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# HONG KONG FERRY (HOLDINGS) COMPANY LIMITED

香港小輪（集團）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 50)

## 2024 RESULTS ANNOUNCEMENT

### BUSINESS RESULTS

During the year under review, the Group's underlying profit for the year ended 31 December 2024 was HK\$158 million, representing an increase of approximately 10% from the same period last year. Taking into account the fair value change of the investment properties, consolidated profit after taxation for the year under review decreased by approximately 14% to approximately HK\$160 million as compared with the same period of 2023. Earnings per share for the year was HK\$0.46 (2023: HK\$0.53).

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	Note	2024 HK\$'000	2023 HK\$'000
Revenue	3(a)	422,910	374,605
Direct costs		(258,803)	(234,115)
		<b>164,107</b>	140,490
Other revenue	3(a) & 4	69,764	83,723
Other net income/(losses)	4	12,304	(902)
Valuation gains on investment properties	3(d)	2,004	42,339
Selling and marketing expenses		(7,589)	(12,736)
Administrative expenses		(98,174)	(74,998)
Other operating expenses		(7,479)	(3,591)
<b>Profit from operations</b>	3(b)	<b>134,937</b>	174,325
Interest on lease liabilities		(473)	(265)
Share of profits less losses of associates		857	746
Share of profits less losses of joint ventures		41,003	31,830
<b>Profit before taxation</b>	5	<b>176,324</b>	206,636
Taxation	6	(15,948)	(20,770)
<b>Profit for the year</b>		<b>160,376</b>	185,866
<b>Attributable to:</b>			
Equity shareholders of the Company		163,875	190,393
Non-controlling interests		(3,499)	(4,527)
<b>Profit for the year</b>		<b>160,376</b>	185,866
Earnings per share			
– Basic and diluted	8	<b>\$0.46</b>	\$0.53

Details of dividends payable to equity shareholders of the Company are set out in note 7.

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the year ended 31 December 2024*

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Profit for the year</b>	<u><b>160,376</b></u>	<u>185,866</u>
<b>Other comprehensive income for the year</b> <b>(after tax and reclassification adjustments):</b>		
Items that will not be reclassified to profit or loss:		
Remeasurement of employee retirement benefits assets	<b>1,471</b>	(2,901)
Financial assets at fair value through other comprehensive income – net movement in securities revaluation reserve (non-recycling)	<u><b>15,864</b></u>	<u>2,760</u>
	<u><b>17,335</b></u>	<u>(141)</u>
<b>Total comprehensive income for the year</b>	<u><u><b>177,711</b></u></u>	<u><u>185,725</u></u>
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>181,210</b>	190,252
Non-controlling interests	<u><b>(3,499)</b></u>	<u>(4,527)</u>
<b>Total comprehensive income for the year</b>	<u><u><b>177,711</b></u></u>	<u><u>185,725</u></u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*At 31 December 2024*

		2024	2023
	Note	HK\$'000	HK\$'000
<b>Non-current assets</b>			
Investment properties		2,495,790	2,488,690
Other property, plant and equipment		60,015	65,647
Interest in leasehold land		30,817	32,186
		<u>2,586,622</u>	<u>2,586,523</u>
Interest in associates		5,430	6,370
Interest in joint ventures		691,388	700,385
Other financial assets		132,965	107,189
Other receivables and prepayments	9(a)	83,304	90,970
Net employee retirement benefits assets		3,127	2,100
Deferred tax assets		3,479	3,513
		<u>3,506,315</u>	<u>3,497,050</u>
<b>Current assets</b>			
Inventories		1,803,089	1,802,140
Trade and other receivables	9(b)	186,214	164,130
Tax recoverable		838	517
Cash and bank balances		1,876,592	1,825,434
		<u>3,866,733</u>	<u>3,792,221</u>
<b>Current liabilities</b>			
Trade and other payables	10	(206,577)	(212,823)
Long service payment liabilities		(1,229)	(1,152)
Lease liabilities		(4,025)	(6,883)
Tax payable		(16,179)	(19,868)
		<u>(228,010)</u>	<u>(240,726)</u>
<b>Net current assets</b>		<u>3,638,723</u>	<u>3,551,495</u>
<b>Total assets less current liabilities</b>		<u>7,145,038</u>	<u>7,048,545</u>
<b>Non-current liabilities</b>			
Lease liabilities		(3,999)	(2,879)
Deferred tax liabilities		(87,756)	(81,026)
		<u>(91,755)</u>	<u>(83,905)</u>
<b>NET ASSETS</b>		<u>7,053,283</u>	<u>6,964,640</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		1,754,801	1,754,801
Reserves		5,307,918	5,215,776
<b>Total equity attributable to equity shareholders of the Company</b>		<u>7,062,719</u>	<u>6,970,577</u>
<b>Non-controlling interests</b>		<u>(9,436)</u>	<u>(5,937)</u>
<b>TOTAL EQUITY</b>		<u>7,053,283</u>	<u>6,964,640</u>

