HONG KONG FERRY (HOLDINGS) COMPANY LIMITED
香港小輪（集團）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 50)

2026 INTERIM RESULTS ANNOUNCEMENT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026 – unaudited

		Six months ended 30 June	
		2026	2025
	Note	***HK$'000***	*HK$'000*
Revenue	*3(a)*	**239,968**	199,158
Direct costs		**(132,692)**	(120,811)
		107,276	78,347
Other revenue	*3(a)*	**35,934**	28,154
Other net (losses)/income	*4*	**(3,289)**	14,734
Valuation gains on investment properties	*3(d)*	**6,625**	51,912
Selling and marketing expenses		**(2,578)**	(2,493)
Administrative expenses		**(57,451)**	(52,391)
Other operating expenses		**(1,432)**	(5,178)
Profit from operations	*3(b)*	**85,085**	113,085
Interest on lease liabilities		**(306)**	(206)
Share of profits less losses of associates		**159**	192
Share of profits less losses of joint ventures		**8,015**	8,775
Profit before taxation	*5*	**92,953**	121,846
Taxation	*6*	**(12,987)**	(532)
Profit for the period		**79,966**	121,314
Attributable to:			
Equity shareholders of the Company		**79,828**	121,860
Non-controlling interests		**138**	(546)
Profit for the period		**79,966**	121,314
Earnings per share *(HK$)*	*8*		
– Basic and diluted		**0.22**	0.34

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026 – unaudited

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Profit for the period	**79,966**	121,314
Other comprehensive income for the period (after tax and reclassification adjustments):		
Item that will not be reclassified to profit or loss:		
Financial assets at fair value through other comprehensive income – change in fair value recognised in securities revaluation reserve (non-recycling)	**3,692**	10,749
	3,692	10,749
Total comprehensive income for the period	**83,658**	132,063
Attributable to:		
Equity shareholders of the Company	**83,520**	132,609
Non-controlling interests	**138**	(546)
Total comprehensive income for the period	**83,658**	132,063

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

		At 30 June 2026 (unaudited)		At 31 December 2025 (audited)	
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets					
Investment properties			**4,548,924**		4,555,511
Other property, plant and equipment			**76,797**		70,128
Interest in leasehold land			**28,763**		29,448
			4,654,484		4,655,087
Interest in associates			**4,612**		5,094
Interest in joint ventures			**381,105**		388,590
Other financial assets			**158,764**		160,919
Other receivables and prepayments	*9(a)*		**22,960**		40,196
Net employee retirement benefits assets			**4,245**		4,368
Deferred tax assets			**2,649**		6,712
			5,228,819		5,260,966
Current assets					
Inventories		**76,069**		75,034	
Trade and other receivables	*9(b)*	**201,276**		200,975	
Tax recoverable		**1,812**		3,740	
Cash and bank balances		**2,205,077**		2,111,073	
		2,484,234		2,390,822	
Current liabilities					
Trade and other payables	*10*	**(237,117)**		(209,210)	
Lease liabilities		**(8,748)**		(8,384)	
Tax payable		**(17,156)**		(16,072)	
		(263,021)		(233,666)	
Net current assets			**2,221,213**		2,157,156
Total assets less current liabilities			**7,450,032**		7,418,122
Non-current liabilities					
Long service payment liabilities		**(2,154)**		(1,949)	
Lease liabilities		**(9,536)**		(13,908)	
Deferred tax liabilities		**(97,760)**	**(109,450)**	(91,900)	(107,757)
NET ASSETS			**7,340,582**		7,310,365

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

At 30 June 2026

		At 30 June 2026 (unaudited)		At 31 December 2025 (audited)	
	Note	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*
CAPITAL AND RESERVES					
Share capital			**1,754,801**		1,754,801
Reserves			**5,595,717**		5,565,638
Total equity attributable to equity shareholders of the Company			**7,350,518**		7,320,439
Non-controlling interests			**(9,936)**		(10,074)
TOTAL EQUITY			**7,340,582**		7,310,365

NOTES:

1. BASIS OF PREPARATION

The interim results set out in the announcement do not constitute the Group's interim financial report for the six months ended 30 June 2026 but are extracted from that report.

