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EGL Holdings Company Limited
東瀛遊控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6882)

ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2024

GROUP FINANCIAL HIGHLIGHTS

	For the year ended 31 December		
	2024	2023	Change in
	HK\$'000	HK\$'000	%
Revenue	1,632,532	1,366,020	19.5%
Gross profit	373,205	339,768	9.8%
Profit attributable to owners of the Company	70,744	71,657	-1.3%
Earnings per share			
Basic and diluted (<i>HK cents</i>)	14.08	14.26	
Profit margin			
Gross profit margin	22.9%	24.9%	
Operating profit margin	6.4%	8.4%	
Net profit margin	4.3%	5.2%	
Return on equity attributable to owners of the Company	72.2%	151.1%	
Gearing ratio			
Total borrowings over total assets	47.2%	57.8%	
Net debts over equity	243.1%	684.0%	

The board (the “Board”) of directors (the “Directors”) of EGL Holdings Company Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2024 (the “Year”) together with comparative figures of 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
Revenue	5	1,632,532	1,366,020
Cost of sales		<u>(1,259,327)</u>	<u>(1,026,252)</u>
Gross profit		373,205	339,768
Other income, gains and losses, net	5	(4,314)	2,150
Selling expenses		(91,303)	(70,007)
Administrative expenses		(175,885)	(159,446)
Other operating expenses	6	(147)	(55)
Share of results of associates		3,226	2,193
Finance costs	6	<u>(12,688)</u>	<u>(23,183)</u>
Profit before income tax	6	92,094	91,420
Income tax expense	7	<u>(20,999)</u>	<u>(19,586)</u>
Profit for the year		<u>71,095</u>	<u>71,834</u>
Other comprehensive income, that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(16,978)	(10,824)
Share of exchange differences on translation of foreign associates		(2,091)	(1)
Effect on cash flow hedge, net of tax		–	(791)
Other comprehensive income, that will not be reclassified subsequently to profit or loss:			
Remeasurement of provision for long service payments		<u>(837)</u>	<u>(370)</u>
Other comprehensive income for the year, net of tax		<u>(19,906)</u>	<u>(11,986)</u>
Total comprehensive income for the year, net of tax		<u>51,189</u>	<u>59,848</u>

		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year attributable to:			
Owners of the Company		70,744	71,657
Non-controlling interests		351	177
		<u>71,095</u>	<u>71,834</u>
Total comprehensive income attributable to:			
Owners of the Company		50,626	59,485
Non-controlling interests		563	363
		<u>51,189</u>	<u>59,848</u>
Earnings per share for profit attributable to owners of the Company			
– Basic and diluted (<i>HK cents</i>)	8	14.08	14.26

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	2024 HK\$'000	2023 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		365,298	416,503
Right-of-use assets		24,283	25,497
Interests in associates		10,455	10,688
Deferred tax assets		63,765	82,924
Deposits and prepayments	11	1,897	1,835
		<u>465,698</u>	<u>537,447</u>
Current assets			
Inventories		930	1,313
Trade receivables	10	13,786	10,235
Deposits, prepayments and other receivables	11	98,109	75,250
Amount due from an associate		3,981	3,816
Dividend receivables from an associate		684	–
Pledged bank deposits		10,296	10,240
Cash at banks and on hand		169,242	219,940
		<u>297,028</u>	<u>320,794</u>
Current liabilities			
Trade payables	12	45,634	37,540
Accruals and other payables	13	57,796	55,207
Dividend payable	9	–	35,172
Contract liabilities		136,612	127,987
Amounts due to associates		3,071	2,323
Lease liabilities		39,800	39,508
Provision for taxation		7,800	4,397
Bank borrowings	14	61,115	31,108
		<u>351,828</u>	<u>333,242</u>
Net current liabilities		<u>(54,800)</u>	<u>(12,448)</u>
Total assets less current liabilities		<u>410,898</u>	<u>524,999</u>

		2024	2023
	Notes	HK\$'000	HK\$'000
Non-current liabilities			
Provision		541	602
Provision for long service payments		7,417	5,653
Bank borrowings	14	208,355	281,901
Lease liabilities		7,707	8,957
Loans from a related company		<u>90,544</u>	<u>182,741</u>
		<u>314,564</u>	<u>479,854</u>
Net assets		<u><u>96,334</u></u>	<u><u>45,145</u></u>
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	15	50,245	50,245
Reserves		<u>47,789</u>	<u>(2,837)</u>
		98,034	47,408
Non-controlling interests		<u>(1,700)</u>	<u>(2,263)</u>
Total equity		<u><u>96,334</u></u>	<u><u>45,145</u></u>

NOTES TO THE FINANCIAL INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL

EGL Holdings Company Limited (the “Company”) was incorporated in the Cayman Islands on 24 July 2014 as an exempted company with limited liability. The address of its registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business is located at 15/F, EGL Tower, 83 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 28 November 2014.

The principal activity of the Company is investment holding and the principal activities of the subsidiaries are provision of package tours, free-independent travellers (“FIT”) packages, individual travel elements (together with FIT packages referred to as “FIT Products”), ancillary travel related products and services and sale of merchandises as well as the ownership, development and management of hotel business.

The Company’s immediate and ultimate holding company is Evergloss Management Group Company Limited, incorporated in the British Virgin Islands (the “BVI”).

2. BASIS OF PREPARATION

(a) Statement of compliance

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

(b) Basis of measurement

The financial information has been prepared under historical cost basis.

(c) Functional and presentation currency

The financial information is presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company.

3. ADOPTION OF HKFRSs

(a) Adoption of amended HKFRSs – effective 1 January 2024

In the current year, the Group has applied for the first time the following amended HKFRSs issued by the HKICPA to the Group's financial statements for the annual period beginning on or after 1 January 2024:

- Amendments to HKAS 1, Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants and Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ('HK-Int 5(Revised)')
- Amendments to HKFRS 16, Lease Liability in Sale and Leaseback
- Amendments to HKAS 7 and HKFRS 7, Supplier Finance Arrangements

Other than the amendments to HKAS 1, none of these amended HKFRSs has a material impact on the Group's results and financial position for the current or prior period. The Group has not early applied any amended HKFRSs that is not yet effective for the current accounting period. Impact on the applications of these amended HKFRSs are summarised below:

Amendments to HKAS 1, Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants and Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ('HK-Int 5(Revised)')

Amendments to HKAS 1 *Presentation of Financial Statements* in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Following the amendments, the HKICPA updated HK-Int 5(Revised) to update the references to the amendments to HKAS 1. The conclusions in HK-Int 5(Revised) are unchanged.

