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

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6882)**

# ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

## GROUP FINANCIAL HIGHLIGHTS

| | Six months ended 30 June | | |
|---|---|---|---|
| | **2026** | 2025 | Change in |
| | ***HK$'000*** | *HK$'000* | *%* |
| Revenue | **721,339** | 691,885 | 4.3% |
| Gross profit | **169,275** | 137,062 | 23.5% |
| Profit attributable to owners of the Company | **29,388** | 5,787 | 407.8% |
| Earnings per share | | | |
| Basic and diluted *(HK cents)* | **5.85** | 1.15 | |
| Profit margin | | | |
| Gross profit margin | **23.5%** | 19.8% | |
| Operating profit margin | **6.4%** | 1.9% | |
| Net profit margin | **4.1%** | 0.8% | |
| Return on equity attributable to owners of the Company | **24.8%** | 6.2% | |

| | **As at 30 June 2026** | As at 31 December 2025 |
|---|---|---|
| Gearing ratio | | |
| Total borrowings over total assets | **37.0%** | 42.2% |
| Net debts over equity | **155.7%** | 207.8% |

The board (the "**Board**") of directors (the "**Directors**") of EGL Holdings Company Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026 (the "**Period**") together with comparative figures for the corresponding period in 2025 as follows:

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

*FOR THE SIX MONTHS ENDED 30 JUNE 2026*

| | | **Six months ended 30 June** | |
|---|---|---|---|
| | *Notes* | **2026** | 2025 |
| | | **(Unaudited)** | (Unaudited) |
| | | ***HK$'000*** | *HK$'000* |
| **Revenue** | *5* | **721,339** | 691,885 |
| Cost of sales | | **(552,064)** | (554,823) |
| **Gross profit** | | **169,275** | 137,062 |
| Other income, gains and losses, net | *5* | **10,393** | 8,272 |
| Selling expenses | | **(48,698)** | (49,352) |
| Administrative expenses | | **(88,475)** | (84,154) |
| Share of results of associates | | **3,695** | 1,370 |
| Finance costs | *6* | **(5,168)** | (5,693) |
| **Profit before income tax** | *6* | **41,022** | 7,505 |
| Income tax expense | *7* | **(11,539)** | (1,555) |
| **Profit for the period** | | **29,483** | 5,950 |
| **Other comprehensive income, that may be reclassified subsequently to profit or loss:** | | | |
| Exchange differences on translation of foreign operations | | **(5,610)** | 17,263 |
| Share of exchange differences on translation of foreign associates | | **32** | 2,328 |
| **Other comprehensive income, that will not be reclassified subsequently to profit or loss:** | | | |
| Remeasurement of provision for long service payments | | **(411)** | 210 |

| | Notes | Six months ended 30 June 2026 (Unaudited) HK$'000 | 2025 (Unaudited) HK$'000 |
|---|---|---|---|
| **Other comprehensive income for the period, net of tax** | | **(5,989)** | 19,801 |
| **Total comprehensive income for the period, net of tax** | | **23,494** | 25,751 |
| **Profit for the period attributable to:** | | | |
| Owners of the Company | | **29,388** | 5,787 |
| Non-controlling interests | | **95** | 163 |
| | | **29,483** | 5,950 |
| **Total comprehensive income for the period attributable to:** | | | |
| Owners of the Company | | **23,363** | 25,743 |
| Non-controlling interests | | **131** | 8 |
| | | **23,494** | 25,751 |
| **Earnings per share for profit attributable to owners of the Company** | | | |
| – Basic and diluted *(HK cents)* | *9* | **5.85** | 1.15 |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*AS AT 30 JUNE 2026*

| | *Notes* | **As at 30 June 2026 (Unaudited)** ***HK$'000*** | As at 31 December 2025 (Audited) *HK$'000* |
|---|---|---|---|
| **ASSETS AND LIABILITIES** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | | **350,042** | 360,894 |
| Right-of-use assets | | **32,986** | 41,337 |
| Interests in associates | | **17,303** | 14,717 |
| Deferred tax assets | | **52,672** | 61,085 |
| Deposits and prepayments | *11* | **3,006** | 2,054 |
| | | **456,009** | 480,087 |
| **Current assets** | | | |
| Inventories | | **676** | 815 |
| Trade receivables | *10* | **12,980** | 16,450 |
| Deposits, prepayments and other receivables | *11* | **131,025** | 70,856 |
| Amounts due from associates | | **3,705** | 2,069 |
| Tax recoverable | | **326** | 649 |
| Pledged bank deposits | | **9,163** | 9,093 |
| Cash at banks and on hand | | **143,255** | 152,841 |
| | | **301,130** | 252,773 |
| **Current liabilities** | | | |
| Trade payables | *12* | **40,248** | 41,047 |
| Accruals and other payables | *13* | **53,662** | 61,473 |
| Contract liabilities | | **203,987** | 132,697 |
| Amounts due to associates | | **1,197** | 2,969 |
| Lease liabilities | | **29,155** | 44,343 |
| Provision for taxation | | **3,544** | 7,774 |
| Bank borrowings | *14* | **60,131** | 51,252 |
| Loans from a related company | | **–** | 90,532 |
| | | **391,924** | 432,087 |
| **Net current liabilities** | | **(90,794)** | (179,314) |
| **Total assets less current liabilities** | | **365,215** | 300,773 |

