

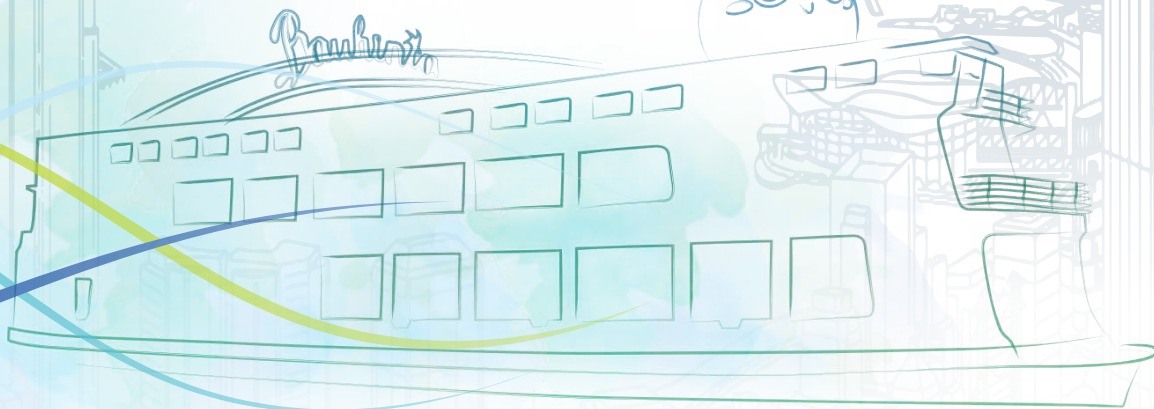


HONG KONG FERRY (HOLDINGS) COMPANY LIMITED  
香港小輪（集團）有限公司

(Stock Code: 50)



# ANNUAL REPORT 2024





永遠懷念您

*You are Always in Our Hearts*

香港小輪(集團)有限公司  
前非執行董事  
李兆基博士  
大紫荊勳賢

**Dr. the Honourable Lee Shau Kee, GBM,  
Former Non-executive Director  
of**

**HONG KONG FERRY (HOLDINGS) COMPANY LIMITED**

**(1928–2025)**



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## Forward-looking Statements

This Annual Report 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 Directors 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.

## BOARD OF DIRECTORS

### Executive Directors

Dr. Lam Ko Yin, Colin (*Chairman*)  
Mr. Li Ning  
Mr. Lee Gabriel

### Non-executive Directors

Mr. Au Siu Kee, Alexander  
Mr. Lau Yum Chuen, Eddie

### Independent Non-executive Directors

Mr. Ho Hau Chong, Norman  
Ms. Wong Yu Pok, Marina  
Mr. Wu King Cheong  
Mr. Chan Wai Yan, Ronald

## AUDIT COMMITTEE

Mr. Ho Hau Chong, Norman (*Chairman*)  
Ms. Wong Yu Pok, Marina  
Mr. Wu King Cheong  
Mr. Chan Wai Yan, Ronald

## REMUNERATION COMMITTEE

Mr. Wu King Cheong (*Chairman*)  
Dr. Lam Ko Yin, Colin  
Mr. Li Ning  
Mr. Ho Hau Chong, Norman  
Ms. Wong Yu Pok, Marina

## NOMINATION COMMITTEE

Dr. Lam Ko Yin, Colin (*Chairman*)  
Mr. Li Ning  
Mr. Ho Hau Chong, Norman  
Ms. Wong Yu Pok, Marina  
Mr. Wu King Cheong

## GROUP GENERAL MANAGER

Mr. Lee Gabriel

## COMPANY SECRETARY

Mr. Chow Tung Ming

## AUDITOR

KPMG  
*Certified Public Accountants*  
*Public Interest Entity Auditor registered in accordance*  
*with the Financial Reporting Council Ordinance*

## PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
Bank of Communications Co., Ltd. Hong Kong Branch  
Hang Seng Bank Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Mizuho Bank, Limited

## REGISTERED OFFICE

98 Tam Kon Shan Road  
TYTL 102  
Ngau Kok Wan  
North Tsing Yi  
New Territories  
Hong Kong

Telephone : (852) 2394 4294  
Facsimile : (852) 2786 9001  
Website : [www.hkf.com](http://www.hkf.com)  
E-Mail : [hkferry@hkf.com](mailto:hkferry@hkf.com)

## SHARE LISTING

The Stock Exchange of Hong Kong Limited  
Stock Code: 50

## SHARE REGISTRAR

Tricor Investor Services Limited\*  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

*\* changed from Tricor Standard Limited with effect from*  
*31 December 2024*



# DIRECTORS' AND SENIOR MANAGEMENT'S PROFILE



## DIRECTORS' PROFILE

### Executive Directors



**Dr. Lam Ko Yin, Colin**  
Chairman

**Dr. Lam Ko Yin, Colin**, SBS, FCILT, FHKIoD, DB (Hon), DBA (Hon), DSocSc (Hon), aged 73, was appointed on 1 July 1986, is the Chairman of the Company. He is also the Chairman of the Nomination Committee and a member of the Remuneration Committee of the Company. Dr. Lam holds a Bachelor of Science (Honours) degree from The University of Hong Kong and has over 51 years' experience in banking and property development. He is also a Vice Chairman of Henderson Land Development Company Limited ("Henderson Land") and Henderson Investment Limited, a non-executive director of The Hong Kong and China Gas Company Limited and an executive director of Miramar Hotel and Investment Company, Limited, all of which are listed public companies. He is also a director of Wiselin Investment Limited ("Wiselin"), Henderson Development Limited ("Henderson Development"), Graf Investment Limited ("Graf"), Mount Sherpa Limited ("Mount"), Paillard Investment Limited ("Paillard"), Hopkins (Cayman) Limited ("Hopkins"), Rimmer (Cayman) Limited ("Rimmer") and Riddick (Cayman) Limited ("Riddick"). Henderson Land, Wiselin, Henderson Development, Graf, Mount, Paillard, Hopkins, Rimmer and Riddick have discloseable interests in the Company under the provisions of Part XV of the Securities and Futures Ordinance. Dr. Lam is the Deputy Chairman of The University of Hong Kong Foundation for Educational Development and Research, a Director of Fudan University Education Development Foundation, an honorary Court member of Hong Kong Baptist University, a member of the Court of The Hong Kong University of Science and Technology and a member of the Court of City University of Hong Kong. Dr. Lam was awarded an Honorary University Fellowship by The University of Hong Kong in 2008 and an Honorary Fellowship by The Chinese University of Hong Kong in 2019. He was also conferred a degree of Doctor of Business (Honoris Causa) by Macquarie University in 2015, a degree of Doctor of Business Administration (Honoris Causa) by The Hong Kong University of Science and Technology in 2021 and a degree of Doctor of Social Sciences (Honoris Causa) by The University of Hong Kong in 2023. Dr. Lam is a Fellow of The Chartered Institute of Logistics and Transport in Hong Kong and a Fellow of The Hong Kong Institute of Directors. He is also a director of various subsidiaries of the Company.

### DIRECTORS' PROFILE (Continued)

#### Executive Directors (Continued)

**Mr. Li Ning**, *BSc, MBA*, aged 68, was appointed on 20 October 1989, is an Executive Director of the Company. He is also a member of the Nomination Committee and the Remuneration Committee of the Company. Mr. Li is also an Executive Director of Henderson Investment Limited, a listed public company. He holds a B.Sc. degree from Babson College and an M.B.A. degree from the University of Southern California. He has 35 years' experience in managing department store business. He is also a director of various subsidiaries of the Company. Mr. Li is the son-in-law of Dr. Lee Shau Kee.



**Mr. Li Ning**

**Mr. Lee Gabriel**, *CMILT, FHKIoD*, aged 46, was appointed as the Group General Manager of the Company on 4 October 2021 and an Executive Director of the Company on 3 January 2023. He has over 20 years of experience in business management. He is also the Director – Corporate Affairs and Communications of Union Medical Centre Limited, a company ultimately controlled by the private family trusts of Dr. Lee Shau Kee, a deemed substantial shareholder of the Company by virtue of Part XV of the Securities and Futures Ordinance. Mr. Lee served as an executive director of EC Healthcare, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since its listing in March 2016, and acted as its chief operating officer since April 2014, and tendered his resignation from such positions with effect from 1 October 2021. Prior to joining EC Healthcare, Mr. Lee commenced his career at Cathay Pacific Airways Limited ("Cathay Pacific"), an international airline listed on the Main Board of the Stock Exchange, and held various managerial roles in Cathay Pacific in Hong Kong, Shanghai and Beijing, including but not limited to overseeing the Hong Kong International Airport operations and the cargo operations of the airline in 14 cities in the People's Republic of China, as well as being seconded to Air China Cargo Company Limited (中國國際貨運航空有限公司) in Beijing where he served as the assistant president of its commercial (sales and marketing) division.



**Mr. Lee Gabriel**

Mr. Lee holds a bachelor of business administration degree in accounting and finance from The University of Hong Kong and attended the SWIRE Management Programme organised by INSEAD Graduate Business School in Singapore. Mr. Lee also attended the SWIRE Accounting and Control Programme and SWIRE Advanced Management Programme organised by INSEAD Graduate Business School in Fontainebleau, France. Mr. Lee is a chartered member of The Chartered Institute of Logistics and Transport in Hong Kong and a Fellow of The Hong Kong Institute of Directors. He is also a director of various subsidiaries of the Company.



### DIRECTORS' PROFILE (Continued)

#### Non-executive Directors



**Mr. Au Siu Kee, Alexander**

**Mr. Au Siu Kee, Alexander**, OBE, FCA, FCCA, FCPA, FCIB, FHKIB, aged 78, was appointed as an Independent Non-executive Director of the Company on 17 January 2005 and re-designated as a Non-executive Director of the Company on 7 November 2005. Mr. Au was a well-known banker in Hong Kong and had more than 32 years' experience in local and international banking business, having been the Chief Executive Officer of Hang Seng Bank Limited (from October 1993 to March 1998) and of Oversea-Chinese Banking Corporation Limited in Singapore (from September 1998 to April 2002). He was formerly a non-executive director of a number of leading companies including The Hongkong and Shanghai Banking Corporation Limited, MTR Corporation Limited and Hang Lung Group Limited. He was an executive director and the chief financial officer of Henderson Land Development Company Limited ("Henderson Land"), a listed public company, from December 2005 to June 2011. He stepped down from the position of chief financial officer and was re-designated as a non-executive director of Henderson Land on 1 July 2011. On 18 December 2012, Mr. Au was re-designated as an independent non-executive director of Henderson Land until his retirement on 2 June 2015. In December 2018, Mr. Au rejoined Henderson Land as an independent non-executive director. Currently, he is an independent non-executive director of Henderson Investment Limited, Wharf Real Estate Investment Company Limited and Miramar Hotel and Investment Company, Limited, all of which are listed public companies. He is the chairman and a non-executive director of Henderson Sunlight Asset Management Limited, the manager of the publicly-listed Sunlight Real Estate Investment Trust. An accountant by training, Mr. Au is a Fellow of the Institute of Chartered Accountants in England and Wales, the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Henderson Land has discloseable interests in the Company under the provisions of Part XV of the Securities and Futures Ordinance.



**Mr. Lau Yum Chuen, Eddie**

**Mr. Lau Yum Chuen, Eddie**, aged 78, was appointed on 5 May 1988, is a Non-executive Director of the Company. He has over 50 years of experience in banking, finance and investment. Mr. Lau is also an Executive Director of Miramar Hotel and Investment Company, Limited, a listed public company. He previously served as an Executive Director of Henderson Land Development Company Limited, a listed public company, until his retirement on 8 June 2020.

### DIRECTORS' PROFILE (Continued)

#### Independent Non-executive Directors

**Mr. Ho Hau Chong, Norman**, BA, ACA, FCPA, aged 69, was appointed on 28 March 1995, is an Independent Non-executive Director of the Company. He is also the Chairman of the Audit Committee, a member of the Nomination Committee and the Remuneration Committee of the Company. Mr. Ho is a member of the Institute of Chartered Accountants in England and Wales and a Fellow of the Hong Kong Institute of Certified Public Accountants. Mr. Ho is an Executive Director of Honorway Investments Limited and Tak Hung (Holding) Company, Limited and has over 42 years of experience in management and property development. He is also an Executive Director of Miramar Hotel and Investment Company, Limited and Vision Values Holdings Limited, as well as an Independent Non-executive Director of Shun Tak Holdings Limited and SJM Holdings Limited, all of which are listed public companies. Mr. Ho resigned as an independent non-executive director of Lee Hing Development Limited on 19 October 2022, the shares of which were listed on The Stock Exchange of Hong Kong Limited until they were delisted on 18 October 2022.



**Mr. Ho Hau Chong, Norman**

**Ms. Wong Yu Pok, Marina**, JP, aged 76, was appointed on 8 May 2008, is an Independent Non-executive Director of the Company. She is also a member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company. Ms. Wong joined PricewaterhouseCoopers in 1968 and was responsible for the development of the firm's business in Mainland China since 1980. After her retirement as a partner from PricewaterhouseCoopers in July 2004, she joined Tricor Services Limited as a director from September 2004 to February 2006. Ms. Wong was a member of a number of Government advisory and other bodies in Hong Kong, including The Dental Council of Hong Kong up to August 2021 and was the Chairman of The Applied Research Council up to February 2017. Ms. Wong is the Vice-Chairman of the Hong Kong Federation of Women. An accountant by training, Ms. Wong is a Fellow of the Hong Kong Institute of Certified Public Accountants and a Fellow of the Association of Chartered Certified Accountants. She is also an independent non-executive director of Luk Fook Holdings (International) Limited, Kerry Logistics Network Limited and SJM Holdings Limited, all of which are listed public companies in Hong Kong. Ms. Wong previously served as an independent non-executive director of Kerry Properties Limited, a listed public company in Hong Kong, until her retirement on 20 May 2024.



**Ms. Wong Yu Pok, Marina**





### DIRECTORS' PROFILE (Continued)

#### Independent Non-executive Directors (Continued)



**Mr. Wu King Cheong**

**Mr. Wu King Cheong**, *BBS, JP*, aged 74, was appointed on 17 January 2005, is an Independent Non-executive Director of the Company. He is also the Chairman of the Remuneration Committee, a member of the Audit Committee and the Nomination Committee of the Company. He is the Life Honorary Chairman of The Chinese General Chamber of Commerce and the Permanent Honorary President of both the Chinese Gold & Silver Exchange Society and the Hong Kong Securities Association Limited. Mr. Wu is currently an independent non-executive director of Henderson Land Development Company Limited ("Henderson Land"), Henderson Investment Limited, Miramar Hotel and Investment Company, Limited and Yau Lee Holdings Limited, all of which are listed public companies. Henderson Land has discloseable interests in the Company under the provisions of Part XV of the Securities and Futures Ordinance. Mr. Wu was awarded an Honorary Fellowship by Lingnan University in 2009.



**Mr. Chan Wai Yan, Ronald**

**Mr. Chan Wai Yan, Ronald**, aged 44, was appointed on 20 March 2023, is an Independent Non-executive Director of the Company. He is also a member of the Audit Committee of the Company. He is an independent non-executive director of Powerlong Commercial Management Holdings Limited and Lee & Man Paper Manufacturing Limited, both of which are listed public companies in Hong Kong. Mr. Chan founded Chartwell Capital Limited, an investment management company, in October 2007 and is currently the chief investment officer. He has been its responsible officer for Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance since November 2008 and February 2008, respectively. He has over 20 years of experience of investment experience. Mr. Chan has been appointed as a member of the Board of Directors of the Financial Services Development Council for a term of two years with effect from 17 January 2024. From July 2016 to July 2022, he served as a member of the Listing Committee of the Main Board and GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). From December 2017 to December 2021, Mr. Chan was an independent non-executive director of Wine's Link International Holdings Limited, whose shares are listed on GEM of the Stock Exchange. Mr. Chan obtained a Bachelor of Science degree in finance and accounting from the Leonard N. Stern School of Business at New York University in the United States in May 2002.

### SENIOR MANAGEMENT'S PROFILE

The Senior Management of the Company is as follows:

|                             |  |
|-----------------------------|--|
| Mr. Leung Shu Keung, Brian  | Internal Audit Manager                 |
| Mr. Wong Kam Chuen, Terence | General Manager – Finance and Accounts |
| Mr. Chow Tung Ming          | Company Secretary                      |

**Mr. Leung Shu Keung, Brian**, BA, CIA, CRMA, CFE, PgD, aged 63, is the Internal Audit Manager of the Company. He joined the Company in 1992 and has over 35 years of experience in accounting, auditing and management assurance.

**Mr. Wong Kam Chuen, Terence**, MCF, BA(Hons), FCCA, CPA, ACG, HKACG, aged 56, has been the General Manager of Finance and Accounts Department of the Company since 2022. He joined the Company in 1995 and has over 20 years of experience in accounting, auditing and corporate finance.

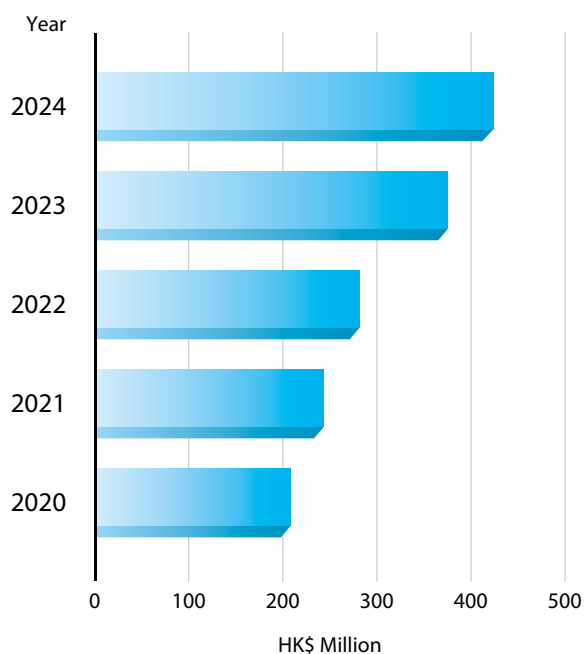
**Mr. Chow Tung Ming**, BBA(Law), LLB, Solicitor, FRM, CFA, aged 42, joined the Company in October 2023 and has been appointed as the Company Secretary of the Company since 8 December 2023. Mr. Chow is a solicitor of the High Court of Hong Kong and has more than 15 years of legal experience, particularly in corporate finance, regulatory compliance, company secretarial and commercial areas.

# FINANCIAL HIGHLIGHTS

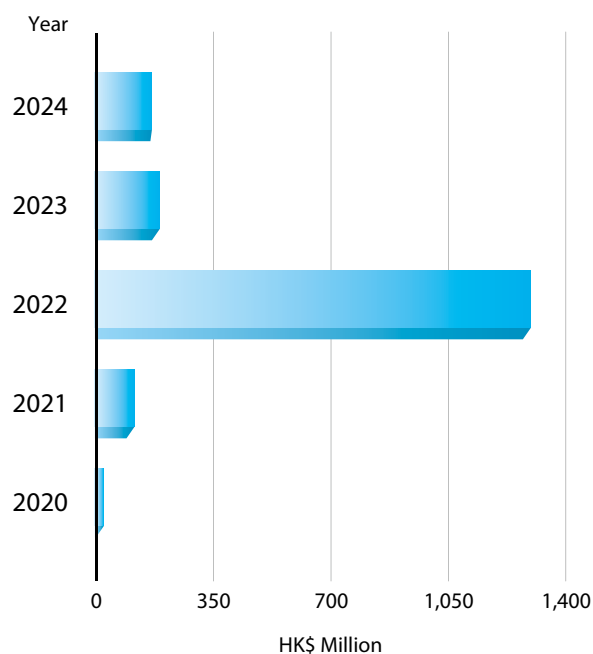


|                                     |       | 2024  | 2023  | Change |
|-------------------------------------|-------|-------|-------|--------|
| Revenue                             | HK\$M | 423   | 375   | +12.8% |
| Profit attributable to shareholders | HK\$M | 164   | 190   | -13.7% |
| Dividends                           | HK\$M | 89    | 89    | –      |
| Shareholders' funds                 | HK\$M | 7,063 | 6,971 | +1.3%  |
| Basic earnings per share            | HK\$  | 0.46  | 0.53  | -13.2% |
| Dividend per share                  | HK\$  | 0.25  | 0.25  | –      |
| Dividend cover                      | Times | 1.8   | 2.1   | -14.3% |
| Return on equity                    | %     | 2.3   | 2.7   | -14.8% |
| Net assets per share                | HK\$  | 19.80 | 19.55 | +1.3%  |

Group Revenue



Profit attributable to shareholders



## **THE SYMPHONIE**

**(280 TUNG CHAU STREET,  
CHEUNG SHA WAN)  
REDEVELOPMENT PROJECT**

The Group's redevelopment project "The Symphonie" in Cheung Sha Wan, with a residential gross floor area of about 100,698 square feet, provides 262 residential units. Due to the improvement in the rental market in Hong Kong, rental yields have increased. On 12 March 2025, a wholly-owned subsidiary of the Company entered into a legally binding memorandum of understanding ("MOU") with a prominent non-profit making organisation (the "Intending Tenant") in relation to the leasing of all 262 residential units in the two towers of The Symphonie at Tung Chau Street to the Intending Tenant for a medium-term tenure at market rental with expected rent commencement date in the first half of this year. The transactions contemplated under the MOU are conditional upon the obtaining of the approval from the Urban Renewal Authority as the grantee of the government lease.



## **THE ROYALE**

**(8 CASTLE PEAK ROAD –  
CASTLE PEAK BAY, TUEN MUN)  
JOINT VENTURE  
DEVELOPMENT PROJECT**

The Group has already delivered to buyers the 1,748 residential units sold. Some of the residential units are arranged for lease to increase the Group's revenue.





**I am pleased to present to the shareholders on behalf of the Board my report on the business results of the Group for the year ended 31 December 2024.**

**Dr. Lam Ko Yin, Colin**

Chairman

## BUSINESS RESULTS

During the year under review, the Group's underlying profit for the year ended 31 December 2024 was HK\$158 million, representing an increase of approximately 10% from the same period last year. Taking into account the fair value change of the investment properties, consolidated profit after taxation for the year under review decreased by approximately 14% to approximately HK\$160 million as compared with the same period of 2023. Earnings per share for the year was HK\$0.46 (2023: HK\$0.53).

## DIVIDENDS

The Board of Directors (the "Board") has recommended the payment of a final dividend for the year ended 31 December 2024 of HK15 cents per share (2023: final dividend of HK15 cents per share). Subject to shareholders' approval at the annual general meeting to be held on Friday, 30 May 2025, the final dividend will be paid on Monday, 23 June 2025 to shareholders whose names appear on the Register of Members of the Company on Friday, 6 June 2025. The final dividend, together with the interim dividend of HK10 cents per share already paid, will make a total distribution of HK25 cents for the full year.

## BUSINESS REVIEW

During the year under review, the Group's operating profit was mainly derived from the rental income from shops and commercial arcades as well as interest income from banks. The Group had no borrowings.

### Property Development and Investment Operations

In 2024, the rental income arising from the commercial arcades of the Group amounted to approximately HK\$125 million. As at 31 December 2024, the commercial arcades of The Spectacle and Metro6 were fully let. The occupancy rate of the commercial arcade of Shining Heights was 95%. The occupancy rates of commercial arcades of Metro Harbour Plaza and Green Code Plaza were 93% and 86% respectively.

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

The Group has already delivered to buyers the 1,748 residential units sold. Some of the residential units are arranged for lease to increase the Group's revenue.

**BUSINESS REVIEW (Continued)****The Symphonie (280 Tung Chau Street, Cheung Sha Wan) Redevelopment Project**

The Group's redevelopment project "The Symphonie" in Cheung Sha Wan, with a residential gross floor area of about 100,698 square feet, provides 262 residential units. Due to the improvement in the rental market in Hong Kong, rental yields have increased. On 12 March 2025, a wholly-owned subsidiary of the Company entered into a legally binding memorandum of understanding ("MOU") with a prominent non-profit making organisation (the "Intending Tenant") in relation to the leasing of all 262 residential units in the two towers of The Symphonie at Tung Chau Street to the Intending Tenant for a medium-term tenure at market rental with expected rent commencement date in the first half of this year. The transactions contemplated under the MOU are conditional upon the obtaining of the approval from the Urban Renewal Authority as the grantee of the government lease.

**Ferry, Shipyard and Related Operations**

During the year under review, the Ferry, Shipyard and Related Operations recorded a deficit of HK\$8 million, an increase of 4% as compared to the deficit in the year 2023. The Group has applied to the Transport Department for a fare increase for the "North Point – Kwun Tong" dangerous goods vehicular ferry service, and believes that the overall operation loss will be alleviated. With the opening of the western section of the East Coast Boardwalk in North Point, the Group will discuss with the Hong Kong Government the optimisation of the North Point Pier facilities in order to provide a better experience for passengers of the Harbour Cruise – Bauhinia and citizens using the North Point harbourfront.

**Healthcare, Medical Aesthetic and Beauty Services**

The number of customers of the "AMOUR" medical aesthetic clinic located at Mira Place, Tsim Sha Tsui, with a floor area of about 12,000 square feet, has increased continuously since its opening. The turnover for the year ended 31 December 2024 was HK\$32 million, an increase of 138% compared with the same period last year. As at 31 December 2024, HK\$15 million was recorded as payments



*The Symphonie*

received for prepaid packages, which in accordance with standard accounting practices had not been included in the income statement of the year under review. On the occasion of its second anniversary, the "AMOUR" medical aesthetic clinic will expand its business, increasing the usable area of the clinic to provide clients with higher quality medical aesthetic services.

The Group is currently providing specialised services in cardiology, surgery, orthopedics, plastic surgery, rheumatology and urology under the brand "Total HealthCare Specialists Centre" at H Zentre in Tsim Sha Tsui. The performance has been steadily on the rise and net profits have continued to be recorded during the year under review. The Group also discusses with specialist doctors, specialist clinics, and medical equipment and product suppliers for cooperation from time to time to seek expansion in the medical specialties business.

The Group's pain treatment businesses at Mira Place, Tsim Sha Tsui and Metro Harbour Plaza, Tai Kok Tsui respectively are gradually getting on track. The Hong Kong Government is actively promoting public health, and its reform measures for the medical system are increasingly focused on disease prevention. In view of this, the Group has introduced advanced medical equipment in conjunction with professional registered chiropractors and sports therapists, to provide personalised treatment plans for pain-suffering patients, which helps improve the health of customers.