## NOTES TO THE FINANCIAL INFORMATION

### 1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The financial information relating to the years ended 31 December 2024 and 2023 included in this preliminary announcement of annual results does not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the financial statements for the year ended 31 December 2024 in due course.

The Company’s auditor has reported on the financial statements of the Group for both years. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in the financial statements.

### 2. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRSs issued by the HKICPA to the financial statements for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current* (“2020 amendments”)
- Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants* (“2022 amendments”)
- Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial Instruments: Disclosures: Supplier finance arrangements*

None of the developments has had a material effect on how the Group’s results and financial position for the current or prior years have been prepared or presented in the financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 3. SEGMENT INFORMATION

The operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following five reportable segments.

- Property development: development and sale of properties.
- Property investment: rental income from leasing of properties.
- Ferry, shipyard and related operations: income from operation of dangerous goods vehicular ferry service and ship repairs and maintenance services and sales of goods on cruise vessels.
- Healthcare, medical aesthetic and beauty services: income from provision of healthcare, medical aesthetic and beauty services.
- Securities investment: dividend, interest and other income from listed securities investments.

Segment information is presented only in respect of the Group's business segments. No geographical analysis is shown as substantially all of the Group's revenue and profit from operations were derived from activities in Hong Kong.

### 3. SEGMENT INFORMATION (Continued)

#### Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The segment information for the years ended 31 December 2024 and 2023 about these reportable segments is presented below:

#### (a) Segment revenue

	Total revenue		Elimination of inter-segment revenue		Revenue from external customers	
	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Property development	–	–	–	–	–	–
Property investment	172,523	170,149	189	–	172,334	170,149
Ferry, shipyard and related operations	179,416	166,040	1,552	1,417	177,864	164,623
Healthcare, medical aesthetic and beauty services	40,209	14,078	106	295	40,103	13,783
Securities investment	11,792	6,548	–	–	11,792	6,548
Others	187,591	114,038	97,010	10,813	90,581	103,225
	<u>591,531</u>	<u>470,853</u>	<u>98,857</u>	<u>12,525</u>	<u>492,674</u>	<u>458,328</u>
Analysed by:						
Revenue					422,910	374,605
Other revenue					<u>69,764</u>	<u>83,723</u>
					<u>492,674</u>	<u>458,328</u>

The principal activities of the Group are property development, property investment, ferry, shipyard and related operations, healthcare, medical aesthetic and beauty services and securities investment.

Revenue represents gross income from the sale of properties, sales value of goods delivered to customers, income from services rendered, rental income, interest income and dividend income.

### 3. SEGMENT INFORMATION (Continued)

#### Segment results (Continued)

##### (b) Segment result

	Reportable segment (loss)/profit	
	2024	2023
	HK\$'000	HK\$'000
Property development	(9,241)	(715)
Property investment ( <i>note 3(d)</i> )	76,507	123,694
Ferry, shipyard and related operations	(7,977)	(7,643)
Healthcare, medical aesthetic and beauty services	(27,616)	(37,842)
Securities investment	16,372	(2,254)
	<u>48,045</u>	<u>75,240</u>
Others ( <i>note 3(e)</i> )	86,892	99,085
	<u>134,937</u>	<u>174,325</u>

##### (c) Reconciliation of reportable segment profit

	2024	2023
	HK\$'000	HK\$'000
Reportable segment profit derived from external customers	48,045	75,240
Other profit derived from external customers	86,892	99,085
Interest on lease liabilities	(473)	(265)
Share of profits of associates and joint ventures ( <i>net</i> )	41,860	32,576
	<u>176,324</u>	<u>206,636</u>

(d) The segment result of the “Property investment” included valuation gains on investment properties of HK\$2,004,000 (2023: HK\$42,339,000).

