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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 2025**

	For the year ended 31 December		
	2025	2024	Change in
	HK\$'000	HK\$'000	%
Revenue	<b>1,511,904</b>	1,632,532	-7.4%
Gross profit	<b>325,245</b>	373,205	-12.9%
Profit attributable to owners of the Company	<b>34,724</b>	70,744	-50.9%
Earnings per share			
Basic and diluted ( <i>HK cents</i> )	<b>6.91</b>	14.08	
Profit margin			
Gross profit margin	<b>21.5%</b>	22.9%	
Operating profit margin	<b>4.0%</b>	6.4%	
Net profit margin	<b>2.3%</b>	4.3%	
Return on equity attributable to owners of the Company	<b>32.7%</b>	72.2%	
Gearing ratio			
Total borrowings over total assets	<b>42.2%</b>	47.2%	
Net debts over equity	<b>207.8%</b>	243.1%	

The board (the “Board”) of directors (the “Directors”) of EGL Holdings Company Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2025 (the “Year”) together with comparative figures of 2024 as follows:

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

*FOR THE YEAR ENDED 31 DECEMBER 2025*

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Revenue</b>	5	<b>1,511,904</b>	1,632,532
Cost of sales		<u>(1,186,659)</u>	<u>(1,259,327)</u>
<b>Gross profit</b>		<b>325,245</b>	373,205
Other income, gains and losses, net	5	<b>6,483</b>	(4,314)
Selling expenses		<b>(99,966)</b>	(91,303)
Administrative expenses		<b>(175,763)</b>	(175,885)
Other operating expenses	6	<b>(34)</b>	(147)
Share of results of associates		<b>4,841</b>	3,226
Finance costs	6	<u><b>(11,036)</b></u>	<u>(12,688)</u>
<b>Profit before income tax</b>	6	<b>49,770</b>	92,094
Income tax expense	7	<u><b>(14,862)</b></u>	<u>(20,999)</u>
<b>Profit for the year</b>		<u><b>34,908</b></u>	<u>71,095</u>
<b>Other comprehensive income, that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translation of foreign operations		<b>(1,146)</b>	(16,978)
Share of exchange differences on translation of foreign associates		<b>(390)</b>	(2,091)
<b>Other comprehensive income, that will not be reclassified subsequently to profit or loss:</b>			
Remeasurement of provision for long service payments		<u><b>607</b></u>	<u>(837)</u>
Other comprehensive income for the year, net of tax		<u><b>(929)</b></u>	<u>(19,906)</u>
<b>Total comprehensive income for the year, net of tax</b>		<u><b>33,979</b></u>	<u>51,189</u>

	<b>2025</b>	2024
<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Profit for the year attributable to:</b>		
Owners of the Company	<b>34,724</b>	70,744
Non-controlling interests	<b>184</b>	351
	<u><b>34,908</b></u>	<u>71,095</u>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	<b>33,811</b>	50,626
Non-controlling interests	<b>168</b>	563
	<u><b>33,979</b></u>	<u>51,189</u>
<b>Earnings per share for profit attributable to owners of the Company</b>		
– Basic and diluted ( <i>HK cents</i> )	<b>8</b> <u><b>6.91</b></u>	<u>14.08</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		360,894	365,298
Right-of-use assets		41,337	24,283
Interests in associates		14,717	10,455
Deferred tax assets		61,085	63,765
Deposits and prepayments	<i>11</i>	2,054	1,897
		<u>480,087</u>	<u>465,698</u>
<b>Current assets</b>			
Inventories		815	930
Trade receivables	<i>10</i>	16,450	13,786
Deposits, prepayments and other receivables	<i>11</i>	70,856	98,109
Amount due from an associate		2,069	3,981
Dividend receivables from an associate		–	684
Tax recoverable		649	–
Pledged bank deposits		9,093	10,296
Cash at banks and on hand		152,841	169,242
		<u>252,773</u>	<u>297,028</u>
<b>Current liabilities</b>			
Trade payables	<i>12</i>	41,047	45,634
Accruals and other payables	<i>13</i>	61,473	57,796
Contract liabilities		132,697	136,612
Amounts due to associates		2,969	3,071
Lease liabilities		44,343	39,800
Loans from a related company		90,532	–
Provision for taxation		7,774	7,800
Bank borrowings	<i>14</i>	51,252	61,115
		<u>432,087</u>	<u>351,828</u>
<b>Net current liabilities</b>		<u>(179,314)</u>	<u>(54,800)</u>
<b>Total assets less current liabilities</b>		<u>300,773</u>	<u>410,898</u>

	<i>Notes</i>	<b>2025</b> <b><i>HK\$'000</i></b>	2024 <i>HK\$'000</i>
<b>Non-current liabilities</b>			
Provision		<b>542</b>	541
Provision for long service payments		<b>8,312</b>	7,417
Bank borrowings	<i>14</i>	<b>167,440</b>	208,355
Lease liabilities		<b>19,870</b>	7,707
Loans from a related company		–	90,544
		<u><b>196,164</b></u>	<u>314,564</u>
<b>Net assets</b>		<u><b>104,609</b></u>	<u>96,334</u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital	<i>15</i>	<b>50,245</b>	50,245
Reserves		<u><b>55,896</b></u>	<u>47,789</u>
		<b>106,141</b>	98,034
<b>Non-controlling interests</b>		<u><b>(1,532)</b></u>	<u>(1,700)</u>
<b>Total equity</b>		<u><b>104,609</b></u>	<u>96,334</u>

# **NOTES TO THE FINANCIAL INFORMATION**

## **FOR THE YEAR ENDED 31 DECEMBER 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”) 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 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 Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations (collectively “HKFRS Accounting Standards”) 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 and going concern assumption**

The financial information has been prepared under historical cost basis.