### PROSPECTS

The United States Federal Reserve maintained the interest rate in the range of 4.25%–4.5% in early 2025 to observe inflation trends. Following the change of administration, the United States Government imposed additional tariffs on goods from multiple countries, prompting various nations to propose corresponding countermeasures. This led to escalation of trade tension and increase of global economic uncertainties.

In 2024, the price index of private residential properties in Hong Kong decreased by approximately 7.1% year-on-year, marking three consecutive years of decline since 2022. Given the continued sluggish prices of all types of properties, the Chief Executive announced in the 2024 Policy Address that the maximum loan to value ratio for residential properties would be adjusted to 70%, while the maximum debt servicing ratio would be adjusted to 50%. The maximum loan to value ratio and debt servicing ratio for non-residential properties would also be adjusted to the respective same levels. The Financial Secretary also announced in the 2025–26 Budget a reduction in stamp duty for purchasing residential properties at lower values, raising the maximum value of properties chargeable to HK\$100 stamp duty from HK\$3 million to HK\$4 million. This series of relaxation measures will help strengthen the confidence of investors and users in the property market and promote the recovery of healthy development in the property market.

The Hong Kong Government has launched various talent schemes. By the end of 2024, around 180,000 talents and their families had arrived in Hong Kong. The Hong Kong Government is also actively promoting development of an international hub for post-secondary education, establishing the “Study in Hong Kong” brand to attract mainland and international students to study in Hong Kong. The increase in the number of new talents and their families arriving Hong Kong, along with international students, has increased the demand for residential property rentals. The rental index of private residential property in Hong Kong rose by approximately 3.9% year-on-year in 2024. In view of the strong demand in the residential rental market, the Group adjusted its strategy and sought to lease out the entire “The Symphonie” project for stable rental income.

Hong Kong citizens are keen to go north for consumption and travel overseas during holidays, leading to a direct impact on the retail and catering industries, with a decrease in patronage and a decline in sales performance. To mitigate the effects of changes in consumption habits among Hong Kong citizens, in addition to extending the Individual Visit

Scheme for Hong Kong and Macau to eight more mainland cities in May 2024, the Central Government announced the resumption and expansion of the multiple-entry Individual Visit Scheme for Shenzhen residents in December 2024, adding new momentum to Hong Kong’s tourism, catering and retail industries. Hong Kong will host a number of international events and large-scale activities this year, including the opening of the Kai Tak Sports Park, multiple large-scale art exhibitions, concerts by famous artists, as well as the hosting of 8 competitive events of the 15th National Games, which will attract mainland and foreign tourists to Hong Kong for consumption, promoting local economic development.

It is expected that the income from rental properties, together with bank interest income, will continue to be the major sources of revenue of the Group in the year 2025. The Group will adopt a flexible leasing policy to retain existing tenants and attract new ones. As deposit interest rates are at a relatively high level, the Group holds ample cash on hand with no borrowings and is able to maintain stable operations, waiting for new investment opportunities.

### PASSING OF DR. THE HONOURABLE LEE SHAU KEE

Dr. the Honourable Lee Shau Kee passed away on 17 March 2025. Dr. Lee served as a Director of the Company during the period 1981–2020 and pioneered in the development of the property business, laying a solid foundation. The Board would like to express its deepest condolences on his passing.

### ACKNOWLEDGEMENT

Mr. Lau Yum Chuen, Eddie will step down from his position of Non-executive Director of the Company at the conclusion of the Annual General Meeting to be held on 30 May 2025. The Board would like to express its sincere gratitude to Mr. Lau for his contribution to the Company over the past 37 years.

On behalf of the shareholders and the Board, I would like to take this opportunity to express our appreciation to all our staff for their dedication and hard work during the year.

**Dr. Lam Ko Yin, Colin**  
*Chairman*

Hong Kong, 18 March 2025

# MANAGEMENT DISCUSSION AND ANALYSIS



The following comments should be read in conjunction with the Audited Consolidated Financial Statements of the Company and the related notes to the financial statements.

## REVIEW OF RESULTS

The Group's revenue for the year amounted to approximately HK\$423 million, representing an increase of 12.9% when compared with the previous year. This was mainly attributable to the increase of revenue from ferry, shipyard as well as healthcare, medical aesthetic and beauty services.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As of 31 December 2024, shareholders' funds of the Group showed an increase of around 1.3% as compared to the previous year and amounted to HK\$7,063 million. The increase was mainly the net effect of the profit realised from property leasing and the deduction of the dividend payments.

There was no change to the capital structure of the Group during the year. Funding for the Group's activities during the year under review was mainly generated from the property leasing and other operations.

Current assets of the Group were recorded at HK\$3,867 million and the current liabilities were HK\$228 million as

of 31 December 2024. Current ratio of the Group had been increased to 17.0 as at 31 December 2024, mainly attributed to the increase in trade and other receivables as well as cash and bank balance.

## GEARING RATIO AND FINANCIAL MANAGEMENT

As the Group had no borrowings as at 31 December 2024, no gearing ratio, which is calculated on the basis of bank borrowing as a ratio of the Group's shareholders' fund, was 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 31 December 2024, the number of employees of the Group stood at about 300 (2023: about 284). Total employees' costs for the year amounted to approximately HK\$141 million. The remuneration packages to employees were commensurate 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.



# REPORT OF THE DIRECTORS



The directors have pleasure in submitting their Annual Report together with the audited financial statements for the year ended 31 December 2024.

## PRINCIPAL PLACE OF BUSINESS

Hong Kong Ferry (Holdings) Company Limited (the “Company”) is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 98 Tam Kon Shan Road, TYTL 102, Ngau Kok Wan, North Tsing Yi, New Territories, Hong Kong.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are property development, property investment, ferry, shipyard and related operations, healthcare, medical aesthetic and beauty services and securities investment.

The analysis of the principal activities of the Company and its subsidiaries (the “Group”) during the financial year is set out in note 3 to the financial statements on pages 136 to 140 of this Annual Report.

## BUSINESS REVIEW

A review of the business of the Group during the year is provided in Management Discussion and Analysis on page 15 and the Chairman’s Statement on pages 12 to 14 of this Annual Report. A discussion on the Group’s future business development is provided in the Chairman’s Statement on pages 12 to 14 of this Annual Report. Description of the principal risks and uncertainties that the Group may be facing can be found in the Chairman’s Statement on pages 12 to 14 and the sub-section headed “Risk Management and Internal Control” of Corporate Governance Report on pages 40 to 43 of this Annual Report. Financial risk management of the Group can be found in note 24 to the financial statements on pages 178 to 182 of this Annual Report. An analysis of the Group’s performance during the year using financial key performance indicators is provided in the Financial Highlights on page 10 and Five Years’ Financial Summary on pages 189 and 190 of this Annual Report respectively.

Discussions on the Group’s environmental policies and performance, and relationships with its key stakeholders which have a significant impact on the Group can be found in this Report of Directors on pages 16 to 19 and the Group’s strategy for managing climate-related risks and opportunities can be found in the sub-sections headed “Climate Resilience and Adaptation” and “Summary of Climate-related Risks and Opportunities” contained in the Environmental, Social and Governance (“ESG”) Report on pages 86 to 91 of this Annual Report. These discussions form part of this Report of the Directors.

## Discussion on Environmental Policies and Performance

In alignment to Hong Kong’s Climate Action Plan 2050 and commitments made during the 29th United Nations Climate Change Conference, the Group is dedicated to environmental stewardship. We aim to reduce our carbon footprint while enhancing the climate resilience of our operations.

The Group’s Climate Change Policy encourages our suppliers, consultants, contractors and business partners to reduce carbon emissions and energy consumption in their daily operations, incorporates climate change considerations into our procurement process and encourages the use of low carbon, low embodied-energy and energy efficient products and materials. The Group’s Environmental Policy fosters environmental awareness in our decision-making and operating practices, gives priority to environmentally-friendly designs, materials and construction approach, and favours consultants, contractors, and suppliers who follow environmentally-friendly practices in providing their designs, services and products. During the reporting year, the Group engaged external expert to conduct risk assessment exercise to identify key climate-related risks and opportunities with potential market impacts, potential financial implications and measures for mitigating these risks.

**BUSINESS REVIEW (Continued)****Discussion on Environmental Policies and Performance (Continued)**

The Group has set the target of reducing the Group's greenhouse gas emissions by 30% by 2030 compared with the 2021 baseline. From 2011 onwards, annual energy audits have been conducted at our two most fuel-intensive subsidiaries as part of the Energy and Carbon Management Programme. Initiatives taken include the installation of rooftop solar panels and wall-mounted solar lights with an adjustable solar receiver and turn-on sensors, replacement of traditional Tungsten light bulbs in our ferries' main deck to LED bulbs and installation of electric vehicle charging systems in the parking area within our premises, increasing energy efficiency during our business operations. During the reporting year, the Group made strides in transitioning to cleaner transportation option by purchasing electric vehicle to replace traditional one.

In property development and investment operations, the Group adopts green building standards and incorporates sustainability considerations into the design and construction phases of our projects. Our managed properties proactively participate in environmental campaigns that support climate action. This engagement not only raises community awareness but also cultivates a culture of sustainability among residents and stakeholders, contributing to the collective efforts in combating climate challenges.

As part of our resource conservation efforts, rainwater harvesting tanks have been installed to collect rainwater for vehicle washing, floor cleaning and irrigation purposes. We place emphasis on the reuse and recycling of waste materials and other useful resources before considering disposing them in landfill. In our cruise business, apart from the provision of a green dining menu for customers, an onshore sewage system was in place to avoid the direct discharge of 2,228 litres of wastewater into the harbour during the reporting year. The properties developed by us, Metro Harbour Plaza and Green Code Plaza, have both obtained Indoor Air Quality Certificates (Good Class), and have received accolades for water quality management efforts. In addition, both properties participated in Energy Saving Charter 2024 and Programme on Source Separation of Commercial and Industrial Waste. These environment protection activities advanced our commitment to achieving sustainable goals.

Looking ahead, the Group will continue to evaluate its exposure to climate risks and opportunities, ensuring that sustainability remains an important aspect of its operations.

**Relationships with Employees, Customers, Suppliers and Community**

Along our journey towards sustainable development, we aim to adopt ethical practices and consider the interests of our key stakeholders. We maintain open lines of communications with our employees, customers and suppliers, and address their needs and concerns. We are committed to contributing positively to the community in which we operate and creating a beneficial social impact alongside our business objectives.

**Employees**

Emphasising our core value of "Putting People First", we care about our employees' well-being and aim to provide a supportive, inclusive and safe workplace. We offered competitive salaries and benefits based on their work experience and responsibilities. Our commitment to employee development is reflected in our extensive training programs. During the reporting year, our staff received approximately 4,410 hours of training in total.

We encourage participation in wellness initiatives, such as the "Cooling Relief" event, which includes providing free ice cream to employees during the summer. In addition, we organised events like providing Mid-Autumn tea gift boxes to employees, fostering family bonding and relaxation while fostering cultural appreciation and engagement. Our Christmas party celebrates employee dedication with a joyful atmosphere.

Recognizing the importance of safety and security of our employees, we have arranged health and wellness initiatives. Examples include the "Massage Experience Day" and seminars addressing health topics like Respiratory Syncytial Virus. Our approach to occupational health and safety is demonstrated through our safety management system, which features regular safety meetings and drills, inspections and the work of our Safety Committee who is dedicated to ongoing enhancement of our safety practices.

In facilitating a healthy work-life balance, we organize staff gatherings and events, including birthday parties, autumn travel, Christmas party and other employee gatherings which foster camaraderie among colleagues.

By engaging in community and industry initiatives, we aim to attract and retain talent while promoting the overall well-being of our workforce. Together, we strive for a brighter future where both our employees and the Group can thrive.



### BUSINESS REVIEW (Continued)

#### Customers

The Group is committed to delivering high-quality and responsible products and services to our customers. Our ferry, shipyard and Harbour Cruise - Bauhinia operations adopts the ISO 9001:2015 Quality Management System to ensure accountability for our quality standards. To gauge customer satisfaction and align our business strategies with their expectations, we conduct customer satisfaction surveys, including our quarterly Docking Repair Service Customer Satisfaction Survey and bi-annual On-Time Maintenance Services survey. Our Harbour Cruise - Bauhinia operation has achieved a customer satisfaction rate of over 90% for 10 consecutive years. During the reporting year, we received no material complaints relating to product and service quality.

We prioritise customer data privacy and comply with relevant material intellectual property rights regulations. The Group has established policy to guide employees on customer privacy. Our commitment to uphold ethical behaviour is foundational to our operations and strengthens our relationship with customers.

#### Suppliers

To maintain the quality of our services and to ensure smooth operations, we have implemented stringent management practices in supplier assessment and procurement processes. The Code of Conduct outlines our requirements on ethical standards, labour rights and environmental practices. We keep reviewing the performance of our suppliers and contractors through our Supplier Evaluation Report and supplier performance review to enhance consistent service quality. The Group has maintained an overall local procurement rate of over 80% for 9 consecutive years, which demonstrates our continuous support to the local economy. During the reporting year, our Harbour Cruise - Bauhinia business, medical aesthetic clinic and premium beauty service centre sourced 100% locally from Hong Kong suppliers.

Our property development operations conduct safety audits, while our other operations conduct supplier evaluations to identify areas of concern and recommend remedial actions. These allow us to identify areas for improvement and maintain consistent service quality. To promote sustainability throughout our supply chain, we have incorporated ESG-related supplier certifications in our supplier review process by considering energy audit, carbon audit and Global Reporting Initiative as factors that may affect our supplier selection.

#### Community

As a responsible corporate citizen, the Group is committed to creating a positive impact on the local community. During the reporting year, we reinforced our commitment to social responsibility through various charitable projects and community activities aiming at supporting underprivileged groups.

Guided by our board and senior management, we embrace the principles of “Love Hong Kong”, “Love Victoria Harbour” and “Care for the People” as integral part of our corporate culture.

We have collaborated with various law enforcement authorities including the Hong Kong Police Force, and in 2024, launched the new anti-deception ferry “Ping On” to raise public awareness about scam prevention.

Our involvement in community events extended to, among others, the GBA Walk 2024 Hong Kong that promotes greenway activities and the SAHK Charity Walk 2024 to raise funds for SAHK for its diverse educational and rehabilitation services. In addition, we continued to support the Strive and Rise Programme and invited trainees to visit our shipyard and board the Harbour Cruise - Bauhinia, offering them opportunities to gain maritime knowledge and understanding on the Group's operations.

In alignment with our commitment to environmental sustainability and community well-being, our Corporate Volunteer Team participated in a number of volunteer activities. The Company was honoured to receive “Corporate – Top 10 Highest Volunteer Hour Award (100–999 full-time employees)” at the Hong Kong Volunteer Award 2024. This award serves as a recognition to our colleagues for their heartfelt contribution to the community.

Through these initiatives, we strive to create long-term shared value for the community, promote social inclusion, and enhance the well-being of those in need.

## BUSINESS REVIEW (Continued)

### Compliance Status with Relevant Laws and Regulations that have a Significant Impact on the Business

No reported cases of non-compliance with applicable laws and regulations in Hong Kong on the environment, employment, anti-corruption, customer privacy and intellectual property took place during the reporting year that had a significant impact on the Group.

### MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's purchases attributable to the major suppliers during the year is as follows:

|                                     | Percentage of<br>the Group's<br>total purchases |
|-------------------------------------|---|
| The largest supplier                | 8.9%  |
| Five largest suppliers in aggregate | 34.5%   |

No analysis in respect of the Group's major customers is shown as the percentage of revenue attributable to the Group's five largest customers is less than 30%.

Apart from the foregoing, at no time during the year have the directors, their associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the number of issued shares of the Company) had any interest in these major customers and suppliers.

### SUBSIDIARIES

Details of the principal subsidiaries of the Company at 31 December 2024 are set out in note 12 to the financial statements on page 155 of this Annual Report.

### FINANCIAL STATEMENTS AND DIVIDENDS

The profit of the Group for the year ended 31 December 2024 and the financial position of the Group at that date are set out in the financial statements on pages 110 to 188 of this Annual Report.

An interim dividend of HK10 cents per share (2023: HK10 cents per share) was paid on 27 September 2024. The Board of Directors of the Company (the "Board") has recommended the payment of a final dividend for the year ended 31 December 2024 of HK15 cents per share (2023: HK15 cents per share). Subject to shareholders' approval at the annual general meeting to be held on Friday, 30 May 2025 (the "2025 annual general meeting"), the final dividend will be paid on Monday, 23 June 2025 to shareholders whose names appear on the Register of Members of the Company on Friday, 6 June 2025. The final dividend, together with the interim dividend of HK10 cents per share already paid, will make a total distribution of HK25 cents for the full year.

### CHARITABLE DONATIONS

Charitable donations made by the Group during the year amounted to HK\$79,000 (2023: HK\$68,150).

### SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in note 23 to the financial statements on pages 176 to 178 of this Annual Report.

### DIRECTORS

As at the date of publication of this Annual Report, the Directors of the Company are:

#### Executive Directors

Dr. Lam Ko Yin, Colin (*Chairman of the Board*)  
Mr. Li Ning  
Mr. Lee Gabriel (*Group General Manager*)

#### Non-executive Directors

Mr. Au Siu Kee, Alexander  
Mr. Lau Yum Chuen, Eddie

#### Independent Non-executive Directors

Mr. Ho Hau Chong, Norman  
Ms. Wong Yu Pok, Marina  
Mr. Wu King Cheong  
Mr. Chan Wai Yan, Ronald





### DIRECTORS (Continued)

The list of directors of the subsidiaries of the Company during the year and up to the date of this Annual Report is kept at the registered office of the Company and available for inspection by the shareholders during office hours.

In accordance with Article 103(A) of articles of association of the Company (the “Articles of Association”) and Corporate Governance Code (the “Code”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), Dr. Lam Ko Yin, Colin, Mr. Lau Yum Chuen, Eddie and Mr. Ho Hau Chong, Norman shall retire by rotation at the 2025 annual general meeting. Mr. Lau Yum Chuen, Eddie, being advanced in age, has decided not to offer himself for re-election and will retire as a Non-executive Director of the Company with effect from the conclusion of the 2025 annual general meeting while other retiring Directors, Dr. Lam Ko Yin, Colin and Mr. Ho Hau Chong, Norman, being eligible, offer themselves for re-election. Mr. Ho Hau Chong, Norman, an Independent Non-executive Director, has served the Company for more than nine years. Pursuant to the Code, his re-election shall be subject to a separate resolution to be approved by the shareholders at the 2025 annual general meeting.

The Company has received from each of Mr. Ho Hau Chong, Norman, Ms. Wong Yu Pok, Marina, Mr. Wu King Cheong and Mr. Chan Wai Yan, Ronald, Independent Non-executive Directors, an annual confirmation of his/her independence and the Company considered that all of them are independent.

### BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and Senior Management are set out in the Directors’ and Senior Management’s Profile on pages 4 to 9 of this Annual Report.

### DIRECTORS’ AND CHIEF EXECUTIVE’S EMOLUMENTS

Details of the Directors’ and Chief Executive’s emoluments are set out in note 7 to the financial statements on page 145 of this Annual Report.

Details of the emoluments of the five highest paid individuals and senior management of the Group are set out in note 8 to the financial statements on page 146 of this Annual Report.

### DIRECTORS’ INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Except for the “Connected Transactions” as disclosed in this Report of the Directors, no other transactions, arrangement or contracts of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a Director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

### DIRECTORS’ SERVICE CONTRACTS

None of the Directors proposed for re-election at the 2025 annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Company within one year without payment other than statutory compensation.

### PERMITTED INDEMNITY PROVISION

According to the Articles of Association, every Director or other officers of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities to the fullest extent permitted by the Companies Ordinance, Chapter 622 of the Laws of Hong Kong which he/she may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto. The Company has arranged appropriate Directors’ and officers’ liability insurance coverage for the Directors and officers.

## DISCLOSURE OF INTERESTS

### Directors' Interests in Securities

As at 31 December 2024, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules were as follows:

#### Shares and underlying shares (Long positions)

|                           | THE COMPANY                                   |  |   |  | Approximate percentage of the total number of issued shares |
|---------------------------|---|--|---|--|---|
|                           | Interest in shares                            |  |   |  |   |
|                           | Personal Interests<br><i>Number of Shares</i> | Corporate Interests<br><i>Number of Shares</i> | Family Interests<br><i>Number of Shares</i> | Total Interests<br><i>Number of Shares</i> |   |
| Name of Director          |   |  |   |  |   |
| Dr. Lam Ko Yin, Colin     | 150,000                                       | —  | —   | 150,000                                    | 0.04%   |
| Mr. Li Ning               | —   | —  | 119,017,090<br><i>(Note 4)</i>              | 119,017,090                                | 33.41%  |
| Mr. Lee Gabriel           | 180,000                                       | —  | —   | 180,000                                    | 0.05%   |
| Mr. Au Siu Kee, Alexander | —   | —  | —   | —  | 0.00%   |
| Mr. Lau Yum Chuen, Eddie  | —   | —  | —   | —  | 0.00%   |
| Mr. Ho Hau Chong, Norman  | 3,313,950                                     | —  | —   | 3,313,950                                  | 0.93%   |
| Ms. Wong Yu Pok, Marina   | —   | —  | —   | —  | 0.00%   |
| Mr. Wu King Cheong        | —   | —  | —   | —  | 0.00%   |
| Mr. Chan Wai Yan, Ronald  | —   | —  | —   | —  | 0.00%   |



## DISCLOSURE OF INTERESTS (Continued)

### Directors' Interests in Securities (Continued)

#### Shares and underlying shares (Long positions) (Continued)

|                      |  | 2OK COMPANY LIMITED                         |   |
|----------------------|--|---|---|
|                      |  | Family Interests<br><i>Number of Shares</i> | Approximate<br>percentage<br>of the total<br>number of<br>issued shares |
| Name of Director     |  |   |   |
| Mr. Li Ning (Note 6) |  | 5   | 50.00%  |

|                      |  | WINWIDE LIMITED                             |   |
|----------------------|--|---|---|
|                      |  | Family Interests<br><i>Number of Shares</i> | Approximate<br>percentage<br>of the total<br>number of<br>issued shares |
| Name of Director     |  |   |   |
| Mr. Li Ning (Note 7) |  | 70  | 70.00%  |

Other than as stated above, no director or chief executive of the Company had any interest or short position, whether beneficial or non-beneficial, in the shares (in respect of positions held pursuant to equity derivatives), underlying shares and debentures of the Company or any of its associated corporations as at 31 December 2024.

## DISCLOSURE OF INTERESTS (Continued)

## Substantial Shareholders and Others

As at 31 December 2024, the interests in ordinary shares of the Company of every person as recorded in the register required to be kept under Section 336 of the SFO were as follows:

|  | Number of shares<br>in which interested | Approximate<br>percentage<br>of the total<br>number of<br>issued shares |
|--|---|---|
| <b>Substantial Shareholders</b>                              |   |   |
| Henderson Land Development Company Limited ( <i>Note 1</i> ) | 119,017,090                             | 33.41%  |
| Pataca Enterprises Limited ( <i>Note 1</i> )                 | 119,017,090                             | 33.41%  |
| Wiselin Investment Limited ( <i>Note 1</i> )                 | 48,817,090                              | 13.70%  |
| Henderson Development Limited ( <i>Note 2</i> )              | 119,017,090                             | 33.41%  |
| Hopkins (Cayman) Limited ( <i>Note 3</i> )                   | 119,017,090                             | 33.41%  |
| Rimmer (Cayman) Limited ( <i>Note 3</i> )                    | 119,017,090                             | 33.41%  |
| Riddick (Cayman) Limited ( <i>Note 3</i> )                   | 119,017,090                             | 33.41%  |
| Dr. Lee Shau Kee ( <i>Note 5</i> )                           | 119,816,310                             | 33.63%  |
| <b>Persons other than Substantial Shareholders</b>           |   |   |
| Graf Investment Limited ( <i>Note 1</i> )                    | 23,400,000                              | 6.57%   |
| Mount Sherpa Limited ( <i>Note 1</i> )                       | 23,400,000                              | 6.57%   |
| Paillard Investment Limited ( <i>Note 1</i> )                | 23,400,000                              | 6.57%   |





### DISCLOSURE OF INTERESTS (Continued)

#### Notes:

1. These 119,017,090 shares included the 48,817,090 shares, 23,400,000 shares, 23,400,000 shares and 23,400,000 shares respectively beneficially owned by Wiselin Investment Limited, Graf Investment Limited, Mount Sherpa Limited and Paillard Investment Limited, all of which were subsidiaries of Pataca Enterprises Limited which in turn was a subsidiary of Henderson Land Development Company Limited ("HLD").
2. These 119,017,090 shares are duplicated in the interests described in Note 1. Henderson Development Limited ("HD") beneficially owned more than one-third of the total number of issued shares of HLD.
3. These 119,017,090 shares are duplicated in the interests described in Notes 1 and 2. Rimmer (Cayman) Limited ("Rimmer") and Riddick (Cayman) Limited ("Riddick") as trustees of the respective discretionary trusts held units in a unit trust (the "Unit Trust"). Hopkins (Cayman) Limited ("Hopkins") as trustee of the Unit Trust held all the issued ordinary shares, which carry the voting rights in the share capital of HD.
4. By virtue of the SFO, Mr. Li Ning was taken to be interested in these 119,017,090 shares as Mr. Li's spouse remained to be one of the discretionary beneficiaries of two discretionary trusts holding units in the Unit Trust. These 119,017,090 shares are duplicated in the interests described in Notes 1, 2 and 3.
5. Dr. Lee Shau Kee beneficially owned all the issued share capital of Rimmer, Riddick and Hopkins. By virtue of the SFO, Dr. Lee Shau Kee was taken to be interested in 119,017,090 shares which are duplicated in the interests described in Notes 1, 2 and 3. Together with his personal shareholding of 799,220 shares, Dr. Lee Shau Kee was taken to be interested in 119,816,310 shares (approximately 33.63% of the total number of issued shares of the Company) as at 31 December 2024.

Dr. Lee Shau Kee passed away on 17 March 2025 and his sons, each of Dr. Lee Ka Kit and Dr. Lee Ka Shing will inherit certain shares in Rimmer, Riddick and Hopkins. Rimmer and Riddick (the relevant trustees of the respective discretionary trusts) hold units in the Unit Trust but each is not entitled to any interest in its trust assets which are, in the ordinary course of business, held by Hopkins as trustee of the Unit Trust independently without any reference to shareholders of Hopkins, and each of Dr. Lee Ka Kit and Dr. Lee Ka Shing remains to be one of the discretionary beneficiaries of such discretionary trusts.