Classification is unaffected by the entity's expectations or event after the reporting date (e.g. the receipt of a waiver or a breach of covenant that an entity is required to comply with only after the reporting period).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either on or before the reporting date, this needs to be considered in the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants with which the entity must comply within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability;
- information about the covenants (including the nature of the covenants and when the entity is required to comply with them); and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments must be applied retrospectively in accordance with the requirements in HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

(b) New or amended HKFRSs that have been issued but are not yet effective

The following new or amended HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group:

- Amendments to HKAS 21 and HKFRS 1, Lack of Exchangeability¹
- Amendments to HKFRS 9 and HKFRS 7, Amendments to the Classification and Measurement of Financial Instruments²
- HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7, Annual Improvement to HKFRS Accounting Standards – Volume 11²
- HKFRS 18, Presentation and Disclosure in Financial Statements³
- HKFRS 19, Subsidiaries without Public Accountability: Disclosures³
- Amendments to HKFRS 10 and HKAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴

¹ *Effective for annual periods beginning on or after 1 January 2025.*

² *Effective for annual periods beginning on or after 1 January 2026.*

³ *Effective for annual periods beginning on or after 1 January 2027.*

⁴ *No mandatory effective date determined yet.*

The Group is in process of making an assessment of what the impact of these amendments and standards is expected to be in period of initial application.

HKFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the HKICPA in July 2024 supersedes HKAS 1 and will result in major consequential amendments to HKFRS Accounting Standards including HKAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though HKFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The adoption of HKFRS 19 is optional. HKFRS 19 specifies the disclosure requirements that an entity is permitted to apply to substitute the disclosure requirements in other HKFRS Accounting Standards. The Company's shares are listed and traded in The Stock Exchange of Hong Kong Limited. Therefore, it has public accountability according to HKFRS 19 and does not qualify for electing to apply the standard to prepare its financial statements.

4. SEGMENT REPORTING

The Group has identified its operating segments based on the regular internal financial information reported to the chief operating decision-makers about allocation of resources to assess the performance of the Group's business.

The Group has three reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Travel and travel related services business ("Travel Related Business")
- Sale of merchandises ("Sale of Merchandises Business")
- Hotel room rental and ancillary services ("Hotel Business")

Management assesses the performance of the operating segments based on the measure of segment results which represents the net of revenue, cost of sales, other income, gains and losses, selling expenses, administrative expenses, other operating expenses, share of results of associates and finance costs directly attributable to each operating segment. Central administrative costs are not allocated to the operating segments as they are not included in the measure of the segment results that are used by the chief operating decision-makers for assessment of segment performance.

Segment assets include all assets with exception of corporate assets, including cash at banks and on hand and certain prepayments and other receivables which are not directly attributable to the business activities of operating segments as these assets are managed on a group basis. Likewise, segment liabilities exclude loans from a related company and corporate liabilities, such as certain accruals and other payables, which are not directly attributable to the business activities of any operating segments and not allocated to segments.

(a) **Business segments**

	Travel Related Business HK\$'000	Hotel Business HK\$'000	Elimination HK\$'000	Total HK\$'000
For the year ended 31 December 2024:				
Revenue				
Reportable segment revenue	1,507,638	139,429	(14,535)	1,632,532
Inter-segment revenue	–	(14,535)	14,535	–
From external customers	1,507,638	124,894	–	1,632,532
Reportable segment profit	86,205	41,289	–	127,494
Depreciation on property, plant and equipment	(3,286)	(12,141)	–	(15,427)
Depreciation on right-of-use assets	(18,350)	–	–	(18,350)
Share of results of associates	3,226	–	–	3,226
Finance costs	(1,493)	(3,383)	–	(4,876)
Income tax expense	(8,611)	(12,199)	–	(20,810)
Reportable segment assets	308,332	451,499	–	759,831
Reportable segment liabilities	292,594	274,663	–	567,257
Additions to non-current assets	6,098	758	–	6,856
Share of net assets of associates	10,455	–	–	10,455

	Travel Related Business HK\$'000	Sale of Merchandises Business HK\$'000	Hotel Business HK\$'000	Elimination HK\$'000	Total HK\$'000
For the year ended 31 December 2023:					
Revenue					
Reportable segment revenue	1,264,847	7,368	111,616	(17,811)	1,366,020
Inter-segment revenue	–	–	(17,811)	17,811	–
From external customers	1,264,847	7,368	93,805	–	1,366,020
Reportable segment profit/(loss)	137,907	(869)	746	–	137,784
Depreciation on property, plant and equipment	(2,140)	(377)	(29,463)	–	(31,980)
Depreciation on right-of-use assets	(17,836)	–	–	–	(17,836)
Share of results of associates	2,593	(400)	–	–	2,193
Finance costs	(1,976)	–	(3,568)	–	(5,544)
Income tax (expense)/credit	(19,052)	(738)	341	–	(19,449)
Reportable segment assets	338,848	6,141	498,217	–	843,206
Reportable segment liabilities	252,234	793	333,069	–	586,096
Additions to non-current assets	22,474	133	3,188	–	25,795
Share of net assets of associates	10,688	–	–	–	10,688

(b) **Reconciliation of reportable segment revenue, profit or loss, assets and liabilities**

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue		
Reportable segment revenue	<u>1,632,532</u>	<u>1,366,020</u>
Consolidated revenue	<u><u>1,632,532</u></u>	<u><u>1,366,020</u></u>
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit before income tax		
Reportable segment profit	127,494	137,784
Other loss, net	(5,643)	(7,684)
Finance costs	(7,812)	(17,639)
Unallocated corporate expenses	<u>(21,945)</u>	<u>(21,041)</u>
Consolidated profit before income tax	<u><u>92,094</u></u>	<u><u>91,420</u></u>
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Assets		
Reportable segment assets	759,831	843,206
Unallocated corporate assets	<u>2,895</u>	<u>15,035</u>
Consolidated total assets	<u><u>762,726</u></u>	<u><u>858,241</u></u>
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Liabilities		
Reportable segment liabilities	567,257	586,096
Unallocated corporate liabilities	<u>99,135</u>	<u>227,000</u>
Consolidated total liabilities	<u><u>666,392</u></u>	<u><u>813,096</u></u>

(c) Geographic information

The following table provides an analysis of the Group's revenue from external customers and non-current assets other than financial assets and deferred tax assets ("Specified non-current assets"):

	Revenue from external customers (by customer location)		Specified non-current assets (by physical location)	
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong and Macau (place of domicile)	1,501,265	1,266,220	31,777	32,397
Japan	131,267	99,800	357,630	409,565
Others	—	—	10,629	10,726
	<u>1,632,532</u>	<u>1,366,020</u>	<u>400,036</u>	<u>452,688</u>

The place of domicile is determined by referring to the place the Group regards as its hometown, has the majority of operation and centre of management.

(d) Information about a major customer

The Group did not have any single customer contributed more than 10% of the Group's revenue during the year ended 31 December 2024 (2023: Nil).