| | Notes | As at 30 June 2026 (Unaudited) HK$'000 | As at 31 December 2025 (Audited) HK$'000 |
|---|---|---|---|
| **Non-current liabilities** | | | |
| Provision | | **527** | 542 |
| Provision for long service payments | | **9,549** | 8,312 |
| Bank borrowings | *14* | **134,003** | 167,440 |
| Lease liabilities | | **17,877** | 19,870 |
| Loans from a related company | | **86,321** | – |
| | | **248,277** | 196,164 |
| **Net assets** | | **116,938** | 104,609 |
| **EQUITY** | | | |
| **Capital and reserves attributable to owners of the Company** | | | |
| Share capital | *15* | **50,245** | 50,245 |
| Reserves | | **68,094** | 55,896 |
| | | **118,339** | 106,141 |
| **Non-controlling interests** | | **(1,401)** | (1,532) |
| **Total equity** | | **116,938** | 104,609 |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

*FOR THE SIX MONTHS ENDED 30 JUNE 2026*

## 1. GENERAL

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

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 28 November 2014.

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

## 2. BASIS OF PREPARATION AND PRESENTATION

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

The interim condensed consolidated financial information has been prepared with the same accounting policies adopted in the 2025 annual financial statements, except for those relating to amendments to standards effective for the first time for periods beginning on or after 1 January 2026. Details of any changes in accounting policies are set out in note 3.

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

The interim condensed consolidated financial information is presented in Hong Kong Dollars ("**HK$**"), unless otherwise stated. The interim condensed consolidated financial information contains condensed consolidated financial information and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The interim condensed consolidated financial information and notes do not include all of the information required for a complete set of financial statements prepared in accordance with HKFRS Accounting Standards and should be read in conjunction with the 2025 annual financial statements.

As of 30 June 2026, the Group's current liabilities exceeded its current assets by approximately HK$90,794,000. Notwithstanding this condition, the interim condensed consolidated financial information was prepared on a going concern basis.

In the opinion of the Board, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future, based on the cash flow projections of the Group covering a period up to 31 December 2027 (the "**Forecasted Period**") after taking into the following considerations:

(a) As at the date of approval of the interim condensed consolidated financial information, Great Port Limited ("**Great Port**"), a related company, has agreed to make available to the Group additional credit facilities during the Forecasted Period to serve as a standby source of financing to meet the Group's working capital needs; and

(b) The operating performance of the Group's travel related segment is expected further growth following the debunking of the earthquake rumours, driven by the anticipated recovery of the tourism industry in Japan. Management forecasts that revenue and gross profits are expected to stabilise in the second half of the year. Sensitivity analysis has been performed on this assumption to test the resilience of the forecasted liquidity.

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

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

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

## 3. ADOPTION OF HKFRS ACCOUNTING STANDARDS

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's interim condensed consolidated financial information:

| | |
|---|---|
| Amendments to HKFRS 9 and HKFRS 7 | Amendments to the Classification and Measurement of Financial Instruments |
| Amendments to HKFRS 9 and HKFRS 7 | Contracts Referencing Nature-dependent Electricity |
| Annual Improvements to HKFRS Accounting Standards – Volume 11 | Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 |

The revised standards and amendments did not have any significant effect on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these interim condensed consolidated financial information.

## 4. SEGMENT REPORTING

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

The Group has two 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, 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, tax recoverable and certain prepayments and other receivables which are not directly attributable to the business activities of operating segments as these assets are managed on a group basis. Likewise, segment liabilities exclude loans from a related company and corporate liabilities, such as certain accrued expenses and other payables, which are not directly attributable to the business activities of any operating segments and not allocated to segments.

### (a) Business segments

| | Travel Related Business (Unaudited) *HK$'000* | Hotel Business (Unaudited) *HK$'000* | Elimination (Unaudited) *HK$'000* | Total (Unaudited) *HK$'000* |
|---|---|---|---|---|
| **For six months ended 30 June 2026:** | | | | |
| **Revenue** | | | | |
| Reportable segment revenue | **657,820** | **68,746** | **(5,227)** | **721,339** |
| Inter-segment revenue | **–** | **(5,227)** | **5,227** | **–** |
| **From external customers** | **657,820** | **63,519** | **–** | **721,339** |
| **Reportable segment profit** | **12,784** | **41,171** | **–** | **53,955** |
| Depreciation on property, plant and equipment | **(1,871)** | **(2,920)** | **–** | **(4,791)** |
| Depreciation on right-of-use assets | **(12,361)** | **(27)** | **–** | **(12,388)** |
| Share of results of associates | **3,695** | **–** | **–** | **3,695** |
| Finance costs | **(943)** | **(2,016)** | **–** | **(2,959)** |
| Income tax expense | **(2,668)** | **(8,788)** | **–** | **(11,456)** |

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

| | Travel Related Business *HK$'000* | Hotel Business *HK$'000* | Total *HK$'000* |
|---|---|---|---|
| **As at 30 June 2026 (Unaudited):** | | | |
| **Reportable segment assets** | **341,328** | **413,609** | **754,937** |
| **Reportable segment liabilities** | **354,216** | **191,951** | **546,167** |
| Additions to non-current assets | **5,030** | **2,829** | **7,859** |
| Share of net assets of associates | **17,303** | **–** | **17,303** |
| **As at 31 December 2025 (Audited):** | | | |
| **Reportable segment assets** | 281,337 | 449,164 | 730,501 |
| **Reportable segment liabilities** | 293,692 | 237,671 | 531,363 |
| Additions to non-current assets | 34,240 | 3,280 | 37,520 |
| Share of net assets of associates | 14,717 | – | 14,717 |