6. These 5 shares representing 50% equity interest in 2OK Company Limited (an associated company in which the Company through a subsidiary owned the remaining 50% interest) were beneficially owned by an indirect subsidiary of HLD. By virtue of the SFO, Mr. Li Ning was taken to be interested in these 5 shares in 2OK Company Limited as Mr. Li's spouse remained to be one of the discretionary beneficiaries of the two discretionary trusts holding units in the Unit Trust.
7. These 70 shares representing 70% equity interest in Winwide Limited (an associated company in which the Company through a subsidiary owned the remaining 30% interest) were beneficially owned by a company in which HD had 60% indirect interest and HLD had the remaining 40% indirect interest. By virtue of the SFO, Mr. Li Ning was taken to be interested in these 70 shares in Winwide Limited as Mr. Li's spouse remained to be one of the discretionary beneficiaries of the two discretionary trusts holding units in the Unit Trust.

Save as disclosed, as at 31 December 2024, the Company had not been notified of any other relevant interests or short positions in the shares or underlying shares of the Company.

### RESERVES

Profits attributable to shareholders, before dividend, of HK\$163,875,000 (2023: HK\$190,393,000) have been transferred to reserves. Details of other movements in reserves during the year are set out in note 23 to the financial statements on pages 176 to 178 of this Annual Report.

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

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

### ARRANGEMENT TO PURCHASE SHARES, WARRANTS, OPTIONS OR DEBENTURES

At no time during the year 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.

### EQUITY-LINKED AGREEMENTS

For the year ended 31 December 2024, the Company had not entered into any equity-linked agreements.

### FIVE YEARS' FINANCIAL SUMMARY

The five years' financial summary of the Group is set out on pages 189 and 190 of this Annual Report.

### GROUP PROPERTIES

A summary of the Group's properties is set out on pages 191 and 192 of this Annual Report.

### RETIREMENT PLANS

The Group's Hong Kong employees participate either in a defined benefit retirement scheme or a Mandatory Provident Fund scheme. Particulars of these retirement plans are set out in note 16 to the financial statements on pages 160 to 166 of this Annual Report.



## CONNECTED TRANSACTIONS

Pursuant to the transactions and arrangements entered into by the Group with persons who are connected persons for the purposes of the Listing Rules, the Group recorded the transactions as described in note 26 to the financial statements on pages 183 to 186 of this Annual Report.

### Connected Transactions/Continuing Connected Transactions

For the year ended 31 December 2024 and up to the date of this Annual Report, the Company and/or its subsidiaries have been entered into certain connected transactions/continuing connected transactions, with details below, which were subject to reporting and announcement requirements but were exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules:

| Date        | Connected Persons  | Transactions  |
|-------------|--|---|
| 9 June 2022 | Shahdan Limited ("Shahdan"), a wholly-owned subsidiary of Miramar Hotel and Investment Company, Limited ("Miramar") and an associate (as defined in the Listing Rules) of Henderson Land Development Company Limited ("HLD") | <p>Shahdan as landlord and Century Time Holdings Limited, a subsidiary of the Company, as tenant entered into a tenancy agreement dated 9 June 2022 (the "Tenancy Agreement") in respect of the leasing of Units Nos. 901-04 &amp; 18 on 9th Floor of Mira Place Tower A, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong for a term of three years from 10 June 2022 to 9 June 2025 at a monthly rental (exclusive of management fee, air-conditioning charges and Government rates) together with other ancillary charges.</p> <p>In accordance with the applicable Hong Kong Financial Reporting Standard, the Group recognised the rent payable under the Tenancy Agreement (being fixed payments) as an acquisition of right-of-use asset of capital in nature taking into account the carrying amount of such right-of-use asset, i.e. approximately HK\$16,730,000 recognised by the Group during the year ended 31 December 2022, having been measured on the basis of the discounted present value of the fixed rent payable by the Group under the Tenancy Agreement. Such acquisition of right-of-use asset constituted a one-off connected transaction of the Company under Chapter 14A of the Listing Rules. The management fees and air-conditioning charges payable by the Group to Shahdan (being variable payments) are being recognised as expenses in the Group's profit and loss accounts in the periods in which they are incurred, and the payment of such expenses is regarded as continuing connected transactions of the Company under Chapter 14A.31 of the Listing Rules.</p> <p>The aggregate management fees and air-conditioning charges (exclusive of Government rates) payable under the Tenancy Agreement are subject to the annual cap of HK\$1,600,000 for the period from 1 January 2024 to 31 December 2024.</p> <p>Details of the Tenancy Agreement and the annual caps were set out in the announcement of the Company dated 9 June 2022.</p> |

## CONNECTED TRANSACTIONS (Continued)

## Connected Transactions/Continuing Connected Transactions (Continued)

| Date         | Connected Persons  | Transactions  |
|--------------|--|---|
| 10 June 2022 | Henderson Property Agency Limited ("HPAL"), an indirect wholly-owned subsidiary of HLD | <p>World Fame Shipping Limited ("World Fame"), a wholly-owned subsidiary of the Company, and HPAL entered into a sales management agreement dated 10 June 2022 (the "Sales Management Agreement") for the appointment of HPAL as the sales manager to provide project sales and marketing services in respect of the comprehensively planned development of a site at The Remaining Portion of New Kowloon Inland Lot No. 6559 held by Urban Renewal Authority as the owner and World Fame as the developer (the "Proposed Development") for a term of three years commencing from the date of the first initial sale of any residential units of the Proposed Development at a sales fee equivalent to 0.5% of the gross proceeds of sale of such units (but excluding those sale and purchase agreements which were effected by third party sales agent(s)), subject to the annual cap of HK\$2,000,000 for the year ended 31 December 2024.</p> <p>Details of the Sales Management Agreement and the annual caps were set out in the announcement of the Company dated 10 June 2022.</p> |

Details of the above connected transactions/continuing connected transactions are set out in note 26 to the financial statements on pages 183 to 186 of this Annual Report.

The Independent Non-executive Directors of the Company have reviewed and confirmed that the above connected transactions/continuing connected transactions for the year ended 31 December 2024 have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) in accordance with the relevant agreements governing such transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits

or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued their unqualified letter containing the auditor's findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 26 and 27 of this Report of the Directors in accordance with Rule 14A.56 of the Listing Rules.

The auditor of the Company have also confirmed to the Board in writing that the above connected transactions/continuing connected transactions for the year ended 31 December 2024 (i) have received the approval of the Board; (ii) have been entered into in accordance with the relevant agreements governing the transactions; and (iii) have not exceeded the cap disclosed in the previous announcements.



### CORPORATE GOVERNANCE

The Company is committed to maintaining high standard of the corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 29 to 46 of this Annual Report.

### AUDIT COMMITTEE

The Audit Committee has reviewed the audited financial statements of the Group for the year ended 31 December 2024 and discussed with internal audit department and independent external auditor in respect of matters on auditing, internal control and financial reports of the Group.

### PUBLIC FLOAT

As at the date of this Report of the Directors, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

### AUDITOR

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditor of the Company is to be proposed at the 2025 annual general meeting.

On behalf of the Board

**Dr. Lam Ko Yin, Colin**  
*Chairman*

**Li Ning**  
*Director*

Hong Kong, 18 March 2025



## CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standard of corporate governance. The Board of Directors of the Company (the “Board”) is devoted to the ongoing enhancement of the corporate governance practices of the Company as the Board believes that good corporate governance practices are fundamental to the effective operation of a company and enhancement of shareholders’ value as a whole.

In the opinion of the Board, the Company had complied with the code provisions of the Corporate Governance Code (the “Code”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31 December 2024. The Board shall review and update its corporate governance practices from time to time to ensure its continuous compliance with the Code.

## CORPORATE CULTURE AND STRATEGY

With a commitment to maintaining rigorous standards of ethics and governance, the Board cultivates and fosters a corporate culture of integrity, growth, care and collaboration across all levels and in all aspects of operations, as befits the Group’s core values.

The Board defines, promotes and oversees such culture by ensuring its alignment and consistency with the Group’s business objectives, corporate strategies and future direction. The Group’s corporate culture is manifested in and reflected by a broad range of Group-wide policies, practices and procedures, including those relating to governance and compliance, whistleblowing, equal opportunity and diversity, employee welfare and benefits, and corporate social responsibility. Collectively, these established processes shape, sustain and drive the Group’s corporate culture.

The Company has been serving Hong Kong for over a century. Whether it is the Group’s ferry and shipyard businesses, its real estate development or healthcare, medical aesthetic and beauty services, the Group upholds the concept of “Putting People First”. The Group is committed to social development, giving back to the local community and setting sail together with the people of Hong Kong.

The three principles of “Love Hong Kong”, “Love Victoria Harbour” and “Care for the Community” are embedded in the corporate culture of the Group. As a responsible corporate citizen, the Group provides a helping hand to the needy through participating in various charity events. It makes use of its unique resources to give back to the community and create long-term value for Hong Kong.

## BOARD OF DIRECTORS

### Responsibility and Delegation

The Board is primarily responsible for considering and deciding on matters covering overall Group strategies, business and investment plans, major acquisitions and disposals, annual financial budgets, approval of annual reports and interim reports, announcements of annual results and interim results, dividend policy and payments, appointment of directors, oversight of management and evaluation of the effectiveness of the risk management and internal control systems of the Group including the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting functions and internal audit function, and their respective training programmes and budget, approval of major capital transactions and other significant operational and financial matters.

The functions reserved to the Board are basically provided by the articles of association of the Company (the “Articles of Association”) and the Board will from time to time delegate the functions to the management whenever required. The management of the Company is responsible for the day-to-day operations of the Company and implementation of strategies adopted by the Board.

The Board focuses its attention on matters affecting the Company’s long-term objectives, plans for achieving these objectives, the Group’s overall business and commercial strategy as well as overall policies and guidelines.

The Board has established Board Committees with written terms of references to assist in the efficient implementation of its functions, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. Specific responsibilities have been delegated to the above Board Committees.



### BOARD OF DIRECTORS (Continued)

#### Responsibility and Delegation (Continued)

Board meetings are held regularly four times a year and additional meetings will be held if necessary and when required to discuss significant matters or important issues. In order to meet tight time constraints and make timely decision for the Company's policies and businesses, Board approvals have also been sought by circulation of resolutions in writing from time to time in accordance with the Articles of Association. Directors' attendance by electronic means including telephone conferencing is counted as attendance at a physical Board meeting. The Company Secretary shall attend all regular Board meetings and additional meetings to advise on statutory compliance and corporate governance, when necessary.

According to the current Board practice, if a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter cannot be dealt with by a written resolution of the Board but will be dealt with by the Board at a duly convened Board meeting.

All Directors have been provided, on a monthly basis, with the Group's management information updates, balanced and understandable assessment of the Group's performance, position and budget in order to keep them abreast of the Group's affairs and facilitate them to discharge their duties under the relevant requirements of the Listing Rules.

The Board has adopted effective mechanisms and conducted review of such mechanisms on an annual basis to ensure independent views and input are available to the Board. Subject to the approval of the Chairman of the Board, Directors may seek, at the Company's expense, independent legal, financial or other professional advices as and when necessary in appropriate circumstances to enable them to discharge their responsibilities effectively.

There is no equity-based remuneration with performance-related elements to Independent Non-executive Directors as this may lead to bias in their decision-making and compromise their objectivity and independence.

During the year, the Chairman, even though he is an Executive Director, held a meeting with all Independent Non-executive Directors without the presence of the other two Executive Directors.

### BOARD COMPOSITION

The Board comprises nine Directors including three Executive Directors, two Non-executive Directors and four Independent Non-executive Directors. The names of the Directors of the Company are as follows:

#### Executive Directors

Dr. Lam Ko Yin, Colin (*Chairman of the Board*)

Mr. Li Ning

Mr. Lee Gabriel (*Group General Manager*)

#### Non-executive Directors

Mr. Au Siu Kee, Alexander

Mr. Lau Yum Chuen, Eddie

#### Independent Non-executive Directors

Mr. Ho Hau Chong, Norman

Ms. Wong Yu Pok, Marina

Mr. Wu King Cheong

Mr. Chan Wai Yan, Ronald

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in information of the Director of the Company since the date of the Interim Report 2024 and up to the date of this Annual Report required to be disclosed is as follows:

Mr. Lee Gabriel was admitted as a Fellow of The Hong Kong Institute of Directors on 27 August 2024.

The biographical details of the Directors are set out in the section headed "Directors' and Senior Management's Profile" on pages 4 to 9 of this Annual Report. A list of the Directors and their role and function is available on the Company's website ([www.hkf.com](http://www.hkf.com)) (the "Company's website") and HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) (the "HKEXnews website") respectively.

### BOARD COMPOSITION (Continued)

Dr. Lee Shau Kee and Mr. Li Ning are deemed as having substantial interests in the total number of the issued shares of the Company under Part XV of the Securities and Futures Ordinance (“SFO”). Dr. Lee Shau Kee is the father-in-law of Mr. Li Ning. Dr. Lee Shau Kee and Dr. Lam Ko Yin, Colin are executive directors of Henderson Land Development Company Limited (“HLD”). Mr. Wu King Cheong and Mr. Au Siu Kee, Alexander are independent non-executive directors of HLD. HLD has discloseable interests in the Company under the provisions of the SFO.

Save as disclosed above, there is no financial, business, family or other material or relevant relationship among the Directors.

### BOARD DIVERSITY POLICY

The Board approved and adopted the Board Diversity Policy setting out the approach to achieve diversity on the Board in August 2013 and revised the Board Diversity Policy in December 2018. The Nomination Committee of the Company has considered measurable objectives mainly on gender, age, professional experience and ethnicity to implement the Board Diversity Policy. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. The selection and recommendation of candidates will be based on the nomination procedures, process and criteria adopted by the Board and a range of diversity perspectives, which would include but not be limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Board is satisfied that its composition is appropriate considering the skills, experience and attributes of the Directors. The Nomination Committee will monitor the implementation of the Board Diversity Policy and review the Board Diversity Policy annually to ensure its continued effectiveness. The Board Diversity Policy can be found and accessible on the Company’s website.

### GENDER DIVERSITY

The Company has met gender diversity with the female representation in its Board. As at the date of this Annual Report, the Board has one female Director, the gender diversity has been achieved in respect of the Board. The percentages of male Directors and female Director are approximately 89% and 11% respectively. The Board will take opportunities to increase the proportion of female members over time when selecting and making recommendation on suitable candidates for Board appointment.

As at 31 December 2024, as set out in the section headed “Performance Data Summary” contained in the Environmental, Social and Governance (“ESG”) Report on pages 97 to 100 of this Annual Report, among the 300 employees (including senior management) of the Group, the percentages of male employees and female employees are approximately 58% and 42% respectively. The Board considers that the Group’s workforce (including senior management) is diverse in terms of gender.

### NOMINATION POLICY

The Board approved and adopted the Nomination Policy in December 2018 for identifying and evaluating candidates for nomination to the Board. The Nomination Policy aims to set out the principles which guide the Nomination Committee to identify and evaluate a candidate for nomination to (i) the Board for appointment or (ii) shareholders of the Company for election as a director of the Company. The Nomination Committee will also take into account the Board Diversity Policy and the Nomination Policy when identifying suitably qualified candidates for the Board and would review the Policies regularly to ensure their continuing effectiveness. The Nomination Policy sets out the criteria and procedures in making nominations, including but not limited to, skills, experience and professional expertise; diversity; commitment and standing. When the candidate to be nominated as an independent non-executive director, he/she must satisfy the independence criteria set out in Rule 3.13 of the Listing Rules. The Nomination Policy can be found and accessible on the Company’s website.



### APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Nomination Committee is responsible for reviewing the structure, size, diversity and composition of the Board, identifying and nominating suitable candidates to the Board, and making recommendations on any matters in relation to the appointment or re-appointment of members of the Board. Appointment of new Directors is reserved for the Board's approval.

The Nomination Committee ensures that the Board comprises members with mixed skills and experience with appropriate knowledge necessary to accomplish the Group's business development, strategies, operation, challenges and opportunities. The Nomination Committee takes into account the person's skills, qualifications and expected contributions to the Company before making any recommendations to the Board in relation to the appointment or re-appointment of members of the Board.

All Directors have formal letters of appointment setting out the key terms of their appointments. According to the Articles of Association, any Director newly appointed by the Board shall hold office until the next following general meeting of the Company (in case of filling a casual vacancy) or until the next following annual general meeting (in case of an addition to the Board) and shall then be eligible for re-election at that general meeting/annual general meeting.

The appointment of independent non-executive directors adheres to the guidelines for assessing independence as set out in Rule 3.13 of the Listing Rules.

In accordance with the Articles of Association, no Director shall hold office for a continuous period in excess of three years, or past the third annual general meeting, following the Director's appointment or re-election, whichever is the longer, without submitting for re-election at an annual general meeting of the Company.

In addition, at each annual general meeting, one-third of the Directors for the time being or, if their number is not three or a multiple of three, the number nearest to but not less than one-third, shall retire from office provided that every Director shall be subject to retirement by rotation at least once every three years.

The procedures for shareholders of the Company to propose a person for election as a Director are available and accessible on the Company's website and on the section headed "Procedures for Shareholders to Propose a Person for Election as a Director" in this Corporate Governance Report on page 46 of this Annual Report.

### CHAIRMAN AND GROUP GENERAL MANAGER

The roles of the Chairman of the Board and the Group General Manager of the Company are taken by two separate individuals who are not related to each other. The separation of the roles of the Chairman and the Group General Manager enables a clear division of responsibilities between the Chairman of the Board and the Group General Manager and also provides checks and balances.

The role of the Chairman of the Board is taken by Dr. Lam Ko Yin, Colin while the role of the Group General Manager (whose status is equivalent to chief executive officer for the purpose of the Code but not otherwise) is taken by Mr. Lee Gabriel, who was appointed as an Executive Director of the Company with effect from 3 January 2023. The key function of the Chairman is the management of the Board whereas the key function of the Group General Manager is the day-to-day management of the Company's business.

### NON-EXECUTIVE DIRECTORS

The Company has complied with the requirements under Rules 3.10(1) and 3.10A of the Listing Rules of having four Independent Non-executive Directors, representing more than one-third of the Board. Two of the Independent Non-executive Directors have the appropriate professional qualifications or accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

All Non-executive Directors including all Independent Non-executive Directors are eligible for re-appointment and subject to re-election on retirement by rotation in accordance with the Articles of Association.

## CONFIRMATION OF INDEPENDENCE

All Independent Non-executive Directors have been identified in all corporate communications that disclosed the names of Directors. The independence of each Independent Non-executive Director is assessed based on the independence criteria under Rule 3.13 of the Listing Rules. The Nomination Committee assessed the independence of all Independent Non-executive Directors having regard to the annual independence confirmation in respect of Rule 3.13 of the Listing Rules received from each of Mr. Ho Hau Chong, Norman, Ms. Wong Yu Pok, Marina, Mr. Wu King Cheong and Mr. Chan Wai Yan, Ronald and considered all of them met the guidelines for assessment of their independence as set out in Rule 3.13 of the Listing Rules.

The Nomination Committee and the Board noted that Mr. Ho Hau Chong, Norman is an executive director of Miramar Hotel and Investment Company, Limited ("Miramar") and a director of Wealth Team Development Limited ("Wealth Team"), which is an indirect subsidiary of HLD. Mr. Ho also has an indirect beneficial interest of 9.9% in all issued share capital of Wealth Team, but is not involved in the management and operations of Wealth Team. Miramar, Wealth Team and HLD are connected persons of the Company under the Listing Rules. In view of the fact that (i) Mr. Ho is not involved in the management and operations of Wealth Team; (ii) Mr. Ho does not have any material interests in any principal business activity of and is not involved in any material business dealings with the Company, or any of its subsidiaries or any core connected persons (as defined in the Listing Rules) of the Company, and (iii) both the management and the operations of Miramar Group and the Group are totally independent from each other, the Board in good faith considers that the independence of Mr. Ho as an Independent Non-executive Director of the Company is not in any way affected by his directorships in both Miramar and Wealth Team. Save as aforesaid, Mr. Ho has complied with other conditions as set out in Rule 3.13 of the Listing Rules.

The Nomination Committee and the Board also noted that Mr. Wu King Cheong is an independent non-executive director of each of HLD, Henderson Investment Limited ("Henderson Investment") and Miramar, and does not take part in the day-to-day management of the aforesaid companies. In view of Mr. Wu's independent scope of works in the past years, the Board considers Mr. Wu to be independent under Rule 3.13 of the Listing Rules despite he has served as a common director of HLD, Henderson Investment and Miramar. Also, Mr. Wu has not engaged in any executive management of the Group. Save as aforesaid, Mr. Wu has complied with other conditions as set out in Rule 3.13 of the Listing Rules.

The Board has not been aware of the occurrence of any events which would cause it to believe that their independence has been impaired.

## DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

On appointment to the Board, each Director receives comprehensive induction covering business operations, policies and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements.

Each newly appointed Director would be provided an induction package. He or she would also receive a briefing on his or her responsibilities under the declaration and undertaking with regard to directors from an external lawyer.

The Directors are regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. In addition, the Company encourages the Directors and senior management to enroll in a wide range of professional development courses and seminars relating to the Listing Rules, the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (the "Companies Ordinance") and corporate governance practices organised by professional bodies and institutions in Hong Kong so that they can continuously update and further improve their relevant knowledge and skills.





## DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT (Continued)

From time to time, the Group organises and arranges various kinds of trainings on the latest development of applicable laws, the Listing Rules and other applicable regulatory requirements for the Directors to ensure compliance and enhance their awareness of good corporate governance practices as well as assist them in discharging their duties. The Directors are also provided with written reading materials to develop and refresh their professional skills. During the year, the Group provided trainings on the topics of corporate governance, anti-corruption, new climate requirements and sustainability disclosures in Hong Kong to the Directors.

According to the records maintained by the Company, the Directors received the following training(s) in order to comply with the requirements of the Code regarding the training records receiving on continuous professional development for the year ended 31 December 2024:

| Type of trainings relevant to corporate governance, regulatory updates and/or anti-corruption and sustainability |      |
|--|------|
| Board of Directors   |      |
| <b>Executive Directors</b>   |      |
| Dr. Lam Ko Yin, Colin ( <i>Chairman of the Board</i> )   | A, B |
| Mr. Li Ning  | A, B |
| Mr. Lee Gabriel ( <i>Group General Manager</i> )   | A, B |
| <b>Non-executive Directors</b>   |      |
| Mr. Au Siu Kee, Alexander  | A, B |
| Mr. Lau Yum Chuen, Eddie   | A, B |
| <b>Independent Non-executive Directors</b>   |      |
| Mr. Ho Hau Chong, Norman   | A, B |
| Ms. Wong Yu Pok, Marina  | A, B |
| Mr. Wu King Cheong   | A, B |
| Mr. Chan Wai Yan, Ronald   | A, B |

A: attending seminars and/or presentations

B: reading materials

## DIRECTORS' AND OFFICERS' INSURANCE

The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group.

## BOARD COMMITTEES

The Board has established three Board committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee to oversee particular aspects of the Company's affairs. Each committee has been delegated with certain functions of the Board.

### Audit Committee

The Audit Committee of the Company has been established with written terms of reference setting out duties, responsibilities and authorities delegated to them by the Board. The Audit Committee comprises four Independent Non-executive Directors, namely, Mr. Ho Hau Chong, Norman (Chairman of the Audit Committee), Ms. Wong Yu Pok, Marina, Mr. Wu King Cheong and Mr. Chan Wai Yan, Ronald.

The terms of reference of the Audit Committee is available on the Company's website and HKEXnews website respectively.

The major duties and responsibilities of the Audit Committee are to review the annual and interim results and oversee the Company's financial reporting principles and practices and discuss with the external auditor on financial reporting and compliance; to recommend the appointment, re-appointment or removal of the external auditor, to determine their independence and objectivity as well as to review the scope of audit and the reporting obligation of the external auditor, to review the representation letter and engagement letter of the external auditor. The Audit Committee oversaw the effectiveness of risk management and internal control systems of the Group including the adequacy of resources, staff qualifications and experience, training programmes and budget of the accounting, internal audit, financial reporting functions, as well as the Company's ESG performance and reporting matters. The external auditor was invited to attend the meetings of the Audit Committee to present their reports and reviews for the interim and annual results of the Group. The Audit Committee has been delegated the corporate governance functions by the Board to review and monitor the corporate compliance within the Group.

## BOARD COMMITTEES (Continued)

### Audit Committee (Continued)

During the year, two Audit Committee meetings were held. During the meetings, the Audit Committee members reviewed the annual results and the financial statements for the year ended 31 December 2023 with recommendation to the Board for approval, the Annual Internal Audit Report, the continuous professional development training records of the Directors and senior management, Continuing Connected Transactions, a review of the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions as well as the Company's ESG performance (including ESG risks) and reporting matters, the interim results for the six months ended 30 June 2024 and the Interim Internal Audit Report, approved the representation letters and the terms of engagement of the external auditor, the works of the Company's internal audit department, assessed the effectiveness of the Group's systems of risk management and internal control.

The Audit Committee performed the corporate governance duties by reviewing the compliance with the Code and disclosure requirements as set out in this Corporate Governance Report.

### Remuneration Committee

The Remuneration Committee of the Company has been established with written terms of reference setting out duties, responsibilities and authorities delegated to them by the Board. The Remuneration Committee comprises three Independent Non-executive Directors, namely, Mr. Wu King Cheong (Chairman of the Remuneration Committee), Mr. Ho Hau Chong, Norman and Ms. Wong Yu Pok, Marina and two Executive Directors namely Dr. Lam Ko Yin, Colin and Mr. Li Ning.

The terms of reference of the Remuneration Committee is available on the Company's website and HKEXnews website respectively.

The Remuneration Committee has adopted the operation model where it performs to make recommendations to the Board on the Company's policies and structure for all Directors' and senior management's emolument and on the establishment of a formal and transparent procedure for developing emolument policy. No Director takes part in any discussion on his/her own remuneration.

The Remuneration Committee is responsible for reviewing the policies and structure for the emolument of all Directors and senior management of the Company, assessing performance of the Executive Directors and establishment of a formal and transparent procedure for developing policies on such emolument.

The emolument of the Directors and senior management are determined by reference to the skills, knowledge and the tasks assigned and also to the individual performance, the overall profitability and corporate goals and objectives of the Company as a whole. In determining the emolument package, the Remuneration Committee will also obtain relevant information from external source and consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, etc.

During the year, one Remuneration Committee meeting was held. During the meeting, the Remuneration Committee members reviewed and determined the emolument package of the staff including the senior management of the Company and made recommendations on the fees of all the Directors of the Company for the year ended 31 December 2024.

