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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 INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

**GROUP FINANCIAL HIGHLIGHTS**

	<b>Six months ended 30 June</b>		
	<b>2025</b>	<b>2024</b>	<b>Change in</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>%</b>
Revenue	<b>691,885</b>	759,308	-8.9%
Gross profit	<b>137,062</b>	180,249	-24.0%
Profit attributable to owners of the Company	<b>5,787</b>	34,120	-83.0%
Earnings per share			
Basic and diluted ( <i>HK cents</i> )	<b>1.15</b>	6.79	
Profit margin			
Gross profit margin	<b>19.8%</b>	23.7%	
Operating profit margin	<b>1.9%</b>	6.9%	
Net profit margin	<b>0.8%</b>	4.5%	
Return on equity attributable to owners of the Company	<b>6.2%</b>	55.6%	
	<b>As at</b>	<b>As at</b>	
	<b>30 June</b>	<b>31 December</b>	
	<b>2025</b>	<b>2024</b>	
Gearing ratio			
Total borrowings over total assets	<b>48.6%</b>	47.2%	
Net debts over equity	<b>290.6%</b>	243.1%	

The board (the “**Board**”) of directors (the “**Directors**”) of EGL Holdings Company Limited (the “**Company**”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025 (the “**Period**”) together with comparative figures for the corresponding period in 2024 as follows:

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

*FOR THE SIX MONTHS ENDED 30 JUNE 2025*

		<b>Six months ended 30 June</b>	
	<i>Notes</i>	<b>2025</b>	2024
		<b>(Unaudited)</b>	(Unaudited)
		<b>HK\$'000</b>	HK\$'000
<b>Revenue</b>	5	<b>691,885</b>	759,308
Cost of sales		<u><b>(554,823)</b></u>	<u>(579,059)</u>
<b>Gross profit</b>		<b>137,062</b>	180,249
Other income, gains and losses, net	5	<b>8,272</b>	(2,856)
Selling expenses		<b>(49,352)</b>	(41,375)
Administrative expenses		<b>(84,154)</b>	(84,543)
Share of results of associates		<b>1,370</b>	794
Finance costs	6	<u><b>(5,693)</b></u>	<u>(7,294)</u>
<b>Profit before income tax</b>	6	<b>7,505</b>	44,975
Income tax expense	7	<u><b>(1,555)</b></u>	<u>(10,714)</u>
<b>Profit for the period</b>		<u><b>5,950</b></u>	<u>34,261</u>
<b>Other comprehensive income, that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translation of foreign operations		<b>17,263</b>	(20,010)
Share of exchange differences on translation of foreign associates		<b>2,328</b>	–
<b>Other comprehensive income, that will not be reclassified subsequently to profit or loss:</b>			
Remeasurement of provision for long service payments		<u><b>210</b></u>	<u>143</u>

	<b>Six months ended 30 June</b>	
	<i>Notes</i>	
	<b>2025</b> <b>(Unaudited)</b> <b>HK\$'000</b>	<b>2024</b> <b>(Unaudited)</b> <b>HK\$'000</b>
<b>Other comprehensive income for the period, net of tax</b>	<u><b>19,801</b></u>	<u>(19,867)</u>
<b>Total comprehensive income for the period, net of tax</b>	<u><b>25,751</b></u>	<u><b>14,394</b></u>
<b>Profit for the period attributable to:</b>		
Owners of the Company	<b>5,787</b>	34,120
Non-controlling interests	<u><b>163</b></u>	<u>141</u>
	<u><b>5,950</b></u>	<u><b>34,261</b></u>
<b>Total comprehensive income for the period attributable to:</b>		
Owners of the Company	<b>25,743</b>	13,991
Non-controlling interests	<u><b>8</b></u>	<u>403</u>
	<u><b>25,751</b></u>	<u><b>14,394</b></u>
<b>Earnings per share for profit attributable to owners of the Company</b>		
– Basic and diluted ( <i>HK cents</i> )	<i>9</i> <u><b>1.15</b></u>	<u><b>6.79</b></u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2025**

		As at <b>30 June 2025</b> (Unaudited) <i>HK\$'000</i>	As at 31 December 2024 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>397,423</b>	365,298
Right-of-use assets		<b>22,749</b>	24,283
Interests in associates		<b>13,963</b>	10,455
Deferred tax assets		<b>71,349</b>	63,765
Deposits and prepayments	<i>11</i>	<b>1,922</b>	1,897
		<b>507,406</b>	465,698
<b>Current assets</b>			
Inventories		<b>833</b>	930
Trade receivables	<i>10</i>	<b>17,883</b>	13,786
Deposits, prepayments and other receivables	<i>11</i>	<b>91,949</b>	98,109
Amount due from an associate		<b>3,965</b>	3,981
Dividend receivables from an associate		<b>–</b>	684
Pledged bank deposits		<b>10,587</b>	10,296
Cash at banks and on hand		<b>157,651</b>	169,242
		<b>282,868</b>	297,028
<b>Current liabilities</b>			
Trade payables	<i>12</i>	<b>39,122</b>	45,634
Accruals and other payables	<i>13</i>	<b>59,517</b>	57,796
Contract liabilities		<b>155,770</b>	136,612
Amounts due to associates		<b>512</b>	3,071
Lease liabilities		<b>35,701</b>	39,800
Provision for taxation		<b>5,182</b>	7,800
Bank borrowings	<i>14</i>	<b>95,153</b>	61,115
Loans from a related company		<b>92,721</b>	–
		<b>483,678</b>	351,828
<b>Net current liabilities</b>		<b>(200,810)</b>	(54,800)
<b>Total assets less current liabilities</b>		<b>306,596</b>	410,898