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

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **(Unaudited)** | (Unaudited) |
| | ***HK$'000*** | *HK$'000* |
| **Revenue** | | |
| Reportable segment revenue | **721,339** | 691,885 |
| Consolidated revenue | **721,339** | 691,885 |

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **(Unaudited)** | (Unaudited) |
| | ***HK$'000*** | *HK$'000* |
| **Profit before income tax** | | |
| Reportable segment profit | **53,955** | 17,291 |
| Unallocated corporate expenses | **(12,933)** | (9,786) |
| Consolidated profit before income tax | **41,022** | 7,505 |

| | **As at 30 June 2026** | As at 31 December 2025 |
|---|---|---|
| | **(Unaudited)** | (Audited) |
| | ***HK$'000*** | *HK$'000* |
| **Assets** | | |
| Reportable segment assets | **754,937** | 730,501 |
| Unallocated corporate assets | **2,202** | 2,359 |
| Consolidated total assets | **757,139** | 732,860 |

| | **As at 30 June 2026** | As at 31 December 2025 |
|---|---|---|
| | **(Unaudited)** | (Audited) |
| | ***HK$'000*** | *HK$'000* |
| **Liabilities** | | |
| Reportable segment liabilities | **546,167** | 531,363 |
| Unallocated corporate liabilities | **94,034** | 96,888 |
| Consolidated total liabilities | **640,201** | 628,251 |

**(c) Geographical information**

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

| | Revenue from external customers (by customer location) Six months ended 30 June | | Specified non-current assets (by physical location) | |
|---|---|---|---|---|
| | **2026** | 2025 | **As at 30 June 2026** | As at 31 December 2025 |
| | **(Unaudited)** | (Unaudited) | **(Unaudited)** | (Audited) |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| Hong Kong and Macau (place of domicile) | **655,373** | 613,176 | **41,698** | 51,010 |
| Japan | **65,966** | 78,709 | **340,936** | 351,139 |
| Others | **–** | – | **17,697** | 14,799 |
| | **721,339** | 691,885 | **400,331** | 416,948 |

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

**(d) Information about a major customer**

The Group did not have any single customer contributed more than 10% of the Group's revenue during the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

**(e) Disaggregation of revenue**

| | Travel Related Business Six months ended 30 June | | Hotel Business Six months ended 30 June | | Total Six months ended 30 June | |
|---|---|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 | **2026** | 2025 |
| | **(Unaudited)** | (Unaudited) | **(Unaudited)** | (Unaudited) | **(Unaudited)** | (Unaudited) |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| **Primary geographical markets** | | | | | | |
| Hong Kong and Macau (place of domicile) | **655,373** | 613,176 | **–** | – | **655,373** | 613,176 |
| Japan | **2,447** | 3,469 | **63,519** | 75,240 | **65,966** | 78,709 |
| | **657,820** | 616,645 | **63,519** | 75,240 | **721,339** | 691,885 |
| **Timing of revenue recognition** | | | | | | |
| At a point in time | **29,416** | 31,116 | **–** | – | **29,416** | 31,116 |
| Transferred over time | **628,404** | 585,529 | **63,519** | 75,240 | **691,923** | 660,769 |
| | **657,820** | 616,645 | **63,519** | 75,240 | **721,339** | 691,885 |

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

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

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **(Unaudited)** | (Unaudited) |
| | ***HK$'000*** | *HK$'000* |
| **Revenue** | | |
| Package tours | **628,404** | 585,529 |
| FIT Products *(note)* | **9,819** | 9,187 |
| Ancillary travel related products and services *(note)* | **19,597** | 21,929 |
| Hotel room rental and ancillary services | **63,519** | 75,240 |
| | **721,339** | 691,885 |

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

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **(Unaudited)** | (Unaudited) |
| | ***HK$'000*** | *HK$'000* |
| Gross proceeds received and receivable | **114,555** | 103,787 |

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

| | **As at 30 June 2026** | As at 31 December 2025 |
|---|---|---|
| | **(Unaudited)** | (Audited) |
| | ***HK$'000*** | *HK$'000* |
| Trade receivables *(note 10)* | **12,980** | 16,450 |
| Contract liabilities | **203,987** | 132,697 |

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **(Unaudited)** | (Unaudited) |
| | ***HK$'000*** | *HK$'000* |
| **Other income, gains and losses, net** | | |
| Exchange (loss)/gain, net | **(428)** | 5,746 |
| Handling income | **121** | 27 |
| Interest income on bank deposits | **89** | 118 |
| Gain on termination of lease agreements *(note a)* | **9,135** | – |
| Gain on modification of lease agreements | **–** | 582 |
| Government sponsor income *(note b)* | **1,349** | 1,611 |
| Sundry income | **127** | 188 |
| | **10,393** | 8,272 |

*Notes:*

(a) During the six months ended 30 June 2026, the Group has been negotiating with certain travel bus leasing service providers to terminate travel bus lease contracts in respect of previous years during Covid-19 pandemic. The Group recognised gains on termination of lease agreements of approximately HK$9,135,000 (six months ended 30 June 2025: Nil) in profit or loss upon receiving waiver confirmations from certain travel bus leasing service providers. The negotiations with the remaining travel bus leasing service providers were in progress as at the reporting date and were concluded subsequent to the reporting date.