For the year ended 31 December 2025, the global economic environment was affected by the intensified geopolitical tensions, escalating international trade disputes and continuing fluctuations of tariff policies. These elements heightened market uncertainties, causing disrupted global trade and investment flows. Furthermore, a rumour circulated extensively on various social media in the first half of the year ended 31 December 2025, claiming that a Japanese manga artist had predicted in the 1990s that a major earthquake in Japan would occur on 5 July 2025. As the Group’s travel related business mainly focuses on Japan, this unsubstantiated speculation had materially dampened the enthusiasm of Japan travel, leading to a significant reduction in outbound travel from Hong Kong to Japan, despite it being an enduring popular travel destination for Hong Kong residents.

Eventually, the predicted earthquake did not occur, and the rumour was confirmed to be unfounded. As a result, sentiment towards travel to Japan recovered accordingly, and public confidence was gradually restored. Notwithstanding this recovery, the Group's travel related business sustained notable declines in revenue and gross profit for the financial year ended 31 December 2025, in particular, the profit attributable to owners of the Company decreased from approximately HK\$70,744,000 for the year ended 31 December 2024 to approximately HK\$34,724,000.

Moreover, as at 31 December 2025, the Group's current liabilities exceeded its current assets by approximately HK\$179,314,000. In addition, the Group had loans due to a related company of approximately HK\$90,532,000 and bank borrowings of approximately HK\$218,692,000. Of these balances, approximately HK\$141,784,000 was repayable within twelve months, while the Group's cash and cash equivalents amounted to approximately HK\$152,841,000. These events or conditions may cast significant doubt on the Group's ability to continue as a going concern.

Nevertheless, this financial information was prepared on the assumption that the Group is able to operate as a going concern as in the opinion of the directors, based on the Group's cash flow projections covering a period up to 30 June 2027 (the "Forecast Period"), taking into account the following plans and measures, the Group will have sufficient working capital to finance its operations and to meet its obligations as and when they fall due in the foreseeable future:

- (a) The operating performance of the Group's travel related business is expected to improve, supported by the expected recovery of the tourism industry in Japan. Management expects the travel related business will gradually return to the normal level from the first quarter of 2026. Sensitivity analysis has been performed on this assumption to test the resilience of the forecasted liquidity;
- (b) The increase in crude oil prices and decrease in demand for travel to Middle East and related areas for the Group's travel related business are expected to have an indirect impact on its operating performance. Sensitivity analysis has been performed on this assumption to test the resilience of the forecasted liquidity; and
- (c) As at the date of approval of this financial information, Great Port Limited ("Great Port"), a related company, has agreed to provide undertaking to extend the loans granted to the Group in the principal amount of HK\$95,000,000 for not less than twelve months from the scheduled repayment date on 31 December 2026, upon the Group's request. In addition, Great Port has agreed to make available to the Group additional credit facilities during the Forecast Period to serve as a standby source of financing to meet the Group's working capital needs.

Notwithstanding the above, inherent uncertainties exist as to whether the Board will be able to achieve its plans and measures as described above, including (i) whether the travel related business in Japan will recover as expected; (ii) whether increases in crude oil prices and a reduction in demand for travel to Middle East and related regions may indirectly and adversely affect the Group's operating performance; and (iii) whether the related company will provide additional credit facilities to the Group when required. The Board is satisfied that it is appropriate to prepare the financial information on a going concern 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 HKFRS ACCOUNTING STANDARDS**

**(a) Adoption of amended HKFRS Accounting Standards – effective 1 January 2025**

In the current year, the Group has applied for the first time the following amended HKFRS Accounting Standards issued by the HKICPA to the Group’s financial statements for the annual period beginning on or after 1 January 2025:

- Amendments to HKAS 21, Lack of Exchangeability

On 25 September 2023, the HKICPA issued Lack of Exchangeability which amended HKAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments). The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

These amendments had no material impact on the financial information of the Group.

- Amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37, Disclosures about Uncertainties in the Financial Statements

On 13 February 2026, the HKICPA issued Disclosures about Uncertainties in the Financial Statements, which amended multiple HKFRS Accounting Standards to include illustrative examples demonstrating how companies can apply HKFRS Accounting Standards when reporting the effects of uncertainties in their financial statements. The illustrative examples are accompanying materials to HKFRS Accounting Standards and do not have an effective date. The Group has considered these illustrative examples in its preparation of the financial information and no additional disclosures or changes in presentation were considered necessary.

**(b) New or amended HKFRS Accounting Standards that have been issued but are not yet effective**

The following new or amended HKFRS Accounting Standards, 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 HKFRS 9 and HKFRS 7, Contracts Referencing Nature-dependent Electricity<sup>1</sup>
- Amendments to HKFRS 9 and HKFRS 7, Amendments to the Classification and Measurement of Financial Instruments<sup>1</sup>
- Annual Improvement to HKFRS Accounting Standards – Volume 11, Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7<sup>1</sup>
- HKFRS 18, Presentation and Disclosure in Financial Statements<sup>2</sup>
- HKFRS 19, Subsidiaries without Public Accountability: Disclosures<sup>2</sup>
- Amendments to HKFRS 19, Subsidiaries without Public Accountability: Disclosures<sup>2</sup>
- Hong Kong Interpretation 5 Presentation of Financial Statements, Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause<sup>2</sup>
- Amendments to HKFRS 10 and HKAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>3</sup>

<sup>1</sup> *Effective for annual periods beginning on or after 1 January 2026.*

<sup>2</sup> *Effective for annual periods beginning on or after 1 January 2027.*

<sup>3</sup> *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 financial information, 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.