(e) “Others” mainly comprises interest income, corporate expenses and exchange gains/losses.

##### (f) Other segment information

	Depreciation and amortisation		(Reversal of)/ provision for impairment losses		Capital expenditure incurred	
	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Property development	–	1,007	–	–	–	–
Property investment	–	–	(208)	98	5,096	105,307
Ferry, shipyard and related operations	8,297	8,204	–	–	1,987	1,107
Healthcare, medical aesthetic and beauty services	10,343	9,786	–	–	3,512	667
Others	788	612	–	–	584	1,870
	<u>19,428</u>	<u>19,609</u>	<u>(208)</u>	<u>98</u>	<u>11,179</u>	<u>108,951</u>

#### 4. OTHER REVENUE AND NET INCOME/(LOSSES)

	2024 HK\$'000	2023 HK\$'000
<b>Other revenue</b>		
Management fee income	27,772	28,282
Other income	19,110	21,224
Air-conditioning charges income	17,768	18,510
Other interest income	5,114	10,296
Government grants – others ( <i>note 1</i> )	–	5,411
	<u>69,764</u>	<u>83,723</u>
<b>Other net income/(losses)</b>		
Change in fair value of other financial assets designated at fair value through profit or loss (“FVPL”)	9,912	(8,400)
Income from sale of spare parts	1,105	887
Sundry income	1,042	840
Reversal of impairment loss on trade and other receivables	262	58
Net exchange losses	(17)	(22)
Construction cost adjustment ( <i>note 2</i> )	–	5,239
Gain on lease modifications	–	494
Net gain on disposal of other property, plant and equipment	–	2
	<u>12,304</u>	<u>(902)</u>

*Note 1:* In 2023, the Group was qualified for the relief measures offered for the public transport sector and other sectors under the Anti-epidemic Fund set up by the Government amounting to HK\$5,300,000 and HK\$111,000 respectively. The purpose of the funding was to provide financial support to franchised and licensed ferry and shipyard operators and eligible applicants under other sectors who were adversely impacted by the COVID-19 pandemic.

*Note 2:* During the year ended 31 December 2023, construction cost adjustment represented the revision of the original construction costs of the properties completed in prior years, confirmed by the surveyors.



## 5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

### (a) Staff costs:

	2024 HK\$'000	2023 HK\$'000
Expense recognised in respect of defined benefit retirement plans:		
– Occupational Retirement Schemes Ordinance plans	388	563
– Long service payments	285	1,152
Contributions to defined contribution retirement plan	<u>3,917</u>	<u>2,997</u>
Total retirement costs	4,590	4,712
Salaries, wages and other benefits	<u>136,088</u>	<u>110,189</u>
	<u><u>140,678</u></u>	<u><u>114,901</u></u>

### (b) Other items:

	2024 HK\$'000	2023 HK\$'000
Amortisation of leasehold land premium	1,369	1,369
Depreciation	18,059	18,240
Cost of inventories	8,279	10,136
Auditor's remuneration		
– audit services	1,992	1,986
– other services	366	366
Impairment losses on trade and other receivables	54	98
Rentals receivable from investment properties less direct outgoings of HK\$64,249,000 (2023: HK\$62,264,000) (note)	(61,112)	(59,431)
Rentals receivable from leases, other than those relating to investment properties, less direct outgoings of HK\$841,000 (2023: HK\$706,000)	(2,215)	(7,029)
Interest income	(93,522)	(99,096)
Dividend income from other financial assets designated at FVPL	(2,559)	(3,348)
Dividend income from other financial assets designated at fair value through other comprehensive income	<u>(4,339)</u>	<u>(3,200)</u>

*Note:* Included contingent rental income which is determined based on turnover of certain shops and commercial arcades of HK\$2,989,000 (2023: HK\$2,479,000).

## 6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Taxation in the consolidated statement of profit or loss represents:

	2024 HK\$'000	2023 HK\$'000
<b>Current tax – Hong Kong Profits Tax</b>		
Provision for the year	9,027	12,361
Provision for the claims ( <i>note</i> )	107	119
Under-provision in respect of prior years	<u>50</u>	<u>626</u>
	9,184	13,106
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<u>6,764</u>	<u>7,664</u>
	<u>15,948</u>	<u>20,770</u>

The provision for Hong Kong Profits Tax for 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2023.