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), including compliance with Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The financial information relating to the financial year ended 31 December 2025 that is included in this preliminary announcement of the interim results as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for current accounting period of the Group.

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

3. SEGMENT REPORTING

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

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

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

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

Segment results

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

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

3. **SEGMENT REPORTING** (Continued)

Segment results (Continued)

The segment information for the six months ended 30 June 2026 and 2025 about these reportable segments is presented below:

(a) **Segment revenue**

	Total revenue Six months ended 30 June		**Elimination of inter-segment revenue Six months ended 30 June**		**Revenue from external customers Six months ended 30 June**	
	2026	2025	**2026**	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Property development	**–**	–	**–**	–	**–**	–
Property investment	**123,222**	82,323	**188**	128	**123,034**	82,195
Ferry, shipyard and related operations	**85,129**	74,680	**901**	809	**84,228**	73,871
Medical, healthcare and beauty services	**34,184**	25,490	**–**	13	**34,184**	25,477
Securities investment	**4,373**	5,695	**–**	–	**4,373**	5,695
Others	**90,232**	96,124	**60,149**	56,050	**30,083**	40,074
	337,140	284,312	**61,238**	57,000	**275,902**	227,312
Analysed by:						
Revenue					**239,968**	199,158
Other revenue					**35,934**	28,154
					275,902	227,312

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

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

3. SEGMENT REPORTING (Continued)

Segment results (Continued)

(b) Segment result

	Reportable segment (loss)/profit	
	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Property development	**(81)**	(6,039)
Property investment *(note 3(d))*	**69,123**	83,585
Ferry, shipyard and related operations	**(9,096)**	(12,510)
Medical, healthcare and beauty services	**1,313**	(3,785)
Securities investment	**(2,609)**	15,374
	58,650	76,625
Others *(note 3(e))*	**26,435**	36,460
	85,085	113,085

(c) Reconciliation of reportable segment profit

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Reportable segment profit derived from external customers	**58,650**	76,625
Other profit derived from external customers	**26,435**	36,460
Interest on lease liabilities	**(306)**	(206)
Share of profits less losses of associates and joint ventures	**8,174**	8,967
Profit before taxation in the consolidated statement of profit or loss	**92,953**	121,846

(d) The segment result of the "Property investment" included valuation gains on investment properties of HK$6,625,000 (2025: HK$51,912,000).

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

4. OTHER NET (LOSSES)/INCOME

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Sundry income	**1,434**	2,892
Income from sale of spare parts	**1,112**	487
Net exchange gains	**13**	15
Gain on disposal of subsidiaries	**–**	26
(Loss)/profit on disposal of other property, plant and equipment	**(1)**	45
Change in fair value of other financial assets designated at fair value through profit or loss	**(5,847)**	11,269
	(3,289)	14,734

5. PROFIT BEFORE TAXATION

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Amortisation of leasehold land premium	**685**	685
Cost of inventories	**10,662**	7,471
Depreciation		
– owned property, plant and equipment	**6,232**	5,165
– right-of-use assets	**4,287**	3,722
Dividend income from listed investments	**(3,538)**	(4,343)
Interest income	**(29,362)**	(39,957)

6. TAXATION

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Provision for the period	**3,063**	1,520
Deferred tax		
Origination and reversal of temporary differences	**9,924**	(988)
	12,987	532

6. TAXATION (Continued)

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2025: 16.5%) to the estimated assessable profits for the six months ended 30 June 2026, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2025.

7. DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the interim period

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Interim dividend declared after the interim period of HK10 cents (2025: HK10 cents) per ordinary share	**35,627**	35,627

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

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of HK15 cents (six months ended 30 June 2025: HK15 cents) per ordinary share	**53,441**	53,441

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK$79,828,000 (six months ended 30 June 2025: HK$121,860,000) and 356,273,883 (2025: 356,273,883) ordinary shares in issue during the interim period.

There were no dilutive potential ordinary shares in existence during the six months ended 30 June 2026 and 2025, therefore diluted earnings per share are the same as basic earnings per share for both periods.