Particulars of the Directors' and Chief Executive's emoluments disclosed pursuant to the Companies Ordinance and Appendix D2 to the Listing Rules are set out in note 7 to the financial statements on page 145 of this Annual Report while the details of the emoluments of the five highest paid individuals and senior management analysed by band are set out in note 8 to the financial statements on page 146 of this Annual Report.



### BOARD COMMITTEES (Continued)

#### Nomination Committee

The Nomination Committee has been established with written terms of reference setting out duties, responsibilities and authorities delegated to them by the Board. The Nomination Committee comprises two Executive Directors namely Dr. Lam Ko Yin, Colin (Chairman of the Nomination Committee) and Mr. Li Ning and three Independent Non-executive Directors, namely, Mr. Ho Hau Chong, Norman, Ms. Wong Yu Pok, Marina and Mr. Wu King Cheong.

The terms of reference of the Nomination Committee are available on the Company's website and HKEXnews website respectively.

The Nomination Committee is responsible for reviewing the structure, size, diversity and composition (including the skills, knowledge, experience and length of service) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategies, with due regards to the Board Diversity Policy. It also identifies individuals suitably qualified to become the Board members and selects or makes recommendations to the Board on the selection of individuals to be nominated for directorships, assesses the independence of Independent Non-executive Directors, and makes recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Group General Manager. The Nomination Committee shall consider the candidate from a wide range of backgrounds, his/her merits and against objective criteria set out by the Board and take into consideration of his/her time devoted to the position.

During the year, one Nomination Committee meeting was held. During the meeting, the Nomination Committee members reviewed the structure, size, diversity and composition (including the skills, knowledge, experience and length of service) of the Board, reviewed the Independent Non-executive Directors' annual confirmations on their independence; reviewed the time required for a Director to perform his/her responsibilities; assessed the independence status of current Independent Non-executive Directors who have served on the Board for more than nine years; made recommendations to the Board for re-election of the retiring Directors at the annual general meeting of the Company held on 31 May 2024. The Nomination Committee also reviewed the biographies of those retiring Directors and taking into consideration their knowledge, experience, capability and various diversity aspects as set out in the Board Diversity Policy as well as their contributions to the Company over the years. The Nomination Committee is of the view that the retiring Directors would continue to contribute to the Board with their respective perspectives, skills and experience.

The Nomination Committee members also reviewed the Board Diversity Policy and the Nomination Policy remained relevant and no revision was required.

Mr. Ho Hau Chong, Norman, who has been appointed as an Independent Non-executive Director of the Company since March 1995, has served as an Independent Non-executive Director for more than nine years. Mr. Ho is also the Chairman of the Audit Committee, a member of the Nomination Committee and the Remuneration Committee of the Company. Despite Mr. Ho has other directorships as mentioned in the section headed "Confirmation of Independence" in this Corporate Governance Report on page 33 of this Annual Report, he does not have any management role in the Company. The Nomination Committee considered that Mr. Ho has continuously contributed to the Company and the Board with his relevant experience and knowledge throughout his years of service.

**BOARD COMMITTEES (Continued)****Nomination Committee (Continued)**

Mr. Wu King Cheong, who has been appointed as an Independent Non-executive Director of the Company since January 2005, has served as Independent Non-executive Director for more than nine years. Mr. Wu is also the Chairman of the Remuneration Committee, a member of the Audit Committee and the Nomination Committee of the Company. Despite Mr. Wu has other directorships as mentioned in the section headed “Confirmation of Independence” in this Corporate Governance Report on page 33 of this Annual Report, he has not engaged in any executive management of the Group.

The Nomination Committee also noted that Ms. Wong Yu Pok, Marina has served as an Independent Non-executive Director of the Company for more than nine years since May 2008. Ms. Wong is also a member of Audit Committee, Remuneration Committee and Nomination Committee of the Company. Ms. Wong has met the independence guidelines as set out in Rule 3.13 of the Listing Rules and gave an annual confirmation of her independence to the Company. Notwithstanding her long-term service, given her extensive commercial and financial experiences, the Nomination Committee and the Board are of the opinion that she continues to bring independent and objective perspectives to the Company’s affairs and provides valuable insights to the management. The Nomination Committee also considered that Ms. Wong has continuously contributed to the Company and the Board with her relevant experience and knowledge throughout her years of service.

Each of Mr. Ho, Mr. Wu and Ms. Wong has served the Company for more than nine years, during which period they have provided objective and independent professional advice and insight to the Board. They have in-depth understanding of the Group’s businesses and operation and have also demonstrated strong independence by providing impartial views and comments at Board and Board committee meetings during their tenure of office and they remain committed to their independent roles. They have not taken part in the day-to-day management of the Company. The Nomination Committee considered that the long-term service of Mr. Ho, Mr. Wu and Ms. Wong will not affect their exercise of independent judgment and was satisfied that each of them has the required integrity and experiences to continue fulfilling the role of an Independent Non-executive Director.

Save for (i) Mr. Ho is an executive director of Miramar and a director of Wealth Team and (ii) Mr. Wu is currently an independent non-executive director of HLD, Henderson Investment and Miramar, none of them has any financial or family relationships with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company, which could give rise to a conflict of interests situation or otherwise affect their exercise of independent judgement. The Nomination Committee believes that they remain committed to their role as an Independent Non-executive Director of the Company and will continue to be independent.



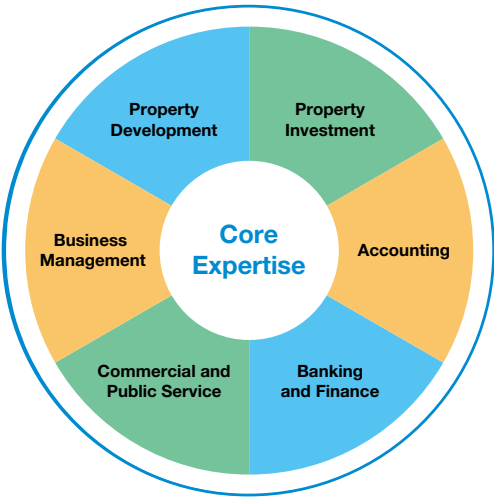
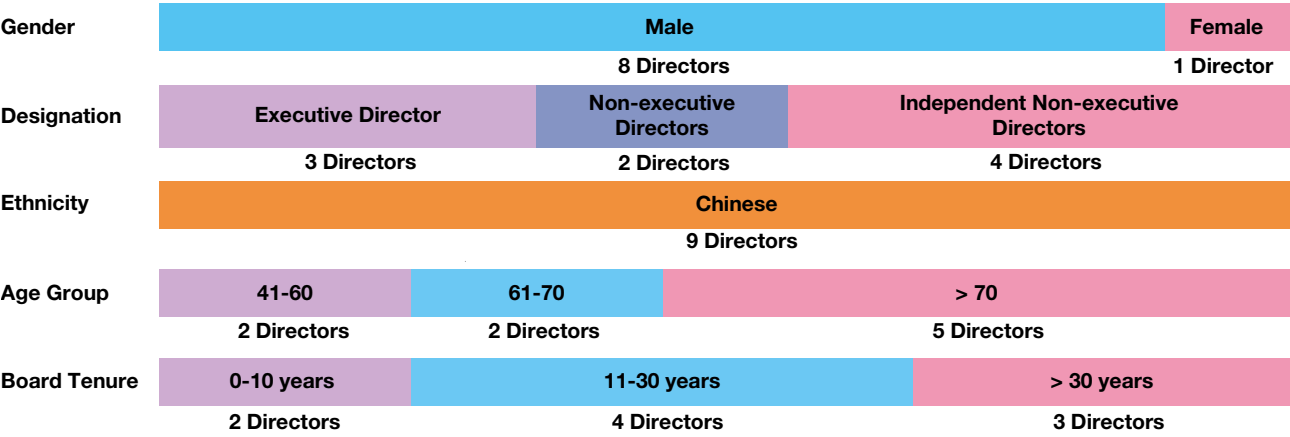
BOARD COMMITTEES (Continued)

Nomination Committee (Continued)

The current composition of the Board provides a diversity of skills, gender, experience, and knowledge to the Company. The diversity profile of the Board as at 18 March 2025 is as follows:

BOARD DIVERSITY

Number of Directors: 9



Note:

Multiple professional backgrounds and experiences may apply to a Director.



### 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 throughout the year ended 31 December 2024.

The Company has also adopted written guidelines on no less exacting terms than the Model Code 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 in compliance with the code provision of the Code.

### POLICY AND PROCEDURES ON DISCLOSURE OF INSIDE INFORMATION

The Board has adopted the Policy and Procedures on Disclosure of Inside Information which contains the guidelines to the Directors, officers and relevant employees of the Company to ensure that the inside information of the Company disseminated to public is in an equal and timely manner in accordance with the applicable laws and regulations. The Policy and Procedures on Disclosure of Inside Information is available on the Company's website.

### COMPANY SECRETARY

Mr. Chow Tung Ming ("Mr. Chow"), the Company Secretary of the Company, is a full-time employee of the Group and has day-to-day knowledge of the Company's affairs. Mr. Chow is a solicitor as defined in the Legal Practitioners Ordinance, Chapter 159 of the Laws of Hong Kong, and hence he has complied with the requisite qualifications pursuant to Rule 3.28 of the Listing Rules to discharge the functions of the Company Secretary and has complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules. During the year, Mr. Chow attended over 15 hours of professional training. The biographical details of Mr. Chow are set out in the section headed "Directors' and Senior Management's Profile" on page 9 of this Annual Report.

### AUDIT, RISK MANAGEMENT AND INTERNAL CONTROL

#### Financial Reporting

The Directors acknowledge their responsibility for preparing the financial statements of the Group for each financial period to give a true and fair view of the financial position and financial performance of the Group. In preparing the financial statements for the year ended 31 December 2024, the Directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are prudent, fair and reasonable, and have prepared the consolidated financial statements on a going concern basis.

The statement of the Auditor of the Company regarding their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 105 to 109 of this Annual Report.

#### Auditor's Remuneration

Apart from carrying out the annual audit, KPMG, the Auditor of the Company also carried out the review on the interim report of the Company. For the year ended 31 December 2024, annual audit fee amounted to HK\$1,992,000 whereas the fee for the interim review amounted to HK\$366,000. Save for the interim review, KPMG did not provide any substantial non-audit services to the Company.

#### Policies for Whistleblowing and Anti-corruption

The Company has established a system for employees and any person to report concerns about any suspected or actual improprieties relating to the Group and the relevant details are set out in the Business Ethics and Code of Business Conduct Policy. The policy aims at encouraging and enabling any person to report violations or suspected violations and to raise serious concerns about possible improprieties in matters of financial reporting or other matters of the Group by mail to the Chairman of the Whistleblowing Committee. The Group will take appropriate actions against such improprieties and, where appropriate, report the cases to the relevant enforcement authorities.



### AUDIT, RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

#### Policies for Whistleblowing and Anti-corruption (Continued)

The Whistleblowing Committee, established in 2022 and consists of three members with majority are independent non-executive directors of the Company, oversees a whistleblowing policy and a set of comprehensive procedures whereby the stakeholders, including the employees, can report any actual or suspected occurrence of improper conduct involving the Company, so that matters could be investigated and dealt with efficiently in an appropriate and transparent manner. The Whistleblowing Committee would oversee the investigations and could appoint the Internal Audit Manager to conduct investigation, where appropriate.

Moreover, the Company has adopted the Anti-Corruption and Bribery Policy which provides guidance to our employees on how to recognise and deal with bribery and corruption. Every employee has a duty to report any potential violations of the policy to the Company through the channels set out therein.

#### Risk Management and Internal Control

The Board acknowledges its responsibility for overseeing the risk management and internal control systems of the Group and reviewing the effectiveness at least annually through the Audit Committee. The systems and internal control can only provide reasonable but not absolute assurance against material misstatement or loss, as they are designed to manage rather than eliminate the risk of failure to achieve business objectives.

The Internal Audit Department of the Company, which reports directly to the Audit Committee and is independent of the Company's daily operations, is responsible for conducting regular audits on the areas of financial, operational and compliance control, and risk management (including ESG risks) functions.

The Group has established an organisational structure with defined levels of responsibilities and reporting procedures. The Audit Committee supports the Board in design, implementation and monitoring of the risk management and internal control systems. The operating units of the Group are responsible for the identification, assessment and mitigation of risks at business unit level and across functional areas. The Internal Risk Management Team, composed of nominated department heads and executives, facilitates the implementation of the risk management framework. The Internal Audit Department assists the Audit Committee in review of the effectiveness of the Group's risk management (including ESG risks) and internal control systems on an ongoing basis. The Directors, through the Audit Committee, are kept regularly apprised of significant risks that may have impacts on the Group's performance.

The process of risk management involves:

- understanding the organisational objectives;
- identifying the risks associated with achieving organisational objectives and assessing the likelihood and potential impacts of particular risks;
- developing programmes to address the identified risks; and
- monitoring and evaluating the risks, internal control and the arrangements in place to address them on an ongoing basis.

## AUDIT, RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

### Risk Management and Internal Control (Continued)

The risk management of the Group combines a top-down strategic view with a complementary bottom-up operational process.

The Board, by the top-down approach, particularly focuses on determining the nature and extent of significant risks that it is willing to take in achieving the strategic objectives of the Group. The Audit Committee supports the Board to review all significant risks in order to ensure that the business activities remain within agreed risk appetite tolerances.

The operating units of the Group are responsible for identifying their own risks and designing, implementing and monitoring the relevant risk management and internal control systems. The setting of business objectives and annual budgeting is one of their key control activities, which shall be refined to take into consideration the risk factors. The operating units of the Group consult the Group General Manager on setting the business objectives which are pursuant to the Board's strategic objectives and are consistent with its risk appetite. The process involves the maintenance of risk assessment reports, setting out particulars of material risks together with the control strategies as reported by the operating units of the Group. This bottom-up approach is embedded in the operations of the Group and complements the top-down strategic view by identifying the principal risks and ensuring the significant risks to be considered by the Board in determining the risk appetite.

The Internal Audit Department collects the risk assessment reports from the operating units of the Group and then compiles a risk register for review at the meetings of Internal Risk Management Team which are held at least 3 times a year (2 meetings are held before the holding of the Board Meeting to review the interim and annual results of the Group). The Internal Risk Management Team coordinates risk management activities and assesses the effectiveness of the related system of internal control in managing the significant risks, having regard, in particular, to any significant failings or weaknesses in internal control that have been reported.

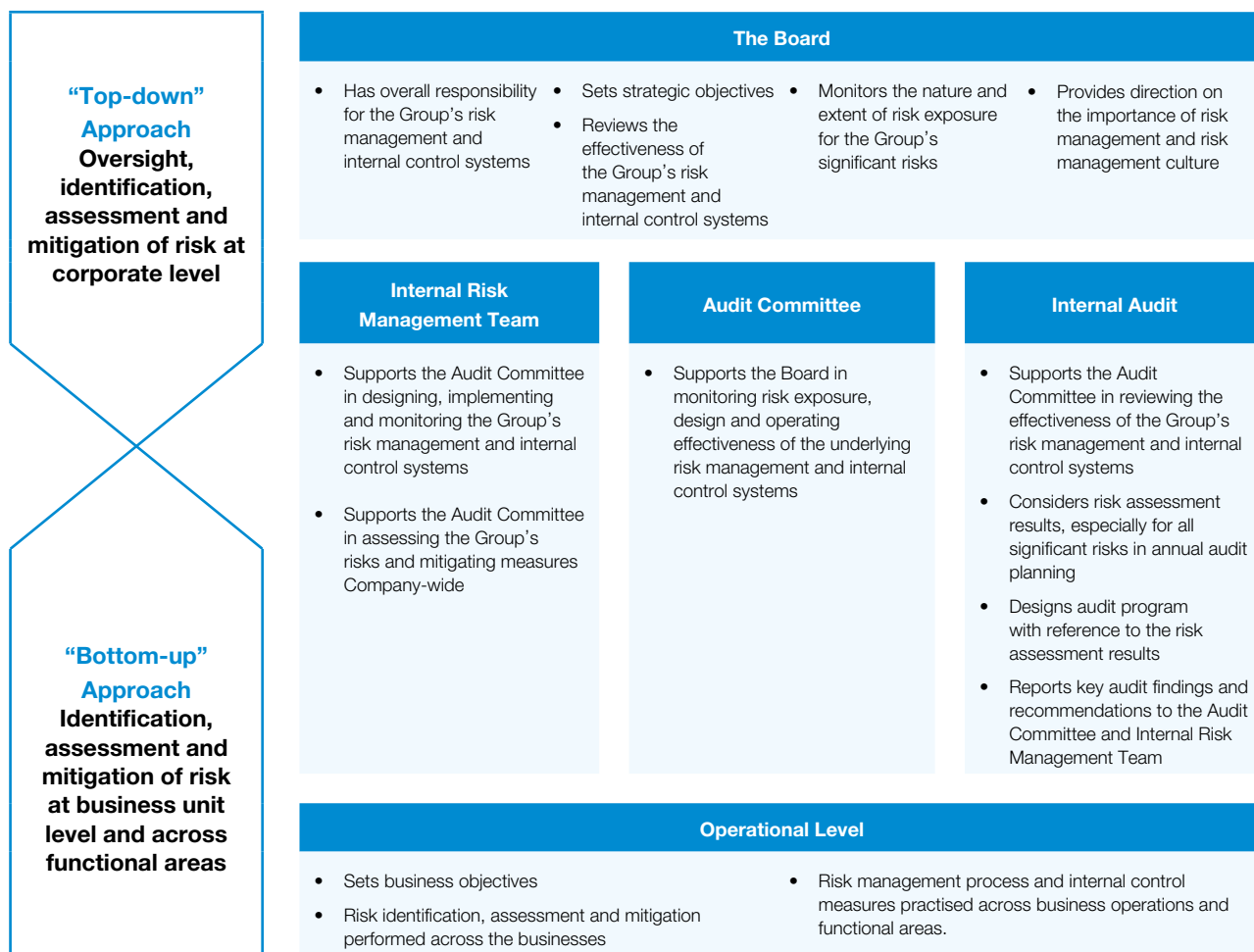
The Internal Audit Department adopted a risk-based approach which included all identified significant risks in each year's annual audit plan and performed audits to evaluate the proper functioning of the risk management and internal control systems for the financial year ended 31 December 2024. It is intended to carry out this evaluation process on an ongoing basis. Key audit findings and recommendations have been shared with the Internal Risk Management Team. The Audit Committee, after reviewing and considering the risk management findings submitted by the Internal Audit Department, reported to the Board of the Company and confirmed to the Board that the risk management and internal control systems are effective and adequate.



## AUDIT, RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

### Risk Management and Internal Control (Continued)

The diagram below summarises the complementary top-down and bottom-up aspects of the integrated approach of the Group to risk management.



## AUDIT, RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

### Risk Management and Internal Control (Continued)

Risks including business risk, financial risk, regulatory, compliance risk, ESG risks and operational risk had been identified during the year through the process of risk identification and assessment. Relevant control strategies and mitigation on identified significant risks had been reported to the Audit Committee. The Audit Committee and the Board were not aware of any areas of concern that would have material impact on the financial position or results of operations of the Group and considered that the risk management and internal control systems were generally effective and adequate.

### Inside Information

With regard to procedures and internal control for the handling and dissemination of inside information, the Company:

- is required to disclose inside information as soon as reasonably practicable in accordance with the Securities and Futures Ordinance and the Listing Rules.
- conducts its affairs with close regard to the “Guidelines on Disclosure of Inside Information” issued by the Securities and Futures Commission.
- has included in its Code of Conduct a strict prohibition on the unauthorised use of confidential or inside information.
- ensures, through its own internal reporting processes and the consideration of their outcomes by senior management, the appropriate handling and dissemination of inside information.

## ATTENDANCE RECORD OF DIRECTORS AND BOARD COMMITTEE MEMBERS

Details of the attendance (in person or by electronic means) of each Director at the Board Meetings (“BM”), Audit Committee Meetings (“ACM”), Remuneration Committee Meeting (“RCM”) and Nomination Committee Meeting (“NCM”) during the year ended 31 December 2024 and Annual General Meeting held on 31 May 2024 (“2024 AGM”) are set out in the following table:

| Board of Directors                                  | Number of Meetings attended/held |     |     |     | 2024<br>AGM |
|---|----------------------------------|-----|-----|-----|-------------|
|   | BM                               | ACM | RCM | NCM |             |
| Executive Directors                                 |                                  |     |     |     |             |
| Dr. Lam Ko Yin, Colin (Note 1)                      | 4/4                              | N/A | 1/1 | 1/1 | 1/1         |
| Mr. Li Ning (Note 2)                                | 4/4                              | N/A | 1/1 | 1/1 | 1/1         |
| Mr. Lee Gabriel (Note 3)<br>(Group General Manager) | 4/4                              | 2/2 | 1/1 | 1/1 | 1/1         |
| Non-executive Directors                             |                                  |     |     |     |             |
| Mr. Au Siu Kee, Alexander                           | 4/4                              | N/A | N/A | N/A | 1/1         |
| Mr. Lau Yum Chuen, Eddie                            | 4/4                              | N/A | N/A | N/A | 1/1         |
| Independent Non-executive Directors                 |                                  |     |     |     |             |
| Mr. Ho Hau Chong, Norman (Note 4)                   | 4/4                              | 2/2 | 1/1 | 1/1 | 1/1         |
| Ms. Wong Yu Pok, Marina (Note 5)                    | 4/4                              | 2/2 | 1/1 | 1/1 | 1/1         |
| Mr. Wu King Cheong (Note 6)                         | 4/4                              | 2/2 | 1/1 | 1/1 | 1/1         |
| Mr. Chan Wai Yan, Ronald (Note 7)                   | 4/4                              | 2/2 | N/A | N/A | 1/1         |





### ATTENDANCE RECORD OF DIRECTORS AND BOARD COMMITTEE MEMBERS (Continued)

#### Notes:

1. Chairman of the Board, Member of the Remuneration Committee and Chairman of the Nomination Committee.
2. Member of the Remuneration Committee and the Nomination Committee.
3. Mr. Lee Gabriel was invited to attend two Audit Committee Meetings, one Remuneration Committee Meeting and one Nomination Committee Meeting in the capacity of the Group General Manager of the Company.
4. Chairman of the Audit Committee, Member of the Remuneration Committee and the Nomination Committee.
5. Member of the Audit Committee, the Remuneration Committee and the Nomination Committee.
6. Chairman of the Remuneration Committee, Member of the Audit Committee and the Nomination Committee.
7. Member of the Audit Committee.

### DIRECTORS' TIME COMMITMENT

The Board regularly reviews the contributions required from a Director to perform his/her responsibilities to the Company, and whether he/she is spending sufficient time performing his/her role. Directors have disclosed to the Company the number and nature of offices held in Hong Kong or overseas listed public companies or organisations and other significant commitments and an indication of time involved. The Company has received confirmation from each Director that he/she has spent sufficient time during the year ended 31 December 2024. None of the Directors held directorships in more than six listed companies during the year.

### COMMUNICATION WITH SHAREHOLDERS

The Company continues to pursue investor relations and communications with shareholders.

The Board has adopted a Shareholders Communication Policy setting out the Company's procedures in providing the shareholders with prompt and equal access to information about the Company, in order to enable the shareholders to access the Company's overall performance, exercise their rights in an informed manner and engage actively with the Company. The Board reviews the Shareholders Communication Policy annually to ensure its continued effectiveness.

The Company has established an effective communication system. The Company's updated financial information, announcements, circulars, notices of meetings, press releases and contact details can be accessed by the shareholders and investors through the Company's website. The Board believes that the Company's website provides an alternative mean for the public investors to obtain information of the Company in a convenient and timely manner.

The annual general meeting also provides an important opportunity for constructive communication between the Board and the shareholders. The Chairman and the chairmen of the Audit Committee, Remuneration Committee and Nomination Committee as well as the Company's independent external auditor maintain an on-going dialogue with the shareholders and answer questions raised by the shareholders throughout annual general meetings.

### DIVIDEND POLICY

The Board approved and adopted the Dividend Policy in December 2018 setting out the factors in determination of dividend payment of the Company including the financial conditions in general, operating results, capital requirements, shareholders' equity, contractual restraints and other factors considered relevant by the Board. The Dividend Policy shall be reviewed periodically and submitted to the Board for approval if amendments are required. During the year, the Board reviewed the Dividend Policy and it was agreed that it remained applicable and no revision was required. The Dividend Policy is available on the Company's website.

With respect to the Financial Statements and Dividends for the year ended 31 December 2024, please refer to the Report of the Directors set out on page 19 of this Annual Report.

## SHAREHOLDERS' RIGHTS

Set out below are procedures by which shareholders may: (1) request to call a general meeting; (2) put forward enquiries to the Board; and (3) request to circulate a resolution for an annual general meeting. These procedures are generally governed by the provisions of the Articles of Association and applicable laws, rules and regulations, which prevail over what are stated in this section in case of inconsistencies.

### 1. Procedures by which shareholders may request to call a general meeting

Pursuant to the Articles of Association and Section 566 of the Companies Ordinance, shareholders representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings of the Company can make a request to call a general meeting.

The request: (a) must state the general nature of the business to be dealt with at the general meeting; (b) may include the text of a resolution that may properly be moved and is intended to be moved at the general meeting; (c) may consist of several documents in like form; (d) may be sent to the Company Secretary in hard copy form to the registered office of the Company at 98 Tam Kon Shan Road, TYTL 102, Ngau Kok Wan, North Tsing Yi, New Territories, Hong Kong or in electronic form via e-mail at [hkferry@hkf.com](mailto:hkferry@hkf.com); and (e) must be authenticated by the shareholders making it.

Pursuant to Section 567 of the Companies Ordinance, the Directors required under Section 566 of the Companies Ordinance to call a general meeting must call a general meeting within 21 days after the date on which they become subject to the requirement and a general meeting so called must be held on a date not more than 28 days after the date of the notice convening a general meeting. If the Directors do not do so, the shareholders who requested the general meeting, or any of them representing more than one half of the total voting rights of all of them, may themselves call a general meeting pursuant to Section 568 of the Companies Ordinance, but the general meeting must be called for a date not more than 3 months after the date on which the Directors become subject to the requirement to call a general meeting. Any reasonable expenses incurred by the shareholders requesting the general meeting by reason of the failure of the Directors duly to call the meeting shall be reimbursed to the shareholders by the Company.

