services; (ii) sales of elderly home related goods; (iii) rendering of elderly community care services; (iv) rendering of medical and laboratory services; (v) rental and management fee income; and (vi) rendering of care support services to persons under quarantine. The following table sets forth the breakdown of revenue for the Group's revenues by types of services for the year ended 31 March 2024 (the "Year") and the year ended 31 March 2023 (the "Previous Year"):

	2024		2023	
	HK\$'000	%	HK\$'000	%
Rendering of elderly home care services				
— residential care places purchased by the SWD under the EBPS and the Contract Home	120,451	44.4	101,242	24.8
— residential care places purchased by individual customers	80,213	29.6	74,132	18.2
Sales of elderly home related goods	43,278	16.0	36,541	8.9
	243,942	90.0	211,915	51.9
Rendering of elderly community care services	8,956	3.3	8,010	2.0
Rendering of medical and laboratory services	10,332	3.8	4,030	1.0
Rental and management fee income	8,104	2.9	6,163	1.5
Rendering of care support services to persons under quarantine	—	—	178,179	43.6
Total	271,334	100.0	408,297	100.0

The total revenue of the Group decreased by approximately HK\$137.0 million or 33.5% from approximately HK\$408.3 million for the Previous Year to approximately HK\$271.3 million for the Year, which was mainly due to decrease in revenue generated from rendering of care support services to persons under quarantine, which was partially offset by (i) increase in revenue from rendering of elderly home care services attributed by the increase in average monthly occupancy rate; and (ii) increase in revenue from rendering of medical and laboratory services which commence operation since late 2022, with its full year operation in the Year.

Revenue generated from provision of elderly home care services mainly represent (i) the rendering of elderly home care services (such as residence, professional nursing and caretaking services, nutritional management, medical services, psychological and social care and individual care plans); and (ii) sales of elderly home related goods which include the sale of diapers, nutritional milk, wipes, and blood glucose test strips to our residents on an as-needed basis. The revenue from provision of elderly home care services increased from approximately HK\$211.9 million in the Previous Year to approximately HK\$243.9 million for the Year mainly due to (i) commencement of operation for a care and attention home located in Sham Shui Po with 100 residential care places since February 2023, with its full year operations in the Year; and (ii) the increase in average monthly occupancy rate.

To address the increasing attention to health and prevention by the consumers, in 2022, the Group ventured into new business opportunities into medical diagnostic and imaging and health check market through provision of a variety of services including but not limited to physical examinations, laboratory analysis, X-ray, ECG, ultrasound, etc. Revenue generated from provision of medical and laboratory services amounted to HK\$10.3 million for the Year (Previous Year: HK\$4.0 million) as this business segment become more established.

Employee benefit expenses

Employee benefit expenses comprised of wages and salaries, retirement benefit scheme contributions, staff welfare and benefits, directors' remunerations, provision for long service payments and share-based payment expense. The employee benefits expenses decreased from approximately HK\$141.2 million for the Previous Year to approximately HK\$107.7 million for the Year, which was mainly due to the decrease in number of staff for rendering care support services to persons under quarantine, which partially offset by (i) general salaries increment for staff; and (ii) receipt of non-recurring wage subsidies for the Employment Support Scheme under the Anti-epidemic Fund of approximately HK\$4.6 million in the Previous Year, while no such subsidies was generated in the Year.

Food and beverage costs

Food and beverage costs are food ingredients and beverages costs used for the provision of meals to the residents. Food and beverage costs increased from approximately HK\$8.5 million for Previous Year to approximately HK\$11.6 million for the Year due to (i) commencement of operation for a care and attention home located in Sham Shui Po since February 2023, with its full year operation in the Year; and (ii) increase in average monthly occupancy rate.

Subcontracting fees, net

Subcontracting fees, net mainly represents (i) fees paid to occupational therapists, occupational therapist assistants, physiotherapists and physiotherapist assistants, offset by

government subsidies; and (ii) outsourcing labour costs for rendering care support services to persons under quarantine. The significant decrease in subcontracting fees from HK\$25.5 million for the Previous Year to HK\$6.0 million for the Year was mainly attributed by the decrease in subcontracting fee for outsourcing labour costs due to cessation of rendering care support services to persons under quarantine during the Year.

Profit for the Year

As a result of the foregoing, profit for the Year decreased by approximately 49.0% to approximately HK\$64.1 million for the Year as compared to HK\$125.8 million for the Previous Year.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's net assets increased to approximately HK\$434.5 million as at 31 March 2024 (2023: approximately HK\$372.9 million). Such increase was mainly the result of the operating profits during the Year. As at 31 March 2024, the Group's net current assets was approximately HK\$7.0 million (2023: approximately HK\$52.0 million), including cash and cash equivalents of approximately HK\$37.4 million (2023: approximately HK\$71.4 million) which were denominated in Hong Kong Dollar.