		As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
	<i>Notes</i>		
<b>Non-current liabilities</b>			
Provision		594	541
Provision for long service payments		7,899	7,417
Bank borrowings	14	196,257	208,355
Lease liabilities		9,908	7,707
Loans from a related company		–	90,544
		<u>214,658</u>	<u>314,564</u>
<b>Net assets</b>		<u><b>91,938</b></u>	<u><b>96,334</b></u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital	15	50,245	50,245
Reserves		<u>43,385</u>	<u>47,789</u>
		93,630	98,034
<b>Non-controlling interests</b>		<u>(1,692)</u>	<u>(1,700)</u>
<b>Total equity</b>		<u><b>91,938</b></u>	<u><b>96,334</b></u>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 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**”) since 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 as well as the ownership, development and management of hotel business.

## 2. BASIS OF PREPARATION AND PRESENTATION

The interim condensed consolidated financial information has been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”), issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure provisions of Rules Governing the Listing of Securities on the Stock Exchange.

The interim condensed consolidated financial information has been prepared with the same accounting policies adopted in the 2024 annual financial statements, except for those relate to amendments to standards effective for the first time for periods beginning on or after 1 January 2025. Details of any changes in accounting policies are set out in note 3.

The preparation of the interim condensed consolidated financial information in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim condensed consolidated financial information is presented in Hong Kong Dollars (“**HK\$**”), unless otherwise stated. The interim condensed consolidated financial information contains condensed consolidated financial information and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The interim condensed consolidated financial information and notes do not include all of the information required for a complete set of financial statements prepared in accordance with HKFRS Accounting Standards and should be read in conjunction with the 2024 annual financial statements.

With geopolitical tensions and international trade disputes on the rise, the global economy has faced multiple challenges in the first half of 2025. Uncertainties fuelled by constantly evolving tariffs caused significant disruption to global trade and investments. Furthermore, rumours of a large-scale earthquake in Japan in July 2025, which stemmed from a Japanese manga from 30 years ago, was widespread and overblown on various social media platforms. Despite the enduring popularity as a travel destination among Hong Kong residents, the rumours caused Japan to suffer an abrupt and extensive contraction in travel demand. As the Group's strategic emphasis has always been Japan-focused travel products and services, a substantial decrease in both revenue and gross profit from its travel related business was recorded in the first half of 2025.

As of 30 June 2025, the Group's current liabilities exceeded its current assets by approximately HK\$200,810,000. Notwithstanding of this condition, the interim condensed consolidated financial information was prepared on a going concern basis.

In the opinion of the Board, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future, based on the cash flow projections of the Group covering a period up to 31 December 2026 (the “**Forecasted Period**”) after taking into the following considerations:

- (a) As at the date of approval of the interim condensed consolidated financial information, the final repayment dates of loans totalling HK\$95.0 million from Great Port Limited (“**Great Port**”) had been extended from 1 January 2026 to 31 December 2026; and
- (b) The anticipated revival of the travel-related business, particularly Japan-bound package tours, was based on the rumours that have since been refuted. The management expected revenue from Japan-bound package tours to return to 2024 level at the end of 2025.

The Board is satisfied that it is appropriate to prepare the interim condensed consolidated financial information on a going concern basis.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made in the interim condensed consolidated financial information to write down the values of the assets to their net realisable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of such adjustments has not been reflected in the interim condensed consolidated financial information.

The interim condensed consolidated financial information is unaudited, but has been reviewed by BDO Limited in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

### 3. ADOPTION OF HKFRS ACCOUNTING STANDARDS

The Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the Group's interim condensed consolidated financial information in the period:

- Amendments to HKAS 21, Lack of Exchangeability

The amendments to HKFRS Accounting Standards that effective from 1 January 2025 did not have any significant impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these interim condensed consolidated financial information.

### 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 two operating 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 operating segments:

- Travel and travel related services business (“**Travel Related 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, 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 accrued expenses and other payables, which are not directly attributable to the business activities of any operating segments and not allocated to segments.



(a) **Business segments**

	<b>Travel Related Business (Unaudited) HK\$'000</b>	<b>Hotel Business (Unaudited) HK\$'000</b>	<b>Elimination (Unaudited) HK\$'000</b>	<b>Total (Unaudited) HK\$'000</b>
<b>For six months ended 30 June 2025:</b>				
<b>Revenue</b>				
Reportable segment revenue	616,645	80,193	(4,953)	691,885
Inter-segment revenue	–	(4,953)	4,953	–
	<u>616,645</u>	<u>75,240</u>	<u>–</u>	<u>691,885</u>
<b>From external customers</b>	<u>616,645</u>	<u>75,240</u>	<u>–</u>	<u>691,885</u>
<b>Reportable segment (loss)/profit</b>	<u>(11,807)</u>	<u>29,098</u>	<u>–</u>	<u>17,291</u>
Depreciation on property, plant and equipment	(1,542)	(4,650)	–	(6,192)
Depreciation on right-of-use assets	(9,755)	(10)	–	(9,765)
Share of results of associates	1,370	–	–	1,370
Finance costs	(1,472)	(2,044)	–	(3,516)
Income tax credit/(expense)	3,747	(5,255)	–	(1,508)