Amendments to HKFRS 9 and HKFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted.

Currently, the Group derecognises its financial liabilities upon the issuance of cheques to their creditors. Under the amendments, the Group as a debtor should derecognise trade payable on the settlement date, i.e. the date on which the creditor receives the cash, as oppose to when the Group issues the cheque. Similarly, the Group should derecognise a trade receivable upon receiving cash from the debtor after the cheque has been cleared by the bank. The Group is the process of reviewing the derecognition practices for financial assets and financial liabilities to ensure compliance; and assessing the impact of amendments to the Group's financial statements upon adoption.

#### **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 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")
- 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**

	<b>Travel Related Business HK\$'000</b>	<b>Hotel Business HK\$'000</b>	<b>Elimination HK\$'000</b>	<b>Total HK\$'000</b>
<b>For the year ended 31 December 2025:</b>				
<b>Revenue</b>				
Reportable segment revenue	1,355,551	167,412	(11,059)	1,511,904
Inter-segment revenue	–	(11,059)	11,059	–
<b>From external customers</b>	<b>1,355,551</b>	<b>156,353</b>	<b>–</b>	<b>1,511,904</b>
<b>Reportable segment profit</b>	<b>8,873</b>	<b>62,950</b>	<b>–</b>	<b>71,823</b>
Depreciation on property, plant and equipment	(3,313)	(8,800)	–	(12,113)
Depreciation on right-of-use assets	(20,639)	(39)	–	(20,678)
Share of results of associates	4,841	–	–	4,841
Finance costs	(2,594)	(4,011)	–	(6,605)
Income tax credit/(expense)	2,129	(16,887)	–	(14,758)
<b>Reportable segment assets</b>	<b>281,337</b>	<b>449,164</b>	<b>–</b>	<b>730,501</b>
<b>Reportable segment liabilities</b>	<b>293,692</b>	<b>237,671</b>	<b>–</b>	<b>531,363</b>
Additions to non-current assets	34,240	3,280	–	37,520
Share of net assets of associates	14,717	–	–	14,717

	Travel Related Business <i>HK\$'000</i>	Hotel Business <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>For the year ended</b>				
<b>31 December 2024:</b>				
<b>Revenue</b>				
Reportable segment revenue	1,507,638	139,429	(14,535)	1,632,532
Inter-segment revenue	<u>–</u>	<u>(14,535)</u>	<u>14,535</u>	<u>–</u>
<b>From external customers</b>	<b><u>1,507,638</u></b>	<b><u>124,894</u></b>	<b><u>–</u></b>	<b><u>1,632,532</u></b>
<b>Reportable segment profit</b>	<b><u>86,205</u></b>	<b><u>41,289</u></b>	<b><u>–</u></b>	<b><u>127,494</u></b>
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)
<b>Reportable segment assets</b>	<b>308,332</b>	<b>451,499</b>	<b>–</b>	<b>759,831</b>
<b>Reportable segment liabilities</b>	<b>292,594</b>	<b>274,663</b>	<b>–</b>	<b>567,257</b>
Additions to non-current assets	6,098	758	–	6,856
Share of net assets of associates	<u>10,455</u>	<u>–</u>	<u>–</u>	<u>10,455</u>

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Revenue</b>		
Reportable segment revenue	<u>1,511,904</u>	<u>1,632,532</u>
Consolidated revenue	<u><u>1,511,904</u></u>	<u><u>1,632,532</u></u>
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Profit before income tax</b>		
Reportable segment profit	71,823	127,494
Other loss, net	(2)	(5,643)
Finance costs	(4,431)	(7,812)
Unallocated corporate expenses	<u>(17,620)</u>	<u>(21,945)</u>
Consolidated profit before income tax	<u><u>49,770</u></u>	<u><u>92,094</u></u>
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Assets</b>		
Reportable segment assets	730,501	759,831
Unallocated corporate assets	<u>2,359</u>	<u>2,895</u>
Consolidated total assets	<u><u>732,860</u></u>	<u><u>762,726</u></u>
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Liabilities</b>		
Reportable segment liabilities	531,363	567,257
Unallocated corporate liabilities	<u>96,888</u>	<u>99,135</u>
Consolidated total liabilities	<u><u>628,251</u></u>	<u><u>666,392</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)	
	2025	2024	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong and Macau (place of domicile)	1,348,825	1,501,265	51,010	31,777
Japan	163,079	131,267	351,139	357,630
Others	—	—	14,799	10,629
	<u>1,511,904</u>	<u>1,632,532</u>	<u>416,948</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 year ended 31 December 2025 (2024: Nil).

(e) **Disaggregation of revenue**

	Travel Related Business		Hotel Business		Total	
	2025	2024	2025	2024	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Primary geographical markets</b>						
Hong Kong and Macau (place of domicile)	1,348,825	1,501,265	—	—	1,348,825	1,501,265
Japan	6,726	6,373	156,353	124,894	163,079	131,267
	<u>1,355,551</u>	<u>1,507,638</u>	<u>156,353</u>	<u>124,894</u>	<u>1,511,904</u>	<u>1,632,532</u>
<b>Timing of revenue recognition</b>						
At a point in time	63,183	77,570	—	—	63,183	77,570
Transferred over time	1,292,368	1,430,068	156,353	124,894	1,448,721	1,554,962
	<u>1,355,551</u>	<u>1,507,638</u>	<u>156,353</u>	<u>124,894</u>	<u>1,511,904</u>	<u>1,632,532</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 year are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Revenue</b>		
Package tours	1,292,368	1,430,068
FIT Products ( <i>note a</i> )	17,747	25,115
Ancillary travel related products and services ( <i>note a &amp; b</i> )	45,436	52,455
Hotel room rental and ancillary services	156,353	124,894
	<u>1,511,904</u>	<u>1,632,532</u>