The current ratio, which is calculated as the total current assets divided by the total current liabilities, was approximately 1.1 times as at 31 March 2024 (2023: approximately 1.6 times).

The Group has established a treasury policy with the objective of lowering cost of funds. Therefore, funding for all its operations have been centrally reviewed and monitored at the Group level. To manage the Group's exposure to fluctuations in interest rates, appropriate funding policies will be applied, including the use of bank borrowings or placing of new shares. The management will continue its efforts to obtain the most privileged rates and favourable terms available to the Group for its financing.

The Group monitors its capital on the basis of the gearing ratio, which is expressed as a percentage of net debt divided by total capital. Net debt is calculated as the sum of bank borrowing and lease liabilities less the sum of cash and cash equivalents, short-term bank deposits and restricted bank deposits. Total capital represents total equity as shown on the consolidated statement of financial position of the Group.

The gearing ratio as at 31 March 2024 and 2023 were as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Bank borrowings	234,314	91,452
Lease liabilities	149,989	178,577
	<u>384,303</u>	<u>270,029</u>
Less: Cash and cash equivalents	(37,420)	(71,439)
Short-term bank deposits	(30,100)	(501)
Restricted bank deposit	(10,491)	(6,590)
	<u>(78,011)</u>	<u>(78,530)</u>
Net debt	<u>306,292</u>	<u>191,499</u>
Total equity	<u>434,527</u>	<u>372,940</u>
Gearing ratio	<u>70.5%</u>	<u>51.3%</u>

As at 31 March 2024, the gearing ratio of the Group increased to 70.5% due to the increase in bank borrowings.

The Group adopted a higher finance leverage compared to the Previous Year, the Directors would pay careful consideration to cash flow management and performance of the Group to ensure the Group would meet its future finance requirements.

As at 31 March 2024, bank borrowings of the Group bore floating interest rates and denominated in HK\$. The maturity profile of bank borrowings of the Group are set out as follows:

	<i>HK\$'000</i>
Within 1 year	26,323
More than 1 year but less than 2 years	27,600
More than 2 years but less than 5 years	58,658
More than 5 years	<u>121,733</u>
	<u><u>234,314</u></u>

COMMITMENTS

As at 31 March 2024, the Group had capital commitments for property and equipment, amounting to approximately HK\$13.9 million (2023: HK\$9.1 million) after netting off the prepayment for the purchase of property and equipment.

INVESTMENT PROPERTIES

The Group's investment properties comprise elderly home, commercial complex, retail shops, fresh market stalls, cooked food stalls, storerooms and car park spaces in Lam Tin and Tsuen Wan and are leased to third parties under operating leases for rental income. During the Year, property and equipment and right-of-use assets with carrying amounts of HK\$18.5 million and HK\$19.4 million respectively were transferred to investment properties upon commencement of lease. As at the date of transfer, revaluation gains before taxation of HK\$25.5 million was recognised in other comprehensive income, resulting in an increase in revaluation reserve. As at 31 March 2024, the Group's investment properties amounted to HK\$368.1 million (2023: HK\$107.8 million) and were revalued based on valuations performed by an independent professionally qualified valuer.

SIGNIFICANT INVESTMENTS

During the Year and Previous Year, the Group had no significant investment.

ACQUISITION OF PROPERTIES

In July 2023, the Company and Mr. Ngai Shi Shing Godfrey (“**Mr. Ngai**”) entered into the Provisional Agreement and side letter with Kingdom Mark Limited (the “**Vendor**”), an independent third party, pursuant to which the Purchaser agreed to purchase, and the Vendor agreed to sell, the properties located at Tsuen Wan (the “**Properties**”) at a consideration of HK\$170 million. The terms of the Provisional Agreement were supplemented by the side letter dated 21 July 2023, pursuant to which, among other terms, Mr. Ngai agreed to provide a personal guarantee in favour of the Company in connection with all the contractual obligations of the Company under the Provisional Agreement. The Purchaser has subsequently entered into the Formal Agreement with the Vendor on 1 August 2023.

The Properties were rented to an independent third party for the operation of an elderly home. The rental period of the existing lease is from 1 June 2018 to 31 May 2031. The Company intends to continue to rent the Properties to the existing tenant until the expiration of rental period.

In February 2024, the Group completed the acquisition of the Properties. For further details, please refer to the announcements of the Company dated 21 July 2023, 11 August 2023, 31 August 2023, 29 September 2023, 31 October 2023 and 18 December 2023; and circular dated 28 November 2023.

MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

The Group did not conduct any material acquisition or disposal of subsidiaries, associates and joint ventures during the Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

In July 2021, the Group completed acquisition of four parcels of land in Yuen Long for establishment of a new care and attention home with approximately 250 residential care places and expected to commence operation in late 2026.