	<b>Travel Related Business (Unaudited) HK\$'000</b>	<b>Hotel Business (Unaudited) HK\$'000</b>	<b>Elimination (Unaudited) HK\$'000</b>	<b>Total (Unaudited) HK\$'000</b>
<b>For six months ended 30 June 2024:</b>				
<b>Revenue</b>				
Reportable segment revenue	702,095	64,380	(7,167)	759,308
Inter-segment revenue	–	(7,167)	7,167	–
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>From external customers</b>	<u>702,095</u>	<u>57,213</u>	<u>–</u>	<u>759,308</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Reportable segment profit</b>	<u>47,108</u>	<u>17,371</u>	<u>–</u>	<u>64,479</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Depreciation on property, plant and equipment	(1,633)	(7,610)	–	(9,243)
Depreciation on right-of-use assets	(9,454)	–	–	(9,454)
Share of results of associates	794	–	–	794
Finance costs	(797)	(1,598)	–	(2,395)
Income tax expense	(5,629)	(4,989)	–	(10,618)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

	<b>Travel Related Business HK\$'000</b>	<b>Hotel Business HK\$'000</b>	<b>Total HK\$'000</b>
<b>As at 30 June 2025 (Unaudited):</b>			
<b>Reportable segment assets</b>	<b>314,153</b>	<b>473,857</b>	<b>788,010</b>
<b>Reportable segment liabilities</b>	<b>334,176</b>	<b>261,987</b>	<b>596,163</b>
Additions to non-current assets	<b>6,464</b>	<b>1,229</b>	<b>7,693</b>
Share of net assets of associates	<u>13,963</u>	<u>–</u>	<u>13,963</u>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>As at 31 December 2024 (Audited):</b>			
<b>Reportable segment assets</b>	<b>308,332</b>	<b>451,499</b>	<b>759,831</b>
<b>Reportable segment liabilities</b>	<b>292,594</b>	<b>274,663</b>	<b>567,257</b>
Additions to non-current assets	<b>6,098</b>	<b>758</b>	<b>6,856</b>
Share of net assets of associates	<u>10,455</u>	<u>–</u>	<u>10,455</u>
	<u>          </u>	<u>          </u>	<u>          </u>

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

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue</b>		
Reportable segment revenue	<u>691,885</u>	<u>759,308</u>
Consolidated revenue	<u><u>691,885</u></u>	<u><u>759,308</u></u>
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Profit before income tax</b>		
Reportable segment profit	17,291	64,479
Unallocated corporate expenses	<u>(9,786)</u>	<u>(19,504)</u>
Consolidated profit before income tax	<u><u>7,505</u></u>	<u><u>44,975</u></u>
	<b>As at</b>	<b>As at</b>
	<b>30 June</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Assets</b>		
Reportable segment assets	788,010	759,831
Unallocated corporate assets	<u>2,264</u>	<u>2,895</u>
Consolidated total assets	<u><u>790,274</u></u>	<u><u>762,726</u></u>
	<b>As at</b>	<b>As at</b>
	<b>30 June</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Liabilities</b>		
Reportable segment liabilities	596,163	567,257
Unallocated corporate liabilities	<u>102,173</u>	<u>99,135</u>
Consolidated total liabilities	<u><u>698,336</u></u>	<u><u>666,392</u></u>

(c) **Geographical 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)	
	Six months ended 30 June		As at	As at
	2025	2024	30 June	31 December
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000
Hong Kong and Macau (place of domicile)	613,176	698,851	31,376	31,777
Japan	78,709	60,457	388,644	357,630
Others	—	—	14,115	10,629
	<u>691,885</u>	<u>759,308</u>	<u>434,135</u>	<u>400,036</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 six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

(e) **Disaggregation of revenue**

	Travel Related Business Six months ended 30 June		Hotel Business Six months ended 30 June		Total Six months ended 30 June	
	2025	2024	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Primary geographical markets</b>						
Hong Kong and Macau (place of domicile)	613,176	698,851	—	—	613,176	698,851
Japan	3,469	3,244	75,240	57,213	78,709	60,457
	<u>616,645</u>	<u>702,095</u>	<u>75,240</u>	<u>57,213</u>	<u>691,885</u>	<u>759,308</u>
<b>Timing of revenue recognition</b>						
At a point in time	31,116	39,295	—	—	31,116	39,295
Transferred over time	585,529	662,800	75,240	57,213	660,769	720,013
	<u>616,645</u>	<u>702,095</u>	<u>75,240</u>	<u>57,213</u>	<u>691,885</u>	<u>759,308</u>

## 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; and the net proceeds from FIT Products and ancillary travel related services. The amounts of each significant category of revenue recognised during the period are as follows:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue</b>		
Package tours	585,529	662,800
FIT Products ( <i>note a</i> )	9,187	13,283
Ancillary travel related products and services ( <i>note a &amp; b</i> )	21,929	26,012
Hotel room rental and ancillary services	75,240	57,213
	<u>691,885</u>	<u>759,308</u>

*Notes:*

- (a) 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 is recorded on a net basis. The gross proceeds received and receivable are as follows:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Gross proceeds received and receivable	<u>103,787</u>	<u>151,571</u>

- (b) 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 six months ended 30 June 2025 and 2024, the result in the segment of "Sale of Merchandises Business" had become immaterial that revenue from "Sale of merchandises" is categorised into "Ancillary travel related products and service".