9. TRADE AND OTHER RECEIVABLES

(a) Non-current

	At 30 June 2026 (unaudited) *HK$'000*	At 31 December 2025 (audited) *HK$'000*
Instalment receivables	**20,111**	37,327
Other receivables and prepayments	**2,849**	2,869
	22,960	40,196

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

(b) Current

	At 30 June 2026 (unaudited) *HK$'000*	At 31 December 2025 (audited) *HK$'000*
Trade receivables	**78,979**	87,934
Instalment receivables	**1,034**	1,631
Less: loss allowance	**(555)**	(630)
	79,458	88,935
Other receivables and prepayments	**85,080**	76,161
Amounts due from joint ventures	**36,738**	35,879
	201,276	200,975

All of the current trade and other receivables are expected to be recovered or recognised as expense within one year. Included in the trade and other receivables are amounts due from related companies of HK$58,387,000 (31 December 2025: HK$60,776,000) which are unsecured, interest-free and recoverable on demand. Related companies are companies under control of a company/person which has significant influence on the Group.

The amounts due from joint ventures are unsecured, interest-free and recoverable on demand.

9. TRADE AND OTHER RECEIVABLES (Continued)

(b) Current (Continued)

Ageing analysis

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

	At 30 June 2026 (unaudited) *HK$'000*	At 31 December 2025 (audited) *HK$'000*
Current	**49,468**	65,452
1 to 3 months overdue	**27,502**	19,432
More than 3 months but less than 12 months overdue	**2,488**	1,749
More than 12 months overdue	**–**	2,302
	79,458	88,935

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

10. TRADE AND OTHER PAYABLES

All of the trade and other payables except for an amount of HK$21,156,000 (31 December 2025: HK$14,513,000) are expected to be settled within one year. Included in the trade and other payables are amounts due to related companies of HK$28,374,000 (31 December 2025: HK$38,266,000) which are unsecured, interest-free and repayable within 30–45 days or repayable on demand. Related companies are companies under control of a company which has significant influence on the Group.

During the period ended 30 June 2026, an amount of HK$34,500,000 was received from a joint venture. The balance is unsecured, interest-free and repayable on demand.

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

	At 30 June 2026 (unaudited) *HK$'000*	At 31 December 2025 (audited) *HK$'000*
Due within 1 month or on demand	**108,115**	115,577
Due after 1 month but within 3 months	**694**	997
Due after 3 months but within 12 months	**–**	–
Due more than 12 months	**17**	2
	108,826	116,576

INTERIM RESULTS AND DIVIDENDS

During the period under review, the Group's underlying profit for the six months ended 30 June 2026 was HK$73 million, representing an increase of approximately 5.7% from the same period last year. During the period under review, the Group's valuation gains on investment properties amounted to approximately HK$6.6 million (2025: HK$51.9 million). The valuation gains on investment properties for the current period decreased by approximately HK$45 million as compared with the corresponding period in 2025. After taking into account the fair value change of the investment properties, the Group's profit attributable to shareholders for the six months ended 30 June 2026 was HK$80 million, representing a decrease of approximately 34.5% from the same period last year. Earnings per share was HK$0.22 as compared with HK$0.34 over the corresponding period of last year.

The Board of Directors (the "Board") has declared an interim dividend of HK10 cents per share (2025: interim dividend of HK10 cents per share) for the six months ended 30 June 2026. The interim dividend will be paid on Monday, 28 September 2026 to shareholders whose names appear on the Register of Members of the Company at the close of business on Monday, 14 September 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group's operations are primarily divided into three major segments: (1) property development and investment operations, (2) ferry, shipyard and related operations, and (3) medical, healthcare and beauty services. During the period under review, the Group's profit was mainly derived from the rental income from commercial arcades, shops and youth hostel, as well as interest income from banks.

Property Development and Investment Operations

The Group's gross rental income arising from the commercial arcades, shops and youth hostel during the period under review amounted to HK$97 million, an increase of 60% as compared with the same period last year. During the period under review, the commercial arcades of Metro6 were fully let. The occupancy rates of the commercial arcades of Shining Heights and The Spectacle were 70% and 91% respectively, and the occupancy rates of the commercial arcades of Green Code Plaza and Metro Harbour Plaza were 94% and 93% respectively. The increases in gross rental income was attributable to the inclusion of the rental income from "TN Residence" youth hostel and Tai Hung Fai (Tsuen Wan) Centre.