(b) During the six months ended 30 June 2026, the Group recognised government sponsor income of approximately HK$1,349,000 (six months ended 30 June 2025: HK$1,611,000) in respect of leading package tours to Japan. There are no unfulfilled conditions or other contingencies attached to these government sponsor income.

## 6. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **(Unaudited)** | (Unaudited) |
| | ***HK$'000*** | *HK$'000* |
| Cost of inventories recognised as expenses | **767** | 919 |
| Depreciation on property, plant and equipment | **4,791** | 6,192 |
| Depreciation on right-of-use assets | **12,388** | 9,765 |
| Finance costs: | | |
| – Interest expense incurred on lease liabilities | **825** | 697 |
| – Interest expense incurred on loans from a related company | **2,210** | 2,176 |
| – Interest expense incurred on bank borrowings | **2,133** | 2,820 |
| | **5,168** | 5,693 |
| Employee costs (including directors' emoluments): | | |
| – Salaries and other benefits in kind | **83,025** | 82,464 |
| – Retirement scheme contributions | **3,215** | 3,217 |
| – Long service payments | **838** | 756 |
| | **87,078** | 86,437 |

## 7. INCOME TAX EXPENSE

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **(Unaudited)** | (Unaudited) |
| | ***HK$'000*** | *HK$'000* |
| **Current tax – Hong Kong Profits Tax** | | |
| – Tax for the period | **83** | 367 |
| **Current tax – People's Republic of China ("PRC") Enterprise Income Tax** | | |
| – Tax for the period | **211** | 128 |
| **Current tax – Japan Profits Tax** | | |
| – Tax for the period | **2,861** | 4,469 |
| **Deferred tax** | | |
| – Charge/(credit) to profit or loss for the period | **8,384** | (3,409) |
| | **11,539** | 1,555 |

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

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

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

PRC Enterprise Income Tax is calculated at 25% on the estimated assessable profits of a subsidiary operating in the PRC for both periods.

Subsidiaries operating in Japan are subject to corporate income tax, prefectural and municipal inhabitant taxes and business tax (hereinafter collectively referred to as "**Japan Profits Tax**") in Japan, which, in aggregate, resulted in effective statutory income tax rates ranged from approximately 34.7% to approximately 35.4% (six months ended 30 June 2025: approximately 34.1% to approximately 35.4%) for the six months ended 30 June 2026 based on the existing legislation, interpretations and practices in respect thereof. The Group has estimated assessable profit arising from the subsidiaries operating in Japan for both periods.

## 8. DIVIDENDS

At the Board meeting held on 28 August 2026, the Board did not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

A final dividend of HK3.5 cents per ordinary share totalling HK$17,585,750 and in respect of the financial year ended 31 December 2025 was approved at the annual general meeting and paid on 29 June 2026 to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on 8 June 2026.

On 20 January 2025, the Board declared a special dividend of HK6 cents per ordinary share of the Company to the shareholders of the Company. The special dividends were paid on 26 March 2025 to the shareholders whose names appear on the register of members of the Company at the close of business on 11 February 2025.

## 9. EARNINGS PER SHARE

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | **(Unaudited)** | (Unaudited) |
| | ***HK$'000*** | *HK$'000* |
| **Earnings** | | |
| Profit attributable to owners of the Company | **29,388** | 5,787 |

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | **(Unaudited)** | (Unaudited) |
| | ***'000*** | *'000* |
| **Number of shares** | | |
| Number of ordinary shares | **502,450** | 502,450 |

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

## 10. TRADE RECEIVABLES

| | **As at 30 June 2026 (Unaudited)** | As at 31 December 2025 (Audited) |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Trade receivables | **13,449** | 16,919 |
| Less: loss allowance | **(469)** | (469) |
| Net carrying amount | **12,980** | 16,450 |

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:

| | **As at 30 June 2026 (Unaudited)** | As at 31 December 2025 (Audited) |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| 0 - 90 days | **11,352** | 16,402 |
| 91 - 180 days | **1,304** | 48 |
| 181 - 365 days | **324** | – |
| | **12,980** | 16,450 |

## 11. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

| | As at 30 June 2026 (Unaudited) *HK$'000* | As at 31 December 2025 (Audited) *HK$'000* |
|---|---|---|
| **Non-current assets** | | |
| Deposits | **1,925** | 1,853 |
| Prepayments | **1,081** | 201 |
| | **3,006** | 2,054 |
| **Current assets** | | |
| Other receivables | **12,725** | 14,199 |
| Deposits *(note)* | **9,900** | 4,457 |
| Prepayments | **108,400** | 52,200 |
| | **131,025** | 70,856 |

*Note:* The amount included rental deposits paid to a related company, Great Port, of approximately HK$2,019,000 (31 December 2025: HK$2,019,000). The amount due is unsecured, interest-free and repayable at the end of the rental periods.