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

	<b>As at</b>	<b>As at</b>
	<b>30 June</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Trade receivables ( <i>note 10</i> )	17,883	13,786
Contract liabilities	<u>155,770</u>	<u>136,612</u>

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<b>Other income, gains and losses, net</b>		
Exchange gain/(loss), net	5,746	(3,030)
Handling income	27	58
Interest income on bank deposits	118	535
Loss on modification of a related party loan	–	(2,125)
Gain on modification of lease agreements	582	–
Government sponsor income ( <i>note</i> )	1,611	1,550
Sundry income	188	156
	<u>8,272</u>	<u>(2,856)</u>

*Note:* During the six months ended 30 June 2025, the Group recognised government sponsor income of approximately HK\$1,611,000 (six months ended 30 June 2024: HK\$1,550,000) 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:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cost of inventories recognised as expenses	919	1,130
Depreciation on property, plant and equipment	6,192	9,243
Depreciation on right-of-use assets	9,765	9,454
Finance costs:		
– Interest expense incurred on lease liabilities	697	793
– Interest expense incurred on loans from a related company	2,176	4,899
– Interest expense incurred on bank borrowings	2,820	1,602
	<u>5,693</u>	<u>7,294</u>
Employee costs (including directors' emoluments):		
– Salaries and other benefits in kind	82,464	79,590
– Retirement scheme contributions	3,217	2,822
– Long service payments	756	551
	<u>86,437</u>	<u>82,963</u>

## 7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<b>Current tax – Hong Kong Profits Tax</b>		
– Tax for the period	367	691
– Under-provision in respect of prior year	–	6
	<u>367</u>	<u>697</u>
<b>Current tax – People’s Republic of China (“PRC”)</b>		
<b>Enterprise Income tax</b>		
– Tax for the period	128	–
<b>Current tax – Japan Profits Tax</b>		
– Tax for the period	4,469	2,656
<b>Deferred tax</b>		
– (Credit)/charge to profit or loss for the period	<u>(3,409)</u>	<u>7,361</u>
	<u><u>1,555</u></u>	<u><u>10,714</u></u>

The group entities incorporated in the Cayman Islands and the British Virgin Islands (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 both periods. The profit of group entities not qualifying for the two-tiered profits tax rates regime continued to be taxed at 16.5% for both periods.

Macau Complementary Tax is calculated at 12% on the estimated assessable profits of a subsidiary operating in Macau for both periods. There were no estimated assessable profits derived from the subsidiary operating in Macau for both periods.

PRC Enterprise Income Tax is calculated at 25% (2024: 25%) on the estimated assessable profits of a subsidiary operating in the PRC for the six months ended 30 June 2025. The Group has no estimated assessable profit arising from the subsidiary operating in the PRC for the six months ended 30 June 2024.

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 ranged from approximately 34.1% to approximately 35.4% (six months ended 30 June 2024: approximately 30.6% to approximately 34.6%) for the six months ended 30 June 2025 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 both periods.

## 8. DIVIDENDS

At the Board meeting held on 27 August 2025, the Board did not recommend the payment of an interim dividend for the six months ended 30 June 2025 (interim dividend for 2024: Nil).

On 20 January 2025, the Board 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.

## 9. EARNINGS PER SHARE

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Earnings</b>		
Profit attributable to owners of the Company	<b>5,787</b>	<b>34,120</b>
	<b>5,787</b>	<b>34,120</b>
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>'000</b>	<b>'000</b>
<b>Number of shares</b>		
Number of ordinary shares	<b>502,450</b>	<b>502,450</b>
	<b>502,450</b>	<b>502,450</b>

Diluted earnings per share were the same as the basic earnings per share as the Company had no dilutive potential ordinary shares during the current and the corresponding interim periods.



## 10. TRADE RECEIVABLES

	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
Trade receivables	18,300	14,203
Less: loss allowance	<u>(417)</u>	<u>(417)</u>
Net carrying amount	<u><b>17,883</b></u>	<u><b>13,786</b></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, is as follows:

	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
0 – 90 days	17,316	13,562
91 – 180 days	389	220
181 – 365 days	165	4
Over 365 days	<u>13</u>	<u>–</u>
	<u><b>17,883</b></u>	<u><b>13,786</b></u>

## 11. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
<b>Non-current assets</b>		
Deposits	1,853	1,739
Prepayments	69	158
	<u>1,922</u>	<u>1,897</u>
<b>Current assets</b>		
Other receivables	11,233	9,966
Deposits ( <i>note</i> )	5,289	5,378
Prepayments	75,427	82,765
	<u>91,949</u>	<u>98,109</u>

*Note:* The amount included rental deposits paid to a related company, Great Port, of approximately HK\$2,019,000 (as at 31 December 2024: HK\$2,019,000). The amount due is unsecured, interest-free and repayable at the end of the rental periods.