The provision for Hong Kong Profits Tax for 2024 takes into account a reduction granted by the Government of 100% of the tax payable for the year of assessment 2023/24 subject to a maximum reduction of HK\$3,000 for each business (2023: a maximum reduction of HK\$6,000 was granted for the year of assessment 2022/23 and was taken into account in calculating the provision for 2023).

*Note:* In prior years, the Inland Revenue Department (“IRD”) raised additional profits tax assessments on a subsidiary of the Group covering the years of assessment from 2001/02 to 2009/10 as the IRD disallowed the deduction of certain capital expenditure incurred by the subsidiary (the “claims”). Notices of objection were filed with the IRD by the subsidiary. In February 2017 and March 2022, the IRD further raised additional profits tax assessments covering the years of assessment from 2010/11 to 2014/15 and 2015/16 in respect of such disallowance. Management has sought advice from the Group’s tax adviser and has filed a notice of objection against such additional tax assessments. In August 2022, IRD issued a determination regarding previous objections and continued to disallow the claims. The subsidiary filed a notice of appeal to the Board of Review in September 2022 and the appeal was heard in July and August 2024. As at the date of this results announcement, the Board of Review has yet to hand down its decision. During the year ended 31 December 2024, the Group made an additional provision of HK\$107,000 for the claims.

## 7. DIVIDENDS

### (a) Dividends payable to equity shareholders of the Company attributable to the year

	2024 HK\$'000	2023 HK\$'000
Interim dividend declared and paid of HK10 cents (2023: HK10 cents) per ordinary share	35,627	35,627
Final dividend proposed after the end of the reporting period of HK15 cents (2023: HK15 cents) per ordinary share	<u>53,441</u>	<u>53,441</u>
	<u><b>89,068</b></u>	<u><b>89,068</b></u>

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

### (b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2024 HK\$'000	2023 HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of HK15 cents (2023: HK15 cents) per ordinary share	53,441	53,441
Special dividend in respect of the previous financial year, approved and paid during the year, of HK\$ Nil (2023: HK\$1.00) per ordinary share	<u>–</u>	<u>356,274</u>
	<u><b>53,441</b></u>	<u><b>409,715</b></u>

## 8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK\$163,875,000 (2023: HK\$190,393,000) and 356,273,883 (2023: 356,273,883) ordinary shares in issue during the year.

There were no dilutive potential ordinary shares in existence during the years 2024 and 2023, therefore diluted earnings per share are the same as basic earnings per share for both years.

## 9. TRADE AND OTHER RECEIVABLES

### (a) Non-current

	2024 HK\$'000	2023 HK\$'000
Instalment receivables	83,304	88,489
Other receivables and prepayments	<u>–</u>	<u>2,481</u>
	<u>83,304</u>	<u>90,970</u>

Instalment receivables represent the proceeds receivable from the sale of properties due after more than one year from the end of the reporting period. The balance included under non-current assets is not past due. Instalment receivables due within one year from the end of the reporting period are included in “Trade and other receivables” under current assets.

### (b) Current

	2024 HK\$'000	2023 HK\$'000
Trade receivables	70,356	57,840
Instalment receivables	2,605	2,480
Less: loss allowance	<u>(5)</u>	<u>(2,651)</u>
	72,956	57,669
Other receivables and prepayments	79,285	77,426
Amounts due from joint ventures	<u>33,973</u>	<u>29,035</u>
	<u>186,214</u>	<u>164,130</u>

All of the current trade and other receivables are expected to be recovered or recognised as expense within one year. Included in the trade and other receivables are amounts due from related companies of HK\$62,140,000 (2023: HK\$55,874,000) which are unsecured, interest-free and recoverable on demand. Related companies are companies under control of a company which has significant influence on the Group.

The balance as at 31 December 2024 is unsecured, interest-free and recoverable on demand.

## 9. TRADE AND OTHER RECEIVABLES (Continued)

### (b) Current (Continued)

#### Ageing analysis

Included in trade and other receivables are trade debtors (net of loss allowance) with the following ageing analysis based on due date at the end of the reporting period:

	2024 HK\$'000	2023 HK\$'000
Current	32,465	30,397
1 to 3 months overdue	30,805	26,082
More than 3 months but less than 12 months overdue	9,503	1,173
More than 12 months overdue	183	17
	<u>72,956</u>	<u>57,669</u>

Trade debtors are due ranging from 7 to 45 days from the date of billing. Debtors with balances that are more than 60 days overdue are generally required to settle all outstanding balances before any further credit is granted.