### 2. Procedures for putting forward enquiries to the Board

Shareholders may put forward enquiries to the Board through the Company Secretary who will direct the enquiries to the Board for handling. The contact details of the Company Secretary are as follows:

The Company Secretary  
Hong Kong Ferry (Holdings) Company Limited  
98 Tam Kon Shan Road  
TYTL 102  
Ngau Kok Wan  
North Tsing Yi  
New Territories  
Hong Kong

E-Mail : [hkferry@hkf.com](mailto:hkferry@hkf.com)  
Telephone : (852) 2394 4294  
Facsimile : (852) 2786 9001

### 3. Procedures to circulate a resolution for an annual general meeting

Pursuant to Section 615 of the Companies Ordinance, shareholders can make a request to circulate a proposed resolution that may properly be moved and is intended to be moved at an annual general meeting. The request must be made by: (i) shareholders representing at least 2.5% of the total voting rights of all the shareholders who have a right to vote on the resolution at the annual general meeting to which the request relates; or (ii) at least 50 shareholders who have a right to vote on the resolution at the annual general meeting to which the request relates.

The request: (a) may be sent to the Company Secretary in hard copy form to the registered office of the Company at 98 Tam Kon Shan Road, TYTL 102, Ngau Kok Wan, North Tsing Yi, New Territories, Hong Kong or in electronic form via e-mail at [hkferry@hkf.com](mailto:hkferry@hkf.com); (b) must identify the resolution of which notice is to be given; (c) must be authenticated by the shareholders making it; and (d) must be received by the Company not later than 6 weeks before the annual general meeting to which the request relates; or if later, not later than the time at which notice is given of that annual general meeting.



### PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

According to the Articles of Association, a notice signed by a shareholder of his/her intention to propose a person for election and also a notice signed by the person (the “Candidate”) to be proposed of his/her willingness to be elected shall be lodged at the registered office of the Company no earlier than the day after the despatch of the notice of the general meeting appointed for such election and no later than 7 days prior to the date of such general meeting.

The Candidate is required to provide his/her biographical details set out under Rule 13.51(2) of the Listing Rules.

The Nomination Committee, where applicable, will review and make recommendations to the Board on the selection of any individuals nominated for directorships in accordance with the terms of reference of the Nomination Committee.

The Company will, where appropriate, issue a supplementary circular which shall include the name of the Candidate together with his/her biographical details set out in Rule 13.51(2) of the Listing Rules, to the shareholders for them to make decision on their election at a general meeting.

### INVESTOR RELATIONS

The Company held its annual general meeting in physical form on 31 May 2024.

During the year ended 31 December 2024, no amendment was made to the Articles of Association. The latest version of the Articles of Association is available on the Company’s website and HKEXnews website respectively.

The Company’s information would be communicated to the shareholders mainly through the Company’s corporate communications (such as interim and annual reports, announcements and circulars) and annual general meetings, as well as disclosures on the Company’s website.

Interim reports, annual reports and circulars are sent to the shareholders in a timely manner and are also available on the Company’s website and HKEXnews website respectively. The Company’s website provides shareholders with its corporate information, such as its principal business activities, the development of corporate governance and the sustainable development of the Group. For efficient communication with shareholders and in the interest of environmental protection, arrangements are made to allow shareholders to elect to receive corporate communications of the Company by electronic means through the Company’s website.

Shareholders are provided with contact details of the Company, such as telephone number, fax number, email address and postal address, in order to enable them to make any queries that they may have with respect to the Company. In addition, shareholders can contact the Company’s Share Registrar if they have any enquiries about their shareholdings and entitlements to dividend.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## MESSAGE FROM THE CHAIRMAN

On behalf of Hong Kong Ferry (Holdings) Company Limited (the “Company”) and its subsidiaries (collectively, the “Group”), I am pleased to present the Environmental, Social and Governance Report 2024 (“ESG Report”), which outlines the progress of the Group’s continuous efforts and achievements of integrating environmental, social and governance (“ESG”) related considerations into our businesses. Amid rising awareness of ESG issues, we consistently enhance our sustainability practices to align with stakeholders’ expectations.

Upholding the principle of “Love Hong Kong and the Harbour”, we are deeply honoured to serve the Hong Kong community for over a century. While remaining committed to our core business, we strived to transcend the traditional boundaries of a ferry and shipyard focused business. Our goal is to integrate diverse elements into our services, enhancing the overall experience for our customers and diversifying our business portfolio to ensure sustainable growth.

We are gradually expanding our healthcare, medical aesthetic and beauty services businesses. During the Reporting Year, the Group launched its pain treatment business and provided services at Mira Place in Tsim Sha Tsui and Metro Harbour Plaza in Tai Kok Tsui respectively. By introducing advanced equipment in conjunction with professional registered chiropractors and sports therapists, our goal is to design personalised treatment plans for pain-suffering patients and to provide quality healthcare services.

In a pioneering effort, we have collaborated with several government departments to launch the Anti-Deception ferry, “Ping On”. This initiative not only broadens our business exposure, but also plays a vital role in promoting anti-deception messages within the community. Through the launching of “Ping On”, we aim to help reduce crime by raising awareness of fraudulent activities. We believe that by combining our operational strengths with community engagement, we can positively contribute to society and create values for our passengers.

As the global economy recovers, we recognize that sustainable practices are vital for long-term resilience and growth. In this context, we remain committed to shaping a sustainable future. We fully support Hong Kong’s Climate Action Plan 2050 and are aligning our operations with its ambitious climate goals.

This ESG Report showcases our achievements in 2024, and it is essential to recognise the collective effort that made these accomplishments possible. I would like to extend my sincere gratitude to the Board of Directors (the “Board”) for their strategic direction and guidance, and also express my heartfelt appreciation to our management, employees, investors, business partners, customers and the community for their support and dedication. With our ongoing efforts and commitments, I am confident that we can continue advancing our sustainability journey and build a brighter future for Hong Kong.

**Dr. Lam Ko Yin, Colin**  
*Chairman*





## ABOUT THIS REPORT

### Reporting Scope

The Group is pleased to present this ESG Report covering the period from 1 January 2024 to 31 December 2024 (the “Reporting Year”), which outlines the Group’s ESG-related policies, practices, performance and outcomes. This ESG Report focuses on the sustainability performance of the Group’s business portfolio including property development, property investment, ferry, shipyard and related operations, healthcare, medical aesthetic and beauty services. During the Reporting Year, the Group launched its pain treatment business and provided services in Tsim Sha Tsui and Tai Kok Tsui, aiming to design personalised treatment plans for pain-suffering patients.

The Group’s principal business operations are based in Hong Kong. To provide a comprehensive picture of our sustainability performance, this ESG Report covers the following companies:

| Business Unit   | Company Name                                   |
|---|--|
| <b>1</b> Principal Office                                   | Hong Kong Ferry (Holdings) Company Limited     |
| <b>2</b> Property Development                               | World Fame Shipping Limited                    |
| <b>3</b>  | Win Standard Enterprises Limited               |
| <b>4</b> Property Investment                                | Well Dynamic Limited                           |
| <b>5</b>  | World Light Limited                            |
| <b>6</b>  | Lenfield Limited                               |
| <b>7</b>  | HKF Property Investment Limited                |
| <b>8</b> Shipyard Operations                                | The Hong Kong Shipyard Limited                 |
| <b>9</b> Dangerous Goods Vehicular Ferry Services           | The Hongkong and Yaumati Ferry Company Limited |
| <b>10</b> Harbour Cruise - Bauhinia                         | Galaxy Hotel Management Company Limited        |
| <b>11</b> Healthcare, medical aesthetic and beauty services | Century Time Holdings Limited                  |
| <b>12</b>   | Ever Vision International Limited              |
| <b>13</b>   | Topkey Development Limited                     |



## ABOUT THIS REPORT (Continued)

### Reporting Standard

This ESG Report has been prepared in accordance with the requirements of the ESG Reporting Guide (“ESG Reporting Guide”) in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”). The content of this ESG Report follows four reporting principles.

|                     |  |
|---------------------|--|
| <b>Materiality</b>  | This ESG Report’s structure follows the results of stakeholders’ engagement in the form of an online survey distributed to the Group’s external and internal stakeholders about materiality assessment specialised in ESG issues. Please refer to the sub-sections headed “Stakeholder Engagement” and “Materiality Assessment” under the section headed “Sustainability Governance” for detailed information. |
| <b>Quantitative</b> | The key performance indicator(s) (“KPI” or “KPIs”) is/are measurable with respective calculation methodologies and thus the ESG performance of the Group can be evaluated and validated continuously.  |
| <b>Balance</b>      | The information provided in this ESG Report is based on the Group’s policies, documents and recorded practices. It provides an unbiased overview of the Group’s ESG performance and areas for improvement.   |
| <b>Consistency</b>  | This ESG Report adopts methodologies that are consistent with previous years, which allows for meaningful comparisons of ESG data over time.   |

To assist readers in finding the relevant information in this ESG Report, we have set out the HKEX ESG Reporting Guide Content Index.



## 2024 AT A GLIMPSE

### Performance Highlights



#### Core Businesses

- Property Development
- Property Investment
- Ferry, Shipyard and Related Operations
- Healthcare, Medical Aesthetic and Beauty Services



Achieving Overall Local Procurement Rate of Over 80% Across our Diverse Businesses in Support of Local Economy

**9** consecutive years



Achieving Customer Satisfaction Rate of Over 90%<sup>1</sup> (Harbour Cruise - Bauhinia)

**10** consecutive years



Local Procurement Rate

**84%**



Employees' Training Hours

**4,410** Hours



Number of Volunteer Activities and Community Events Participated

**38**



Total Volunteer Activities and Community Events Engagement Hours

**945** Hours



Sulphur Content In Diesel

**0.001%**

<sup>1</sup> Customer satisfaction survey conducted according to ISO 9001:2015 Quality Management System

## AWARDS, CERTIFICATES AND MEMBERSHIPS

### Environmental Leadership

**BEAM Plus New Buildings V1.2 – Final Silver Rating**  
– The Royale



by Hong Kong Green Building Council Limited

**Charter on External Lighting**  
– Platinum Award  
– Green Code Plaza



by Environment Bureau

**BOCHK Corporate Low-Carbon Environmental Leadership Awards 2023**  
– The Hong Kong Shipyard Limited



by Bank of China (Hong Kong) Limited and Federation of Hong Kong Industries

– The Hongkong and Yaumati Ferry Company Limited



**2023 Hong Kong Awards for Environmental Excellence**  
– Metro Harbour Plaza



by Environment and Ecology Bureau and Environmental Campaign Committee

**Hong Kong Green Organisation**  
– Green Code Plaza



by Environmental Campaign Committee



## AWARDS, CERTIFICATES AND MEMBERSHIPS (Continued)

### Environmental Leadership (Continued)

#### Hong Kong Green Organisation Certification

- Wastewi\$e Certificate – Basic Level
- Metro Harbour Plaza



#### Hong Kong Green Organisation Certification

- Wastewi\$e Certificate – Good Level
- Green Code Plaza



by Environmental Campaign Committee

#### Hong Kong Green Organisation Certification

- Energywi\$e Certificate – Basic Level
- Metro Harbour Plaza



#### Hong Kong Green Organisation Certification

- Energywi\$e Certificate – Good Level
- Green Code Plaza



by Environmental Campaign Committee

## AWARDS, CERTIFICATES AND MEMBERSHIPS (Continued)

### Environmental Leadership (Continued)

**Quality Water Supply Scheme  
for Buildings – Flushing Water  
(Gold)  
– Metro Harbour Plaza**



**Quality Water Supply Scheme  
for Buildings – Fresh Water  
(Management System) (Gold)  
– Metro Harbour Plaza**



**Quality Water Supply Scheme  
for Buildings – Fresh Water  
(Management System) (Silver)  
– Green Code Plaza**



by Water Supplies Department

### Indoor Air Quality Certificate (Good Class) (2024–2025)

– Metro Harbour Plaza



– Green Code Plaza



– Principal Office of the Company



by Environmental Protection Department





## AWARDS, CERTIFICATES AND MEMBERSHIPS (Continued)

### Environmental Leadership (Continued)

#### Energy Saving Charter 2024

– Metro Harbour Plaza



– Green Code Plaza



by Environment and Ecology Bureau and Electrical and Mechanical Services Department

#### CLP Smart Energy Award 2024 – Merit Certification

– Metro Harbour Plaza



by CLP Power Hong Kong Limited

#### 2024 Peach Blossom Trees Recycling Programme – Certificate of Appreciation

– Metro Harbour Plaza



by Environmental Protection Department

## AWARDS, CERTIFICATES AND MEMBERSHIPS (Continued)

### Environmental Leadership (Continued)

#### Programme on Source Separation of Commercial and Industrial Waste

– Metro Harbour Plaza



– Green Code Plaza



by Environmental Protection Department

#### Earth Hour 2024 – Certificate of Appreciation

– Metro Harbour Plaza



– Green Code Plaza



by WWF-Hong Kong

#### 2024/25 Universal Design Award Scheme

– Gold Award

– Metro Harbour Plaza



– Silver Award

– Green Code Plaza



by Equal Opportunities Commission



## AWARDS, CERTIFICATES AND MEMBERSHIPS (Continued)

### Caring Company

#### Caring Company 20 years\* Logo (2003–2025)

by The Hong Kong Council of Social Service

#### Good MPF Employer 10 Years and MPF Support Award

by Mandatory Provident Fund Schemes Authority

#### Happy Company 2024 and 10 Years\* Certificate

by Promoting Happiness Index Foundation

#### ERB Manpower Developer Award Scheme – Super MD Award (2020–2025)

by Employees Retraining Board

#### CSR Recognition Scheme Industry Cares 2024 – 10+ Year Award (Enterprise Group)

by Federation of Hong Kong Industries

#### Good Employer Charter 2024

by Labour Department

### Community Contributions

#### SDGs World Records – Record-Breaking Collaborator: Most Cumulative Participants Pledging Support for Ill Children and their Families

by SDG World Records Limited

#### Hong Kong Volunteer Award 2024 – Corporate – Top 10 Highest Volunteer Hour Award (100–999 full-time employees)

by Home and Youth Affairs Bureau and Agency for Volunteer Service

#### Heart To Heart Company (2005–2025)

by The Hong Kong Federation of Youth Groups

#### Social Capital Builder Logo Award (2022–2024)

by Home and Youth Affairs Bureau and Community Investment and Inclusion Fund

#### Day of the Seafarer 2024 – Diamond Sponsor

by Hong Kong Seamen's Union

#### Ronald McDonald House Charities Raffle Ticket Sale 2024 – Silver Sponsor and Prize Sponsor

by Ronald McDonald House Charities Hong Kong

#### RMHC Homebound Adventurers Charity Orienteering Challenge & Carnival – Silver Sponsor and Gift Sponsor

by Ronald McDonald House Charities Hong Kong

#### Second Cohort of the “Strive and Rise Programme” – Certificate of Appreciation

by The Chief Secretary for Administration

#### Outstanding Industrial Attachment Scholarships 2024 – Certificate of Appreciation

by Vocational Training Council

#### GBA Walk 2024 Hong Kong – Certificate of Completion

by Hong Kong Inheritance Foundation

#### The SAHK Charity Walk 2024 – Sponsorship Appreciation Certificate

by SAHK

## AWARDS, CERTIFICATES AND MEMBERSHIPS (Continued)

### Quality Services

#### **Hong Kong Q-Mark Service Scheme – Hong Kong Q-Mark Certificate for Harbour Cruise - Bauhinia**

by The Hong Kong Q-Mark Council, Federation of Hong Kong Industries

#### **Hong Kong Top Brand Mark Scheme – Ordinary & Premier Mark**

by Hong Kong Brand Development Council and The Chinese Manufacturers' Association of Hong Kong

#### **ISO 9001:2015 Quality Management System Certification for Harbour Cruise - Bauhinia**

by Intertek

#### **ISO 9001:2015 Quality Management System Certification for The Hongkong and Yaumati Ferry Company Limited**

by Lloyd's Register Quality Assurance Limited

#### **ISO 9001:2015 Quality Management System Certification for The Hong Kong Shipyard Limited**

by Lloyd's Register Quality Assurance Limited

#### **The Best of the Best Master Chef Recommendation Restaurant 2024 for Harbour Cruise - Bauhinia**

by Asia Art of Cuisine Society

| Membership                      | Organisation  |
|---------------------------------|---|
| <b>Corporate Member</b>         | Hong Kong Brand Development Council                             |
| <b>Corporate Member</b>         | International Food Safety Association                           |
| <b>Corporate Member</b>         | The Institute of Purchasing & Supply of Hong Kong               |
| <b>Green Cross Group Member</b> | Occupational Safety & Health Council                            |
| <b>Member</b>                   | Data Protection Officers' Club                                  |
| <b>Member</b>                   | Employers' Federation of Hong Kong                              |
| <b>Member</b>                   | Hong Kong Federation of Restaurants & Related Trades Limited    |
| <b>Organisation Member</b>      | The Chartered Institute of Logistics and Transport in Hong Kong |



## SUSTAINABILITY GOVERNANCE

### Sustainability Governance Structure

#### Board Statement

The Board has the overall responsibility and accountability for overseeing ESG matters, including management approach, strategy, and performance related to climate-related risks and opportunities. ESG matters relevant to the Group are included in the Board meetings' agenda on a regular basis, ensuring that climate-related issues are addressed and prioritised.

The Board is responsible for strategic direction on ESG, reviewing and endorsing ESG-related policies and targets, and approving our annual ESG Report. The Board ensures that appropriate skills and competencies are available within its members to effectively oversee strategies designed to respond to climate-related risks and opportunities. This includes assessment of the Board's capabilities and development of necessary skills through training and external expertise.

The Board oversees the effectiveness of our sustainability-related programs and tracks progress towards our 2030 environmental targets. It ensures that these initiatives are in alignment with the Group's vision and mission. In addition, the Board evaluates how climate-related risks and opportunities are integrated into the overall strategy, risk management processes and related policies. This evaluation takes into account the costs and benefits associated with those risks and opportunities, ensuring that informed decisions are made that align with our long-term sustainability goals.

#### ESG Working Group

The ESG working group, which includes representatives from all business units, was established to support the Board in the systematic oversight and management of material ESG issues. The ESG working group is committed to enhancing the Group's approach to the management of ESG and climate-related risks and opportunities by integrating a top-down strategic perspective with bottom-up processes to comprehensively identify and evaluate sustainability risks across all business divisions.

In compliance with our internal risk management processes and control systems, the ESG working group is tasked with reviewing, evaluating, and monitoring specific sustainability risks, including long-term staff recruitment, occupational safety and regulatory compliance. The ESG working group works closely across different departments to ensure that management controls and procedures are effectively implemented. This collaboration facilitates the oversight of climate-related risks and opportunities while integrating climate-related considerations into decision-making processes across the business operations.








Furthermore, the ESG working group reports to the Board, providing updates on sustainability risks and progress towards ESG targets. This structured reporting mechanism ensures that the Board is well-informed about climate-related issues, promoting informed decision-making and strategic oversight. The Group is committed to addressing climate-related risks and opportunities and understands the importance of aligning incentives with our sustainability objectives.



## SUSTAINABILITY GOVERNANCE (Continued)

## Stakeholder Engagement

The Group acknowledges the critical role stakeholders play in its sustainable development and places significant emphasis on incorporating stakeholders' feedback and opinions to guide its management approach on pertinent sustainability matters. The Group engages with a diverse group of stakeholders on an on-going basis to better understand and respond to their views, make better-informed business decisions and identify risks and opportunities. The communication channels used to engage with various stakeholder groups are illustrated in the table below.

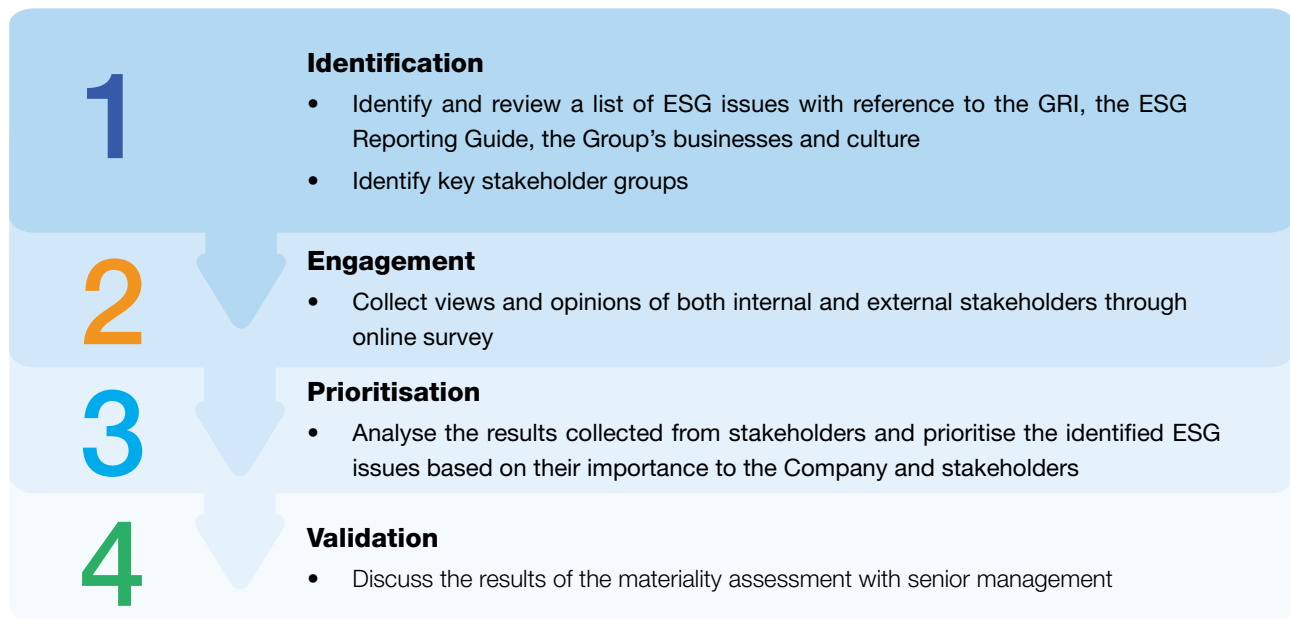
| Stakeholder Group   | Communication Channels   |
|---|--|
|  Employees               | <ul style="list-style-type: none"> <li>• Internal newsletters</li> <li>• Staff activities</li> <li>• Birthday lunch</li> <li>• Surveys</li> <li>• Employee performance appraisals</li> </ul>   |
|  Shareholder/Investor   | <ul style="list-style-type: none"> <li>• Announcements, circulars, financial reports and other corporate communication</li> <li>• Annual general meetings</li> <li>• Company website</li> <li>• Investors' meetings or presentations</li> <li>• Email</li> <li>• Social media</li> </ul> |
|  Clients/Customers     | <ul style="list-style-type: none"> <li>• Company website</li> <li>• Email and hotline</li> <li>• Questionnaires</li> <li>• Social media</li> </ul>   |
|  Suppliers/Vendors     | <ul style="list-style-type: none"> <li>• Company website</li> <li>• Email and telephone</li> <li>• Questionnaires</li> <li>• Meetings</li> </ul>   |
|  Business Partners     | <ul style="list-style-type: none"> <li>• Company website</li> <li>• Email and telephone</li> <li>• Questionnaires</li> <li>• Meetings</li> </ul>   |
|  Government/Regulators | <ul style="list-style-type: none"> <li>• Compliance inspections and supervision</li> <li>• Regular report disclosure</li> <li>• Telephone</li> <li>• Seminars</li> </ul>   |
|  Community             | <ul style="list-style-type: none"> <li>• Company website</li> <li>• Charitable activities and community services</li> <li>• Social media</li> </ul>  |



## SUSTAINABILITY GOVERNANCE (Continued)

### Materiality Assessment

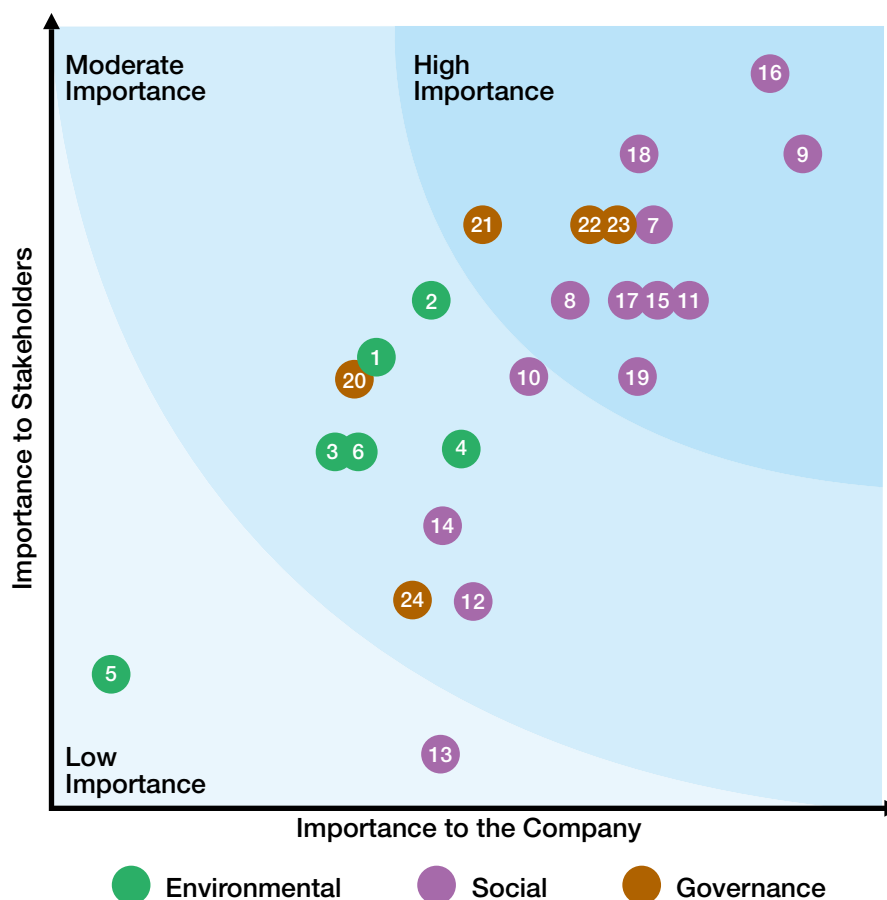
During the Reporting Year, the Group engaged an independent consultant to conduct a materiality assessment. The assessment primarily involved assessing and prioritising ESG issues related to the Group, with reference to the Global Reporting Initiative (“GRI”) and the ESG Reporting Guide. Our 4-step approach to materiality assessment is outlined below:



## SUSTAINABILITY GOVERNANCE (Continued)

### Materiality Assessment (Continued)

The matrix below illustrates 24 material ESG issues, reflecting their relative importance to the Group's strategic implementation and business operations.



| Environmental                 | Social                                     | Governance                                   |
|-------------------------------|--|--|
| 1. Energy efficiency          | 7. Employee well-being                     | 20. Anti-corruption                          |
| 2. Emissions reduction        | 8. Employment practices                    | 21. Corporate governance                     |
| 3. Water conservation         | 9. Occupational health and safety          | 22. Risk management                          |
| 4. Waste management           | 10. Staff training and development         | 23. Business ethics                          |
| 5. Use of packaging materials | 11. Talent attraction and retention        | 24. Stakeholder engagement and collaboration |
| 6. Climate change             | 12. Diversity and inclusion                |  |
|                               | 13. Elimination of child and forced labour |  |
|                               | 14. Supply chain management                |  |
|                               | 15. Service/product quality                |  |
|                               | 16. Customer health and safety             |  |
|                               | 17. Quality assurance                      |  |
|                               | 18. Consumer data protection and privacy   |  |
|                               | 19. Community investment and engagement    |  |



## SUSTAINABILITY GOVERNANCE (Continued)

### Risk Management

The Group has established robust ESG risk management and internal control systems to identify, assess and manage ESG risks associated with our business operations, including those associated with climate change. Risk assessment matrix is adopted to determine the risk rating based on the severity of consequences and the likelihood of occurrence.