## 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:

	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
0 – 90 days	36,592	43,034
91 – 180 days	1,311	1,434
181 – 365 days	632	728
Over 365 days	587	438
	<u>39,122</u>	<u>45,634</u>

### 13. ACCRUALS AND OTHER PAYABLES

	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
Accrued expenses	24,405	23,834
Other payables	<u>35,112</u>	<u>33,962</u>
	<u><b>59,517</b></u>	<u><b>57,796</b></u>

### 14. BANK BORROWINGS

	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
<b>Current</b>		
Bank borrowings, secured	95,153	61,115
<b>Non-current</b>		
Bank borrowings, secured	<u>196,257</u>	<u>208,355</u>
	<u><b>291,410</b></u>	<u><b>269,470</b></u>

As at 30 June 2025, the bank borrowings of approximately HK\$291,410,000 (as at 31 December 2024: HK\$269,470,000) were secured by charges over certain property, plant and equipment and pledged bank deposits with aggregate carrying amounts of approximately HK\$384,210,000 (as at 31 December 2024: HK\$352,434,000) and approximately HK\$4,594,000 (as at 31 December 2024: HK\$4,317,000) respectively.

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 effective interest rate ranging from 1.56% to 4.00% (as at 31 December 2024: 1.34% to 1.60%) per annum.

## 15. SHARE CAPITAL

	Number '000	Amount HK\$'000
<b>Authorised</b>		
<i>Ordinary shares of HK\$0.1 each</i>		
At 31 December 2024 and 30 June 2025	<u>1,000,000</u>	<u>100,000</u>
	Number '000	Amount HK\$'000
<b>Ordinary shares, issued and fully paid</b>		
At 31 December 2024 and 30 June 2025	<u>502,450</u>	<u>50,245</u>

## 16. SUBSEQUENT EVENT

On 27 August 2025, Great Port, the lender, agreed to extend the final repayment dates of loans totalling HK\$95.0 million from 1 January 2026 to 31 December 2026.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **GROUP OVERVIEW**

With geopolitical tensions and international trade disputes on the rise, the global economy has faced multiple challenges in the first half of 2025. Uncertainties fueled by constantly evolving tariffs caused significant disruption to global trade and investments. Furthermore, rumours of a large-scale earthquake in Japan in July 2025, which stemmed from a Japanese manga from 30 years ago, was widespread and overblown on various social media platforms. Despite the enduring popularity as a travel destination among Hong Kong residents, the rumours caused Japan to suffer an abrupt and extensive contraction in travel demand. As the Group's strategic emphasis has always been Japan-focused travel products and services, a substantial decrease in both revenue and gross profit from its Travel Related Business was recorded in the first half of 2025. Notwithstanding the satisfactory performance of its Hotel Business, the Group still recorded a substantial decrease in net profit in the first half of 2025.

Revenue of the Group amounted to approximately HK\$691.9 million (six months ended 30 June 2024: HK\$759.3 million), representing a decrease of 8.9%. Gross profit amounted to approximately HK\$137.1 million (six months ended 30 June 2024: HK\$180.2 million), representing a decrease of 24.0%. Profit attributable to owners of the Company amounted to approximately HK\$5.8 million (six months ended 30 June 2024: HK\$34.1 million), representing a decrease of 83.0%.

Basic earnings per share for profit attributable to owners of the Company for the first half of 2025 was HK1.15 cents (six months ended 30 June 2024: HK6.79 cents).

### **BUSINESS OVERVIEW**

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

Revenue and gross profit from various business categories for the two periods ended 30 June 2025 and 2024 are set out as follows:

	Six months ended 30 June					
	2025			2024		
	Revenue HK\$'000	Gross profit HK\$'000	Gross profit margin %	Revenue HK\$'000	Gross profit HK\$'000	Gross profit margin %
Package tours	585,529	59,673	10.2	662,800	111,490	16.8
FIT Products and ancillary travel related products and services <sup>(i)</sup>	31,116	23,046	74.1	39,295	29,273	74.5
Hotel room rental and ancillary services	80,193	54,343	67.8	64,380	39,486	61.3
Elimination <sup>(ii)</sup>	(4,953)	–	–	(7,167)	–	–
<b>Total</b>	<b>691,885</b>	<b>137,062</b>	<b>19.8</b>	<b>759,308</b>	<b>180,249</b>	<b>23.7</b>

(i) Comparative figures have been re-presented to align with the current Period's presentation and the corresponding ratios were re-calculated accordingly.

(ii) 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. In the first half of 2025, the decline in both revenue and gross profit for the Group's package tours business was primarily due to concerns sparked by rumors of a large-scale earthquake in Japan. This unease resulted in a significant drop in the number of Hong Kong travellers participating in package tours to the destination.

Revenue amounted to approximately HK\$585.5 million (six months ended 30 June 2024: HK\$662.8 million), representing a decrease of 11.7% and contributing 84.6% to the Group's total revenue (six months ended 30 June 2024: 87.3%). Gross profit amounted to approximately HK\$59.7 million (six months ended 30 June 2024: HK\$111.5 million), representing a decrease of 46.5%.