*Note:* (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 recorded on a net basis. The gross proceeds received and receivable are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Gross proceeds received and receivable	<u>224,039</u>	<u>286,642</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 years ended 31 December 2025 and 2024, the result in the segment of "Sale of Merchandise 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:

	As at 31 December 2025 <i>HK\$'000</i>	As at 31 December 2024 <i>HK\$'000</i>
Trade receivables ( <i>note 10</i> )	16,450	13,786
Contract liabilities	<u>132,697</u>	<u>136,612</u>

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Other income, gains and losses, net</b>		
Exchange gain/(loss), net	3,558	(3,059)
Loss on modification of bank borrowings	–	(181)
Gain on termination of lease	582	–
Government sponsor income ( <i>note</i> )	2,188	3,243
Handling income	163	192
Allowance for expected credit losses (“ECLs”) on trade receivables	(52)	(82)
(Allowance)/reversal of allowance for ECLs on other receivables	(542)	333
Interest income on bank deposits	200	815
Loss on modification of related party loans	–	(5,898)
Sundry income	386	323
	<b>6,483</b>	<b>(4,314)</b>

*Note:* During the year ended 31 December 2025, the Group recognised government sponsor income of approximately HK\$2,188,000 (2024: HK\$3,243,000) 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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Auditors’ remuneration	2,427	2,287
Cost of inventories recognised as expenses	1,674	2,090
Depreciation on property, plant and equipment	12,113	15,427
Depreciation on right-of-use assets	20,678	18,350
Loss on disposal of property, plant and equipment, net *	4	147
Bad debt written off in respect of other receivables *	30	–

Finance costs:

– Interest expense incurred on lease liabilities	1,384	1,433
– Interest expense incurred on loans from a related company	4,431	7,812
– Interest expense incurred on bank borrowings	5,221	3,443
	<b>11,036</b>	<b>12,688</b>

Employee costs (including directors’ emoluments):

– Salaries and other benefits in kind	166,632	170,811
– Retirement scheme contributions	6,467	6,215
– Long service payments	1,511	1,542
	<b>174,610</b>	<b>178,568</b>

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

## 7. INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Current tax – Hong Kong Profits Tax</b>		
– Tax for the year	502	1,134
– Under/(over)-provision in respect of prior year	6	(164)
	<u>508</u>	<u>970</u>
<b>Current tax – People’s Republic of China (“PRC”)</b>		
<b>Enterprise Income Tax</b>		
– Tax for the year	1,530	13
<b>Current tax – Japan Profits Tax</b>		
– Tax for the year	9,397	6,616
<b>Deferred tax</b>		
– Charge to profit or loss for the year	3,427	13,400
	<u>14,862</u>	<u>20,999</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 2025 and 2024. 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 2025 and 2024.

Macau Complementary Tax is calculated at 12% (2024: 12%) on the estimated assessable profit of a subsidiary operating in Macau for the year ended 31 December 2025. The Group has no estimated assessable profit arising from the subsidiary operating in Macau for the year ended 31 December 2025 (2024: Nil).

PRC Enterprise Income Tax is calculated at 25% (2024: 25%) on the estimated assessable profit of a subsidiary operating in the PRC for the years ended 31 December 2025 and 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 ranging from approximately 34.6% to approximately 35.4% (2024: approximately 30.6% to approximately 34.6%) for the year ended 31 December 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 the years ended 31 December 2025 and 2024.

## 8. EARNINGS PER SHARE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Earnings</b>		
Profit attributable to owners of the Company	<u>34,724</u>	<u>70,744</u>
	2025 <i>'000</i>	2024 <i>'000</i>
<b>Number of shares</b>		
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 2025 and 2024.

## 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.

For the year ended 31 December 2025, the board of directors recommends the payment of a final dividend of 3.5 Hong Kong cents per ordinary share of the Company (2024: Nil) out of the share premium account of the Company, subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be held on Friday, 29 May 2026.

## 10. TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	16,919	14,203
Less: loss allowance	<u>(469)</u>	<u>(417)</u>
Net carrying amount	<u><b>16,450</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 and net of loss allowance, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 – 90 days	16,402	13,562
91 – 180 days	48	220
181 – 365 days	<u>–</u>	<u>4</u>
	<u><b>16,450</b></u>	<u><b>13,786</b></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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Not yet past due	12,341	10,495
Past due within three months	4,109	3,287
Past due more than six months but within one year	<u>–</u>	<u>4</u>
	<u><b>16,450</b></u>	<u><b>13,786</b></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), unemployment rate 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 2025**

	Past due				Total
	Less than 30 days	31 days to 60 days	61 days to 90 days	Over 90 days	
ECL rate	2.0%	16.1%	43.7%	100.0%	2.8%
Gross carrying amount ( <i>HK\$'000</i> )	16,505	174	229	11	16,919
ECLs ( <i>HK\$'000</i> )	<u>330</u>	<u>28</u>	<u>100</u>	<u>11</u>	<u>469</u>

**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 ( <i>HK\$'000</i> )	14,087	101	–	15	14,203
ECLs ( <i>HK\$'000</i> )	<u>387</u>	<u>19</u>	<u>–</u>	<u>11</u>	<u>417</u>