(e) **Disaggregation of revenue**

	Travel Related Business		Sale of Merchandises Business		Hotel Business		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Primary geographical markets								
Hong Kong and Macau (place of domicile)	1,501,265	1,258,852	-	7,368	-	-	1,501,265	1,266,220
Japan	6,373	5,995	-	-	124,894	93,805	131,267	99,800
	<u>1,507,638</u>	<u>1,264,847</u>	<u>-</u>	<u>7,368</u>	<u>124,894</u>	<u>93,805</u>	<u>1,632,532</u>	<u>1,366,020</u>
Timing of revenue recognition								
At a point in time	77,570	88,765	-	7,368	-	-	77,570	96,133
Transferred over time	1,430,068	1,176,082	-	-	124,894	93,805	1,554,962	1,269,887
	<u>1,507,638</u>	<u>1,264,847</u>	<u>-</u>	<u>7,368</u>	<u>124,894</u>	<u>93,805</u>	<u>1,632,532</u>	<u>1,366,020</u>

- (f) In October 2023, the management of the Group decided to consolidate its resources and refocus on its core segments “Travel Related Business” and “Hotel Business”. As a result, the Group proceeded to scale down the “Sale of Merchandises Business” segment. During the year ended 31 December 2024, the result in the segment of “Sale of Merchandises Business” had become immaterial and revenue and results from this segment are grouped into “Travel Related Business”.

5. REVENUE AND OTHER INCOME, GAINS AND LOSSES, NET

Revenue includes the net invoiced value of package tours, ancillary travel related products, and hotel room rental and ancillary services; the net proceeds from FIT Products and ancillary travel related services; and sale of merchandises. The amounts of each significant category of revenue recognised during the year are as follows:

	2024 HK\$'000	2023 HK\$'000
Revenue		
Package tours	1,430,068	1,176,082
FIT Products (<i>note</i>)	25,115	27,099
Ancillary travel related products and services (<i>note</i>)	51,920	61,666
Sale of merchandises	535	7,368
Hotel room rental and ancillary services	124,894	93,805
	<u>1,632,532</u>	<u>1,366,020</u>

Note: The Group's revenue from FIT Products and certain ancillary travel related services is considered as cash collected on behalf of principals as an agent, and thus recorded on a net basis. The gross proceeds received and receivable are as follows:

	2024 HK\$'000	2023 HK\$'000
Gross proceeds received and receivable	<u>286,642</u>	<u>289,140</u>

The following table provides information about trade receivables and contract liabilities from contracts with customers:

	As at 31 December 2024 HK\$'000	As at 31 December 2023 HK\$'000
Trade receivables (<i>note 10</i>)	13,786	10,235
Contract liabilities	<u>136,612</u>	<u>127,987</u>

	2024 HK\$'000	2023 HK\$'000
Other income, gains and losses, net		
Exchange loss, net	(3,059)	(1,775)
(Loss)/gain on modification of bank borrowings	(181)	50
Gain on termination of lease	–	619
Government sponsor income (<i>note</i>)	3,243	–
Handling income	192	641
Expected credit losses (“ECLs”) on trade receivables	(82)	(335)
Reversal of allowance/(allowance) for ECLs on other receivables	333	(929)
ECLs on loans to an associate	–	(800)
Interest income on bank deposits	815	2,770
Loss on modification of related party loans	(5,898)	(8,122)
Reversal of written off of prepayments	–	9,520
Sundry income	323	511
	(4,314)	2,150

Note: During the year ended 31 December 2024, the Group recognised government sponsor income of approximately HK\$3,243,000 (2023: HK\$ Nil) in respect of leading package tours to Japan. There are no unfulfilled conditions or other contingencies attached to these government sponsor income.

6. PROFIT BEFORE INCOME TAX

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

	2024 HK\$'000	2023 HK\$'000
Auditors' remuneration	2,287	2,225
Bad debts written off in respect of other receivables*	–	100
Cost of inventories recognised as expenses	2,090	4,540
Depreciation on property, plant and equipment	15,427	31,980
Depreciation on right-of-use assets	18,350	17,836
Loss/(gain) on disposal of property, plant and equipment, net*	147	(45)
Finance costs:		
– Interest expense incurred on lease liabilities	1,433	1,384
– Interest expense incurred on derivative financial instruments	–	197
– Interest expense incurred on loans from a related company	7,812	17,988
– Interest expense incurred on bank borrowings	3,443	3,614
	12,688	23,183
Employee costs (including directors' emoluments):		
– Salaries and other benefits in kind	170,811	139,133
– Retirement scheme contributions	6,215	4,912
– Long service payments	1,542	978
	178,568	145,023

* All these expenses are recorded as “other operating expenses”.

7. INCOME TAX EXPENSE

	2024 HK\$'000	2023 HK\$'000
Current tax – Hong Kong Profits Tax		
– Tax for the year	1,134	1,476
– (Over)/under-provision in respect of prior year	(164)	126
	<u>970</u>	<u>1,602</u>
Current tax – People’s Republic of China (“PRC”) Enterprise Income Tax		
– Tax for the year	<u>13</u>	<u>–</u>
Current tax – Japan Profits Tax		
– Tax for the year	<u>6,616</u>	<u>2,171</u>
Deferred tax		
– Charge to profit or loss for the year	<u>13,400</u>	<u>15,813</u>
	<u>20,999</u>	<u>19,586</u>

The group entities incorporated in the Cayman Islands and the BVI are tax-exempted as no business is carried out in the Cayman Islands and the BVI under the laws of the Cayman Islands and the BVI respectively.

Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2.0 million of estimated assessable profits and at 16.5% for the portion of the estimated assessable profits above HK\$2.0 million for the years ended 31 December 2024 and 2023. The profit of group entities not qualifying for the two-tiered profits tax rates regime continued to be taxed at 16.5% for the years ended 31 December 2024 and 2023.

Macau Complementary Tax is calculated at 12% (2023: 12%) on the estimated assessable profit of a subsidiary operating in Macau for the year ended 31 December 2024. The Group has no estimated assessable profit arising from the subsidiary operating in Macau for the year ended 31 December 2024 (2023: Nil).

PRC Enterprise Income Tax is calculated at 25% (2023: 25%) on the estimated assessable profit of a subsidiary operating in the PRC for the year ended 31 December 2024. The Group has no estimated assessable profit arising from the subsidiary operating in the PRC for the year ended 31 December 2023.

Subsidiaries operating in Japan are subject to corporate income tax, prefectural and municipal inhabitant taxes and business tax (hereinafter collectively referred to as “Japan Profits Tax”) in Japan, which, in aggregate, resulted in effective statutory income tax rates ranging from approximately 30.6% to approximately 34.6% (2023: approximately 30.6% to approximately 34.6%) for the year ended 31 December 2024 based on the existing legislation, interpretations and practices in respect thereof. The Group has estimated assessable profit arising from the subsidiaries operating in Japan for the years ended 31 December 2024 and 2023.

8. EARNINGS PER SHARE

	2024 HK\$'000	2023 HK\$'000
Earnings		
Profit attributable to owners of the Company	<u>70,744</u>	<u>71,657</u>
	2024 '000	2023 '000
Number of shares		
Number of ordinary shares	<u>502,450</u>	<u>502,450</u>

Diluted earnings per share was the same as the basic earnings per share as the Company had no dilutive potential shares during the years ended 31 December 2024 and 2023.

9. DIVIDENDS

On 20 January 2025, the board of directors has declared a special dividend of 6 Hong Kong cents per ordinary share of the Company to the shareholders of the Company (the “Shareholders”). The special dividends were paid on 26 March 2025 to the Shareholders whose names appear on the register of members of the Company at the close of business on 11 February 2025.