## 12. TRADE PAYABLES

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

| | As at 30 June 2026 (Unaudited) *HK$'000* | As at 31 December 2025 (Audited) *HK$'000* |
|---|---|---|
| 0 - 90 days | **36,916** | 38,321 |
| 91 - 180 days | **1,333** | 1,605 |
| 181 - 365 days | **1,241** | 442 |
| Over 365 days | **758** | 679 |
| | **40,248** | 41,047 |

## 13. ACCRUALS AND OTHER PAYABLES

| | As at 30 June 2026 (Unaudited) *HK$'000* | As at 31 December 2025 (Audited) *HK$'000* |
|---|---|---|
| Accrued expenses | **27,051** | 30,873 |
| Other payables | **26,611** | 30,600 |
| | **53,662** | 61,473 |

## 14. BANK BORROWINGS

| | As at 30 June 2026 (Unaudited) *HK$'000* | As at 31 December 2025 (Audited) *HK$'000* |
|---|---|---|
| **Current** | | |
| Bank borrowings, secured | **60,131** | 51,252 |
| **Non-current** | | |
| Bank borrowings, secured | **134,003** | 167,440 |
| | **194,134** | 218,692 |

As at 30 June 2026, the bank borrowings of approximately HK$194,134,000 (31 December 2025: HK$218,692,000) were secured by charges over certain property, plant and equipment and pledged bank deposits with aggregate carrying amounts of approximately HK$336,452,000 (31 December 2025: HK$348,427,000) and approximately HK$4,553,000 (31 December 2025: HK$4,495,000) 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, using effective interest rate ranging from 2.03% to 4.44% (31 December 2025: 1.81% to 4.66%) per annum.

## 15. SHARE CAPITAL

| | **Number** | **Amount** |
|---|---|---|
| | *'000* | *HK$'000* |
| **Authorised** | | |
| *Ordinary shares of HK$0.1 each* | | |
| At 31 December 2025 and 30 June 2026 | 1,000,000 | 100,000 |

| | **Number** | **Amount** |
|---|---|---|
| | *'000* | *HK$'000* |
| **Ordinary shares, issued and fully paid** | | |
| At 31 December 2025 and 30 June 2026 | 502,450 | 50,245 |

## 16. EVENT AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the Group has been negotiating with certain travel bus leasing service providers to terminate travel bus lease contracts in respect of previous years during Covid-19 pandemic. The Group recognised gains on termination of lease agreements of approximately HK$11,015,000 in profit or loss upon receiving waiver confirmations from certain travel bus leasing service providers subsequent to the end of the reporting period.

# MANAGEMENT DISCUSSION AND ANALYSIS

## GROUP OVERVIEW

During the first half of 2026, persistent global economic uncertainties and escalating geopolitical tensions created a complex and challenging business environment. The abrupt and prolonged Middle East conflict, in particular, intensified market volatility, and distorted the predictability of crude oil prices. Although inflation and travel expenses surged due to rising oil prices, the Group remained resilient in its Travel Related Business, showing a notable improvement compared with the same period in 2025. Consumer sentiment and confidence for Japan-bound travel recovered significantly as last year's unfounded earthquake rumours were debunked, putting an end to the negative impact on the Group. Driven by the continuous depreciation of the Japanese yen, demand for the Group's travel products and services was further bolstered. Despite a decline in the revenue and gross profit of the Group's Hotel Business caused by the conclusion of the 2025 Osaka-Kansai Expo and increasingly fierce industry competition, the Group achieved a substantial increase in net profit for the first half of 2026.

Revenue of the Group amounted to approximately HK$721.3 million (six months ended 30 June 2025: HK$691.9 million), representing an increase of 4.3%. Gross profit amounted to approximately HK$169.3 million (six months ended 30 June 2025: HK$137.1 million), representing an increase of 23.5%. Profit attributable to owners of the Company amounted to approximately HK$29.4 million (six months ended 30 June 2025: HK$5.8 million), representing an increase of 407.8%.

Basic earnings per share for profit attributable to owners of the Company for the first half of 2026 was HK5.85 cents (six months ended 30 June 2025: HK1.15 cents).

## BUSINESS OVERVIEW

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

Revenue and gross profit from various business categories for the two periods ended 30 June 2026 and 2025 are set out as follows:

| | Six months ended 30 June | | | | | |
|---|---|---|---|---|---|---|
| | **2026** | | | 2025 | | |
| | **Revenue** *HK$'000* | **Gross profit** *HK$'000* | **Gross profit margin** *%* | Revenue *HK$'000* | Gross profit *HK$'000* | Gross profit margin *%* |
| Package tours | **628,404** | **97,135** | **15.5** | 585,529 | 59,673 | 10.2 |
| FIT Products and ancillary travel related products and services | **29,416** | **22,858** | **77.7** | 31,116 | 23,046 | 74.1 |
| Hotel room rental and ancillary services | **68,746** | **49,282** | **71.7** | 80,193 | 54,343 | 67.8 |
| Elimination [(i)] | **(5,227)** | **–** | **–** | (4,953) | – | – |
| **Total** | **721,339** | **169,275** | **23.5** | 691,885 | 137,062 | 19.8 |

(i) *Elimination refers to inter-segment revenue of Hotel Business.*

## PACKAGE TOURS

Revenue from package tours primarily comprises tour fees received from customers for outbound package tours. In the first half of 2026, the increase in both revenue and gross profit for the Group's package tours business was primarily driven by the strong recovery in Japan-bound tours, as market concerns fully eased after the earlier rumours of a major earthquake in Japan were proven to be unfounded.