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At 1 January	417	335
Net loss allowance recognised during the year	<u>52</u>	<u>82</u>
At 31 December	<u>469</u>	<u>417</u>

## 11. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Non-current assets</b>		
Deposits	1,853	1,739
Prepayments	201	158
	<u>2,054</u>	<u>1,897</u>
<b>Current assets</b>		
Other receivables	14,199	9,966
Deposits ( <i>note</i> )	4,457	5,378
Prepayments	52,200	82,765
	<u>70,856</u>	<u>98,109</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, of approximately HK\$2,019,000 (2024: HK\$2,019,000). 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 2025**

	12-month ECLs	Lifetime ECLs		Total <i>HK\$'000</i>
	Stage 1 <i>HK\$'000</i>	Stage 2 <i>HK\$'000</i>	Stage 3 <i>HK\$'000</i>	
Other receivables, gross	14,232	233	872	15,337
Less: loss allowance on other receivables	(256)	(10)	(872)	(1,138)
Other receivables, net	13,976	223	–	14,199
ECL rate	1.8%	4.3%	100%	

**As at 31 December 2024**

	12-month ECLs	Lifetime ECLs		Total <i>HK\$'000</i>
	Stage 1 <i>HK\$'000</i>	Stage 2 <i>HK\$'000</i>	Stage 3 <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	9,934	32	–	9,966
ECL rate	1.8%	3.0%	100%	

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At 1 January	596	929
Net allowance/(reversal of allowance) for ECLs on other receivables recognised during the year	542	(333)
At 31 December	1,138	596

## 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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 – 90 days	38,321	43,034
91 – 180 days	1,605	1,434
181 – 365 days	442	728
Over 365 days	679	438
	<u>41,047</u>	<u>45,634</u>

## 13. ACCRUALS AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Accrued expenses	30,873	23,834
Other payables	30,600	33,962
	<u>61,473</u>	<u>57,796</u>

## 14. BANK BORROWINGS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Current</b>		
Bank borrowings, secured	51,252	61,115
<b>Non-current</b>		
Bank borrowings, secured	167,440	208,355
	<u>218,692</u>	<u>269,470</u>

As at 31 December 2025, the bank borrowings of approximately HK\$218,692,000 (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\$348,427,000 (2024: HK\$352,434,000) and approximately HK\$4,495,000 (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 bank borrowings are subsequently measured at amortised cost using effective interest rate of 1.81% to 4.66% (2024: 1.34% to 1.60%) per annum.

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

<b>Analysed into (note):</b>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
Within one year or on demand	<b>51,252</b>	61,115
Over one year, but within two years	<b>50,244</b>	50,094
Over two years, but within five years	<b>30,504</b>	65,524
Over five years	<b>86,692</b>	92,737
	<b>218,692</b>	269,470

*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 2025 are stated below:

	<b>Principal amount</b> <b>HK\$'000</b>	<b>Interest rate</b>	<b>Repayment terms</b>
Loan denominated in Japanese Yen (“JPY”)	<b>93,090</b>	<b>3-month Tokyo Interbank Offered Rate + 1.0% per annum</b>	<b>Payable within 12 years</b>
Loan denominated in JPY	<b>115,602</b>	<b>3-month Tokyo Interbank Offered Rate + 0.5% per annum</b>	<b>Payable within 26 years</b>
Loan denominated in HK\$	<b>10,000</b>	<b>1-month HIBOR + 1.5% per annum</b>	<b>Payable within 30 Days</b>

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

	Principal amount <i>HK\$'000</i>	Interest rate	Repayment terms
Loan denominated in 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
	<u>                    </u>	<u>                    </u>	<u>                    </u>

## 15. SHARE CAPITAL

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## GROUP OVERVIEW

In 2025, the global economic environment faced extensive challenges, stemming primarily from intensified geopolitical tensions, escalating international trade disputes and continuing fluctuations of tariff policies. These elements heightened market uncertainties, causing disrupted global trade and investment flows. Furthermore, a rumour circulated extensively on various social media in the first half of the Year, claiming that a Japanese manga artist had predicted in the 1990s that a major earthquake in Japan would occur on 5 July 2025. As the Group's travel related products and services mainly focus on Japan, this unsubstantiated speculation had materially dampened the enthusiasm of Japan travel, leading to a significant reduction in outbound travel from Hong Kong to Japan, despite it being an enduring popular travel destination for Hong Kong residents. Eventually, the predicted earthquake did not occur, and the rumour was confirmed to be unfounded. As a result, sentiment towards travel to Japan recovered accordingly, and public confidence gradually restored. Notwithstanding this recovery, the Group's Travel Related Business sustained notable declines in revenue and gross profit for the Year, principally attributable to the combined impact of the aforementioned global economic conditions and the temporary contraction in Japan-bound travel caused by the baseless rumour. Although the Group's hotel business segment delivered a satisfactory performance with solid growth, the headwinds above collectively resulted in a substantial decrease in the Group's overall profit for the Year.

During the Year, revenue of the Group amounted to approximately HK\$1,511.9 million (2024: HK\$1,632.5 million), representing a decrease of 7.4%. Gross profit amounted to approximately HK\$325.2 million (2024: HK\$373.2 million), representing a decrease of 12.9%. Profit attributable to owners of the Company amounted to approximately HK\$34.7 million (2024: HK\$70.7 million), representing a decrease of 50.9%.

Basic earnings per share for profit attributable to owners of the Company for the Year was HK6.91 cents (2024: HK14.08 cents), representing a decrease of 50.9%.