Business Review (Continued)

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

Thirty-three residential units of the Group's joint venture development project remain unsold, of which ten residential units, together with 106 private car parking spaces and 18 motorcycle parking spaces, have been leased out under short-term tenancy agreements.

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

The private residential rental market in Hong Kong continues to improve with increasing rental yields. It has been over a year since the Group, in collaboration with Tung Wah Group of Hospitals, commenced the project to convert two residential towers of "The Symphonie" into the "TN Residence" youth hostel. The car park of the property also commenced operations in April 2026, of which two private car parking spaces and one motorcycle parking space have been leased out on a short-term basis.

Portion A of Ground Floor of Tai Hung Fai (Tsuen Wan) Centre (No. 55 Chung On Street, Tsuen Wan)

Following the Group's completion of the acquisition of various shops at Portion A of Ground Floor and signage areas of Tai Hung Fai (Tsuen Wan) Centre located at 55 Chung On Street, Tsuen Wan on 30 September 2025, it has completed the reconfiguration of shop layouts and carried out renovations to enhance the property's image. The optimised signage area and the reinstalled new LED screen have increased the advertising spaces available for lease. The Group has also successfully introduced financial institution to lease the shops, thereby enhancing the property's rental return. As at 30 June 2026, all shops had been leased out.

Ferry, Shipyard and Related Operations

During the period under review, the Ferry, Shipyard and Related Operations of the Group recorded a deficit of approximately HK$9 million, a decrease of approximately HK$3.4 million as compared to the deficit in the same period last year. The decrease in deficit was primarily attributable to an increase in overall revenue, which offset part of the losses arising from the dangerous goods vehicular ferry services caused by rising oil prices. The Group successfully applied to the Transport Department in June 2026 for a fare increase for the "North Point - Kwun Tong" dangerous goods vehicular ferry service. The new fares took effect on 27 June 2026 and are expected to reduce losses in the second half of the year.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Business Review (Continued)

Medical, Healthcare and Beauty Services

The Group's medical, healthcare and beauty services, which include pain treatment and medical aesthetics, recorded a profit of approximately HK$1.3 million during the period under review.

The Group is proactively expanding its health ecosystem, and its "Total HealthCare" brand has been developing steadily. It has now established three "Total HealthCare Health Centres" at Mira Place, Tsim Sha Tsui, Metro Harbour Plaza, Tai Kok Tsui, and Tai Hung Fai (Tsuen Wan) Centre. These centres are dedicated to providing one-stop professional pain management services. By introducing advance medical equipment and technology, and with a core team comprising Hong Kong registered professional chiropractors and sports trainers, the centres identified the root causes of patients' pain and tailor-made personalised pain relief and rehabilitation programmes. The centres have also further deepened their orthopaedic, post-surgical and post-injury rehabilitation care services, with the aim of comprehensively improving patients' physical balance and quality of life.

AMOUR Aesthetic expanded its leased area at Mira Place, Tsim Sha Tsui, to deliver an elevated experience for its clientele. After multiple rounds of rigorous selection by the Hong Kong Brand Development Council, AMOUR Aesthetic was awarded the "Hong Kong Emerging Service Brand" in February 2026. This honor not only highly recognises the brand but also acknowledges the team's efforts to "Professionally Fulfilling Promises". AMOUR Aesthetic is actively strengthening its professional team by recruiting more experienced doctors and senior beauty consultants. Upholding the principle of providing quality services to customers, it adheres to three key service commitments: no hard selling, guaranteed use of genuine products from authorised sources, and a 10-day cooling-off period. Guided by the philosophy of "Scientific Aesthetics", it offers professional and premium beauty services covering skin and body contouring management, and hair revitalisation.

The Group established a specialist centre at H Zentre, Tsim Sha Tsui through a joint venture. Its performance has been steadily on the rise and recorded a profit. To align with the Group's diversified business development and further elevate its service standards, the specialist centre was renamed "Alliance Medical Centre" as part of a brand revitalisation initiative in November 2025. Together with another service point at Mira Place, it operates under a dual-centre model, effectively enhancing the overall service capacity.