Revenue amounted to approximately HK$628.4 million (six months ended 30 June 2025: HK$585.5 million), representing an increase of 7.3% and contributing 87.1% to the Group's total revenue (six months ended 30 June 2025: 84.6%). Gross profit amounted to approximately HK$97.1 million (six months ended 30 June 2025: HK$59.7 million), representing an increase of 62.8%.

## FIT PRODUCTS AND ANCILLARY TRAVEL RELATED PRODUCTS AND SERVICES

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

The intense market competitions caused the revenue from FIT Products and ancillary travel related products and services to decrease by 5.5% to approximately HK$29.4 million for the Period (six months ended 30 June 2025: HK$31.1 million), contributing 4.1% to the Group's total revenue (six months ended 30 June 2025: 4.5%). Gross profit amounted to approximately HK$22.9 million (six months ended 30 June 2025: HK$23.0 million), representing a slight decrease of 0.8%.

## HOTEL ROOM RENTAL AND ANCILLARY SERVICES

As the number of visitors normalised following the 2025 Osaka-Kansai Expo, coupled with intense market competition, the occupancy rate at the Group's Osaka Hinode Hotel decreased during the Period, leading to a decline in both revenue and gross profit for the Hotel Business. Despite these challenges, the Hotel Business continued to make a steady and significant contribution to the Group's performance.

Osaka Hinode Hotel, the Group's first hotel, commenced its operation since November 2017. It provides quality hospitality services for guests from all over the world and has a capacity of 354 rooms for 691 guests with a hot spring bath building adjacent to it. The hotel's average occupancy rate for the Period was 75.3% (six months ended 30 June 2025: 91.6%).

Okinawa Hinode Resort & Hot Spring Hotel, the Group's second hotel, commenced its operation since December 2020. It provides quality hospitality services for guests from all over the world and has a capacity of 201 rooms for 480 guests with the facilities ranging from outdoor hot spring to swimming pool. The hotel's average occupancy rate for the Period was 92.3% (six months ended 30 June 2025: 92.9%).

Revenue from hotel operation mainly represents income generated from letting the hotel rooms. During the Period, the revenue amounted to approximately HK$68.7 million (six months ended 30 June 2025: HK$80.2 million), representing a decrease of 14.3%. Revenue from external customers, which was net of inter-segment revenue, amounted to approximately HK$63.5 million (six months ended 30 June 2025: HK$75.2 million) and contributing 8.8% to the Group's total revenue (six months ended 30 June 2025: 10.9%). Gross profit amounted to approximately HK$49.3 million (six months ended 30 June 2025: HK$54.3 million), representing a decrease of 9.3%.

## FINANCIAL REVIEW

## KEY FINANCIAL RATIOS

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| Gross profit margin | **23.5%** | 19.8% |
| Operating profit margin (1) | **6.4%** | 1.9% |
| Net profit margin (2) | **4.1%** | 0.8% |
| Interest coverage ratio (1) | **8.9 times** | 2.3 times |
| Return on total assets (2) | **3.9%** | 0.7% |
| Return on equity attributable to owners of the Company (2) | **24.8%** | 6.2% |

| | **As at 30 June 2026** | As at 31 December 2025 |
|---|---|---|
| Current ratio | **0.8 time** | 0.6 time |
| Gearing ratio | | |
| Total borrowings over total assets | **37.0%** | 42.2% |
| Net debts over equity | **155.7%** | 207.8% |

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

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

## REVENUE AND GROSS PROFIT

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

## SELLING EXPENSES

Frontline staff costs contributed the majority of selling expenses of the Group. For the Period, selling expenses amounted to approximately HK$48.7 million (six months ended 30 June 2025: HK$49.4 million), representing a slight decrease of 1.3%.

## 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$88.5 million (six months ended 30 June 2025: HK$84.2 million), representing an increase of 5.1%. Such increase was primarily attributed to the increase in employee costs.

## FINANCE COSTS

Finance costs of approximately HK$2.1 million (six months ended 30 June 2025: HK$2.8 million) were incurred for the Period on the bank borrowings which were used to finance the construction and decoration of hotel buildings and hot spring bath building and daily operations of Travel Related Business.

Based on discounted cash flows of the loans from a related company, Great Port, finance costs of approximately HK$2.2 million (six months ended 30 June 2025: HK$2.2 million) were incurred for the Period.

Finance costs on the lease liabilities of the Group of approximately HK$0.8 million (six months ended 30 June 2025: HK$0.7 million) were incurred for the Period in accordance with HKFRS 16 "Leases".

## INCOME TAX EXPENSES

Income tax expenses for the Period amounted to approximately HK$11.5 million (six months ended 30 June 2025: HK$1.6 million). The increase was mainly due to the Travel Related Business generated a profit for the Period compared with a loss in the corresponding period of 2025, whereby prior-year tax losses and related deferred tax assets were utilised, resulting in higher deferred tax expense and total income tax expenses.

## DIVIDENDS

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: HK$Nil).

A final dividend of HK3.5 cents per ordinary share totalling HK$17,585,750 and in respect of the financial year ended 31 December 2025 was approved at the annual general meeting and paid during the Period.