## **FIT PRODUCTS AND ANCILLARY TRAVEL RELATED PRODUCTS AND SERVICES**

Revenue from FIT Products and ancillary travel related products and services mainly represents income from sale of air tickets, hotel accommodation, public transportation tickets, theme park admission tickets and local tours in overseas, and commission income from travel insurance services. Additionally, this segment includes the revenue and results of the Sale of Merchandises Business segment, which was previously reported separately in the interim condensed consolidated financial information. This adjustment reflects the Group's decision to consolidate its resources and refocus on its core segments – Travel Related Business and Hotel Business – as of October 2023, rendering the Sale of Merchandises Business segment immaterial. Consequently, the comparative figures of this segment have been re-presented, and the corresponding ratios have been re-calculated.

The reduction in the number of Hong Kong travellers to Japan mentioned above and intense market competitions caused the revenue from FIT Products and ancillary travel related products and services to decrease by 20.8% to approximately HK\$31.1 million for the Period (six months ended 30 June 2024: HK\$39.3 million), contributing 4.5% to the Group's total revenue (six months ended 30 June 2024: 5.2%). Gross profit amounted to approximately HK\$23.0 million (six months ended 30 June 2024: HK\$29.3 million), representing a decrease of 21.3%.

## **HOTEL ROOM RENTAL AND ANCILLARY SERVICES**

Rumors about a major earthquake in Japan did not negatively impact travel intentions among tourists from other parts of the world. In fact, tourism to Japan was boosted by the Osaka-Kansai Expo held in Osaka, coupled with the Japanese yen remaining at a weaker value. As a result, occupancy rates at the Group's hotels rose, leading to satisfactory performance and growth in the Hotel Business for the Period.

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 Period was 91.6% (six months ended 30 June 2024: 85.0%).

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 Period was 92.9% (six months ended 30 June 2024: 92.2%).

Revenue from hotel operation mainly represents income generated from letting the hotel rooms. During the Period, the revenue amounted to approximately HK\$80.2 million (six months ended 30 June 2024: HK\$64.4 million), representing an increase of 24.6%. Revenue from external customers, which was net of inter-segment revenue, amounted to approximately HK\$75.2 million (six months ended 30 June 2024: HK\$57.2 million) and contributing 10.9% to the Group's total revenue (six months ended 30 June 2024: 7.5%). Gross profit amounted to approximately HK\$54.3 million (six months ended 30 June 2024: HK\$39.5 million), representing an increase of 37.6%.

## FINANCIAL REVIEW

### KEY FINANCIAL RATIOS

	Six months ended 30 June	
	2025	2024
Gross profit margin	<b>19.8%</b>	23.7%
Operating profit margin <sup>(1)</sup>	<b>1.9%</b>	6.9%
Net profit margin <sup>(2)</sup>	<b>0.8%</b>	4.5%
Interest coverage ratio <sup>(1)</sup>	<b>2.3 times</b>	7.2 times
Return on total assets <sup>(2)</sup>	<b>0.7%</b>	4.3%
Return on equity attributable to owners of the Company <sup>(2)</sup>	<b>6.2%</b>	55.6%
	<b>As at</b>	<b>As at</b>
	<b>30 June</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
Current ratio	<b>0.6 time</b>	0.8 time
Gearing ratio		
Total borrowings over total assets	<b>48.6%</b>	47.2%
Net debts over equity	<b>290.6%</b>	243.1%

(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\$49.4 million (six months ended 30 June 2024: HK\$41.4 million), representing an increase of 19.3%. Such increase was primarily attributed to the increase in frontline staff costs.

## **ADMINISTRATIVE EXPENSES**

Employee costs, directors' remuneration, rent, rates and management fee, utilities expenses of hotels and depreciation on property, plant and equipment contributed the majority of administrative expenses of the Group. Administrative expenses amounted to approximately HK\$84.2 million (six months ended 30 June 2024: HK\$84.5 million), representing a slight decrease of 0.5%.

## **FINANCE COSTS**

Finance costs of approximately HK\$2.8 million (six months ended 30 June 2024: HK\$1.6 million) were incurred for the Period 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. No finance cost was incurred from acquisition of travel buses for the Period as the outstanding loan was fully repaid in previous period.

Based on discounted cash flows of the loans from a related company, Great Port, finance costs of approximately HK\$2.2 million (six months ended 30 June 2024: HK\$4.9 million) were incurred for the Period. The decrease in finance costs was mainly 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\$0.7 million (six months ended 30 June 2024: HK\$0.8 million) were incurred for the Period in accordance with HKFRS 16 "Leases".

## **INCOME TAX EXPENSES**

Income tax expenses for the Period amounted to approximately HK\$1.6 million (six months ended 30 June 2024: HK\$10.7 million). The decrease was mainly due to the change from assessable profits to losses of Travel Related Business for the Period as compared to the corresponding period in 2024.

## **DIVIDEND**

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2025 (interim dividend for 2024: HK\$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.

## **INTEREST COVERAGE RATIO**

Interest coverage ratio of the Group for the Period was recorded at 2.3 times (six months ended 30 June 2024: 7.2 times). The decrease was due to decrease in profit before finance costs and taxation as discussed above.

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 30 June 2025, the Group's current ratio was 0.6 time (as at 31 December 2024: 0.8 time). The decrease in current ratio was mainly attributable to the increase in current portion of bank borrowings of approximately HK\$34.0 million and loans from a related company of approximately HK\$92.7 million.