The Group also partnered with a professional sports and fitness centre in Hong Kong with over twenty years of experience to establish a physiotherapy centre at H Zentre in August 2025. Since the second half of 2024, the Group has launched a medical equipment leasing business, jointly investing with specialist doctors to acquire medical devices for rental to hospitals and doctors, thereby generating stable income.

Prospects

In the first half of 2026, the global geopolitical landscape remained complex and volatile, particularly with the persistent shadow of conflicts in the Middle East, which led to fluctuations in international oil prices and pushed up transportation costs. Nevertheless, the Hong Kong economy demonstrated remarkable resilience amidst various challenges. Driven by both robust export performance and sustained growth in domestic demand, Hong Kong's real gross domestic product recorded a strong year-on-year growth of 5.9% in the first quarter. Benefiting from the growing demand for electronic products fueled by the accelerated adoption of artificial intelligence (AI) worldwide, the value of Hong Kong's exports of goods continued to show strong performance. In the first half of 2026, the value of Hong Kong's total exports of goods amounted to approximately HK$3.4 trillion, representing a 39.1% increase compared with the same period in 2025. Meanwhile, the value of total export of goods for June stood at HK$640 billion, representing a year-on-year increase of 53.4% compared with June 2025, marking the fastest growth rate in many years.

As for Hong Kong's property market, the price index of private residential properties continued an upward trend in the first half of 2026, with an increase of 7.9%. At the same time, benefiting from the Hong Kong Government's proactive introduction of various talent schemes and its commitment to developing Hong Kong into an international hub for post-secondary education and building the "Study in Hong Kong" brand, a large number of non-local students, professionals and their families have successively relocated to Hong Kong for residence. This influx of new population has expanded the demand for residential rentals, providing significant support to rental levels and driving private residential rents to record consecutive new highs in the first half of 2026.

The Hong Kong Government has continued to roll out a number of policy initiatives focused on long-term economic and social development, bringing business opportunities to the Group's diversified operations. In response to the youth housing needs, the Hong Kong Government has promoted the "Subsidy Scheme for Using Hotels and Guesthouses as Youth Hostels". The Group has actively responded and fulfilled its social responsibilities by partnering with Tung Wah Group of Hospitals to convert the "The Symphonie" project in Cheung Sha Wan into youth hostel "TN Residence". The relevant project has been in operation for over a year, not only providing quality development and living spaces for young people but also generating stable market-rate rental income for the Group. In the healthcare sector, the Government is committed to developing Hong Kong into an international health and medical innovation hub. The Group's recent active expansion into medical specialist, medical aesthetic, and pain management businesses is well aligned with the growing public demand for health management. Furthermore, the Government is vigorously promoting the "Mega Event Economy", actively encouraging major international events to be hosted in Hong Kong, and introducing cross-border yacht facilitation measures to drive the development of Hong Kong as a yacht hub in Asia. These initiatives are expected to effectively attract visitors from the Mainland and overseas to Hong Kong, which in turn is anticipated to stimulate the recovery of the Group's ferry and shipyard-related businesses. The Hong Kong Government is currently formulating its first five-year plan to proactively align with the National "15th Five-Year Plan", setting a clear vision and providing a solid foundation for Hong Kong's long-term prosperity and stable development in the future.

Prospects (Continued)

Looking ahead to the second half of the year, the Group expects its revenue will be derived primarily from property rentals and bank interest income. The Group maintains a solid financial position with ample cash flows, and will flexibly adjust its leasing strategies in response to changes in market demand, while continuing to optimise the tenant mix of its commercial arcades and shops to enhance rental returns. At the same time, the Group will keep a close watch on macroeconomic conditions and property market developments, actively identify suitable investment opportunities and strive to create long-term value for its shareholders.

Financial Review

Development Strategy and Principal Risks

With a solid foundation built over a century, the Group has transformed towards diversified development. Currently, the Group's three core business segments are property development and investment operations, ferry, shipyard and related operations as well as medical, healthcare and beauty services. They complement each other, effectively diversify investment risks, continuously strengthen the Group's overall competitiveness and drive long-term value growth.