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

## INTEREST COVERAGE RATIO

Interest coverage ratio of the Group for the Period was recorded at 8.9 times (six months ended 30 June 2025: 2.3 times). The increase was due to the increase in profit before finance costs and taxation as discussed before.

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

## GROSS PROFIT MARGIN, OPERATING PROFIT MARGIN AND NET PROFIT MARGIN

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

## CURRENT RATIO

As at 30 June 2026, the Group's current ratio was 0.8 time (as at 31 December 2025: 0.6 time). The improvement in the current ratio was primarily driven by the repayment date extension of loans from a related company from 31 December 2026 to 30 June 2028 during the Period, resulting in a reclassification from current liabilities to non-current liabilities.

## GEARING RATIO

| | As at 30 June 2026 HK'000 | As at 31 December 2025 HK'000 | Increase/ (Decrease) HK'000 |
|---|---|---|---|
| **Gearing ratio – Total borrowings over total assets** | | | |
| Bank borrowings | **194,134** | 218,692 | (24,558) |
| Loans from a related company | **86,321** | 90,532 | (4,211) |
| Total borrowings *(note a)* | **280,455** | 309,224 | (28,769) |
| Total assets | **757,139** | 732,860 | 24,279 |
| Gearing ratio | **37.0%** | 42.2% | (5.2) percentage points |
| **Gearing ratio – Net debts over equity** | | | |
| Total borrowings *(note a)* | **280,455** | 309,224 | (28,769) |
| Lease liabilities | **47,032** | 64,213 | (17,181) |
| Total debts *(note b)* | **327,487** | 373,437 | (45,950) |
| Less: Cash at banks and on hand | **(143,255)** | (152,841) | 9,586 |
| | **184,232** | 220,596 | (36,364) |
| Equity *(note c)* | **118,339** | 106,141 | 12,198 |
| Gearing ratio | **155.7%** | 207.8% | (52.1) percentage points |

*Notes:*

(a) Total borrowings comprise bank borrowings and loans from a related company.

(b) Total debts comprise bank borrowings, loans from a related company and lease liabilities.

(c) Equity comprises all capital and reserves attributable to owners of the Company.

The decrease in gearing ratio – total borrowings over total assets was primarily driven by the reduction in bank borrowings through instalment repayments, alongside an increase in deposits, prepayments and other receivables.

The decrease in gearing ratio – net debts over equity was primarily attributable to the decrease in bank borrowings mentioned above and the increase in equity attributable to owners of the Company generated by profit for the Period.

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

Return on total assets and return on equity attributable to owners of the Company during the Period were 3.9% (six months ended 30 June 2025: 0.7%) and 24.8% (six months ended 30 June 2025: 6.2%) respectively.

The increases in these two returns were mainly attributable to the increase in profit attributable to the owners of the Company for the Period as compared to the corresponding period in last 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 30 June 2026 amounted to approximately Japanese Yen ("**JPY**") 1,122.1 million (equivalent to approximately HK$53.8 million) (as at 31 December 2025: JPY1,602.7 million (equivalent to approximately HK$79.1 million)). The repayment term is payable in 12 years.

For the construction of hot spring bath building in Osaka completed in March 2019, the carrying amount of the bank borrowings as at 30 June 2026 amounted to JPY223.7 million (equivalent to approximately HK$10.7 million) (as at 31 December 2025: JPY284.7 million (equivalent to approximately HK$14.0 million)). The repayment term is payable in 12 years.

With respect to the construction of Okinawa Hinode Resort & Hot Spring Hotel completed in October 2020, the carrying amount of the bank borrowings as at 30 June 2026 amounted to approximately JPY2,286.5 million (equivalent to approximately HK$109.6 million) (as at 31 December 2025: JPY2,343.9 million (equivalent to approximately HK$115.6 million)). The repayment term is payable in 26 years.

In respect of the bank borrowings withdrawn in Hong Kong to meet the needs of working capital for Travel Related Business, the carrying amount as at 30 June 2026 amounted to HK$20.0 million (as at 31 December 2025: HK$10.0 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$86.3 million as at 30 June 2026 (as at 31 December 2025: HK$90.5 million). All these loans are unsecured and were originally repayable on 1 January 2026. On 27 August 2025, Great Port agreed to extend the final repayment date of these loans to 31 December 2026, and on 29 May 2026, it was further extended to 30 June 2028.

Other than the above, the Group financed its operation with its own capital, with the total equity attributable to owners of the Company as at 30 June 2026 amounted to approximately HK$118.3 million (as at 31 December 2025: HK$106.1 million). As at 30 June 2026, the Group's cash at banks and on hand amounted to approximately HK$143.3 million (as at 31 December 2025: HK$152.8 million). Cash at banks and on hand were mainly denominated in Hong Kong Dollar accounting for approximately 34.7% (as at 31 December 2025: 19.9%), Japanese Yen accounting for approximately 33.5% (as at 31 December 2025: 48.8%), Renminbi accounting for approximately 15.1% (as at 31 December 2025: 14.2%), and Macau Pataca accounting for approximately 9.3% (as at 31 December 2025: 8.4%).

## PLEDGE OF ASSETS

As at 30 June 2026, property, plant and equipment of Okinawa Hinode Resort & Hot Spring Hotel and Osaka Hinode Hotel, together with the hot spring bath building and certain pledged bank balances in Japan of approximately HK$338.4 million in total (as at 31 December 2025: HK$350.4 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 Finance Resources".