Recognising the growing importance of climate-related risks, the Group has implemented specific measures to assess potential impacts on business operations. This includes evaluating physical risks, such as extreme weather events and long-term shifts in climate patterns, as well as transition risks associated with regulatory changes and market dynamics related to climate action.

In our risk management framework, the Board holds ultimate responsibility for the Group's risk management and internal control systems, as well as for assessing the nature and extent of the risks that are acceptable in pursuit of its strategic objectives. The Audit Committee assists the Board in monitoring risk exposure and assessing the design and operating effectiveness of the risk management and internal control systems. At the business unit level and across functional areas, the line management is tasked with the identification, assessment and mitigation of risks. The Internal Risk Management Team is responsible for establishing relevant policies and conducting regular reviews of the risk assessment reports provided by the line management. The risk assessment reports document the line management's evaluations of critical risks, highlight the strengths and weaknesses of the internal control systems, and outline control strategies to address identified deficiencies in their respective operating sections. The Internal Audit Department supports the Audit Committee in evaluating the effectiveness of our risk management and internal control systems.

In addition, the Group is committed to enhancing its resilience to climate-related risks by integrating sustainability practices into its business operations, leveraging low-carbon technologies and engaging with stakeholders to promote awareness and collaborative efforts towards climate adaptation and mitigation.

The diagram below illustrates our 4-step approach to risk management.

|          |  |
|----------|--|
| <b>1</b> | <b>Preparation</b>   |
|          | <ul style="list-style-type: none"> <li>Understanding organisational objectives from operational, financial, compliance and climate perspectives</li> </ul>   |
| <b>2</b> | <b>Risk Identification and Assessment</b>  |
|          | <ul style="list-style-type: none"> <li>Identifying the risk associated with achieving organisational objectives, including climate-related risks such as physical risks and transition risks</li> <li>Assessing the likelihood and potential impact of particular risks</li> </ul> |
| <b>3</b> | <b>Risk Response</b>   |
|          | <ul style="list-style-type: none"> <li>Developing programmes to address the identified risks</li> </ul>  |
| <b>4</b> | <b>Risk Monitoring and Evaluation</b>  |
|          | <ul style="list-style-type: none"> <li>Ongoing monitoring and evaluating the risks, internal control and the arrangements in place to address them</li> </ul>  |

### SUSTAINABILITY GOVERNANCE (Continued)

#### Anti-Corruption

The Group is dedicated to upholding high standard of ethical business conducts across all our business operations. We adopt a zero-tolerance approach towards bribery, money laundering, extortion and fraud.

Our Business Ethics and Code of Business Conduct Policy, Anti-Corruption and Bribery Policy, Code of Conduct, along with the guidelines and policies, clearly outline the expectations for professional, appropriate and ethical behaviour for all employees. All employees of the Group must adhere to the relevant policies concerning bribery, anti-corruption, money laundering, and anti-competition. Accepting money or any gifts from customers, suppliers, contractors, related authorities or other business partners is strictly prohibited for our employees. We also issue memoranda to all employees to ensure awareness of anti-corruption measures and understanding of our Code of Conduct.

To equip our employees with reviews of ethical conduct and up-to-date anti-corruption practices, the Group from time to time invites the Independent Commission Against Corruption (“ICAC”) to conduct training sessions for relevant staff. These sessions are particularly targeted towards business units that are at higher risk of corruption, such as purchasing and procurement, tendering, sales and marketing. A webinar was held in 2024 to introduce the ethical and governance roles of directors and senior management of publicly listed companies. In addition, relevant training materials have been distributed to the Board to further enhance their understanding of ethical practices and anti-corruption measures.

The Group has established a Whistleblowing Policy to encourage employees to report any suspected unethical behaviour. This policy offers a reporting channel and guidance for whistleblowing, enabling employees to report grievances or concerns regarding suspected irregularities, malpractices or misconduct within the Group. We are committed to keeping the identity of the whistleblower and the details of any investigation confidential. Every report received is carefully assessed by the Whistleblowing Committee, which will decide if an investigation is required. For more information, please refer to the sub-section headed “Audit, Risk Management and Internal Control” in the “Corporate Governance Report” of our Annual Report 2024.

During the Reporting Year, there were no confirmed cases of non-compliance with the anti-corruption regulations of Hong Kong.





### OPERATING PRACTICES

The Group is committed to achieving operational excellence by providing our customers with high-quality products and services. We recognise that our long-term success is not solely based on our performance, but also on the contributions by our supply chain partners, who align with our values and vision for a sustainable future. We strive to foster ethical and responsible practices throughout our supply chain network.

#### Product and Service Responsibilities

The Group is committed to providing customers with high-quality and responsible products and services and has established a policy to guide employees on quality assurance, intellectual property rights and customer privacy. During the Reporting Year, there were no reported cases of non-compliance with relevant laws and regulations in respect of the products and services quality.

Our Business Ethics and Code of Business Conduct Policy underpins our commitment to protecting personal data privacy and the confidentiality of all information collected from our customers. Our employees have easy access to the Group's Employee Internet and Email Use Policy, which covers the use and management of data and information following the relevant regulatory requirements. All employees must comply with these internal guidelines to ensure that customer data is handled safely and securely. To address potential regulatory risks that may significantly affect our business, Harbour Cruise - Bauhinia has updated its data collection statement on its website from passive consent to active consent in accordance with the user consent requirements of the General Data Protection Regulation ("GDPR")<sup>2</sup>.

At Harbour Cruise - Bauhinia, we are aware of the potential concerns regarding intellectual property rights and music copyright laws. To address these concerns, we use licensed computer software and have paid all necessary music royalties under a Copyright Music Performance Licence Contract. Harbour Cruise - Bauhinia is also registered as a trademark with the Trade Marks Registry, Intellectual Property Department of the Hong Kong Government.

Our shipyard, ferry and Harbour Cruise - Bauhinia operations adhere to the ISO 9001:2015 Quality Management System to ensure that quality products and services are delivered and that customer expectations and relevant regulatory requirements are fulfilled, if not exceeded. Since the health and comfort of our customers are directly related to satisfaction, we continuously monitor indoor air quality at our managed properties. During the Reporting Year, both Metro Harbour Plaza and Green Code Plaza participated in the Environmental Protection Department's Indoor Air Quality Certification Scheme. Metro Harbour Plaza and Green Code Plaza have again, for the period 2024/25, successfully achieved the Good Class objectives.

Our commitment to service excellence drives us to make informed decisions, based on our understanding of the needs and expectations of our customers. To achieve this, we have implemented various engagement channels, including customer satisfaction surveys, to gather feedback in a proactive manner. In addition, we have established a comprehensive product and service complaints mechanism in compliance with the requirements of ISO 9001:2015, which includes our quarterly Docking Repair Service Customer Satisfaction Survey and bi-annual On-Time Maintenance Services survey.

<sup>2</sup> According to the user consent requirements of GDPR, consent of customer means specific, informed and unambiguous indication of the wishes by the customer, using a statement or a clear affirmative action, which signifies agreement to the processing of personal data relating to the customer.

## OPERATING PRACTICES (Continued)

### Product and Service Responsibilities (Continued)

For our healthcare, medical aesthetic and beauty services business, complaints are handled by the person-in-charge and reported to the manager. Safety or compliance-related complaints are immediately reported to the manager and handled by either the person-in-charge or the manager, as appropriate. During the Reporting Year, the Group received no material complaints relating to product and service quality. In addition, logos of our developed brands are registered as trademarks with the Trade Marks Registry, Intellectual Property Department of the Hong Kong Government.

### The frequency and overall results of customer satisfaction surveys

| Business Unit  | Frequency     | Satisfaction Rate |
|--|---------------|-------------------|
| Harbour Cruise - Bauhinia                                  | Weekly        | 98%               |
| Shipyard Operation   | Quarterly     | 97%               |
| Dangerous Goods Vehicular Ferry Services                   | Half-yearly   | 98%               |
| Medical Aesthetic Clinic and Premium Beauty Service Centre | All customers | 76%               |

Our pain management centre – Total HealthCare Health Centre commenced operations in Tsim Sha Tsui and Tai Kok Tsui during 2024. Our healthcare team provided lectures and experiential treatments at various locations to promote the importance of chiropractic care for spinal health.



## Supply Chain Management

To ensure sustainable operations across our business, the Group has formulated the Climate Change Policy and Environmental Policy to address the growing global threat posed by climate change and to demonstrate our dedication to environmental protection and well-being of the society through collaboration with various stakeholder groups. The Climate Change Policy encourages our suppliers, consultants, contractors and business partners to reduce carbon emissions and energy consumption in their daily operations, incorporates climate change considerations into our procurement process and encourages the use of low carbon, low embodied-energy and energy efficient products and materials. The Environmental Policy fosters environmental awareness in our decision-making and operating practices, gives priority to environmentally-friendly designs, materials and construction approach, and favours consultants, contractors, and suppliers who follow environmentally-friendly practices in providing their designs, services, and products. Our Code of Conduct outlines our requirements on ethical standards, labour rights and environmental practices.



## OPERATING PRACTICES (Continued)

### Supply Chain Management (Continued)

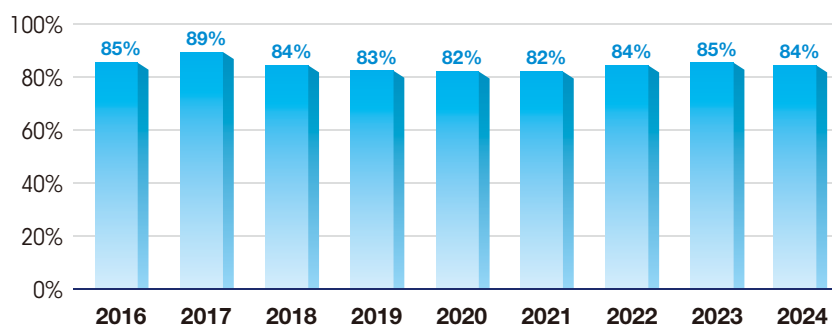
We implement our commitments and initiatives by establishing evaluation criteria for our suppliers' engagement and tender process. These criteria include product and service quality, safety performance, operational needs, price and compliance with our Code of Conduct. We ensure that our suppliers' interests are aligned with our commercial, environmental and social requirements. We recognise that partnering with environmentally responsible suppliers can reduce the Group's carbon footprints and promote more sustainable practices.

We have adopted a stringent monitoring system to ensure compliance with our ESG commitments. Our property development operations conduct safety audits, while our other operations conduct supplier evaluations to identify areas of concern and recommend remedial actions. We have remained committed to reducing our impact on the environment and promoting sustainability throughout our supply chain. To meet the changing global requirements, since 2021 and during the Reporting Year, we have incorporated ESG-related supplier certifications in our supplier review process by considering Energy Audit, Carbon Audit and GRI as factors that may affect our supplier selection.

For any new supplier onboarding, the Supplier Evaluation Report will be produced according to different acceptance criteria and needs to be approved by our senior management before the supplier can be added to our Approved Supplier Lists.

As a company based in Hong Kong, we are committed to supporting the local economy through local sourcing and procurement. This approach not only supports local businesses but also contributes to carbon emission reduction by minimising transport distance. During the Reporting Year, we maintained an overall local procurement rate of about 84%, marking our 9th consecutive year with a rate exceeding 80%. During the Reporting Year, our Harbour Cruise - Bauhinia business, and medical aesthetic clinic and premium beauty service centre achieved a 100% local sourcing rate from Hong Kong suppliers. In 2024, we maintained our commitment to promoting environmentally friendly products and services, placing a strong emphasis on sustainability in our operations.

**Overall local procurement rate of the Group**



### PEOPLE AND COMMUNITY

We believe that our progress towards sustainable development greatly relies on our employees. We strive to provide a healthy, diverse and respectful working environment that fosters personal growth and career development for our employees. The Group believes that this is not only a corporate responsibility, but also a strategic investment in our future, allowing our employees to thrive and reach their full potential.

#### Occupational Health and Safety

Health and safety is our top priority. To foster a secure and healthy environment for our employees, contractors and visitors, the Group has Safety Policy and Safety Plan in place to reflect our commitment to protecting their occupational health and safety. To create a safe working environment, we have taken preventive steps to reduce the risk of occupational hazards in our premises. Our Substance Use Policy strictly prohibits the use of alcohol and drugs in the workplace for all shipyard employees, contractors and suppliers. We regularly send reminders to our employees to ensure they are aligned with and understand our policies. Non-compliance with these policies is taken seriously, and violations may lead to disciplinary actions up to and including termination of employment.

In terms of other preventive measures, the Safety Committee is responsible for overseeing safety management and risk control of the shipyard. The Safety Officer and Supervisors operate the safety management system and conduct safety inspections to ensure that all employees can work safely and are provided with appropriate safety gear and personal protective equipment. The committee generates weekly safety inspection reports to identify areas for immediate correction and potential safety hazards, and to develop best practices for future use.

In addition, we conduct quarterly safety meetings with staff, workers and contractors to provide updated policies, directions, and regulations regarding occupational health and safety. To further foster a culture of safety, we arrange daily morning exercises and safety briefing sessions for our frontline workers and staff before the commencement of their duties. We also provide occupational health and safety videos to remind our frontline workers to put safety first.

During the Reporting Year, we provided safety-related training to our employees, which accounted for more than one-fifth of our total training hours of approximately 4,410 hours. For more details, please refer to below sub-section headed “Development and Training” under this section.

#### Respiratory Syncytial Virus (“RSV”) Seminar

In response to the recent increase in RSV infections in Hong Kong, the Group organised a seminar in July 2024 to help colleagues understand the impact and importance of RSV on health. The seminar featured representative from a vaccine manufacturer who introduced the virus symptoms, high-risk individuals, complications and preventive vaccines. To encourage our colleagues to take proactive measures against RSV, the Group offered vaccination discounts to employees and their relatives to enhance the body’s resistance to the virus.





## PEOPLE AND COMMUNITY (Continued)

### Occupational Health and Safety (Continued)

#### Massage Experience Day

We believe the well-being, health and safety of our employees are essential for our continued success. In August 2024, the Group held a “Massage Experience Day” at our office to help colleagues relax amidst their busy schedules. On that day, visually impaired massage therapists from Hong Kong Blind Union were invited to provide massage services for colleagues, focusing on head and shoulder massages to relieve fatigue.



#### Fire Drill in Tsing Yi Office



Fire safety remains a top priority in our operations. In addition to drills on vessels twice a month, monthly drills at pier and quarterly joint drills of Harbour Cruise - Bauhinia and our Dangerous Goods Vehicular Ferry Services, we collaborated with Tsing Yi fire station to conduct a fire drill in 2024 to demonstrate and update our employees on the latest information regarding fire safety.

#### Cooling Relief – Summer Initiatives for Employee Well-Being

We provided free ice cream at our staff canteen every Friday from July to September 2024. In addition, we distributed refreshing beverages to shipyard employees and installed new refrigerators for easy access to cold drinks. We also supplied portable fans and washing machines, allowing them to manage heat and maintain hygiene by washing sweat-soaked clothes. These efforts aimed to enhance hydration, reduce heat-related risks, and create a more comfortable working environment for our team.





### PEOPLE AND COMMUNITY (Continued)

#### Occupational Health and Safety (Continued)

Our medical aesthetic and beauty business offers a range of treatments, some of which require the use of special equipment and tools, including equipment that generate high heat, laser or high energy. We strictly control and limit the use of such equipment and ensure that only employees who have been trained and passed examinations are assigned to operate them.



In our medical specialists centre, we establish clinic hygiene and infection control measures in accordance with the guidelines of the Department of Health.



The Group understands that the health of our employees is vital to our business operations. To support the well-being of our employees, we provide comprehensive medical insurance coverage for our employees, including outpatient and inpatient coverage for employees and their families, certain free vaccinations and regular medical check-up allowances. Furthermore, we offer other voluntary insurance plans such as self-insured dental plans for our employees, as well as free health check-ups exclusively for frontline workers, operational ferry staff, cruise kitchen and shipyard employees.

We had a code of practice for working at height to suit our working environment to enhance and enrich our safety measures. Our Safety Committee will contribute to the ongoing enhancement of our safety practices by daily and regular site visit safety monitoring without interruption. Our shipyard has taken steps to enhance safety for our workers. We installed monitoring system on crawler crane, which includes a monitor in the cabin providing continuous footage captured by four cameras. This enhances the safety of lifting operation. In addition, we purchased breathing apparatuses and MotionSCOUT for confined space rescue and operation in order to enhance the safety of workers in confined space. We also installed additional fire extinguishers in office and other operation area to strengthen our fire precaution measures. Furthermore, we purchased light-duty working platforms including step platforms and hop-up platforms to enhance the safety of work above ground. We are committed to continually prioritising the safety and security of our employees.

No reported cases of non-compliance with applicable occupational health and safety laws and regulations in Hong Kong took place during the Reporting Year that had a significant impact on the Group.



## PEOPLE AND COMMUNITY (Continued)

### Talent Attraction and Retention

The Group is committed to empowering our people to acquire the essential skills and experiences they need to develop themselves. We believe in upholding equal employment practices, respective of nationality, race, religion, gender, age, or family status. Our commitment extends to ensuring that child labour and forced labour are prohibited in our business operations. Our employee remuneration and compensation packages are based on an individual's experience, merit and responsibilities within the Group. We also provide attractive employee benefits, such as shopping discount offers, maternity and paternity leave, and medical insurance coverage that extends to their family members. To facilitate open dialogue between employees and managers regarding their past performance, future prospects and innovative ideas for the Group, we have established communication channels such as our annual appraisals. In our endeavour to assist our employees in achieving a healthy work-life balance, we provide all employees with adequate breaks and reasonable working hours. For our office staff, we have implemented a five-day work week. During the Reporting Year, the Group participated in the Local Shipping Industry Employers' Meeting 2024, which was organised by the Hong Kong Sea School. This event enabled us to connect with and recruit graduates eager to build career in the shipping industry. Through our efforts in talent attraction, retention and industry engagement, we strive to promote the well-being of our employees while maintaining high productivity levels.

#### Staff Gathering

Gathering activities were organised for colleagues to share interesting work and life stories with each other, thereby promoting team communication and creating a harmonious working environment.



### PEOPLE AND COMMUNITY (Continued)

#### Talent Attraction and Retention (Continued)

##### Lunar New Year Lunch Gathering



The Group organised a Lunar New Year lunch gathering for our colleagues at Tsing Yi Office to celebrate the Year of Dragon. We wish for a prosperous year ahead, where both the Group and our colleagues flourish.

##### Autumn Trip to Zhongshan for Employees and their Relatives and Friends

In October 2024, the Group organised a weekend trip to Zhongshan for employees and their relatives and friends as the well-being of our employees has always been our top priority and as recognition to applause them for their commitment to community engagement. Our goal is to strengthen the bonding between cross teams and enhance their interpersonal and communication abilities which would be beneficial at work. The trip also provides them with the opportunity to enhance their cultural knowledge as they visited one of the check points "Sanxi Village". We continue to provide a positive work environment to our employees as well as supporting them in community activities.





## PEOPLE AND COMMUNITY (Continued)

### Talent Attraction and Retention (Continued)

#### Mid-Autumn Tea Gift Boxes

To celebrate the Mid-Autumn Festival, the Group provided premium tea gift boxes to employees, featuring health-focused tea leaves and elegant cups. This initiative encourages family bonding and relaxation while fostering cultural appreciation and engagement, enhancing overall employee well-being.



#### Birthday Celebration

The Group holds regular gatherings to celebrate birthdays of colleagues. Employees from various departments come together to share birthday cake and delicious food.





### PEOPLE AND COMMUNITY (Continued)

#### Talent Attraction and Retention (Continued)

##### Christmas Party

In December 2024, we organised a Christmas party featuring delicious food, lucky draw and various games for our staff. We aimed to create a joyful and inclusive atmosphere for our employees. This event not only celebrated the festive season but also served to acknowledge their hard work and dedication over the past year.



##### Green Monday – Free Green Lunch on Monday



Our employees' health is important and in January 2024, we kicked off Green Monday at our staff canteen. Once a week, we provide employees with free vegetarian lunch to promote their personal health and support the environmental campaign for a sustainable living in Hong Kong. A small lifestyle change can make a difference to one's health as well as the health of the planet.

During the Reporting Year, there were no reported cases of non-compliance with relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare, and preventing child and forced labour that had a significant impact on the Group.





## PEOPLE AND COMMUNITY (Continued)

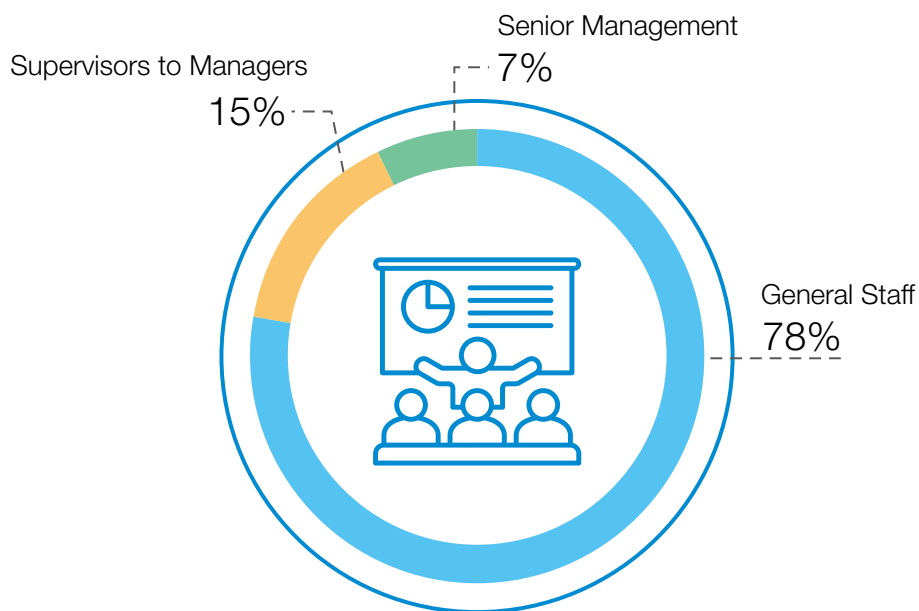
### Development and Training

The Group is dedicated to promoting a culture of continuous learning and personal development among our employees, which is important to maintaining business continuity and resilience. During the Reporting Year, we arranged First Aid training for frontline staff and health seminars for our staff to enhance employees' health and safety awareness. To motivate all employees to participate in training programmes relevant to their roles and professional aspirations, we offer both financial and non-financial incentives. For employees who have completed certain qualifications or professional attainments, they will be considered a salary increment.

Each year, we allocate a specific budget to sponsor our staff in enrolling in award-bearing courses and other external training programmes, both for personal development and job enrichment.

To allow our employees to receive training regardless of time and space constraints, we have adopted a hybrid approach to offer both face-to-face and online training to our employees. We believe that this approach effectively meets the needs of our employees by providing them with the flexibility to choose the training means that best suits their individual circumstances and learning preferences.

#### Percentage of employees' training hours by employee category during the Reporting Year



### PEOPLE AND COMMUNITY (Continued)

#### Development and Training (Continued)

##### Training Sessions on Cybersecurity and New Intranet Training

To enhance our employees' awareness of cybersecurity, the Group organised a training seminar in May 2024, offering insights into online threats and preventive measures. The seminar covered topics such as phishing scams, password security and phishing email. By fostering a culture of vigilance, the Group aims to safeguard sensitive information and maintain the integrity of its digital infrastructure.

Further, the Group implemented a new intranet system to improve security, user-friendliness, and expandability. As part of the transition process, our Information Technology Department conducted training session for relevant staff members. To meet the challenges of an evolving digital landscape, we are committed to equipping our employees with an enhanced collaboration platform.



#### Community Investment

As a responsible corporate entity, the Group is dedicated to contributing to the community in which we operate and creating a positive social impact while benefiting our business. We believe that it is our obligation to give back to the society and help those in need. Therefore, we assist underprivileged groups through various community activities and charitable projects.

#### The Group and the Hong Kong Community

Guided by the Board and senior management, we remain committed to generating long-term shared value for the community of Hong Kong. The three principles of “Love Hong Kong”, “Love Victoria Harbour”, and “Care for the People” are deeply rooted in our corporate culture.



## PEOPLE AND COMMUNITY (Continued)

### The Group and the Hong Kong Community (Continued)

#### Launching Ceremony cum Harbour Cruise of Anti-Deception Ferry “Ping On”

The Group has partnered with the Marine Region, the Public Relations Wing of the Hong Kong Police Force, the Anti-Deception Coordination Centre of the Commercial Crime Bureau, and Project SILVERSHIELD. In February 2024, a launch ceremony was hosted for the anti-deception ferry “Ping On” at the Marine Police Regional Headquarters at Sai Wan Ho, followed by a tour around Victoria Harbour. It is considered that Ping On, showcasing anti-deception mascots like “The Little Grape”, “Chai Chai” and “Ping On family”, will catch the attention of the public on both sides of Victoria Harbour, promoting anti-deception messages to citizens and tourists in a brand new way. We are committed to supporting scam prevention activities and fulfilling our social responsibility.



#### GBA Walk 2024 Hong Kong



In February 2024, the Group participated in the “GBA Walk 2024 Hong Kong”, which aimed to foster unity in the Bay Area and promote greenway activities. The event began with an opening ceremony at Central Pier No. 10 and included a leisurely cruise on the “Ping On” ferry.