In the property business segment, the Group adopts a flexible and defensive leasing strategy to address market challenges. At present, Hong Kong's overall retail property market is facing significant risks and pressures, primarily arising from structural factors such as the growing prevalence of online shopping, changes in the consumption patterns of inbound visitors, and the increasing tendency of residents to travel northbound for consumption and short-haul leisure trips during weekends. Nevertheless, the Group's investment properties mainly comprise large-scale residential podium malls that cater to the daily shopping and dining needs of local communities. In addition, Tai Hung Fai (Tsuen Wan) Centre is situated at a prime pedestrian hub of the district, where the local community's demand for daily necessities provides solid support for rental income. As a result, the Group's investment properties are well positioned to withstand the impact of the abovementioned changes in the market environment. Although the retail property market remains generally soft, the significant decline in commercial property valuations in recent years has gradually revealed opportunities with long-term investment value. In evaluating and executing any potential investment decisions, the Group will comprehensively consider and assess all key risk factors, ensuring that investments are undertaken only when risks are manageable and returns are attractive. The Group will prudently capitalise on quality investment opportunities arising from market adjustments with a view to creating sustainable long-term value for shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Financial Review (Continued)

Development Strategy and Principal Risks (Continued)

Due to the popularisation of electric vehicles, demand for fuel products is expected to gradually decline over the long term. This will inevitably have a structural impact on the future traffic volume of the dangerous goods vehicular ferry service. The Group will continue to engage with the Government on reasonable fare adjustments to recover costs, closely monitor relevant market trends, and optimise its operating strategies where appropriate. Meanwhile, in response to the Government's vigorous promotion of the "Mega Event Economy", the Group's ferry and cruise operations have actively pursued innovation to attract a broader local customer base. The highly popular "Classic Vehicular Ferry Cruise in Victoria Harbour" was launched during public holidays. In July this year, Harbour Cruise - Bauhinia further introduced a pet-friendly dining experience and themed harbour cruise, which successfully attract local pet owners to travel with their pets. In addition, the Group has leveraged synergies across its business segments by innovatively launching the "The Pierside Run 2026" programme, which combines ferry journeys with the Group's healthcare business through cross-sector collaboration to bring citizens a brand-new healthy leisure experience. In response to the trend of a declining number of vessels undergoing repairs in Hong Kong, the Group is also actively exploring diversified development opportunities for its shipyard business, including assessing the feasibility of changing the use of part of the land, with a view to enhancing the overall returns of the shipyard operations.

In the medical, healthcare and beauty services segment, against the background of Hong Kong's active integration into the Greater Bay Area ("GBA"), the trend of residents seeking medical services across the border has continued, and acceptance of Mainland healthcare services has increased significantly. Price incentives have prompted some residents to travel to the GBA for basic medical services such as health check-ups, dental treatments and aesthetic procedures. On the other hand, certain private hospitals in Hong Kong have recently reduced fees for certain time slots in their 24-hour outpatient services to retain patients and respond to market competition. Despite mounting pricing pressure in the local healthcare market, the Group's medical, healthcare and beauty services business has maintained a clear market positioning. The business primarily targets high-end, non-hospital clients and focuses on delivering premium-quality services rather than competing on price. Consequently, it has been relatively less affected by both the growing popularity of cross-boundary medical service and local price competition. Currently, the Group's medical, healthcare and beauty services business has grown to a considerable scale. In particular, AMOUR Aesthetic has further expanded its leased premises at Mira Place to accommodate growing customer demand. The Group's specialist clinic and pain management complementing services have also been well received by the market, gradually forming a comprehensive healthcare ecosystem. Looking ahead, the Group will continue to explore the introduction of advanced medical equipment, attract top-tier medical professionals and deepen strategic collaborations with professional healthcare institutions, with a view to steadily expanding its medical, healthcare and beauty services footprint.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Financial Review (Continued)

Review of Results

During the six months ended 30 June 2026, the Group's revenue amounted to HK$240 million, representing an increase of approximately 20.5% as compared with the same period last year. This was mainly attributable to an increase in revenue from three major business segments: property investment, ferry, shipyard and related operations, medical, healthcare and beauty services.