On 14 December 2023, the board of directors has declared a special dividend of 7 Hong Kong cents per ordinary share of the Company to the Shareholders. The special dividends were paid on 18 January 2024 to the Shareholders whose names appear on the register of members of the Company at the close of business on 5 January 2024.

The board of directors do not recommend any payment of final dividend for the year ended 31 December 2024 (2023: Nil).

10. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	14,203	10,570
Less: loss allowance	<u>(417)</u>	<u>(335)</u>
Net carrying amount	<u>13,786</u>	<u>10,235</u>

The ageing analysis of the Group's trade receivables (net of loss allowance) as at the end of the reporting period, based on invoice date and net of loss allowance, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 – 90 days	13,562	9,284
91 – 180 days	220	4
181 – 365 days	<u>4</u>	<u>947</u>
	<u>13,786</u>	<u>10,235</u>

The Group has a policy of granting trade customers with credit terms of generally 10 days to 90 days. The ageing analysis of the Group's trade receivables (net of loss allowance), based on due date and net of loss allowance, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Not yet past due	10,495	9,675
Past due within three months	3,287	557
Past due more than three months but within six months	–	3
Past due more than six months but within one year	<u>4</u>	<u>–</u>
	<u>13,786</u>	<u>10,235</u>

In general, the Group does not hold any collateral or other credit enhancements over these balances.

The Group applies the HKFRS 9 simplified approach to measuring ECLs using a lifetime ECL provision for trade receivables. To measure ECLs on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

The expected loss rates are based on the Group's historical credit losses experienced over the 3 year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the gross domestic product (GDP) and inflation rate as the key macroeconomic factors in the countries where the Group operates.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2024

	Past due				Total
	Less than 30 days	31 days to 60 days	61 days to 90 days	Over 90 days	
ECL rate	2.7%	18.8%	–	73.3%	2.9%
Gross carrying amount (HK\$'000)	14,087	101	–	15	14,203
ECLs (HK\$'000)	<u>387</u>	<u>19</u>	<u>–</u>	<u>11</u>	<u>417</u>

As at 31 December 2023

	Past due				Total
	Less than 30 days	31 days to 60 days	61 days to 90 days	Over 90 days	
ECL rate	2.8%	32.9%	55.6%	80.0%	3.2%
Gross carrying amount (HK\$'000)	10,461	76	18	15	10,570
ECLs (HK\$'000)	<u>288</u>	<u>25</u>	<u>10</u>	<u>12</u>	<u>335</u>

Movement in the loss allowance in respect of trade receivables is as follows:

	2024 HK\$'000	2023 HK\$'000
At 1 January	335	–
Net loss allowance recognised during the year	<u>82</u>	<u>335</u>
At 31 December	<u>417</u>	<u>335</u>

11. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2024 HK\$'000	2023 HK\$'000
Non-current assets		
Deposits	1,739	1,301
Prepayments	158	534
	<u>1,897</u>	<u>1,835</u>
Current assets		
Other receivables	9,966	11,923
Deposits (<i>note</i>)	5,378	5,331
Prepayments	82,765	57,996
	<u>98,109</u>	<u>75,250</u>

Deposits and other receivables mainly represent rental deposits and deposits with suppliers.

Note: The amount included rental deposits paid to a related company, Great Port Limited (“Great Port”), of approximately HK\$2,019,000 (2023: HK\$1,803,000). The amount due is unsecured, interest-free and repayable at the end of the rental periods.

For deposits and other receivables, loss allowance is recognised as 12-month ECL since initial recognition and subsequently the Group assesses whether there was a significant increase in credit risk. When determining whether the credit risk has increased significantly since initial recognition and when estimating the ECL, the directors of the Company have taken into account the historical default experience, the financial position of the counterparties, the future prospects of the industries in which the counterparties operate as well as various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default occurring within their respective loss assessment time horizon, as well as the loss upon default.

Other receivables are categorised into the following stages by the Group:

As at 31 December 2024

	12-month ECLs	Lifetime ECLs		Total
	Stage 1 <i>HK\$'000</i>	Stage 2 <i>HK\$'000</i>	Stage 3 <i>HK\$'000</i>	<i>HK\$'000</i>
Other receivables, gross	10,114	33	415	10,562
Less: loss allowance on other receivables	(180)	(1)	(415)	(596)
Other receivables, net	<u>9,934</u>	<u>32</u>	<u>–</u>	<u>9,966</u>
ECL rate	<u>1.8%</u>	<u>3.0%</u>	<u>100%</u>	

As at 31 December 2023

	12-month ECLs	Lifetime ECLs		Total
	Stage 1 <i>HK\$'000</i>	Stage 2 <i>HK\$'000</i>	Stage 3 <i>HK\$'000</i>	<i>HK\$'000</i>
Other receivables, gross	11,954	184	714	12,852
Less: loss allowance on other receivables	(394)	(6)	(529)	(929)
Other receivables, net	<u>11,560</u>	<u>178</u>	<u>185</u>	<u>11,923</u>
ECL rate	<u>3.3%</u>	<u>3.3%</u>	<u>74.1%</u>	

Movement in the loss allowance in respect of other receivables is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At 1 January	929	–
Net (reversal of allowance)/allowance for ECLs on other receivables recognised during the year	<u>(333)</u>	<u>929</u>
At 31 December	<u>596</u>	<u>929</u>

12. TRADE PAYABLES

The credit terms of trade payables vary according to the terms agreed with different suppliers, which normally range from 1 day to 30 days. Based on the receipts of services and goods, which normally coincided with the invoice dates, the ageing analysis of the Group's trade payables as at the end of the reporting period is as follows:

	2024 HK\$'000	2023 HK\$'000
0 – 90 days	43,034	36,096
91 – 180 days	1,434	1,071
181 – 365 days	728	247
Over 365 days	438	126
	<u>45,634</u>	<u>37,540</u>

13. ACCRUALS AND OTHER PAYABLES

	2024 HK\$'000	2023 HK\$'000
Accrued expenses	23,834	21,185
Other payables	33,962	34,022
	<u>57,796</u>	<u>55,207</u>

14. BANK BORROWINGS

	2024 HK\$'000	2023 HK\$'000
Current		
Bank borrowings, secured	61,115	31,108
Non-current		
Bank borrowings, secured	208,355	281,901
	<u>269,470</u>	<u>313,009</u>

As at 31 December 2024, the bank borrowings of approximately HK\$269,470,000 (2023: HK\$313,009,000) were secured by charges over certain property, plant and equipment and pledged bank deposits with aggregate carrying amounts of approximately HK\$352,434,000 (2023: HK\$397,464,000) and approximately HK\$4,317,000 (2023: HK\$1,909,000) respectively. In addition, bank borrowings secured by a property of a former non-controlling shareholder of a subsidiary in Japan were fully repaid during the year. As such there was no asset pledged in this regard (as at 31 December 2023: HK\$2,787,000).

The bank borrowings are initially measured at fair value, net of directly attributable costs incurred and subsequently measured at amortised cost using the effective interest method.

The bank borrowings are subsequently measured at amortised cost using effective interest rate of 1.34% to 1.60% (2023: 0.79% to 1.67%) per annum.