## 10. TRADE AND OTHER PAYABLES

All of the trade and other payables except for an amount of HK\$19,607,000 (2023: HK\$18,995,000) are expected to be settled within one year. Included in the trade and other payables are amounts due to related companies of HK\$29,110,000 (2023: HK\$19,938,000) which are unsecured, interest-free and repayable within 30–45 days or repayable on demand. Related companies are companies under control of a company/person which has significant influence on the Group.

Included in trade and other payables are trade payables with the following ageing analysis based on due date at the end of the reporting period:

	2024 HK\$'000	2023 HK\$'000
Due within 1 month or on demand	118,912	131,004
Due after 1 month but within 3 months	1,256	1,265
Due after 3 months but within 12 months	–	–
More than 12 months	2	2
	<u>120,170</u>	<u>132,271</u>

## **DIVIDENDS**

The Board of Directors (the “Board”) has recommended the payment of a final dividend for the year ended 31 December 2024 of HK15 cents per share (2023: final dividend of HK15 cents per share). Subject to shareholders’ approval at the annual general meeting to be held on Friday, 30 May 2025, the final dividend will be paid on Monday, 23 June 2025 to shareholders whose names appear on the Register of Members of the Company on Friday, 6 June 2025. The final dividend, together with the interim dividend of HK10 cents per share already paid, will make a total distribution of HK25 cents for the full year.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining shareholders’ eligibility to attend, speak and vote at the annual general meeting to be held on Friday, 30 May 2025 or any adjournment or postponement thereof (the “AGM”), the Register of Members of the Company will be closed from Tuesday, 27 May 2025 to Friday, 30 May 2025 (both days inclusive), during which period no requests for transfer of shares will be accepted. In order to determine shareholders who are entitled to attend, speak and vote at the AGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company’s Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Monday, 26 May 2025.

For the purpose of determining shareholders’ entitlement to the proposed final dividend for the year, the Register of Members of the Company will be closed on Thursday, 5 June 2025 and Friday, 6 June 2025, during which period no requests for transfer of shares will be accepted. In order to qualify for the proposed final dividend for the year, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company’s Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 4 June 2025.

## **BUSINESS REVIEW**

During the year under review, the Group’s operating profit was mainly derived from the rental income from shops and commercial arcades as well as interest income from banks. The Group had no borrowings.

### **Property Development and Investment Operations**

In 2024, the rental income arising from the commercial arcades of the Group amounted to approximately HK\$125 million. As at 31 December 2024, the commercial arcades of The Spectacle and Metro6 were fully let. The occupancy rate of the commercial arcade of Shining Heights was 95%. The occupancy rates of commercial arcades of Metro Harbour Plaza and Green Code Plaza were 93% and 86% respectively.

### **The Royale (8 Castle Peak Road – Castle Peak Bay, Tuen Mun) Joint Venture Development Project**

The Group has already delivered to buyers the 1,748 residential units sold. Some of the residential units are arranged for lease to increase the Group’s revenue.

## **BUSINESS REVIEW** (Continued)

### **The Symphonie (280 Tung Chau Street, Cheung Sha Wan) Redevelopment Project**

The Group's redevelopment project "The Symphonie" in Cheung Sha Wan, with a residential gross floor area of about 100,698 square feet, provides 262 residential units. Due to the improvement in the rental market in Hong Kong, rental yields have increased. On 12 March 2025, a wholly-owned subsidiary of the Company entered into a legally binding memorandum of understanding ("MOU") with a prominent non-profit making organisation (the "Intending Tenant") in relation to the leasing of all 262 residential units in the two towers of The Symphonie at Tung Chau Street to the Intending Tenant for a medium-term tenure at market rental with expected rent commencement date in the first half of this year. The transactions contemplated under the MOU are conditional upon the obtaining of the approval from the Urban Renewal Authority as the grantee of the government lease.

### **Ferry, Shipyard and Related Operations**

During the year under review, the Ferry, Shipyard and Related Operations recorded a deficit of HK\$8 million, an increase of 4% as compared to the deficit in the year 2023. The Group has applied to the Transport Department for a fare increase for the "North Point – Kwun Tong" dangerous goods vehicular ferry service, and believes that the overall operation loss will be alleviated. With the opening of the western section of the East Coast Boardwalk in North Point, the Group will discuss with the Hong Kong Government the optimisation of the North Point Pier facilities in order to provide a better experience for passengers of the Harbour Cruise – Bauhinia and citizens using the North Point harbourfront.