## 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 years ended 31 December 2025 and 2024 are set out as follows:

	2025			2024		
	Revenue HK\$'000	Gross profit HK\$'000	Gross profit margin %	Revenue HK\$'000	Gross profit HK\$'000	Gross profit margin %
Package tours	1,292,368	162,148	12.5	1,430,068	227,471	15.9
FIT Products and ancillary travel related products and services <sup>(i)</sup>	63,183	47,460	75.1	77,570	57,766	74.5
Hotel room rental and ancillary services	167,412	115,637	69.1	139,429	87,968	63.1
Elimination <sup>(ii)</sup>	(11,059)	-	-	(14,535)	-	-
<b>Total</b>	<b>1,511,904</b>	<b>325,245</b>	<b>21.5</b>	<b>1,632,532</b>	<b>373,205</b>	<b>22.9</b>

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

<sup>(ii)</sup> 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 2025, the decline in both revenue and gross profit of the Group's package tours business was primarily due to concerns sparked by rumours 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 for the Year amounted to approximately HK\$1,292.4 million (2024: HK\$1,430.1 million), representing a decrease of 9.6% and contributing 85.5% to the Group's total revenue (2024: 87.6%). Gross profit amounted to approximately HK\$162.1 million (2024: HK\$227.5 million), representing a decrease of 28.7%.

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

Revenue from FIT Products and ancillary travel related products and services mainly represent 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. Additionally, this segment includes the revenue and results of the Sale of Merchandises Business segment, which was previously reported separately in the 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 18.5% to approximately HK\$63.2 million in 2025 (2024: HK\$77.6 million), contributing 4.2% to the Group's total revenue (2024: 4.7%). Gross profit amounted to approximately HK\$47.5 million (2024: HK\$57.8 million), representing a decrease of 17.8%.

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

Rumours 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 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 91.1% (2024: 84.9%).

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 facilities ranging from outdoor hot spring to swimming pool. The hotel's average occupancy rate for the Year was 93.8% (2024: 92.0%).

Revenue from hotel operation mainly represents income generated from the letting of hotel rooms. The revenue for the Year amounted to approximately HK\$167.4 million (2024: HK\$139.4 million), representing an increase of 20.1%. Revenue from external customers, which was net of inter-segment revenue, amounted to approximately HK\$156.4 million (2024: HK\$124.9 million) and contributing 10.3% to the Group's total revenue (2024: 7.7%). Gross profit amounted to approximately HK\$115.6 million (2024: HK\$88.0 million), representing an increase of 31.5%.

## FINANCIAL REVIEW

### KEY FINANCIAL RATIOS

	2025	2024
Gross profit margin	21.5%	22.9%
Operating profit margin <sup>(1)</sup>	4.0%	6.4%
Net profit margin <sup>(2)</sup>	2.3%	4.3%
Interest coverage ratio <sup>(1)</sup>	5.5 times	8.3 times
Return on total assets <sup>(2)</sup>	4.7%	9.3%
Return on equity attributable to owners of the Company <sup>(2)</sup>	32.7%	72.2%
Current ratio	0.6 time	0.8 time
Gearing ratio		
Total borrowings over total assets	42.2%	47.2%
Net debts over equity	207.8%	243.1%

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

<sup>(2)</sup> 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\$100.0 million (2024: HK\$91.3 million), representing an increase of 9.5%. 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\$175.8 million (2024: HK\$175.9 million).

## ***FINANCE COSTS***

Finance costs of approximately HK\$5.2 million (2024: HK\$3.4 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 and daily operations of Travel Related Business. No finance cost was incurred from acquisition of travel buses for the Year as the outstanding loan was fully repaid in previous year (2024: approximately HK\$4,000).

Based on discounted cash flows of the loans from a related company, Great Port, finance costs of approximately HK\$4.4 million (2024: HK\$7.8 million) were incurred for the Year. 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\$1.4 million (2024: 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\$14.9 million (2024: HK\$21.0 million). The decrease was mainly due to the decrease in deferred tax.

## ***DIVIDENDS***

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.

The Board recommends the payment of a final dividend of HK3.5 cents per share (2024: Nil) out of the share premium account of the Company, subject to the approval of the shareholders of the Company at the forthcoming annual general meeting. The proposed dividend is not reflected as a dividend payable in the financial information.

## ***INTEREST COVERAGE RATIO***

Interest coverage ratio for the Year was 5.5 times (2024: 8.3 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 31 December 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 loans from a related company of approximately HK\$90.5 million which will be repaid on 31 December 2026.

## ***GEARING RATIO***

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>	Increase/ (Decrease) <i>HK\$'000</i>
<b>Gearing ratio – Total borrowings over total assets</b>			
Bank borrowings	<b>218,692</b>	269,470	(50,778)
Loans from a related company	<b>90,532</b>	90,544	(12)
Total borrowings ( <i>note a</i> )	<b>309,224</b>	360,014	(50,790)
Total assets	<b>732,860</b>	762,726	(29,866)
Gearing ratio	<b>42.2%</b>	47.2%	(5.0) percentage points
<b>Gearing ratio – Net debts over equity</b>			
Total borrowings ( <i>note a</i> )	<b>309,224</b>	360,014	(50,790)
Lease liabilities	<b>64,213</b>	47,507	16,706
Total debts ( <i>note b</i> )	<b>373,437</b>	407,521	(34,084)
Less: Cash at banks and on hand	<b>(152,841)</b>	(169,242)	16,401
	<b>220,596</b>	238,279	(17,683)
Equity ( <i>note c</i> )	<b>106,141</b>	98,034	8,107
Gearing ratio	<b>207.8%</b>	243.1%	(35.3) 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 two gearing ratios – total borrowings over total assets and net debts over equity were due to the decrease in bank borrowings.