Save as disclosed above and elsewhere in this announcement, the Group does not have any plans for material investments and capital assets acquisitions for the coming 12 months.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 March 2024 and 2023.

FOREIGN EXCHANGE EXPOSURE

The Group solely operates in Hong Kong and the majority of the Group's transactions and the Group's cash and cash equivalents are denominated in HK\$. The Group is not exposed to foreign currency risk on transaction that is in a currency other than the respective functional currency of the Group entities. The Group did not resort to any foreign currency hedging facilities during the Year but the management will continuously monitor foreign exchange exposure and will consider hedging significant foreign currency exposure where appropriate.

PLEDGE OF ASSETS

As at 31 March 2024, investment properties, property and equipment and right-of-use assets with an aggregate carrying amount of approximately HK\$455.1 million (2023: HK\$229.2 million) and restricted bank deposit of approximately HK\$10.5 million (2023: HK\$6.6 million) were pledged to secure banking facilities granted to the Group. Save for the above, the Group had no other pledge of assets as at 31 March 2024 and 2023.

EMPLOYEES AND REMUNERATION POLICIES

The total number of full-time and part-time employees were 469 and 518 as at 31 March 2024 and 2023, respectively. The Group's employee benefit expenses mainly includes salaries, discretionary bonuses, medical insurance coverage, staff quarter, other staff benefits and contributions to retirement schemes. Share options are granted to certain Directors and other eligible employees of the Group to reward their contributions under the share option

scheme of the Company. During the Year, the Group's total employee benefit expenses (including Directors' emoluments) amounted to approximately HK\$107.7 million (Previous Year: approximately HK\$141.2 million).

Remuneration is determined generally with reference to the qualification, experience and work performance of the relevant employee, whereas the payment of discretionary bonus is generally subject to work performance of the relevant employee, the financial performance of the Group and general market conditions.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and that the risks of non-compliance with such requirements. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Group has complied with all relevant laws and regulations in Hong Kong in all material respects during the Year.

The Group also complies with the requirements under the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") for the disclosure of information and corporate governance.

ENVIRONMENTAL POLICY

The Group recognises its responsibility to protect the environment from its business activities. The Group continually seeks to identify and manage environmental impacts.

RELATIONSHIPS WITH STAKEHOLDERS

The Group recognises employees as valuable assets of the Group. In order to motivate employees, the Group provides reasonable remuneration package, implements periodic appraisal system and provide on-going trainings to our employees.

The Group treasures the long-term relationships developed with its customers and suppliers. The Group put emphasis on efficient communication, response and feedback actions, which are crucial for building stable relationships with business partners.

The Group values relationships with its stakeholders. The Group maintains an ongoing dialogue with its stakeholders, employees and customers through general meetings, regular performance reviews, appraisals and interview sessions so as to facilitate efficient communication and collective constructive feedback. Such feedback is considered essential in the decision-making process of the Group's daily operation from improving its business performance to bringing insights for future development.

PROSPECTS

Hong Kong is undergoing a demographic transformation with a significant increase in both the number and proportion of older people in the population. According to Hong Kong population projections for 2022–2046 released by the Census and Statistics Department, the number of elderly persons will increase from 1.45 million in 2021 to 2.74 million in 2046. The corresponding proportion of the population is projected to increase from 20.5% to 36.0%, meaning more than one in every three Hong Kong people will be elderly, which invariably leads to escalating demand on residential care home services among older adults.

Our principal business objectives are to solidify our established market position in the private RCHE industry in Hong Kong and enhance our market position in the care and attention homes sector. Also, the Group will continue to participate in various community care related programmes for the provision of accessible, comprehensive, co-ordinated and person-centred care services to the community.

As reflected in the Company's motto: "Quality Service; Respecting and Positive; People-oriented; and Full Dedication (優質服務, 敬老樂業, 以人為本, 全身投入)", the Group is committed to providing quality residential care home services to our residents. As part of our continuing effort to maintain a high quality of our services, the Group has implemented standardised management and operational procedures and quality controls across our network of care and attention homes for the elderly. With the Group's experienced management team and reputation in the market, the Group will continue to expand its network of RCHE in strategic locations in Hong Kong to serve more elderly residents when there are suitable opportunities. In June 2024, a new care and attention home located in Lam Tin with 76 residential care places under first phase commenced operation, second phase with approximately 146 residential care places is expected to commence operation in late 2024.

Having considered the surge in available properties in the market and significant decrease in property prices, the Group completed the acquisition of four pieces of lands in Yuen Long in July 2021 for establishment of a new care and attention home, which is anticipated to provide approximately 250 residential care places and expected to commence operation in late 2026.