### **Healthcare, Medical Aesthetic and Beauty Services**

The number of customers of the "AMOUR" medical aesthetic clinic located at Mira Place, Tsim Sha Tsui, with a floor area of about 12,000 square feet, has increased continuously since its opening. The turnover for the year ended 31 December 2024 was HK\$32 million, an increase of 138% compared with the same period last year. As at 31 December 2024, HK\$15 million was recorded as payments received for prepaid packages, which in accordance with standard accounting practices had not been included in the income statement of the year under review. On the occasion of its second anniversary, the "AMOUR" medical aesthetic clinic will expand its business, increasing the usable area of the clinic to provide clients with higher quality medical aesthetic services.

The Group is currently providing specialised services in cardiology, surgery, orthopedics, plastic surgery, rheumatology and urology under the brand "Total HealthCare Specialists Centre" at H Zentre in Tsim Sha Tsui. The performance has been steadily on the rise and net profits have continued to be recorded during the year under review. The Group also discusses with specialist doctors, specialist clinics, and medical equipment and product suppliers for cooperation from time to time to seek expansion in the medical specialties business.

The Group's pain treatment businesses at Mira Place, Tsim Sha Tsui and Metro Harbour Plaza, Tai Kok Tsui respectively are gradually getting on track. The Hong Kong Government is actively promoting public health, and its reform measures for the medical system are increasingly focused on disease prevention. In view of this, the Group has introduced advanced medical equipment in conjunction with professional registered chiropractors and sports therapists, to provide personalised treatment plans for pain-suffering patients, which helps improve the health of customers.

## **FINANCIAL REVIEW**

### **Review of Results**

The Group's revenue for the year amounted to approximately HK\$423 million, representing an increase of 12.9% when compared with the previous year. This was mainly attributable to the increase of revenue from ferry, shipyard as well as healthcare, medical aesthetic and beauty services.

### **Liquidity, Financial Resources and Capital Structure**

As of 31 December 2024, shareholders' funds of the Group showed an increase of around 1.3% as compared to the previous year and amounted to HK\$7,063 million. The increase was mainly the net effect of the profit realised from property leasing and the deduction of the dividend payments.

There was no change to the capital structure of the Group during the year. Funding for the Group's activities during the year under review was mainly generated from the property leasing and other operations.

Current assets of the Group were recorded at HK\$3,867 million and the current liabilities were HK\$228 million as of 31 December 2024. Current ratio of the Group had been increased to 17.0 as at 31 December 2024, mainly attributed to the increase in trade and other receivables as well as cash and bank balance.

### **Gearing Ratio and Financial Management**

As the Group had no borrowings as at 31 December 2024, no gearing ratio, which is calculated on the basis of bank borrowing as a ratio of the Group's shareholders' fund, was shown.

The Group's financing and treasury activities were managed centrally at the corporate level. Financing facilities extended to the Group were denominated in Hong Kong dollar.

### **Employees and Remuneration Policy**

As at 31 December 2024, the number of employees of the Group stood at about 300 (2023: about 284). Total employees' costs for the year amounted to approximately HK\$141 million. The remuneration packages to employees were commensurable to the market trend and levels of pay in similar industries. A discretionary year-end bonus was paid to employees based on individual performance. Other benefits to employees included medical insurance, retirement scheme, training programmes and educational subsidies.



## PROSPECTS

The United States Federal Reserve maintained the interest rate in the range of 4.25%–4.5% in early 2025 to observe inflation trends. Following the change of administration, the United States Government imposed additional tariffs on goods from multiple countries, prompting various nations to propose corresponding countermeasures. This led to escalation of trade tension and increase of global economic uncertainties.

In 2024, the price index of private residential properties in Hong Kong decreased by approximately 7.1% year-on-year, marking three consecutive years of decline since 2022. Given the continued sluggish prices of all types of properties, the Chief Executive announced in the 2024 Policy Address that the maximum loan to value ratio for residential properties would be adjusted to 70%, while the maximum debt servicing ratio would be adjusted to 50%. The maximum loan to value ratio and debt servicing ratio for non-residential properties would also be adjusted to the respective same levels. The Financial Secretary also announced in the 2025–26 Budget a reduction in stamp duty for purchasing residential properties at lower values, raising the maximum value of properties chargeable to HK\$100 stamp duty from HK\$3 million to HK\$4 million. This series of relaxation measures will help strengthen the confidence of investors and users in the property market and promote the recovery of healthy development in the property market.