## GEARING RATIO

	As at 30 June 2025 HK'000	As at 31 December 2024 HK'000	Increase/ (Decrease) HK'000
<b>Gearing ratio – Total borrowings over total assets</b>			
Bank borrowings	291,410	269,470	21,940
Loans from a related company	92,721	90,544	2,177
Total borrowings ( <i>note a</i> )	<u>384,131</u>	<u>360,014</u>	<u>24,117</u>
Total assets	<u>790,274</u>	<u>762,726</u>	<u>27,548</u>
Gearing ratio	48.6%	47.2%	1.4 percentage points
<b>Gearing ratio – Net debts over equity</b>			
Total borrowings ( <i>note a</i> )	384,131	360,014	24,117
Lease liabilities	45,609	47,507	(1,898)
Total debts ( <i>note b</i> )	429,740	407,521	22,219
Less: Cash at banks and on hand	(157,651)	(169,242)	11,591
	<u>272,089</u>	<u>238,279</u>	<u>33,810</u>
Equity ( <i>note c</i> )	<u>93,630</u>	<u>98,034</u>	<u>(4,404)</u>
Gearing ratio	290.6%	243.1%	47.5 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 slight increase in gearing ratio – total borrowings over total assets was due to the increase in bank borrowings, mainly due to the withdrawals in Hong Kong to meet the needs of working capital for Travel Related Business, offset by the increase in property, plant and equipment.

The increase in gearing ratio – net debts over equity was primarily attributable to the increase in bank borrowings as mentioned above and the decrease in cash at banks and on hand.

## **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 during the Period were 0.7% (six months ended 30 June 2024: 4.3%) and 6.2% (six months ended 30 June 2024: 55.6%) respectively.

The decreases in these two ratios were mainly due to the decrease in profit attributable to owners of the Company for the Period as compared to the corresponding period.

## **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 30 June 2025 amounted to approximately Japanese Yen (“JPY”) 1,762.0 million (equivalent to approximately HK\$95.2 million) (as at 31 December 2024: JPY2,242.1 million (equivalent to approximately HK\$110.4 million)). The repayment term is payable in 12 years.

For the construction of hot spring bath building in Osaka completed in March 2019, the carrying amount of the bank borrowings as at 30 June 2025 amounted to approximately JPY304.9 million (equivalent to approximately HK\$16.5 million) (as at 31 December 2024: JPY365.8 million (equivalent to approximately HK\$18.0 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 30 June 2025 amounted to approximately JPY2,401.2 million (equivalent to approximately HK\$129.7 million) (as at 31 December 2024: JPY2,458.5 million (equivalent to approximately HK\$121.1 million)). The repayment term is payable in 26 years.

In respect of the bank borrowings withdrawn in Hong Kong to meet the needs of working capital for Travel Related Business, the carrying amount as at 30 June 2025 amounted to HK\$50.0 million (as at 31 December 2024: HK\$20.0 million). The repayment term is payable within 30 to 90 days.

Regarding the loans from a related company, Great Port, the carrying amount of the outstanding loans amounted to approximately HK\$92.7 million as at 30 June 2025 (as at 31 December 2024: HK\$90.5 million). All these loans are unsecured and repayable on 1 January 2026. On 27 August 2025, Great Port agreed to extend the final repayment dates of the loans totalling HK\$95.0 million from 1 January 2026 to 31 December 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 30 June 2025 amounted to approximately HK\$93.6 million (as at 31 December 2024: HK\$98.0 million). As at 30 June 2025, the Group's cash at banks and on hand amounted to approximately HK\$157.7 million (as at 31 December 2024: HK\$169.2 million). Cash at banks and on hand were mainly denominated in Hong Kong Dollar accounting for approximately 44.1% (as at 31 December 2024: 41.4%), Japanese Yen accounting for approximately 28.0% (as at 31 December 2024: 32.0%), Renminbi accounting for approximately 9.7% (as at 31 December 2024: 8.5%), and Macau Pataca accounting for approximately 7.2 (as at 31 December 2024: 7.6%).

## **PLEDGE OF ASSETS**

As at 30 June 2025, the property, plant and equipment of Okinawa Hinode Resort & Hot Spring Hotel and Osaka Hinode Hotel, together with the hot spring bath building and certain pledged bank balances in Japan of approximately HK\$386.3 million in total (as at 31 December 2024: HK\$354.3 million) were pledged as collateral for 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 30 June 2025, the Group had pledged bank deposits of approximately HK\$10.6 million (as at 31 December 2024: HK\$10.3 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 certain bank loans in Hong Kong and letters of guarantees issued to certain third parties on behalf of the Group. Together with corporate guarantees 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\$10.3 million (as at 31 December 2024: HK\$10.0 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 pledge of assets as at 30 June 2025 (as at 31 December 2024: Nil).

## **CAPITAL COMMITMENTS AND FUTURE CAPITAL EXPENDITURES**

As at 30 June 2025, the Group had capital commitment of approximately HK\$3.4 million (as at 31 December 2024: HK\$4.9 million) to acquire property, plant and equipment.

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

## **CONTINGENT LIABILITIES**

The Directors considered that there were no material contingent liabilities as at 30 June 2025 (as at 31 December 2024: Nil).

## **MATERIAL ACQUISITIONS AND DISPOSALS**

During the Period, there was no material acquisition or disposal of subsidiaries, associates or joint ventures of the Group (six months ended 30 June 2024: Nil).