In 2022, the Group has been taking initiatives to diversify its business with an objective to broaden its income stream. The Group tapped into medical diagnostic and imaging and health check markets in Hong Kong to raise public awareness of the importance of preventive healthcare and regular check-ups. We provide a wide variety of services to meet incremental, preventive and other health-related needs of the public, including but not limited to health check-ups, mammography, ultrasound, DEXA Bone Densitometry and various laboratory tests. With the ageing population and the increase in health awareness of the public in Hong Kong, we believe our Group could seize the opportunity to gradually expand its operation in this industry.

The Group is confident for its sustainable growth and believes that its management team with extensive industry experience and its agile operations team are able to adapt to the rapid changes of the demand from the community and adjust the business strategy in accordance with market trends.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the Year and up to the date of this announcement.

DIVIDEND

The Board has recommended the declaration of a final dividend of HK2.0 cents per share for the Year (for the Previous Year: HK2.2 cents per share) to the shareholders of the Company. The proposed final dividend, subject to the approval of the shareholders of the Company, is expected to be paid on Thursday, 12 September 2024 to the shareholders of the Company whose names appear on the register of members of the Company on Monday, 2 September 2024.

An interim dividend of HK1.0 cents per share for the six months ended 30 September 2023 was paid by the Company on 29 December 2023 (for the six months ended 30 September 2022: HK2.2 cents per share paid on 9 December 2022).

THE FORTHCOMING ANNUAL GENERAL MEETING

The AGM will be held at 4/F., Hoi Tat Estate Ancillary Facilities Block, 38 Sham Mong Road, Kowloon, Hong Kong on Friday, 23 August 2024 at 5:00 p.m. and the notice convening such meeting will be published and despatched to the Shareholders in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining Members entitlement to attend and vote at the annual general meeting of the Company to be held on Friday, 23 August 2024 (the "AGM"), the register of members of the Company will be closed from Tuesday, 20 August 2024 to Friday, 23 August 2024, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer of the shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:00 p.m. on Monday, 19 August 2024.

For determining Members entitlement to the proposed final dividend (subject to approval by the shareholders at the AGM), the register of members of the Company will be closed from Friday, 30 August 2024 to Monday, 2 September 2024, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:00 p.m. on Thursday, 29 August 2024.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in the Model Code for Securities Transaction by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "**Model Code**"). In response to the specific enquiry made by the Company, all Directors have confirmed that they have complied with the Model Code during the Year.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board has adopted the principles and the code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules to ensure that the Company's business activities and decision making processes are regulated in a proper and prudent manner. The Company is committed to maintain high standards of corporate governance to safeguard interest of the Shareholders and ensure the quality of the constitution of the Board and transparency and accountability to the Shareholders. Save as disclosed below, the Company had complied with all the provisions in the CG Code during the Year.

Mr. Ngai Shi Shing Godfrey ("**Mr. Ngai**") is the chief executive officer of the Company and was appointed the chairman of the Board on 15 October 2020. Although this deviates from the practice under code provision C.2.1 of the CG Code, where it provides that the two positions should be held by two different individuals, as Mr. Ngai has considerable experience in the enterprise operation and management of the Company, the Board believes that it is in the best interests of the Company and its Shareholders as a whole to have Mr. Ngai as chairman of the Board so that it can benefit from his experience and capability in leading the Board in the long-term development of the Company and for more effective planning and execution of business strategies. As all major decisions are made in consultation with the members of the Board, and there are four independent non-executive Directors on the Board offering independent perspectives, the Board believes that there are adequate safeguards in place to ensure sufficient balance of powers within the Board.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

The audit committee of the Company (the “**Audit Committee**”) has reviewed the accounting policies adopted by the Group and the consolidated financial statements for the Year. The Audit Committee is satisfied that the audited consolidated financial statements of the Group for the Year were prepared in accordance with the applicable accounting standards and fairly present the Group’s financial position and results for the Year.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the Year as set out in this announcement have been agreed by the Group’s auditor, PricewaterhouseCoopers, to the amounts set out in the Group’s audited consolidated financial statements for the Year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on this announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the Company’s website at www.elderlyhk.com and the website of the Stock Exchange at www.hkexnews.hk. The annual report of the Company for the Year containing all the information required under the Listing Rules will be published on the aforesaid websites of the Company and the Stock Exchange and will be despatched to the Shareholders in due course.

By order of the Board
Kato (Hong Kong) Holdings Limited
Ngai Shi Shing, Godfrey
Chairman and executive Director

Hong Kong, 25 June 2024

As at the date of this announcement, the executive Directors are Ms. Ngai Ka Yee, Mr. Ngai Shi Shing Godfrey and Mr. Lau Kwok Wo; and the independent non-executive Directors are Mr. Or Kevin, Mr. Wong Vinci, Ms. Wu Wing Fong and Ms. Lo Ning.