The consolidated net profit after taxation of the Group for the six months ended 30 June 2026 was HK$80 million, representing a decrease of approximately 34.1% as compared with the same period in 2025. The main reason for the decrease is that the Group recorded valuation gains on investment properties of approximately HK$6.6 million (2025: HK$51.9 million) for the period under review. The valuation gains on investment properties for the current period decreased by about HK$45 million as compared with the same period in 2025.

Liquidity, Financial Resources and Capital Structure

As at 30 June 2026, shareholders' funds of the Group increased about 0.4% to HK$7,351 million as compared with the corresponding figure as at 31 December 2025. The increase was mainly due to the net effect of the profit for the period and deduction of the dividend payments.

There was no change to the capital structure of the Group during the period under review.

As at 30 June 2026, current assets of the Group stood at HK$2,484 million and current liabilities were HK$263 million. Current ratio of the Group decreased to 9.4 as at 30 June 2026, mainly attributed to the increase in trade and other payables.

Gearing Ratio and Financial Management

As at 30 June 2026, as there was no bank borrowing, gearing ratio was not shown. The Group's financing and treasury activities were managed centrally at the corporate level. Financing facilities extended to the Group were denominated in Hong Kong dollar.

Employees and Remuneration Policy

As at 30 June 2026, the Group employed about 363 staff. The remuneration packages to employees were commensurable to the market trend and levels of pay in similar industries. A discretionary year-end bonus was paid to employees based on individual performance. Other benefits to employees included medical insurance, retirement scheme, training programmes and educational subsidies.

OTHER INFORMATION

Closure of Register of Members

For the purpose of determining shareholders' entitlement to the interim dividend for the six months ended 30 June 2026, the Register of Members of the Company will be closed from Friday, 11 September 2026 to Monday, 14 September 2026, both days inclusive, during which period no requests for transfer of shares will be accepted. In order to qualify for the interim dividend, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 10 September 2026. The record date for determining shareholders' entitlements to the interim dividend is Monday, 14 September 2026.

Purchase, Sale or Redemption of the Company's Listed Securities

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

Arrangements to Purchase Shares, Warrants, Options or Debentures

At no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, Chief Executive of the Company or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares, options, debentures or warrants of the Company or any other body corporate.

Corporate Governance

The Company is committed to maintaining high standard of corporate governance. In the opinion of the Board, the Company has complied with the code provisions of the Corporate Governance Code (the "Code") as set out in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2026.

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as the code for dealing in securities of the Company by the Directors of the Company. Having made specific enquiries, the Company confirmed that all Directors of the Company had complied with the required standard as set out in the Model Code during the six months ended 30 June 2026.

The Company has also adopted written guidelines for relevant employees (including employees of the Company or Directors or employees of its subsidiaries who, because of such office or employment, are likely to be in possession of unpublished inside information in relation to the Company or its securities) in respect of their dealings in the securities of the Company on terms no less exacting than the required standard set out in the Model Code, in compliance with the relevant code provision of the Code.

OTHER INFORMATION (Continued)

Audit Committee

The Audit Committee met in August 2026 and reviewed the accounting principles and practices adopted by the Group and also discussed interim review, internal control and financial reporting matters with the management. The unaudited interim financial report for the six months ended 30 June 2026 has been reviewed with no disagreement by the Audit Committee.

The interim financial report for the six months ended 30 June 2026 is unaudited, but has been reviewed by KPMG, 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, whose unmodified review report is included in the interim financial report to be sent to shareholders.

Remuneration Committee

The Remuneration Committee held its meeting in May 2026. The Remuneration Committee currently comprises three Independent Non-executive Directors and two Executive Directors.

Forward-Looking Statements

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

Publication of Interim Results and Interim Financial Report

This interim results announcement is published on the Company's website (www.hkf.com) and HKEXnews website (www.hkexnews.hk). The 2026 Interim Financial Report of the Company will be despatched to the shareholders of the Company and available on the same websites in due course.

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

Hong Kong, 19 August 2026

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