### ***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 4.7% (2024: 9.3%) and 32.7% (2024: 72.2%) respectively.

The decreases in these two ratios were mainly due to the decrease in profit attributable to owners of the Company for the Year as compared to the corresponding 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 2025 amounted to approximately JPY 1,602.7 million (equivalent to approximately HK\$79.1 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 which was completed in March 2019, the carrying amount of the bank borrowings as at 31 December 2025 amounted to approximately JPY284.7 million (equivalent to approximately HK\$14.0 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 31 December 2025 amounted to approximately JPY2,343.9 million (equivalent to approximately HK\$115.6 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 operation, the carrying amount as at 31 December 2025 amounted to HK\$10.0 million (as at 31 December 2024: HK\$20.0 million). The repayment term is payable within 30 days.

Regarding the loans from a related company, Great Port, the carrying amount of the outstanding loans amounted to approximately HK\$90.5 million as at 31 December 2025 (as at 31 December 2024: HK\$90.5 million). All these loans are unsecured and originally repayable on 1 January 2026. On 27 August 2025, Great Port agreed to extend the final repayment dates of these loans 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 31 December 2025 amounted to approximately HK\$106.1 million (as at 31 December 2024: HK\$98.0 million). As at 31 December 2025, the Group's cash at banks and on hand amounted to approximately HK\$152.8 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 19.9% (as at 31 December 2024: 41.4%), Japanese Yen accounting for approximately 48.8% (as at 31 December 2024: 32.0%), Renminbi accounting for approximately 14.2% (as at 31 December 2024: 8.5%) and Macau Pataca accounting for approximately 8.4% (as at 31 December 2024: 7.6%).

### ***PLEDGE OF ASSETS***

As at 31 December 2025, 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\$350.4 million in total (as at 31 December 2024: HK\$354.3 million) 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 Financial Resources".

Also, as at 31 December 2025, the Group had pledged bank deposits of approximately HK\$9.1 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 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\$10.3 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 charge on assets as at 31 December 2025 (as at 31 December 2024: Nil).

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

As at 31 December 2025, the Group had capital commitments of approximately HK\$4.5 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 internal resources.

## ***CONTINGENT LIABILITIES***

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

## ***MATERIAL ACQUISITIONS AND DISPOSALS***

During the Year, there was no material acquisition or disposal of subsidiaries, associates or joint ventures of the Group (2024: Nil).

## ***SIGNIFICANT INVESTMENTS***

During the Year, there was no significant investment held by the Group (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\$3.6 million was recorded for the Year (2024: net exchange loss of approximately HK\$3.1 million).

## ***HUMAN RESOURCES AND EMPLOYEES' REMUNERATION***

As at 31 December 2025, the Group had a total workforce of 441 employees (as at 31 December 2024: 447), of which 138 (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 Year, no share options were granted, cancelled, lapsed or exercised under the New Share Option Scheme. No share options were granted under the Old Share Option Scheme and/or the New Share Option Scheme in 2024. There was no significant change in the remuneration policies, bonus, share option scheme and training scheme of the Group during the Year (2024: Nil).

## ***STRATEGIES AND OUTLOOK***

In 2025, the Group focused on elevating brand awareness, enriching its product portfolio, and transforming its businesses digitally through targeted technology adoption, thus further consolidated its position as a leading travel and tourism service provider in Hong Kong. At the same time, as outbound travel demand steadily recovered, the Group carried out a wide range of programmes to expand travel routes and customise products to cater to the various needs of different customer segments.

Throughout the Year, the Group actively participated in series of travel expos, industry exhibitions and targeted promotional events to showcase its flagship travel products and exclusive high quality tour packages. In these events, brand exposure is widened and greater customer engagements are achieved through interactive activities such as game booths, themed travel seminars and KOL-led travel experience sharing sessions. These strategic initiatives not only yielded tangible improvements in sales performance but also reflected the Group's long-term efficacy and efforts of brand promotion.

The travel market of Mainland China continues to be one of the Group's core strategic development focus groups. A diversified portfolio of distinctive and market-competitive Mainland China travel products was proactively developed by the Group, with a view to boosting the market share of Hong Kong travellers travelling outbound to Mainland China, who seek authentic immersive cultural experiences.

Charter flight services and cruise partnerships are also the key components of the Group's sales and branding strategy. The Group will strive to enhance tour schedule flexibility and flight capacity availability.

To date, the Group operates 8 branches in Hong Kong and 1 branch in Macau. To further expand customer reach and optimize service coverage, the Group will continue to explore strategic locations for the expansion and cautiously restructure physical branch network. On the digital aspect, the Group will regularly upgrade and enhance its online service platforms to improve end-to-end customer experience in this digital era.

In connection with the Hotel Business, with the backdrop of the persistently weak Japanese Yen and a steady uptrend in inbound visitor arrivals to Japan, the Group holds a positive outlook for this segment. This favourable market environment is expected to underpin sustained healthy occupancy rates and steady revenue growth for the Group's Hotel Business in the foreseeable period.

The Group maintains a prudent approach to cash flow and liquidity management. Surplus cash generated from operating working capital will be strategically deployed to reduce the Group's overall gearing ratio, thereby optimizing the Group's capital structure. Furthermore, the Group will actively explore and develop alternative but diversified income streams to further strengthen its overall financial position and enhance operational resilience.