At the end of each reporting period, total bank borrowings were scheduled to repay as follows:

Analysed into (note):	2024 HK\$'000	2023 HK\$'000
Within one year or on demand	61,115	31,108
Over one year, but within two years	50,094	28,368
Over two years, but within five years	65,524	134,349
Over five years	92,737	119,184
	269,470	313,009

Note: The amounts due shown in the repayment schedule are based on the scheduled repayment dates set out in the loan agreements.

Details of the bank borrowings as at 31 December 2024 are stated below:

	Principal amount HK\$'000	Interest rate	Repayment terms
Loan denominated in Japanese Yen ("JPY")	128,414	3-month Tokyo Interbank Offered Rate + 1.0% per annum	Payable within 12 years
Loan denominated in JPY	121,056	3-month Tokyo Interbank Offered Rate + 0.5% per annum	Payable within 26 years
Loan denominated in HK\$	20,000	1-month HIBOR + 1.5% per annum	Payable within 30 days

Details of the bank borrowings as at 31 December 2023 are stated below:

	Principal amount <i>HK\$'000</i>	Interest rate	Repayment terms
Loan denominated in JPY	169,184	3-month Tokyo Interbank Offered Rate + 1.0% per annum	Payable within 12 years
Loan denominated in JPY	2,787	Fixed rate 1.5% per annum	Payable within 5 years
Loan denominated in JPY	141,038	3-month Tokyo Interbank Offered Rate + 0.5% per annum	Payable within 26 years
	<u> </u>	<u> </u>	<u> </u>

Effect of covenants

The Group's non-current bank borrowings include borrowings amounting to HK\$128,414,000 (2023: HK\$169,184,000) that contain covenants, which, if not met, would result in the borrowings becoming repayable on demand and classified as current liabilities. These borrowings are otherwise repayable in more than 12 months after the end of the reporting period. The covenants require 1) Ebisu Growth Limited, an indirectly wholly owned subsidiary of the Company, shall not incur a net loss for two consecutive years; and 2) the net assets of Ebisu Growth Limited must be above JPY 0 for two consecutive years. As at 31 December 2024, the Group complied with the covenants that were required to be met on 31 December 2024. The covenants that are required to be complied with after the end of the current reporting period do not affect the classification of the related borrowings as current or non-current at 31 December 2024.

15. SHARE CAPITAL

	Number <i>'000</i>	Amount <i>HK\$'000</i>
Authorised		
<i>Ordinary shares of HK\$0.1 each</i>		
At 1 January 2023, 31 December 2023 and 2024	<u>1,000,000</u>	<u>100,000</u>
	Number <i>'000</i>	Amount <i>HK\$'000</i>
Ordinary shares, issued and fully paid		
At 1 January 2023, 31 December 2023 and 2024	<u>502,450</u>	<u>50,245</u>

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP OVERVIEW

In 2024, the resumption of international flights and improvements in global tourism infrastructure revitalised the tourism industry. This recovery was accompanied by a surge in the travel market, which the Group capitalised on by expanding its package tour destinations. As a result, the Travel Related Business experienced revenue growth for the Year. Also, the Group's Hotel Business benefited from the depreciation of the Japanese yen, which continued to weaken throughout the Year, leading to an influx of tourists to Japan. As such, the Group recorded satisfactory revenue growth for the Year. However, the increase in operating costs offset the revenue growth in the Travel Related Business, resulting in a slight decline in overall profit.

During the Year, revenue of the Group amounted to approximately HK\$1,632.5 million (2023: HK\$1,366.0 million), representing an increase of 19.5%. Gross profit amounted to approximately HK\$373.2 million (2023: HK\$339.8 million), representing an increase of 9.8%. However, profit attributable to owners of the Company amounted to approximately HK\$70.7 million (2023: HK\$71.7 million), representing a slight decrease of 1.3% as mentioned above.

Basic earnings per share for profit attributable to owners of the Company for the Year was HK14.08 cents (2023: HK14.26 cents), representing a slight decrease of 1.3%.

BUSINESS OVERVIEW

The principal activities of the Group comprise provision of package tours, FIT Products, ancillary travel related products and services, sale of merchandises as well as the ownership, development and management of hotel business.

Revenue and gross profit from various business categories for the two years ended 31 December 2024 and 2023 are set out as follows:

	2024			2023		
	Revenue HK\$'000	Gross profit HK\$'000	Gross profit margin %	Revenue HK\$'000	Gross profit HK\$'000	Gross profit margin %
Package tours	1,430,068	227,471	15.9	1,176,082	229,620	19.5
FIT Products and ancillary travel related products and services	77,035	57,553	74.7	88,765	58,839	66.3
Sale of merchandises	535	213	39.8	7,368	2,828	38.4
Hotel room rental and ancillary services	139,429	87,968	63.1	111,616	48,481	43.4
Elimination*	(14,535)	–	–	(17,811)	–	–
Total	1,632,532	373,205	22.9	1,366,020	339,768	24.9

* Elimination refers to inter-segment revenue of hotel business.

PACKAGE TOURS

Revenue from package tours primarily comprises tour fees received from customers for outbound package tours. During the Year, an increasing demand for diverse travel experiences has driven prolonged growth in Hong Kong's outbound travel market. As a result, the Group's revenue from package tour business recorded satisfactory growth.

Revenue for the Year amounted to approximately HK\$1,430.1 million (2023: HK\$1,176.1 million), representing an increase of 21.6% and contributing 87.6% to the Group's total revenue (2023: 86.1%). However, gross profit amounted to approximately HK\$227.5 million (2023: HK\$229.6 million), representing a decrease of 0.9%, primarily due to increase in cost.

FIT PRODUCTS AND ANCILLARY TRAVEL RELATED PRODUCTS AND SERVICES

Revenue from FIT Products and ancillary travel related products and services mainly comprises income from sale of air tickets, hotel accommodation, public transportation tickets, theme park admission tickets, local tours in overseas, transportation rental services and commission income from travel insurance services.

The intense market competitions caused the revenue from FIT Products and ancillary travel related products and services to decrease by 13.2% from approximately HK\$88.8 million in 2023 to approximately HK\$77.0 million in 2024, contributing 4.7% to the Group's total revenue (2023: 6.5%). Gross profit amounted to approximately HK\$57.6 million (2023: HK\$58.8 million), representing a decrease of 2.2%.

SALE OF MERCHANDISES

At the end of October 2023, the Group executed a strategic decision to shut down all physical retail shops of "EGL Market". This move allowed the Group to consolidate its resources and refocus on its core segments: Travel Related Business and Hotel Business.

Revenue for the Year amounted to approximately HK\$0.5 million (2023: HK\$7.4 million), representing a decrease of 92.7% and contributing 0.0% to the Group's total revenue (2023: 0.5%). Gross profit amounted to approximately HK\$0.2 million (2023: HK\$2.8 million), representing a decrease of 92.5%.

During the Year, the results of this segment was grouped into Travel Related Business for the purpose of segment reporting in the consolidated financial information.