The Hong Kong Government has launched various talent schemes. By the end of 2024, around 180,000 talents and their families had arrived in Hong Kong. The Hong Kong Government is also actively promoting development of an international hub for post-secondary education, establishing the “Study in Hong Kong” brand to attract mainland and international students to study in Hong Kong. The increase in the number of new talents and their families arriving Hong Kong, along with international students, has increased the demand for residential property rentals. The rental index of private residential property in Hong Kong rose by approximately 3.9% year-on-year in 2024. In view of the strong demand in the residential rental market, the Group adjusted its strategy and sought to lease out the entire “The Symphonie” project for stable rental income.

Hong Kong citizens are keen to go north for consumption and travel overseas during holidays, leading to a direct impact on the retail and catering industries, with a decrease in patronage and a decline in sales performance. To mitigate the effects of changes in consumption habits among Hong Kong citizens, in addition to extending the Individual Visit Scheme for Hong Kong and Macau to eight more mainland cities in May 2024, the Central Government announced the resumption and expansion of the multiple-entry Individual Visit Scheme for Shenzhen residents in December 2024, adding new momentum to Hong Kong’s tourism, catering and retail industries. Hong Kong will host a number of international events and large-scale activities this year, including the opening of the Kai Tak Sports Park, multiple large-scale art exhibitions, concerts by famous artists, as well as the hosting of 8 competitive events of the 15th National Games, which will attract mainland and foreign tourists to Hong Kong for consumption, promoting local economic development.

It is expected that the income from rental properties, together with bank interest income, will continue to be the major sources of revenue of the Group in the year 2025. The Group will adopt a flexible leasing policy to retain existing tenants and attract new ones. As deposit interest rates are at a relatively high level, the Group holds ample cash on hand with no borrowings and is able to maintain stable operations, waiting for new investment opportunities.

## **CORPORATE GOVERNANCE**

The Company is committed to maintaining high standard of corporate governance. In the opinion of the Board, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the year ended 31 December 2024.

## **AUDIT COMMITTEE**

The Audit Committee has reviewed the financial results of the Group for the year ended 31 December 2024 and discussed with internal audit department and independent external auditor in respect of matters on auditing, internal control and financial reports of the Group.

The financial results for the year ended 31 December 2024 have been reviewed with no disagreement by the Audit Committee of the Company.

## **SCOPE OF WORK OF KPMG**

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by the auditor.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as the code for dealing in securities of the Company by the Directors of the Company. Having made specific enquiries, the Company confirmed that all Directors of the Company had complied with the required standard as set out in the Model Code throughout the year ended 31 December 2024.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

## **FORWARD-LOOKING STATEMENTS**

This announcement contains certain statements that are forward-looking or which use certain forward-looking terminologies. These forward-looking statements are based on the current beliefs, assumptions and expectations of the Board regarding the industry and markets in which it operates. These forward-looking statements are subject to risks, uncertainties and other factors beyond the Company's control which may cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This results announcement is published on the Company's website (www.hkf.com) and HKEXnews website (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2024 containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and available on the same websites in due course.

## **PASSING OF DR. THE HONOURABLE LEE SHAU KEE**

Dr. the Honourable Lee Shau Kee passed away on 17 March 2025. Dr. Lee served as a Director of the Company during the period 1981–2020 and pioneered in the development of the property business, laying a solid foundation. The Board would like to express its deepest condolences on his passing.

On behalf of the Board  
**Dr. Lam Ko Yin, Colin**  
*Chairman*

On behalf of the Board  
**Li Ning**  
*Director*

Hong Kong, 18 March 2025

*As at the date of this announcement, the executive directors of the Company are Dr. Lam Ko Yin, Colin (Chairman), Mr. Li Ning and Mr. Lee Gabriel; the non-executive directors are Mr. Au Siu Kee, Alexander and Mr. Lau Yum Chuen, Eddie; and the independent non-executive directors are Mr. Ho Hau Chong, Norman, Ms. Wong Yu Pok, Marina, Mr. Wu King Cheong and Mr. Chan Wai Yan, Ronald.*