Also, as at 30 June 2026, the Group had pledged bank deposits of approximately HK$9.2 million (as at 31 December 2025: HK$9.1 million). Excluding those pledged bank balances in Japan mentioned above, majority of the pledged bank deposits were pledged to certain licensed banks in Hong Kong and Macau to secure certain bank loans in Hong Kong and letters of guarantees issued to certain third parties on behalf of the Group. Together with corporate 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$9.6 million (as at 31 December 2025: HK$10.3 million), which were mainly issued to the Group's branch shop landlords and suppliers, such as air transport association, airlines and hotels in order to guarantee the Group's trade payable balances due to the suppliers.

Save as disclosed above, the Group had no other pledge of assets as at 30 June 2026 (as at 31 December 2025: Nil).

## CAPITAL COMMITMENTS AND FUTURE CAPITAL EXPENDITURES

As at 30 June 2026, the Group had capital commitment of approximately HK$1.5 million (as at 31 December 2025: HK$4.5 million) to acquire property, plant and equipment.

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

## CONTINGENT LIABILITIES

The Directors considered that there were no material contingent liabilities as at 30 June 2026 (as at 31 December 2025: Nil).

## MATERIAL ACQUISITIONS AND DISPOSALS

During the Period, there was no material acquisition or disposal of subsidiaries, associates or joint ventures of the Group (six months ended 30 June 2025: Nil).

## SIGNIFICANT INVESTMENTS

During the Period, there was no significant investment held by the Group (six months ended 30 June 2025: 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 loss of approximately HK$0.4 million was recorded during the Period (six months ended 30 June 2025: net exchange gain of approximately HK$5.7 million).

## HUMAN RESOURCES AND EMPLOYEES' REMUNERATION

As at 30 June 2026, the Group had a total workforce of 440 employees (as at 31 December 2025: 441), of which 136 (as at 31 December 2025: 138) 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. Pursuant to the New Share Option Scheme, share options may be granted to eligible employees and incentivise them to contribute to the Group's continued growth and success, while aligning their interests with those of shareholders to drive long-term financial performance. During the Period, no share options were granted, cancelled, lapsed or exercised under the New Share Option Scheme (six months ended 30 June 2025: Nil). There was no significant change in the remuneration policies, bonus, share option scheme and training scheme of the Group during the Period (six months ended 30 June 2025: Nil).

## STRATEGIES AND OUTLOOK

In early 2026, the global economic environment remained constructive but fragmented. Geopolitical shocks stemming from the conflict in the Middle East in March drove up oil prices, inflation, and interest rate expectations. On the other side of the world, Japan was slowly catching up with global interest rates, but the weakening of the JPY offset increased outbound travel expenditure. With this global backdrop, the Group continued to advance its strategic initiatives and further reinforced its position as the leading Hong Kong-based travel and tourism service provider. Leveraging its long-established brand foundation and operational capabilities, the Group focused on delivering curated travel experiences that combine thoughtful itinerary designs, high-quality services, and a diverse range of destinations into travel packages.

For years, the Group had been actively participating in major travel expos and targeted promotional events to showcase its flagship travel products and exclusive tour packages. The success of the 'EGL Tours 39th Anniversary Celebration' last year inspired the Group to organise a two-day 'EGL Tours Travel Carnival' at East Point City in Tseung Kwan O in late April 2026. Throughout the event, a strong appetite for outbound travel was fostered amid a fascinating and vibrant atmosphere. The event included customer-engaging game stalls, themed and brand-building travel seminars, as well as sharing sessions. In addition to immense brand exposure, these events stimulated direct sales through event-only offers and on-site booking incentives.

The Group continued to expand its destination portfolio to adapt to the increasingly diverse customer preferences. New itineraries, such as emerging destinations in Central Asia and in-depth cultural experience tours to Bhutan, were introduced to complement the Group's core offerings. This expansion of geographical coverage and travel themes provided customers with greater choice and flexibility to explore destinations worldwide.

Chartered cruises, flight services, and high-speed rail partnerships play a key role in the Group's sales and branding strategy. The Group will strive to enhance tour schedule flexibility and capacity across air, sea, and rail.

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

Looking ahead, 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 value for its shareholders, customers, and business partners, and unwaveringly upholding its core commitment to providing premium 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 six months ended 30 June 2026, the Board is of opinion that the Company has applied the principles and complied with all the applicable code provisions of the Corporate Governance Code contained in Appendix C1 to the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of the Directors, all the Directors confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2026.

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

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## REVIEW BY AUDIT COMMITTEE AND AUDITOR

The interim results for the six months ended 30 June 2026 have been reviewed by the audit committee of the Board which comprises three independent non-executive Directors namely, Mr. Chan Kim Fai, Mr. Lo Kam Cheung Patrick and Ms. Wong Lai Ming. The interim financial information of the Group for the six months ended 30 June 2026 has been reviewed by the Company's independent auditor, BDO Limited, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

## INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: HK$Nil).

## PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.egltours.com/travel/pages/investor_relations/#eng. The interim report of the Company will be despatched to the shareholders of the Company and published on the above websites in September 2026.

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

Hong Kong, 28 August 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.*