HOTEL ROOM RENTAL AND ANCILLARY SERVICES

The Hotel Business benefited from the depreciation of the Japanese yen, which continued to weaken throughout the Year, leading to an influx of tourists to Japan. The occupancy rates of the Group's hotels therefore increased and the Hotel Business recorded satisfactory results and growth for the Year.

Osaka Hinode Hotel, the Group's first hotel, commenced its operation since November 2017. It provides quality hospitality services for guests from all over the world and has a capacity of 354 rooms for 691 guests with a hot spring bath building adjacent to it. The hotel's average occupancy rate for the Year was 84.9% (2023: 80.0%).

Okinawa Hinode Resort & Hot Spring Hotel, the Group's second hotel, commenced its operation since December 2020. It provides quality hospitality services for guests from all over the world and has a capacity of 201 rooms for 480 guests with the facilities ranging from outdoor hot spring to swimming pool. The hotel's average occupancy rate for the Year was 92.0% (2023: 75.5%).

Revenue from hotel operation mainly comprises income generated from the letting of hotel rooms. The revenue for the Year amounted to approximately HK\$139.4 million (2023: HK\$111.6 million), representing an increase of 24.9%. Revenue from external customers, which was net of inter-segment revenue, amounted to approximately HK\$124.9 million (2023: HK\$93.8 million) and contributing 7.7% to the Group's total revenue (2023: 6.9%). Gross profit amounted to approximately HK\$88.0 million (2023: HK\$48.5 million), representing an increase of 81.4%.

FINANCIAL REVIEW

KEY FINANCIAL RATIOS

	2024	2023
Gross profit margin	22.9%	24.9%
Operating profit margin ⁽¹⁾	6.4%	8.4%
Net profit margin ⁽²⁾	4.3%	5.2%
Interest coverage ratio ⁽¹⁾	8.3 times	4.9 times
Return on total assets ⁽²⁾	9.3%	8.3%
Return on equity attributable to owners of the Company ⁽²⁾	72.2%	151.1%
Current ratio	0.8 time	1.0 time
Gearing ratio		
Total borrowings over total assets	47.2%	57.8%
Net debts over equity	243.1%	684.0%

⁽¹⁾ Profit in calculation refers to the profit before finance costs and taxation.

⁽²⁾ Profit in calculation refers to the profit attributable to owners of the Company.

REVENUE AND GROSS PROFIT

Please refer to the discussion on the Group's revenue and gross profit in the sub-section headed "Management Discussion and Analysis – Business Overview" above.

SELLING EXPENSES

Frontline staff costs contributed the majority of selling expenses of the Group. Selling expenses amounted to approximately HK\$91.3 million (2023: HK\$70.0 million), representing an increase of 30.4%. Such increase was primarily attributed to the increase in staff costs arising from hiring additional frontline staff to handle the growth in package tours and the new brick and mortar branches opened in the second half of 2023.

ADMINISTRATIVE EXPENSES

Employee costs, directors' remuneration, rent, rates and management fee and depreciation on property, plant and equipment contributed the majority of administrative expenses of the Group. Administrative expenses amounted to approximately HK\$175.9 million (2023: HK\$159.4 million), representing an increase of 10.3%. Such increase was attributed primarily to higher staff costs resulting from the factors mentioned above.

FINANCE COSTS

Finance costs of approximately HK\$3.4 million (2023: HK\$3.6 million) was incurred for the Year on the bank borrowings which were used to finance the construction and decoration of hotel buildings and hot spring bath building, acquisition of travel buses and daily operations of Travel Related Business.

Based on discounted cash flows of the loans from a related company, Great Port, finance costs of approximately HK\$7.8 million (2023: HK\$18.0 million) were incurred for the Year. The decrease in finance costs was attributed to series of early repayments of these loans which commenced in 2023.

Finance costs on the lease liabilities of the Group of approximately HK\$1.4 million (2023: HK\$1.4 million) were incurred for the Year in accordance with HKFRS 16 “Leases”.

INCOME TAX EXPENSE

Income tax expense for the Year amounted to approximately HK\$21.0 million (2023: HK\$19.6 million). The increase was mainly due to higher assessable profits from Japan for the Year.

DIVIDENDS

The Board did not recommend the payment of a final dividend for the Year (2023: Nil).

On 20 January 2025, the Board declared a special dividend of HK6 cents per share totalling HK\$30,147,000. The dividends have been distributed on 26 March 2025.

On 14 December 2023, the Board declared a special dividend of HK7 cents per share totalling HK\$35,172,000 for the year ended 31 December 2023. The dividends have been distributed on 18 January 2024.

INTEREST COVERAGE RATIO

Interest coverage ratio for the Year was 8.3 times (2023: 4.9 times). The increase was mainly contributed by the decrease in finance costs incurred on loans from a related company after series of early repayments.

Interest coverage ratio is defined to be dividing profit before finance costs and taxation by finance costs.

GROSS PROFIT MARGIN, OPERATING PROFIT MARGIN AND NET PROFIT MARGIN

For the changes in gross profit margin, operating profit margin and net profit margin, please refer to the factors already discussed above.

CURRENT RATIO

As at 31 December 2024, the Group's current ratio was 0.8 time (as at 31 December 2023: 1.0 time). The decrease in current ratio was mainly attributable to the decrease in cash at bank and on hand of approximately HK\$50.7 million and the increase in current portion of bank borrowings of approximately HK\$30.0 million. The change in bank borrowings is resulted from revisions of the repayment schedule of the bank loans in relation to Osaka Hinode Hotel and hot spring bath building.

GEARING RATIO

	2024 HK\$'000	2023 HK\$'000	Increase/ (Decrease) HK\$'000
Gearing ratio – Total borrowings over total assets			
Bank borrowings	269,470	313,009	(43,539)
Loans from a related company	90,544	182,741	(92,197)
Total borrowings (<i>note a</i>)	360,014	495,750	(135,736)
Total assets	762,726	858,241	(95,515)
Gearing ratio	47.2%	57.8%	(10.6) percentage points
Gearing ratio – Net debts over equity			
Total borrowings (<i>note a</i>)	360,014	495,750	(135,736)
Lease liabilities	47,507	48,465	(958)
Total debts (<i>note b</i>)	407,521	544,215	(136,694)
Less: Cash at banks and on hand	(169,242)	(219,940)	50,698
	238,279	324,275	(85,996)
Equity (<i>note c</i>)	98,034	47,408	50,626
Gearing ratio	243.1%	684.0%	(440.9) percentage points

Notes:

- (a) Total borrowings comprise bank borrowings and loans from a related company.
- (b) Total debts comprise bank borrowings, loans from a related company and lease liabilities.
- (c) Equity comprises all capital and reserves attributable to owners of the Company.

The decrease in gearing ratio – total borrowings over total assets was due to the decrease in total borrowings resulting from early repayments of loans from a related company, Great Port, and the installment repayments of bank borrowings, offset by the decrease in total assets.

The decrease in gearing ratio – net debts over equity was mainly attributable to the decrease in total debts mentioned above and the increase in equity attributable to owners of the Company generated from profit for the Year.