## PEOPLE AND COMMUNITY (Continued)

### The Group and the Hong Kong Community (Continued)

#### SAHK Charity Walk 2024

The Company sponsored SAHK Charity Walk 2024 and participated in the charity walk organised by SAHK to raise funds for its diverse educational and rehabilitation services. Our colleagues completed the 4-kilometer distance alongside the service users and their carers of SAHK, highlighting the spirit of inclusivity and support for individuals with disabilities.



#### Strive and Rise Programme

##### Shipyards Visit

The Group continued to support the Strive and Rise Programme and invited trainees to visit the shipyard. During this event, we had the chance to introduce the Group and provided insights into the Group's operations to the trainees.



##### Mentorship Experience

As mentor in the Strive and Rise Programme, we invited some mentees to our office and experience a day in the Company's life. This mentorship experience provided the mentees with an opportunity to gain insights into the working environment and requirements of the workplace before entering the workforce after leaving school.



##### Harbour Cruise - Bauhinia Tour

In August and September 2024, the Group sponsored over 400 participants and mentors for a voyage on Harbour Cruise - Bauhinia. Onboard workshops covered navigation facilities and landmarks along Victoria Harbour, while Marine Police ambassadors shared insights on maritime knowledge and safety. The participants and mentors enjoyed the scenic beauty of the harbour and a buffet lunch during the trip.





## PEOPLE AND COMMUNITY (Continued)

### The Group and the Hong Kong Community (Continued)

#### Local Shipping Industry Employers' Meeting

The 4<sup>th</sup> Local Shipping Industry Employers' Meeting was successfully held in March 2024, featuring 16 maritime-related organizations that came together to celebrate the graduation of students from maritime studies programmes.

As one of the leaders in the industry, we participated in this event to introduce job opportunities within the Group. This initiative opened a pathway for youth and graduates to apply for vacancies and gain insights into potential careers in the maritime sector.



#### Lecture on Retrospect and Prospect of Vehicular Ferry & The Hongkong and Yaumati Ferry

In April 2024, the Group partnered with Hong Kong Maritime Museum to host a lecture on "Retrospect and Prospect of Vehicular Ferry & The Hongkong and Yaumati Ferry", attracting over 120 attendees. The talk covered the historical development of The Hongkong and Yaumati Ferry and vehicular ferry routes, enhancing public awareness of Hong Kong's maritime culture. We aim to continue collaborating with the Hong Kong Maritime Museum to organise more educational initiatives that inspire future generations to engage in the maritime sector.



### PEOPLE AND COMMUNITY (Continued)

#### The Group and the Hong Kong Community (Continued)

##### Hong Kong Ferry Vehicular Ferry x Mobile Softee

In August 2024, Harbour Cruise - Bauhinia, in collaboration with Mobile Softee, organised two all-you-can-eat ice cream vehicular ferry trips, evoking childhood memories. Participants drove their cars and brought their pets aboard, enjoying the sea breeze and scenic views of Victoria Harbour while indulging in delicious ice cream. The Group also sponsored 200 children and their families, allowing them to enjoy this delightful experience.



### Caring for the Community

The Group strives to support the community by focusing on the following areas: serving underprivileged families, children and the elderly as well as providing a platform for learning and exchanging knowledge.

#### Industry Knowledge and Experience Sharing

We are committed to fostering a culture of knowledge sharing with professionals, academia, non-governmental organisations, students and others. Our goal is to bring positive effects to the industry and further contribute to the social and economic development of Hong Kong. To achieve this, we offer regular internship programs for students from tertiary institutions, Hong Kong Sea School and secondary schools to share our knowledge with the community.





## PEOPLE AND COMMUNITY (Continued)

### Caring for the Community (Continued)

#### Industry Knowledge and Experience Sharing (Continued)

#### Internship and Mentorship Programmes

The Group aims to leverage our maritime industry experience to nurture young talent and give back to the community.

By offering hands-on training and mentorship, we equip the next generation with essential skills for the maritime sector. Our initiatives include partnerships with educational institutions, providing internships aboard our vessels, and workshops on maritime safety, navigation and environmental stewardship. Through these efforts, we aspire to inspire young people to pursue careers in the maritime industry and foster a vibrant future for the sector.



*The Internship Programme of Hong Kong Sea School*



*Welcoming maritime trainees at Hong Kong Sea School Annual Passing-Out Parade*



*"I Want to Be Captain" event*

## PEOPLE AND COMMUNITY (Continued)

### Caring for the Community (Continued)

#### Industry Knowledge and Experience Sharing (Continued)

#### Visit the Ronald McDonald House

In October 2024, the Group's management team visited the Ronald McDonald House in Kwun Tong to celebrate Halloween with sick children and their caregivers. We provided a hearty meal and invited the children to create Halloween small handicraft, fostering quality family time in a relaxed atmosphere.



#### RMHC Homebound Adventurers Charity Orienteering Challenge & Carnival

By taking part in this event, our employees engaged in a community-focused adventure supporting sick children. The event, with nearly 1,000 participants, features a team-based challenge where participants embarked on a journey of community exploration and adventure and tackled tasks. We encourage our employees to support these brave young adventurers and make a positive impact on families with sick children.



We also participated in the SDG World Records Breaking Initiatives – Most Cumulative Participants Pledging Support for Ill Children and their Families (over 800 individuals).





## PEOPLE AND COMMUNITY (Continued)

### Caring for the Community (Continued)

#### Industry Knowledge and Experience Sharing (Continued)

##### “Green Action Living 1+1” Elderly Visit

Our volunteers participated in the “Green Action Living 1+1” elderly visit, making eco-friendly enzyme cleaner and learning about food waste recycling in Hong Kong by attending the seminar on “Save Food for Good Fortune”. Our volunteers visited the elderly and delivered handmade eco-friendly enzyme cleaner and lucky bags to the elderly on the day, showing their care and concern for the needy in the community while practising environmental protection.



##### Harbour North x Mohi Guide – Pet Charity Cruise on Victoria Harbour



In March 2024, the Group participated in the Harbour North x Mohi Guide – Pet Charity Cruise. This heart-warming event featured over 100 pets boarding Harbour Cruise - Bauhinia to enjoy the scenery in both sides of Victoria Harbour while taking part in activities including charity sale by Hong Kong Society for the Prevention of Cruelty to Animals.



## PEOPLE AND COMMUNITY (Continued)

### Caring for the Community (Continued)

### Industry Knowledge and Experience Sharing (Continued)

#### Pok Oi Kong Ha Wai Village – Heartfelt Care

In July 2024, the Group visited Pok Oi Kong Ha Wai Village, a transitional housing project for individuals and families awaiting public rental housing for certain time or living in inadequate conditions or with special housing needs. During the visit, we explored the village facilities and distributed 160 care packages containing daily necessities and food to villagers and the elderly, spreading care and love in the community.



### Corporate Volunteer Team

Upholding our core values of “caring for the community”, we remain committed to environmental protection and caring for underprivileged groups. In 2024, our Corporate Volunteer Team supported and participated in 38 volunteer activities and community events, contributed around 945 engagement hours.

The Company was honoured to receive “Corporate – Top 10 Highest Volunteer Hour Award (100–999 full-time employees)” at the Hong Kong Volunteer Award 2024. This award serves as a recognition to our colleagues for their heartfelt contribution to the community.







## PEOPLE AND COMMUNITY (Continued)

### Caring for the Community (Continued)

#### Corporate Volunteer Team (Continued)

#### 2023 Volunteer Appreciation Meeting

In February 2024, the Company was honoured with a certificate of appreciation at the “2023 Volunteer Appreciation Meeting” held by the Agency for Volunteer Service on Harbour Cruise - Bauhinia. The award recognises our dedication to supporting community initiatives and fostering a spirit of volunteerism.



#### “Home Maintenance – Easy Job” workshop

Starting from 2024, we have been volunteering as mentors in partnership with the Hong Kong Young Women’s Christian Association for the “Home Maintenance – Easy Job” workshop. This initiative aims to help a group of single women facing separation or divorce issues learn basic home maintenance skills to address common household repair issues, covering topics like fixing toilet tanks, faucet maintenance, tool usage and home safety precautions. The response was enthusiastic.



### PEOPLE AND COMMUNITY (Continued)

#### Caring for the Community (Continued)

##### Corporate Volunteer Team (Continued)

#### Neighbourhood First – Rice-Giving Scheme

As a “Heart to Heart Company” of the Federation, we have been volunteering in “Neighbourhood First – Rice-Giving” Scheme organised by the Hong Kong Federation of Youth Groups, where colleagues distributed the rice bags to beneficiaries, providing support and caring to alleviate the burden of low-income people.







### ENVIRONMENT AND RESOURCES

Our Environmental Policy sets forth our principles and approaches to the sustainable management of our environmental footprint. We are dedicated to strengthening our sustainability efforts by incorporating innovative solutions into our business operations, fostering environmental consciousness among our employees through education and training, and actively participating in environment-friendly initiatives spearheaded by the Hong Kong Government and non-governmental organisations.

During the Reporting Year, we complied with all applicable laws and regulations regarding environmental protection and there were no non-compliance cases relating to air and greenhouse gas (“GHG”) emissions, discharges into water and land, and the generation of hazardous and non-hazardous wastes.

#### Climate Resilience and Adaptation

Climate change has heightened the occurrence of severe weather events that present a significant threat to miscellaneous business operations. At the 29th United Nations Climate Change Conference, global leaders further reiterated stricter targets on GHG reduction and enhanced adaptation strategies on climate resilience. In response to the climate challenge, we have formulated the Climate Change Policy that governs our strategy for managing climate change issues and supports the application of renewable energy and other sustainable energy sources. Furthermore, we are dedicated to enhancing our resilience and preparedness for climate change by integrating climate-related risks into our business decision-making process.

The Group is committed to managing climate-related risks that could affect our business operations. During the Reporting Year, we engaged external expert to conduct a climate risk assessment under different climate scenarios. This scenario analysis used advanced climate risk analytic tools to identify these risks across our major operational regions and properties. Meanwhile, desktop research has been performed to identify, assess, prioritize and monitor climate-related opportunities. The assessment evaluated the climate-related physical risks and opportunities, potential impacts, financial implications and mitigation measures.

The assessment utilised two climate scenarios, integrating climate models, land use and elevation data, and models for hydrology, wildfire and severe weather. These scenarios were based on the Shared Socio-economic Pathways (“SSPs”), and the Representative Concentration Pathways (“RCPs”) from the Intergovernmental Panel on Climate Change (“IPCC”). The assessment prioritised climate-related risks that are more material to the Group than other types of risks by evaluating the likelihood and severity of identified risks using quantitative thresholds. The table below summarises some of the key characteristics of the two climate scenarios.

## ENVIRONMENT AND RESOURCES (Continued)

## Climate Resilience and Adaptation (Continued)

| Referenced Scenarios             | SSP 1-2.6 (Intermediate pathway)   | SSP 5-8.5 (High emissions pathway)   |
|----------------------------------|--|--|
| Timeframe                        | Short-term: till 2030<br>Medium-term: till 2050<br>Long-term: till 2100  |  |
| Global Mean Temperature Increase | About 1.7°C by 2060 and 1.8°C by 2100  | About 2.4°C by 2060, reaching 4.4°C by 2100  |
| Scenario Description             | This scenario represents a future that is committed to combating climate change. Governments have pledged to reduce carbon emissions, and stringent climate policies are introduced and more companies are committed to international climate action goals. This would mostly result in an increasingly decarbonized economy, with low physical risk and high transition risk. | This scenario represents a future where business continues as normal with little to no climate action taken. Governments and companies are reluctant to compromise economic growth for climate change mitigation. The absence of climate policies and actions and weak public awareness eventually lead to a high level of physical risk and a low level of transition risk. |

The Group will continuously monitor climate-related risks and review climate risk assessment to ensure timely responses to any significant changes in risk profiles. With such risk management approach, the Group aims to fully integrate climate-related risks and opportunities into our overall risk management system. For more details, please refer to the sub-section headed "Risk Management" under the section headed "Sustainability Governance".



## ENVIRONMENT AND RESOURCES (Continued)

### Summary of Climate-related Risks and Opportunities

#### Physical Risks

| Risk Category | Risk Driver  | Potential Impact   | Potential Financial Implication(s)  | Mitigating Measures  |
|---------------|--|--|---|--|
| Precipitation | Increased rainfall intensity and frequency             | Potential disruptions to ferry operations, property or facilities damage, increased maintenance costs, and interruptions in services | <ul style="list-style-type: none"> <li>Increased repair and insurance costs</li> <li>Potential loss of revenue during service disruptions</li> <li>Decreased property values due to flood risk</li> </ul> | <ul style="list-style-type: none"> <li>Implement weather monitoring and forecasting to anticipate extreme precipitation events</li> <li>Develop a contingency plan for service disruptions</li> <li>Elevate properties where feasible to mitigate the risk of water intrusion during heavy rainfall</li> <li>Deploy sandbags to protect vulnerable areas from flooding during storms</li> </ul>  |
| Wind          | Rising wind speeds that are prone to tropical cyclones | Damage to infrastructure, potential safety hazards for occupants, and increased operational risks for ferry services                 | <ul style="list-style-type: none"> <li>Increased costs for repairs and renovations</li> <li>Potential liability costs from injuries</li> <li>Higher insurance premiums due to increased risk</li> </ul>   | <ul style="list-style-type: none"> <li>Assign management of business units the responsibility for overseeing operations during extreme weather events</li> <li>Conduct drills for tropical cyclone preparedness</li> <li>Monitor updates from the Hong Kong Observatory regarding the frequency and intensity of tropical cyclones</li> <li>Secure vessels using high-strength slings during tropical cyclone events</li> <li>Limit the number of vessels docked or berthed alongside during tropical cyclone seasons</li> <li>Apply tape to windows to prevent cracking during tropical cyclones</li> <li>Implement a Virtual Private Network (VPN) service with Multi-Factor Authentication (MFA) to enable staff to securely access company systems remotely during extreme weather events</li> </ul> |

## ENVIRONMENT AND RESOURCES (Continued)

## Summary of Climate-related Risks and Opportunities (Continued)

## Transition Risks

| Risk Category    | Risk Driver  | Potential Impact   | Potential Financial Implication(s)   | Mitigating Measures   |
|------------------|--|--|--|---|
| Policy and Legal | Increased ambition of national decarbonization strategies and enhanced regulatory requirements | More stringent requirements on compliance with the ESG disclosure and decarbonization  | <ul style="list-style-type: none"> <li>Increased expenditure on decarbonization and for meeting the disclosure requirements</li> <li>Decreased operating expenses, including utilities, due to improved energy efficiency</li> </ul> | <ul style="list-style-type: none"> <li>Keep track of the latest ESG regulatory regimes in Hong Kong</li> <li>Review our Climate Change Policy from time to time to include more effectively strategies and initiatives and ensure up-to-date ESG and climate compliance during operations</li> </ul>  |
| Technology       | Investment in low carbon technology  | Technology with lower emissions or generate clean energy shall be considered when making investment decisions to retain customers  | <ul style="list-style-type: none"> <li>Increased investment in low carbon technology</li> <li>Decreased operating costs due to improved energy efficiency</li> </ul>   | <ul style="list-style-type: none"> <li>Conduct annual energy audits at the two most fuel-intensive subsidiaries since 2011</li> <li>Install rooftop solar panels, wall-mounted solar lights with an adjustable solar receiver and turn-on sensors, and solar system on two floating pontoons at its shipyard</li> <li>Install electric vehicle charging systems in the parking area within our premises</li> <li>Replace the traditional tungsten light bulbs in the ferries' main deck with LED bulbs</li> </ul> |
| Market           | Customer behaviour change  | With consumer demand for green products, the Group shall focus on improving its sustainability performance and transition to low carbon products and/or services         | <ul style="list-style-type: none"> <li>Reduced demand for existing services due to shift in consumer preferences</li> </ul>  | <ul style="list-style-type: none"> <li>Communicate with stakeholders especially with government, clients and investors to understand and manage their expectations</li> <li>Adopt green building standards by integrating sustainability considerations into the design and construction phases of the property projects</li> <li>Select environmentally responsible suppliers to minimize our carbon footprints</li> </ul>   |
| Reputation       | Reputational impact  | Increased public concerns about climate change may bring negative feedbacks from various stakeholders on the Group's carbon reduction efforts against their expectations | <ul style="list-style-type: none"> <li>Reduced revenue from decreased demand for services</li> </ul>   | <ul style="list-style-type: none"> <li>Analyse market trends</li> <li>Enhance disclosure of our actions and achievements in improving carbon reduction and energy efficiency, as well as commitment to carbon and energy reduction</li> </ul>   |



## ENVIRONMENT AND RESOURCES (Continued)

### Summary of Climate-related Risks and Opportunities (Continued)

#### Opportunities

| Opportunity Category  | Opportunity Driver(s)   | Potential Impact(s)   | Potential Financial Implication(s)   |
|-----------------------|---|---|--|
| Resource Efficiency   | Improvement in resource efficiency  | <ul style="list-style-type: none"> <li>We have adopted energy-efficient measures such as installing LED lighting, rainwater harvesting tanks, solar panels and wall-mounted solar lights. Increasing market trends for energy-efficient products, renewable energy and advancement of their development would lead to lower prices for better products, resulting in a wider adoption across our business operations.</li> </ul>  | <ul style="list-style-type: none"> <li>Reduced expenses or increased revenue</li> </ul>                                  |
| Energy Source         | Use of lower carbon emission sources of energy                                  | <ul style="list-style-type: none"> <li>We have been promoting the use of clean energy to reduce its GHG emissions. Rooftop solar panels and wall-mounted solar lights have been installed in the principal office or shipyard. Electric vehicle charging systems have also been installed in the parking area within our premises.</li> </ul>   | <ul style="list-style-type: none"> <li>Reduced exposure to GHG emissions and anticipated carbon taxes/pricing</li> </ul> |
| Products and Services | Development of green infrastructure and increasing need for healthcare services | <ul style="list-style-type: none"> <li>Developing green infrastructure, such as sustainable buildings or eco-friendly transportation option contributes to environmental sustainability while potentially attracting tenants or customers who prioritize environmentally conscious choices and enhance the value of the business.</li> <li>Widespread impacts of climate change on human health increase the likelihood of chronic diseases, increasing the populations need for healthcare.</li> </ul> | <ul style="list-style-type: none"> <li>Increased revenue</li> </ul>  |



## ENVIRONMENT AND RESOURCES (Continued)

## Summary of Climate-related Risks and Opportunities (Continued)

## Opportunities (Continued)

| Opportunity Category | Opportunity Driver(s)  | Potential Impact(s)  | Potential Financial Implication(s)   |
|----------------------|--|--|--|
| Markets              | <ul style="list-style-type: none"> <li>Expanding demand for sustainable services</li> <li>Growth in healthcare and wellness sectors</li> </ul>           | <ul style="list-style-type: none"> <li>As consumer awareness of climate change increases, there is a growing demand for sustainable real estate and eco-friendly transportation option. We can leverage this trend by integrating sustainable practices in property development and investment, attracting environmentally conscious tenants and buyers.</li> <li>The demand for healthcare sector may increase due to climate-related health impacts. Our diversification into medical and healthcare services positions it to capitalize on this trend, offering innovative health solutions that align with sustainability goals and increasing revenue streams.</li> </ul> | <ul style="list-style-type: none"> <li>Increased rental and/or sales income from sustainable properties</li> <li>Higher customer loyalty and occupancy rates</li> <li>Increased revenue from healthcare services that cater to the growing demand for wellness and sustainability</li> </ul> |
| Resilience           | <ul style="list-style-type: none"> <li>Adoption of resilience planning</li> <li>Integration of climate adaptation measures in core operations</li> </ul> | <ul style="list-style-type: none"> <li>Implementing resilience planning will enable us to identify vulnerabilities in our property developments, ferry and shipyard operations, ensuring that infrastructure can withstand extreme weather events and other climate-related risks.</li> <li>By integrating climate adaptation measures into its projects, such as flood-resistant designs and energy-efficient technologies, we can enhance the longevity and attractiveness of our properties. This proactive approach not only protects assets but also builds trust with stakeholders, investors, and customers.</li> </ul>   | <ul style="list-style-type: none"> <li>Increased value through resilience planning</li> <li>Less potential damage and rectification costs under severe weather events</li> </ul>   |

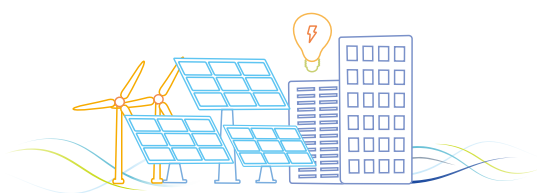
Looking forward, we will continue to evaluate our exposure to climate-related risks and opportunities and monitor the impacts of climate change on our business activities, building operations and the community.



## ENVIRONMENT AND RESOURCES (Continued)

### Energy Management and GHG Emissions

From 2011 onwards, the Group has implemented the Energy and Carbon Management Programme and conducted annual energy audits at our two most fuel-intensive subsidiaries, namely The Hong Kong Shipyard Limited and The Hongkong and Yaumati Ferry Company Limited. The results of the energy audit provide us with valuable insights, allowing us to monitor energy consumption patterns more effectively and identify potential areas where energy efficiency can be improved.



#### 2030 Electricity Consumption Target

**↓30%** against 2021 baseline



#### 2030 GHG Emissions Target

**↓30%** against 2021 baseline

The Group has established 2030 targets, focusing on the reduction of its energy consumption and GHG emissions. To achieve these goals, we have introduced a series of measures and initiatives designed to enhance energy efficiency. These include the installation of rooftop solar panels, wall-mounted solar lights with an adjustable solar receiver and turn-on sensors, and solar system on two floating pontoons at our shipyard. In addition, we are replacing traditional air conditioners on our vessels, switching from older refrigerants to more environmentally friendly options. We continue to use energy-saving bulbs and reduce daylight exposure by controlling direct sunlight from the windows. As part of our continuous efforts, we shall continue to replace traditional tungsten light bulbs with LED bulbs on the main deck of the ferries, thereby reducing energy consumption.

#### Use of wall-mounted solar lights with enhanced features

Since 2021, the Group has installed LED lights and wall-mounted solar lights across our buildings and office premises, which account for a significant portion of our carbon footprint, to enhance building performance and energy efficiency.

The wall-mounted solar lights are equipped with adjustable solar receiver and turn-on sensors. These features enhance their efficiency by optimising sunlight exposure during the daytime.



### ENVIRONMENT AND RESOURCES (Continued)

#### Energy Management and GHG Emissions (Continued)

##### Maximising the use of renewable energy system

Reducing our reliance on traditional fuels relies heavily on the use of renewable energy. The Group has installed solar photovoltaic system on the rooftop and two floating pontoons. Utilizing solar energy not only decreases our carbon footprint but also supports the transition to a more sustainable and low-carbon future.



In our property development and investment operations, we continue to explore ways to improve energy efficiency beyond the technical guidance of the Performance-based Building Energy Code published by the Electrical and Mechanical Services Department. We not only adopt green building standards but also incorporate sustainability considerations into the design and construction phases of our projects. Our managed properties proactively participate in various environmental campaigns, contributing to collective efforts to tackle climate challenges. Green Code Plaza and Metro Harbour Plaza participated in “Earth Hour 2024”, turning off the lights for an hour to raise awareness about the importance of energy conservation. Further, Green Code Plaza and Metro Harbour Plaza also encourage community-wide participation in saving energy and reducing carbon emissions by supporting Hong Kong Government’s Energy Saving Charter, which, among others, had the property committed to switching off electrical appliances and systems when they are not in use, procure energy efficient appliances and systems from June 2024 to May 2025 and engage staff, students or tenants to adopt energy saving practices together.

For over a decade, the Group has contributed to the Hong Kong Government’s efforts to improve local air quality by utilizing our fuel-efficient technologies. Going forward, we shall continue to reduce energy consumption and GHG emissions in compliance with local and international regulations and standards.



### ENVIRONMENT AND RESOURCES (Continued)

#### Air Quality Improvement

The Group continues to uphold the core value of “Love Hong Kong and the Harbour” and is committed to enhancing the air quality of the city. For over a decade, we have been proactive in responding to the Hong Kong Government’s initiatives to improve local air quality by adopting fuel-efficient technologies and turning off part of the generators during the voyage to reduce engine exhaust emission. Under our replacement programme, we successfully substituted a total of 13 generators and 10 engines on-board with environmentally friendly alternatives. Our objective is to reduce our emissions of key air pollutants, including nitrogen oxides (“NOx”), sulphur oxides (“SOx”), and particulate matter (“PM”). As part of our ongoing efforts to improve the environmental performance of our vessels, we have gone beyond the legal requirements by reducing the sulphur content in diesel for our dangerous goods vehicular ferries to 0.001% starting from January 2020. In addition, we have studied using hydrogen, solar and electric power as potential alternatives to our diesel engine to achieve further emission reduction. In 2023, we have installed an electric vehicle charging system to reduce the use of fossil fuels that emit air pollutants. We have installed another electric vehicle charging system in 2024.

#### Electric vehicle charging systems

To minimise the generation of toxic exhaust emissions in the environment, we encourage the use of electric vehicles by installing electric vehicle charging systems in the parking area within our premises, i.e. the shipyard and principal office. We aim to promote the transition to electric vehicles among our employees, logistic suppliers and customer visitors, thereby reducing emissions.



#### Water Conservation

The Group acknowledges that water is a scarce and valuable resource and is committed to enhancing water conservation. We have conducted training sessions for our shipyard staff on the use of water jets, with an emphasis on the significance of water conservation during the cleaning process. In addition, we have installed rainwater harvesting tanks, which allow us to reuse the collected water for vehicle washing, floor cleaning and irrigation purposes. Furthermore, we have replaced our faucets with water-saving ones and upgraded our washing machines to more water-efficient models, facilitating us to conserve water.

## ENVIRONMENT AND RESOURCES (Continued)

## Waste Management

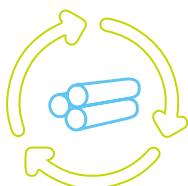
The Group emphasises proper waste management, acknowledging it as a cornerstone of our commitment to environmental stewardship. Over the years, we have prioritised reducing waste and promoting recycling across our business operations. At our shipyard, we engage contractors to sort and separate scrap metals into steel, aluminium and bronze alloys for further processing and reuse. To responsibly manage waste oil generated from the use of cranes, forklifts and emergency generators, we engage the service of licensed collectors to collect and convert it into high-quality green lubricants. Furthermore, our shipyard previously introduced a “Waste Filter Pressing Treatment Equipment” that utilises powerful pressing equipment to reduce the volume of waste products. The waste oil produced from the process will be collected for further processing. Below is a key highlight of certain hazardous and non-hazardous wastes recycled during the Reporting Year. For more details, including other wastes recycled and other wastes produced but not recycled, please refer to the section headed “Performance Data Summary” of this ESG Report.