Looking ahead to 2026, the Group maintains a cautiously optimistic business outlook. Despite the recent military escalations in the Middle East since February 2026, the Group has not been materially affected financially or operationally, as the region is not a core strategic area for the Group's operations. However, this shock and the subsequent surge in oil prices could impact global consumer sentiment and travel patterns. Leisure travel may shift toward closer destinations and away from the region, with long-haul flights potentially becoming less frequent. The possibility of broader ramifications from the conflict remains uncertain. That said, the Group is mindful of potential indirect effects, such as rising inflation, foreign exchange volatility, and interest rate fluctuations, which could further influence travel demand and the Group's operating costs. We will continue to monitor the situation closely for any adverse impact on financial performance. Notwithstanding these uncertainties, the Group remains confident in the long-term growth prospects of the Hong Kong tourism market, which is supported by ongoing infrastructure upgrades, favourable cross-border travel policies, and the steady expansion of connectivity and demand.

The Group will continue to adopt a balanced, prudent and forward-looking corporate management approach, with the overarching objective of delivering sustainable and high-quality business performance, creating long-term sustainable value for its shareholders, customers and business partners, and unwaveringly upholding its core commitment to providing premium-quality travel services and products.

## **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 (the “CG 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”), except for the following deviation:

1. under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Following the passing of Mr. Yuen Man Ying (the former Chairman) on 31 August 2025, the chairmanship of the Board remained vacant until the appointments of Mr. Huen Kwok Chuen as the Chairman and Ms. Yuen Ho Yee as the Chief Executive Officer of the Company, both with effect from 2 October 2025; and
2. under rule 3.27A of the Listing Rules, the nomination committee of the Board is required to be chaired by either the Chairman of the Board or by an independent non-executive director. Since 31 August 2025, the chair of the nomination committee of the Board is vacant as Mr. Yuen Man Ying passed away on the same day. Ms. Wong Lai Ming, an independent non-executive Director, was appointed as the chairman of the nomination committee of the Board with effect from 2 October 2025. Accordingly, the Company has complied with the rule 3.27A of the Listing Rules.

## **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.

For the year ended 31 December 2025, the Board recommends the payment of a final dividend (the "Final Dividend") of HK3.5 cents per share of the Company (2024: Nil) out of the share premium account of the Company (the "Share Premium Account"), subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be held on Friday, 29 May 2026.

Subject to the passing of an ordinary resolution by the shareholders of the Company approving the declaration of the Final Dividend out of the Share Premium Account, it is expected that the Final Dividend will be paid on or around Monday, 29 June 2026 to shareholders whose names appear on the register of members of the Company at the close of business on Monday, 8 June 2026.

The Board is of the view that the current financial conditions and the profits of the Company justify the payment of the Final Dividend. After taking into account a number of factors including the cash flow of the Company, the Board considers that it is appropriate to recommend the payment of the Final Dividend out of the Share Premium Account pursuant to the articles of association of the Company (the “Articles”) and in accordance with the laws of the Cayman Islands. The Board is of the view that such arrangement is in the interests of the Company and its Shareholders as a whole.

As at the date of this announcement, the Company has 502,450,000 issued Shares. Based on the total number of issued Shares as at the date of this announcement, the Final Dividend will amount to an aggregate amount of approximately HK\$17.6 million. As at 31 December 2025, the amount standing to the credit of the Share Premium Account was approximately HK\$80.0 million based on the audited consolidated financial statements of the Company as at that date. Following the payment of the Final Dividend, there will be a remaining balance of approximately HK\$62.4 million standing to the credit of the Share Premium Account.

The Board believes that the payment of the Final Dividend will not have any material adverse effect on the underlying assets, business, operations or financial position of the Group and does not involve any reduction in the authorised or issued share capital of the Company or reduction in the nominal value of the Shares or result in any change in the trading arrangements in respect of the Shares. The Directors are also satisfied that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately after the date on which the Final Dividend is paid.

Shareholders should seek professional advice with their own tax advisers regarding the possible tax implications of the payment of the Final Dividend. As of the date of this announcement, The Board is not aware of any Shareholders who have waived or agreed to waive any dividends.

## **ANNUAL GENERAL MEETING**

The forthcoming annual general meeting of the Company (the “AGM”) will be held on Friday, 29 May 2026. For details of the AGM, please refer to the notice of AGM which is expected to be published in late April 2026.

## CLOSURE OF REGISTER OF MEMBERS

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

- (i) For determining shareholders' eligibility to attend and vote at the AGM:

Latest time to lodge transfer documents for  
registration with the Company's registrar . . . . . At 4:30 p.m. on  
Friday, 22 May 2026

Closure of register of members of the Company. . . . . Tuesday, 26 May 2026 to  
Friday, 29 May 2026  
(both days inclusive)

Record date . . . . . Friday, 29 May 2026

- (ii) For determining shareholders' entitlement to the proposed Final Dividend:

Ex-dividend date. . . . . Tuesday, 2 June 2026

Latest time to lodge transfer documents for  
registration with Company's registrar . . . . . At 4:30 p.m. on  
Wednesday, 3 June 2026

Closure of register of members of the Company. . . . . Thursday, 4 June 2026  
to Monday, 8 June 2026  
(both days inclusive)

Record date . . . . . Monday, 8 June 2026

Expected payment date. . . . . Monday, 29 June 2026

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, and to qualify for the proposed Final Dividend, 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](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 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 2026.

On behalf of the Board  
**EGL Holdings Company Limited**  
**Huen Kwok Chuen**  
*Chairman and Executive Director*

Hong Kong, 27 March 2026

*As at the date of this announcement, the Board comprises five Executive Directors, namely Mr. Huen Kwok Chuen (Chairman), Ms. Yuen Ho Yee (Chief Executive Officer), Mr. Leung Shing Chiu (Chief Financial Officer), Ms. Lee Po Fun (Chief Operation Officer) 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.*