## **SIGNIFICANT INVESTMENTS**

During the Period, there was no significant investment held by the Group (six months ended 30 June 2024: Nil).

## **FOREIGN CURRENCY EXCHANGE RISK AND TREASURY POLICIES**

The Group is exposed to foreign currency exchange risk due to potential discrepancies between customer receipts and supplier payments, influenced by prevailing foreign currency fluctuations. The Group does not rely on hedging arrangements. Instead, the Group has implemented foreign exchange risk management procedures to closely monitor the risk exposure. These procedures aim to prevent excessive cash balances in foreign currencies by limiting purchases to amounts that correspond with estimated travel-related costs for one week. This approach helps mitigate foreign exchange risk associated with these expenses. The objective of the Group's foreign exchange risk management is to manage exposure related to travel costs denominated in foreign currencies for the upcoming week. The procedures are strictly defined, leaving no room for judgment regarding future currency fluctuations, and are designed for operational staff to follow diligently. 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 focuses on placing surplus cash into bank deposits with licensed banks mainly in 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 gain of approximately HK\$5.7 million was recorded during the Period (six months ended 30 June 2024: net exchange loss of approximately HK\$3.0 million).

## HUMAN RESOURCES AND EMPLOYEES' REMUNERATION

As at 30 June 2025, the Group had a total workforce of 447 employees (as at 31 December 2024: 447), of which 143 (as at 31 December 2024: 144) 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 enhance personnel training and development, the Group provides a series of employee training programmes, which aims to accelerate professional growth, unlock potential, and cultivate the diverse talents within our teams. High potential staff will be groomed and developed intensively through a structured plan to prepare them for management roles. To attract and retain the best quality personnel for the Group's business development, a new share option scheme was adopted on 31 May 2024 (the **"New Share Option Scheme"**) replacing the previous 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 incentivise them to contribute to the Group's continued growth and success, while aligning their interests with those of shareholders to drive long-term financial performance. During the Period, 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 Period (six months ended 30 June 2024: Nil).

## OUR STRATEGIES AND OUTLOOK

In early 2025, a widely circulated rumor about a catastrophic earthquake in Japan significantly undermined Hong Kong residents' confidence in travelling to the country, leading to a substantial decline in the Group's Travel Related Business performance. To counter this misinformation, the Group organised several Facebook livestreams on 5 July 2025, demonstrating that no earthquake had occurred and that Japan was operating as usual. With the rumor debunked, the Group expects a steady recovery in Hong Kong travellers to Japan in the coming months and remains optimistic about the Travel Related Business rebounding in the second half of 2025. Meanwhile, the Hotel Business has continued to perform strongly and is projected to maintain its robust performance throughout 2025.



Nevertheless, the Group will closely monitor market developments in order to retain its competitive edge and agility as a leading expert in Japan travel. In response to Hong Kong's high cost of living, cautious consumer spending, and the uncertainty in the development of market interest rates, the Group will strengthen collaboration across its business units to adapt to evolving market trends and consumer preferences. This includes expanding its portfolio of high-quality travel packages and FIT offerings across various destinations.

In terms of tour schedules flexibility and flight availability, the Group will continue to arrange charter flights and cruises as part of its sales facilitation and brand enhancement strategy. Between March and June 2025, the Group operated 5 charter cruises on the Three Gorges of the Yangtze River and plans to operate 5 additional ones in the second half of 2025.

For brand visibility enhancement and customer experience improvement, the Group participated in various exhibitions to establish its presence. In June 2025, the Group hosted a promotional event, the 'EGL Tours 39th Anniversary Celebration'. These exhibitions and event formed part of the Group's marketing strategy to promote a range of special tours, FIT packages, and products to achieve aforementioned goals. By introducing new products via these channels, the Group is able to build a sustainable model to maintain sales and profit margin.

Currently, the Group operates 8 branches in Hong Kong and 1 in Macau. To enhance customer outreach, the Group will continue to explore opportunities for expanding and restructuring its branch network. Additionally, the Group will continue to enhance its digital and online platforms to improve customer services in this digital age.

The Group remains cautious regarding its cash position. Any surplus cash from working capital will be used to reduce the Group's gearing ratio. Furthermore, the Group will explore alternative income sources to strengthen its financial position.

The Group is strategically positioned to deliver high-quality services and products. With a dedicated team of professionals and effective management, the Group is well-equipped to navigate future challenges, 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 six months ended 30 June 2025, 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 six months ended 30 June 2025.

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

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

## **REVIEW BY AUDIT COMMITTEE AND AUDITOR**

The interim results for the six months ended 30 June 2025 have been reviewed by the audit committee of the Board which comprises three independent non-executive Directors namely, Mr. Chan Kim Fai, Mr. Lo Kam Cheung Patrick and Ms. Wong Lai Ming. The interim financial information of the Group for the six months ended 30 June 2025 has been reviewed by the Company’s independent auditor, BDO Limited, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$Nil).

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

This results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.egltours.com/travel/pages/investor\\_relations/#eng](http://www.egltours.com/travel/pages/investor_relations/#eng). The interim report of the Company will be despatched to the shareholders of the Company and published on the above websites in September 2025.

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

Hong Kong, 27 August 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.*