RETURN ON TOTAL ASSETS AND RETURN ON EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

Return on total assets and return on equity attributable to owners of the Company for the Year were 9.3% (2023: 8.3%) and 72.2% (2023: 151.1%) respectively.

The increase in return on total assets was mainly due to the decrease in property, plant and equipment and cash at banks and on hand.

The decrease in return on equity was mainly due to the increase in the equity attributable to owners of the Company generated from profit for the Year.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

Regarding the construction of Osaka Hinode Hotel completed in October 2017, the carrying amount of the bank borrowings as at 31 December 2024 amounted to approximately JPY2,242.1 million (equivalent to approximately HK\$110.4 million) (as at 31 December 2023: JPY2,663.6 million (equivalent to approximately HK\$146.0 million)). The repayment term is payable in 12 years.

For the construction of hot spring bath building in Osaka which was completed in March 2019, the carrying amount of the bank borrowings as at 31 December 2024 amounted to approximately JPY365.8 million (equivalent to approximately HK\$18.0 million) (as at 31 December 2023: JPY422.5 million (equivalent to approximately HK\$23.2 million)). The repayment term is payable in 12 years.

With respect to the construction of Okinawa Hinode Resort & Hot Spring Hotel completed in October 2020, the carrying amount of the bank borrowings as at 31 December 2024 amounted to approximately JPY2,458.5 million (equivalent to approximately HK\$121.1 million) (as at 31 December 2023: JPY2,572.7 million (equivalent to approximately HK\$141.0 million)). The repayment term is payable in 26 years.

With regard to the acquisition of five travel buses in 2017, the bank borrowings were fully repaid during the Year and no outstanding balance remained as at 31 December 2024 (as at 31 December 2023: JPY50.9 million (equivalent to approximately HK\$2.8 million)).

In respect of the bank borrowings withdrawn in Hong Kong to meet the needs of working capital for Travel Related Business operation, the carrying amount as at 31 December 2024 amounted to HK\$20.0 million (as at 31 December 2023: Nil). The repayment term is payable within 30 days.

Regarding the loans from a related company, Great Port, the Group made early repayments of a total principal amount of HK\$105.0 million during the Year. The carrying amount of the outstanding loans amounted to approximately HK\$90.5 million as at 31 December 2024 (as at 31 December 2023: HK\$182.7 million). All these loans are unsecured and repayable on 1 January 2026.

Other than the above, the Group financed its operation with its own capital, with the total equity attributable to owners of the Company as at 31 December 2024 amounted to approximately HK\$98.0 million (as at 31 December 2023: HK\$47.4 million). As at 31 December 2024, the Group's cash at banks and on hand amounted to approximately HK\$169.2 million (as at 31 December 2023: HK\$219.9 million). Cash at banks and on hand were mainly denominated in Hong Kong Dollar accounting for approximately 41.4% (as at 31 December 2023: 62.1%), Japanese Yen accounting for approximately 32.0% (as at 31 December 2023: 20.1%), Renminbi accounting for approximately 8.5% (as at 31 December 2023: 5.3%) and Macau Pataca accounting for approximately 7.6% (as at 31 December 2023: 8.4%).

PLEDGE OF ASSETS

As at 31 December 2024, property, plant and equipment of Okinawa Hinode Resort & Hot Spring Hotel, Osaka Hinode Hotel together with the hot spring bath building and certain pledged bank balances in Japan of approximately HK\$354.3 million in total (as at 31 December 2023: HK\$399.4 million including travel buses) were pledged for the bank borrowings in Japan as mentioned in the sub-section headed "Management Discussion and Analysis – Financial Review – Capital Structure, Liquidity and Finance Resources".

Also, as at 31 December 2024, the Group had pledged bank deposits of approximately HK\$10.3 million (as at 31 December 2023: HK\$10.2 million). Excluding those pledged bank balances in Japan mentioned above, majority of the pledged bank deposits were pledged to certain licensed banks in Hong Kong and Macau to secure the bank borrowings withdrawn in Hong Kong and letters of guarantees issued to certain third parties on behalf of the Group. Together with corporate guarantee provided by the Company and undertakings provided by the certain executive Directors to maintain the control over the management and business of the Group, the Group's total guarantees amounted to approximately HK\$10.0 million (as at 31 December 2023: HK\$10.4 million), which were mainly issued to the Group's branch shop landlords and suppliers, such as air transport association, airlines and hotels in order to guarantee the Group's trade payable balances due to the suppliers.

Save as disclosed above, the Group had no other charge on assets as at 31 December 2024 (as at 31 December 2023: Nil).

CAPITAL COMMITMENTS AND FUTURE CAPITAL EXPENDITURES

As at 31 December 2024, the Group had capital commitments of approximately HK\$4.9 million (as at 31 December 2023: HK\$0.9 million) to acquire property, plant and equipment for its Travel Related Business.

The Group currently intends to finance future capital expenditures by utilising internal resources.

CONTINGENT LIABILITIES

The Directors considered that there were no material contingent liabilities as at 31 December 2024 (as at 31 December 2023: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS

During the Year, there was no material acquisition or disposal of subsidiaries, associates or joint ventures of the Group.

During the year ended 31 December 2023, the Group subscribed for a 40% equity interest in Nissay Shoji (HK) Company Limited ("Nissay") by a cash consideration of HK\$0.4 million. Nissay's primary businesses are (a) importing, wholesaling and retailing of food, personal care and beauty products; and (b) food processing. In addition, the Group advanced interest-bearing loans of HK\$0.8 million to Nissay. The Group initially expected that the investment in Nissay would facilitate the business of EGL Market, but as the Group scaled down the sale of merchandises business segment in October 2023 mentioned above, the initial reason for acquiring the investment is no longer relevant. Also, the operation result did not perform as expected. The Group fully wrote off the investment and the loans. Save as disclosed above, there was no other material acquisition or disposal of subsidiaries, associates or joint ventures of the Group during the year ended 31 December 2023.

SIGNIFICANT INVESTMENTS

During the Year, there was no significant investment held by the Group (2023: Nil).

FOREIGN CURRENCY EXCHANGE RISK AND TREASURY POLICIES

Foreign currency exchange risk exposure is encountered by the Group to the extent that receipt from customers and payments to suppliers may not be reconciled, subject to prevailing foreign currency fluctuations. As at 31 December 2023, the Group's previous floating to fixed interest rate swap contract with a bank in Japan to hedge its exposure to interest rate risk and cash flow changes of its floating-rate bank borrowings was matured. Other than the aforesaid swap contract, the Group did not rely on hedging arrangements. The Group had implemented foreign exchange risk management procedures to closely monitor the risk exposure. The procedures were established to prevent carrying excessive cash balance in foreign currencies, of which the purchase amounts were limited to the corresponding costs of travel elements based on estimated sales amount for one week, to cover the foreign exchange risk exposure in connection. The objective of our foreign exchange risk management procedures is to cover the foreign exchange risk exposure in connection with those costs of travel elements denominated in foreign currencies to be incurred for one week. The procedures do not allow us to exercise any judgement over the future direction of foreign exchange fluctuation and are strict procedural steps for our operational staff to follow. The Group will review the procedures from time to time and make appropriate changes when necessary. Other than the transactional foreign currency exchange risk, assets and liabilities of the group entities are mainly denominated in its respective functional currency. The Group's treasury management policy is to place surplus cash into bank deposits with licensed banks in mainly Hong Kong, Macau and Japan. Also, working capital are centrally managed to ensure proper and efficient collection and deployment of funds, and sufficient funds to settle liabilities when they fall due. Net exchange loss of approximately HK\$3.1 million was recorded for the Year (2023: HK\$1.8 million).

HUMAN RESOURCES AND EMPLOYEES' REMUNERATION

As at 31 December 2024, the Group had a total workforce of 447 employees (as at 31 December 2023: 419), of which 144 (as at 31 December 2023: 123) were full-time tour leaders and escort guides. Employees' remuneration packages are determined with reference to the market information and individual performance and will be reviewed on a regular basis. The remuneration policy will be reviewed by the Board from time to time. Emoluments of Directors are determined by the remuneration committee of the Board after considering the Group's operating results, individual performance and comparing with market conditions. In addition to basic remuneration, the Group also provides medical insurance, provident funds and other benefits in kind to the employees. To intensify personnel training and development, the Group provides a series of employee training programmes, which aims to accelerate professional growth and identify competences and talents of diversified teams. High potential staff will be groomed and developed intensively according to the promotion plan towards the management level. To attract and retain the best quality personnel for the Group's business development, a new share option scheme has been adopted on 31 May 2024 (the "New Share Option Scheme") for the replacement of the share option scheme adopted on 13 November 2014 (the "Old Share Option Scheme"). Pursuant to the New Share Option Scheme, share options may be granted to eligible employees and give them incentives to contribute to the Group's continued growth and success, and to promote the long term financial success of the Group by aligning their interests to the ones of shareholders. During the Year, no share options were granted, cancelled, lapsed or exercised under the Old Share Option Scheme and/or the New Share Option Scheme. No share options were granted in preceding years under the Old Share Option Scheme. Save as disclosed above, there was no significant change in the remuneration policies, bonus, share option scheme and training scheme of the Group during the Year (2023: Nil).

OUR STRATEGIES AND OUTLOOK

The Group anticipates sustained growth in demand for outbound travel to Japan in 2025. Coinciding with the Osaka-Kansai Expo scheduled to take place in Osaka from April to October, the event is expected to attract millions of visitors, necessitating a substantial increase in accommodation capacity. The Group believes that its Osaka Hinode Hotel will significantly benefit from this influx of visitors. Furthermore, as one of the official overseas ticket sales agents for the Osaka-Kansai Expo, the Group will have the opportunity to generate a new revenue stream in 2025, complementing its Hotel Business.

Efforts have been made to maintain the flexibility of the Group's tour schedules and ensure flight availability. The Group will continue to arrange charter flights and cruises as part of its sales facilitation and brand enhancement strategy.

Apart from the Group's expertise in Japan tours, the Group has been expanding its high-quality special package tours and FIT packages internationally to meet the ever-evolving demands of customers. With popular travel destinations in China among Hong Kong residents, the Group is enhancing its travel offerings in these regions. To maintain its competitive edge, the Group organised 3 charter cruises in 2024 and plans to arrange 9 additional cruises in 2025.

To enhance brand awareness and improve the customer experience, a wide range of promotional activities will be implemented by leveraging social media platforms and digital channels. Various trending products will also be promoted to maintain brand exposure and competitiveness. The Group has recently launched a customer loyalty programme “東瀛遊賞旅遊” aimed at customer retention, customer base expansion and ultimately driving business growth. By continuously adapting and refining its strategies, the Group remains responsive to market trends and customer expectations, ensuring long-term success.

Currently, the Group operates 8 branches in Hong Kong and 1 branch in Macau. To enhance customer outreach, the Group will continue to explore opportunities for expanding and restructuring its branch network.

In light of the financial performance for the Year and the previous year, the Group anticipates having sufficient working capital readily available for its future operations. Nevertheless, it will remain cautious regarding its cash position. Any cash surplus from working capital requirements will be utilised to reduce the Group's gearing. Additionally, the Group will explore alternative sources of income to strengthen its financial position.

The Group is strategically positioned in the market to deliver high-quality services and products. It expresses confidence in Hong Kong's economy and is committed to regaining momentum while gradually strengthening its operations. With a dedicated team of professionals and effective management, the Group is well-equipped to navigate the challenges ahead, maintain its leading market position, and create long-term value for shareholders, customers, and business partners.

CORPORATE GOVERNANCE PRACTICES

The Company recognises the importance of corporate transparency and accountability. The Company is committed to achieving a high standard of corporate governance and leading the Group to attain better results and improve its corporate image with effective corporate governance procedures. During the Year, the Board is of opinion that the Company has applied the principles and complied with all the applicable code provisions of the Corporate Governance Code contained in Appendix C1 to the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of the Directors, all the Directors confirmed that they have complied with the required standard set out in the Model Code throughout the Year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

SCOPE OF WORK OF BDO LIMITED

The financial figures contained in this announcement in respect of the Group’s results for the Year have been agreed by the Company’s external auditor, BDO Limited, as to the amounts set out in the Group’s audited consolidated financial statements for the Year. The work performed by BDO Limited in this respect did not constitute an 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 BDO Limited on this announcement.

REVIEW BY AUDIT COMMITTEE

The annual results of the Group for the Year have been reviewed by the audit committee of the Board.

DIVIDEND

On 20 January 2025, the Board declared a special dividend of HK6 cents per share of the Company (14 December 2023: special dividend of HK7 cents per share of the Company). The special dividend has been paid on 26 March 2025 to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on 11 February 2025.

The Board does not recommend the payment of final dividend for the year ended 31 December 2024 (2023: HK\$Nil).

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company (the “AGM”) will be held on Friday, 30 May 2025. For details of the AGM, please refer to the notice of AGM which is expected to be published in late April 2025.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining shareholders’ eligibility to attend and vote at the AGM, the register of members of the Company will be closed on the dates as set out below:

Latest time to lodge transfer documents for

registration with the Company’s registrar At 4:30 p.m. on
Monday, 26 May 2025

Closure of register of members of the Company Tuesday, 27 May 2025 to
Friday, 30 May 2025
(both days inclusive)

During the above closure period of the register of members of the Company, no transfer of shares will be registered. To be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than the aforementioned latest time.

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.egltours.com/travel/pages/investor_relations/#eng. The annual report of the Company for the Year will be despatched to the shareholders of the Company and published on the above websites in late April 2025.

On behalf of the Board
EGL Holdings Company Limited
Yuen Man Ying
Chairman and Executive Director

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises six Executive Directors, namely Mr. Yuen Man Ying (Chairman), Mr. Huen Kwok Chuen, Mr. Leung Shing Chiu, Ms. Lee Po Fun, Ms. Yuen Ho Yee and Mr. Cheang Chuen Hon, and three Independent Non-executive Directors, namely Mr. Chan Kim Fai, Mr. Lo Kam Cheung Patrick and Ms. Wong Lai Ming.