**Recycled spent oil**  
**13,400 litres**



**Recycled cooking oil for industrial use**  
**432 litres**



**Recycled bronze**  
**300 kg**



**Recycled aluminium**  
**850 kg**



**Recycled zinc alloy**  
**1,100 kg**



**Recycled steel scrap**  
**35,050 kg**



**Processed oily water**  
**4,786 litres**





### ENVIRONMENT AND RESOURCES (Continued)

#### Waste Management (Continued)

At Harbour Cruise - Bauhinia, we have implemented a range of waste reduction measures. In addition to providing customers with a green dining menu, an onshore sewage system is located at the ferry pier, which avoided the direct discharge of 2,228 litres of wastewater into the harbour in 2024. In respect of our property development and investment operations, Metro Harbour Plaza and Green Code Plaza were recognised for fulfilling the requirements for the Programme on Source Separation of Commercial and Industrial Waste, the initiative being organised by the Environmental Protection Department.

#### Environmental Awareness

The Group believes that fostering environmental awareness among our employees and the general public is important for creating a sustainable world and promoting positive change in behaviour. We actively encourage our employees to participate in various activities that support sustainable development.

### THE WAY FORWARD

The Group has been serving Hong Kong for over a century, and as we celebrate this legacy, we recognise the importance of looking ahead. Our centenary is not just a reflection of our achievements but also a foundation for future growth. We are placing a strong emphasis on environmental resilience, particularly in addressing climate change. Caring for our people remains a priority, as we strive to create a supportive and inclusive workplace for all employees. In addition, we are dedicated to making meaningful contributions to the local community, fostering partnerships that promote social well-being. Guided by our motto of “Love Hong Kong and the Harbour”, we believe that our success is intertwined with the health of our community and environment. Together with our stakeholders, we will continue to drive sustainable operations and explore new opportunities that benefit both our business and the community at large.

# PERFORMANCE DATA SUMMARY

| HKEX KPI                | Description  | Unit   | 2024                  | 2023     |
|-------------------------|--|--|-----------------------|----------|
| <b>A. Environmental</b> |  |  |                       |          |
| A1.1                    | <b>The types of emissions and respective emissions data</b> <sup>(Note 1)</sup>    |  |                       |          |
|                         | NOx  | Tonnes   | 129.80                | 114.86   |
|                         | SOx  | Tonnes   | 1.14                  | 1.01     |
|                         | PM   | Tonnes   | 4.62                  | 4.09     |
| A1.2                    | <b>Greenhouse gas emissions in total and intensity</b> <sup>(Note 2)</sup>         |  |                       |          |
|                         | – Direct GHG emissions (Scope 1) <sup>(Note 3)</sup>                               | Tonnes of CO <sub>2</sub> e                            | 4,714.60              | 4,590.43 |
|                         | – Indirect GHG emissions (Scope 2) <sup>(Note 4)</sup>                             | Tonnes of CO <sub>2</sub> e                            | 776.39                | 776.45   |
|                         | – Other indirect GHG emissions (Scope 3) <sup>(Note 5)</sup>                       | Tonnes of CO <sub>2</sub> e                            | 37.79                 | –        |
|                         | – in total   | Tonnes of CO <sub>2</sub> e                            | 5,528.78              | 5,366.88 |
|                         | – in intensity <sup>(Note 6)</sup>   | Tonnes of CO <sub>2</sub> e per revenue (HK\$ million) | 25.17                 | 29.80    |
| A1.3                    | <b>Total hazardous waste produced and intensity</b>                                |  |                       |          |
|                         | Recycled Spent Oil <sup>(Note 8.a)</sup>   |  |                       |          |
|                         | – in total   | Litres   | 13,400                | 11,370   |
|                         | – in intensity   | Litres/FTE <sup>(Note 7)</sup>                         | 45.42                 | 41.20    |
|                         | Recycled Used Battery <sup>(Note 8.a)</sup>  |  |                       |          |
|                         | – in total   | Kg   | 0                     | 1,200    |
|                         | – in intensity   | Kg/FTE   | 0                     | 4.35     |
|                         | Ink Cartridge <sup>(Note 8.d,f)</sup>  |  |                       |          |
|                         | – in total   | Pieces   | 73                    | 51       |
|                         | – in intensity   | Piece/FTE  | 0.25                  | 0.18     |
|                         | Clinical (Medical) Waste <sup>(Note 8.d)</sup>                                     |  |                       |          |
|                         | – in total   | Kg   | 60                    | 57       |
|                         | – in intensity   | Kg/FTE   | 0.20                  | 0.21     |
|                         | Recycled Waste Oil Filtered by Treatment Equipment <sup>(Note 8.a)</sup>           |  |                       |          |
|                         | – in total   | Litres   | 0 <sup>(Note 9)</sup> | 1,072    |
|                         | – in intensity   | Litres/FTE   | 0                     | 3.88     |
| A1.4                    | <b>Total non-hazardous waste produced and intensity</b>                            |  |                       |          |
|                         | General Waste <sup>(Note 8.a,b,c,d,f)</sup>  |  |                       |          |
|                         | – in total   | Kg   | 17,256                | 17,746   |
|                         | – in intensity   | Kg/FTE   | 58.49                 | 64.30    |
|                         | Food Waste <sup>(Note 8.b)</sup>   |  |                       |          |
|                         | – in total   | Kg   | 1,346                 | 1,443    |
|                         | – in intensity   | Kg/FTE   | 4.56                  | 5.23     |
|                         | Paper Waste <sup>(Note 8.b,c,d,f)</sup>  |  |                       |          |
|                         | – in total   | Kg   | 1,609                 | 1,575    |
|                         | – in intensity   | Kg/FTE   | 5.45                  | 5.71     |
|                         | Used Cosmetic/Medical/Healthcare Products Packaging Disposed <sup>(Note 8.d)</sup> |  |                       |          |
|                         | – in total   | Kg   | 45                    | 40       |
|                         | – in intensity   | Kg/FTE   | 0.15                  | 0.14     |

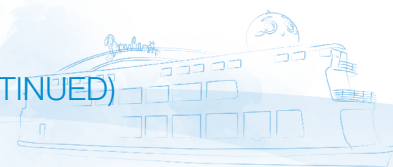


## PERFORMANCE DATA SUMMARY (Continued)

| HKEX KPI                            | Description  | Unit                                 | 2024       | 2023       |
|-------------------------------------|--|--------------------------------------|------------|------------|
| <b>A. Environmental</b> (Continued) |  |                                      |            |            |
| A1.4 (Continued)                    | <b>Total non-hazardous waste produced and intensity</b> (Continued)                            |                                      |            |            |
|                                     | Recycled Glass Bottle <sup>(Note 8.b)</sup>  |                                      |            |            |
|                                     | – in total   | Kg                                   | 485        | 503        |
|                                     | – in intensity   | Kg/FTE                               | 1.64       | 1.82       |
|                                     | Recycled Paper <sup>(Note 8.c,e)</sup>   |                                      |            |            |
|                                     | – in total   | Kg                                   | 7,410      | 16,750     |
|                                     | – in intensity   | Kg/FTE                               | 25.12      | 60.69      |
|                                     | Recycled Aluminium <sup>(Note 8.a)</sup>   |                                      |            |            |
|                                     | – in total   | Kg                                   | 850        | 900        |
|                                     | – in intensity   | Kg/FTE                               | 2.88       | 3.26       |
|                                     | Recycled Bronze <sup>(Note 8.a,c)</sup>  |                                      |            |            |
|                                     | – in total   | Kg                                   | 300        | 810        |
|                                     | – in intensity   | Kg/FTE                               | 1.02       | 2.93       |
|                                     | Recycled Steel <sup>(Note 8.a,c)</sup>   |                                      |            |            |
|                                     | – in total   | Kg                                   | 35,050     | 46,900     |
|                                     | – in intensity   | Kg/FTE                               | 118.81     | 169.93     |
|                                     | Recycled Zinc Alloy <sup>(Note 8.a)</sup>  |                                      |            |            |
|                                     | – in total   | Kg                                   | 1,100      | 1,200      |
|                                     | – in intensity   | Kg/FTE                               | 3.73       | 4.35       |
|                                     | Recycled Used Cooking Oil <sup>(Note 8.a)</sup>  |                                      |            |            |
|                                     | – in total   | Litres                               | 432        | 432        |
|                                     | – in intensity   | Litres/FTE                           | 1.46       | 1.57       |
|                                     | Recycled Oily Water <sup>(Note 8.a,b)</sup>  |                                      |            |            |
|                                     | – in total   | Litres                               | 4,786      | 8,732      |
|                                     | – in intensity   | Litres/FTE                           | 16.22      | 31.64      |
|                                     | Recycled Used Battery <sup>(Note 8.a)</sup>  |                                      |            |            |
|                                     | – in total   | Kg                                   | 170        | 200        |
|                                     | – in intensity   | Kg/FTE                               | 0.58       | 0.72       |
|                                     | Recycled Plastic <sup>(Note 8.a,c)</sup>   |                                      |            |            |
|                                     | – in total   | Kg                                   | 201        | 210        |
|                                     | – in intensity   | Kg/FTE                               | 0.68       | 0.76       |
| A2.1                                | <b>Energy consumption by type and intensity</b> <sup>(Note 2)</sup>                            |                                      |            |            |
|                                     | – Fuel oil   | kWh                                  | 19,271,516 | 18,763,219 |
|                                     | – Electricity  | kWh                                  | 1,717,310  | 1,685,835  |
|                                     | – in total   | In 1,000 kWh                         | 20,989     | 20,449     |
|                                     | – in intensity <sup>(Note 6)</sup>   | 1,000 kWh per revenue (HK\$ million) | 95.57      | 113.53     |
| A2.2                                | <b>Water consumption in total and intensity</b> <sup>(Note 8.a,b,c,d,e,f)</sup>                |                                      |            |            |
|                                     | – in total   | m <sup>3</sup>                       | 29,955     | 27,847     |
|                                     | – in intensity   | m <sup>3</sup> /FTE                  | 101.54     | 100.89     |
| A2.5                                | <b>Total packaging material used for finished products and intensity</b> <sup>(Note 8.d)</sup> |                                      |            |            |
|                                     | – in total   | Kg                                   | 24         | 20         |
|                                     | – in intensity   | Kg/FTE                               | 0.08       | 0.07       |

## PERFORMANCE DATA SUMMARY (Continued)

| HKEX KPI                        | Description   | Unit          | 2024  |       |            | 2023  |        |        |        |  |
|---------------------------------|---|---------------|-------|-------|------------|-------|--------|--------|--------|--|
| B. Social                       |   |               |       |       |            |       |        |        |        |  |
| Employment and Labour Practices |   |               |       |       |            |       |        |        |        |  |
| B1.1                            | Total workforce by employment type and gender (all in Hong Kong)                  |               | Male  |       | Female     |       | Male   |        | Female |  |
|                                 | Full-time   | No. of people | 170   |       | 125        |       | 161    |        | 115    |  |
|                                 | Part-time   | No. of people | 5     |       | 0          |       | 6      |        | 2      |  |
|                                 | Total workforce by employment type and age group (all in Hong Kong)               |               | <30   | 30–50 | >50        | <30   | 30–50  | >50    |        |  |
|                                 | Full-time   | No. of people | 46    | 113   | 136        | 46    | 98     | 132    |        |  |
|                                 | Part-time   | No. of people | 4     | 1     | 0          | 4     | 0      | 4      |        |  |
| B1.2                            | Employee turnover rate by gender  |               | Male  |       | Female     |       | Male   |        | Female |  |
|                                 |   | %             | 30.0  |       | 36.0       |       | 27.3   |        | 32.2   |  |
|                                 | Employee turnover rate by age group   |               | <30   | 30–50 | >50        | <30   | 30–50  | >50    |        |  |
|                                 |   | %             | 41.3  | 25.7  | 35.3       | 47.8  | 26.5   | 25.0   |        |  |
| B2.1                            | Number and rate of work-related fatalities  |               | 2024  |       | 2023       |       | 2022   |        |        |  |
|                                 | – By number   | No. of people | 0     |       | 1 (Note 9) |       | 0      |        |        |  |
|                                 | – By rate   | %             | 0     |       | 0.36       |       | 0      |        |        |  |
| B2.2                            | Lost days due to work injury<br>(including sick leaves taken by employees)        |               |       |       |            |       |        |        |        |  |
|                                 |   | Days          | 1,342 |       |            | 1,632 |        |        |        |  |
| B3.1                            | The percentage of employees trained by gender and employee category               |               | Total | Male  | Female     | Total | Male   | Female |        |  |
|                                 | – General   | %             | 81.49 | 90.95 | 67.65      | 82.35 | 98.88  | 59.06  |        |  |
|                                 | – Supervisors to Managers   | %             | 88.64 | 94.12 | 85.19      | 70.00 | 57.89  | 80.95  |        |  |
|                                 | – Senior Management   | %             | 82.35 | 90.00 | 71.43      | 90.91 | 100.00 | 75.00  |        |  |
|                                 | – Overall   | %             | 82.32 | 91.15 | 70.59      | 81.23 | 95.12  | 62.50  |        |  |
| B3.2                            | The average training hours completed per employee by gender and employee category |               | Total | Male  | Female     | Total | Male   | Female |        |  |
|                                 | – General   | Hours         | 10.30 | 8.93  | 12.31      | 13.69 | 21.25  | 3.02   |        |  |
|                                 | – Supervisors to Managers   | Hours         | 14.83 | 7.40  | 19.51      | 5.21  | 2.20   | 7.94   |        |  |
|                                 | – Senior Management   | Hours         | 18.00 | 24.15 | 9.21       | 13.82 | 19.50  | 3.88   |        |  |
|                                 | – Overall   | Hours         | 11.14 | 9.49  | 13.32      | 12.74 | 19.42  | 3.73   |        |  |



## PERFORMANCE DATA SUMMARY (Continued)

| HKEX KPI   | Description   | Unit                 | 2024 | 2023        |
|--|---|----------------------|------|-------------|
| <b>B. Social</b> (Continued)                       |   |                      |      |             |
| <b>Employment and Labour Practices</b> (Continued) |   |                      |      |             |
| B5.1   | <b>Number of suppliers by geographical region</b> (Note 10)   |                      |      |             |
|  | – Hong Kong   | No. of organisations | 737  | 814         |
|  | – Mainland China  | No. of organisations | 69   | 71          |
|  | – Others (e.g. Asia and Europe)   | No. of organisations | 74   | 78          |
| B6.1   | <b>Percentage of total products sold or shipped subjected to recalls for safety and health reasons</b>                                    |                      |      |             |
|  | No. of cases  |                      | 0    | 0           |
| B6.2   | <b>Number of products and services related complaints received</b>  |                      |      |             |
|  | No. of cases  |                      | 0    | 2 (Note 11) |
| B7.1   | <b>Number of concluded legal cases regarding corrupt practices brought against the Company or its employees during the reporting year</b> |                      |      |             |
|  | No. of cases  |                      | 0    | 0           |

## Notes:

- Emission data are confined to The Hongkong and Yaumati Ferry Company Limited. Marine air emissions data are calculated based on harbour craft emissions estimation methodology in Port of Los Angeles Inventory of Air Emissions 2005 Technical Report ([https://kentico.portoflosangeles.org/getmedia/59baf614-fdfe-4cfa-9d58-3032d32583d7/2005\\_Air\\_Emissions\\_Inventory\\_Full\\_Doc](https://kentico.portoflosangeles.org/getmedia/59baf614-fdfe-4cfa-9d58-3032d32583d7/2005_Air_Emissions_Inventory_Full_Doc)).
- GHG emission data and energy consumption data in 2024 are confined to The Hong Kong Shipyard Limited, The Hongkong and Yaumati Ferry Company Limited, Harbour Cruise - Bauhinia, the Principal Office, Century Time Holdings Limited and Topkey Development Limited while GHG emission data and energy consumption data in 2023 are confined to The Hong Kong Shipyard Limited, The Hongkong and Yaumati Ferry Company Limited, Harbour Cruise - Bauhinia, the Principal Office and Century Time Holdings Limited.
- Scope 1 emissions include direct GHG emissions from the combustion of diesel oil for ferries, vehicles and electricity generators.
- Scope 2 emissions include indirect GHG emissions from purchased electricity. The emission factors used to calculate GHG emissions from purchased electricity are referenced from the local power and utility companies.
- Scope 3 emissions include other indirect GHG emissions from purchased paper, electricity used for fresh water and sewage processing, paper waste disposal and air travel.
- With consideration of the scope, the intensity figures of GHG emissions and energy consumption for 2023 and 2024 are calculated using the total revenue generated from the ferry, shipyard and Harbour Cruise - Bauhinia operations and healthcare, medical aesthetic and beauty services (HK\$ million).
- FTE: Full-time equivalent employees; excluding part-time employees.
- The data in 2024 are confined to:
  - The Hong Kong Shipyard Limited
  - Harbour Cruise - Bauhinia
  - The Hongkong and Yaumati Ferry Company Limited
  - Century Time Holdings Limited
  - Principal Office
  - Topkey Development Limited
- The legal proceedings of the inadvertent incident commenced in 2023 and were concluded in 2024.
- Supplier data in 2024 are confined to The Hong Kong Shipyard Limited, The Hongkong and Yaumati Ferry Company Limited, Harbour Cruise - Bauhinia, Century Time Holdings Limited and Topkey Development Limited while supplier data in 2023 are confined to The Hong Kong Shipyard Limited, The Hongkong and Yaumati Ferry Company Limited, Harbour Cruise - Bauhinia, Century Time Holdings Limited and Galaxy Harbour Limited. Supplier data in 2024 do not include Galaxy Harbour Limited since it is not material to the Group's business.
- In 2023, two minor complaints were received by our healthcare solutions business.



## HKEX ESG REPORTING GUIDE CONTENT INDEX

| Aspects, General Disclosures and KPIs | Description  | Section/Remarks   |
|---------------------------------------|--|---|
| <b>A. Environmental</b>               |  |   |
| <b>Aspect A1: Emissions</b>           |  |   |
| General Disclosure                    | Information on:<br><br>(a) the policies; and<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br><br>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | Environment and Resources   |
| KPI A1.1                              | The types of emissions and respective emissions data.  | Environment and Resources – Air Quality Improvement; Performance Data Summary                                       |
| KPI A1.2                              | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).  | Performance Data Summary  |
| KPI A1.3                              | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).   | Performance Data Summary  |
| KPI A1.4                              | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)  | Performance Data Summary  |
| KPI A1.5                              | Description of emissions target(s) set and steps taken to achieve them.  | Environment and Resources – Energy Management and GHG Emissions   |
| KPI A1.6                              | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.   | Environment and Resources – Waste Management<br>The Group has not set a waste reduction target.                     |
| <b>Aspect A2: Use of Resources</b>    |  |   |
| General Disclosure                    | Policies on the efficient use of resources, including energy, water and other raw materials.   | Environment and Resources   |
| KPI A2.1                              | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).   | Performance Data Summary  |
| KPI A2.2                              | Water consumption in total and intensity (e.g. per unit of production volume, per facility).   | Performance Data Summary  |
| KPI A2.3                              | Description of energy use efficiency target(s) set and steps taken to achieve them.  | Environment and Resources – Energy Management and GHG Emissions   |
| KPI A2.4                              | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.   | There were no issues in sourcing water that is fit for purpose and the Group has not set a water efficiency target. |
| KPI A2.5                              | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.   | Performance Data Summary  |



## HKEX ESG REPORTING GUIDE CONTENT INDEX (Continued)

| Aspects, General Disclosures and KPIs                     | Description  | Section/Remarks   |
|---|--|---|
| <b>A. Environmental</b> (Continued)                       |  |   |
| <b>Aspect A3: The Environmental and Natural Resources</b> |  |   |
| General Disclosure  | Policies on minimising the issuer's significant impacts on the environment and natural resources.  | Environment and Resources                                     |
| KPI A3.1  | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.  | Environment and Resources                                     |
| <b>Aspect A4: Climate Change</b>                          |  |   |
| General Disclosure  | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.   | Environment and Resources – Climate Resilience and Adaptation |
| KPI A4.1  | Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.   | Environment and Resources – Climate Resilience and Adaptation |
| <b>B. Social</b>  |  |   |
| <b>Employment and Labour Practices</b>                    |  |   |
| <b>Aspect B1: Employment</b>                              |  |   |
| General Disclosure  | Information on:<br><br>(a) the policies; and<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br><br>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | People and Community – Talent Attraction and Retention        |
| KPI B1.1  | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.   | Performance Data Summary                                      |
| KPI B1.2  | Employee turnover rate by gender, age group and geographical region.   | Performance Data Summary                                      |
| <b>Aspect B2: Health and Safety</b>                       |  |   |
| General Disclosure  | Information on:<br><br>(a) the policies; and<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br><br>relating to providing a safe working environment and protecting employees from occupational hazards.   | People and Community – Occupational Health and Safety         |
| KPI B2.1  | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.  | Performance Data Summary                                      |
| KPI B2.2  | Lost days due to work injury.  | Performance Data Summary                                      |
| KPI B2.3  | Description of occupational health and safety measures adopted, and how they are implemented and monitored.  | People and Community – Occupational Health and Safety         |

## HKEX ESG REPORTING GUIDE CONTENT INDEX (Continued)

| Aspects, General Disclosures and KPIs      | Description   | Section/Remarks   |
|--|---|---|
| <b>B. Social</b> (Continued)               |   |   |
| <b>Aspect B3: Development and Training</b> |   |   |
| General Disclosure                         | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.   | People and Community – Development and Training                           |
| KPI B3.1                                   | The percentage of employees trained by gender and employee category (e.g. senior management, middle management).  | People and Community – Development and Training; Performance Data Summary |
| KPI B3.2                                   | The average training hours completed per employee by gender and employee category.  | Performance Data Summary  |
| <b>Aspect B4: Labour Standards</b>         |   |   |
| General Disclosure                         | Information on:<br><br>(a) the policies; and<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br><br>relating to preventing child and forced labour. | People and Community – Talent Attraction and Retention                    |
| KPI B4.1                                   | Description of measures to review employment practices to avoid child and forced labour.  | People and Community – Talent Attraction and Retention                    |
| KPI B4.2                                   | Description of steps taken to eliminate such practices when discovered.   | People and Community – Talent Attraction and Retention                    |
| <b>Operating Practices</b>                 |   |   |
| <b>Aspect B5: Supply Chain Management</b>  |   |   |
| General Disclosure                         | Policies on managing environmental and social risks of the supply chain.  | Operating Practices – Supply Chain Management                             |
| KPI B5.1                                   | Number of suppliers by geographical region.   | Performance Data Summary  |
| KPI B5.2                                   | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.                                       | Operating Practices – Supply Chain Management                             |
| KPI B5.3                                   | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.  | Operating Practices – Supply Chain Management                             |
| KPI B5.4                                   | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.   | Operating Practices – Supply Chain Management                             |



## HKEX ESG REPORTING GUIDE CONTENT INDEX (Continued)

| Aspects, General Disclosures and KPIs    | Description  | Section/Remarks  |
|--|--|--|
| <b>B. Social</b> (Continued)             |  |  |
| <b>Aspect B6: Product Responsibility</b> |  |  |
| General Disclosure                       | Information on:<br><br>(a) the policies; and<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br><br>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | Operating Practices –<br>Product and Service Responsibilities                              |
| KPI B6.1                                 | Percentage of total products sold or shipped subject to recalls for safety and health reasons.   | Performance Data Summary   |
| KPI B6.2                                 | Number of products and service related complaints received and how they are dealt with.  | Operating Practices –<br>Product and Service Responsibilities;<br>Performance Data Summary |
| KPI B6.3                                 | Description of practices relating to observing and protecting intellectual property rights.  | Operating Practices –<br>Product and Service Responsibilities                              |
| KPI B6.4                                 | Description of quality assurance process and recall procedures.  | Operating Practices –<br>Product and Service Responsibilities                              |
| KPI B6.5                                 | Description of consumer data protection and privacy policies, and how they are implemented and monitored.  | Operating Practices –<br>Product and Service Responsibilities                              |
| <b>Aspect B7: Anti-corruption</b>        |  |  |
| General Disclosure                       | Information on:<br><br>(a) the policies; and<br><br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br><br>relating to bribery, extortion, fraud and money laundering.  | Sustainability Governance –<br>Anti-Corruption   |
| KPI B7.1                                 | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.   | Performance Data Summary   |
| KPI B7.2                                 | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.   | Sustainability Governance –<br>Anti-Corruption   |
| KPI B7.3                                 | Description of anti-corruption training provided to directors and staff.   | Sustainability Governance –<br>Anti-Corruption   |
| <b>Community</b>                         |  |  |
| <b>Aspect B8: Community Investment</b>   |  |  |
| General Disclosure                       | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.   | People and Community –<br>Community Investment   |
| KPI B8.1                                 | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).  | People and Community –<br>Community Investment   |
| KPI B8.2                                 | Resources contributed (e.g. money or time) to the focus area.  | People and Community –<br>Community Investment   |



**Independent auditor's report to the members of  
Hong Kong Ferry (Holdings) Company Limited**  
*(incorporated in Hong Kong with limited liability)*

## OPINION

We have audited the consolidated financial statements of Hong Kong Ferry (Holdings) Company Limited ("the Company") and its subsidiaries ("the Group") set out on pages 110 to 188, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





## KEY AUDIT MATTERS (Continued)

### Valuation of investment properties

Refer to note 1(g) (accounting policy) and note 11 to the consolidated financial statements

#### The Key Audit Matter

The Group's investment properties which comprise retail properties, car parking spaces and godowns are located in Hong Kong. These investment properties were stated at their fair values of HK\$2,496 million as at 31 December 2024 which accounted for 71% of the Group's non-current assets as at that date.

The fair values of the Group's investment properties as at 31 December 2024 were assessed by the board of directors based on valuations prepared by a firm of qualified external property valuers.

The valuation of the Group's investment properties is complex and involves a significant degree of management judgement and estimation in respect of the determination of capitalisation rates and prevailing market rents, particularly given the dissimilar nature of the investment properties held by the Group.

We identified valuation of investment properties as a key audit matter because these properties represent the majority of the Group's non-current assets and because the valuations are inherently subjective and involve a significant degree of judgement and estimation by management which increases the risk of error or potential management bias.

#### How the matter was addressed in our audit

Our audit procedures in relation to valuation of investment properties included the following:

- obtaining and inspecting the valuation reports prepared by the external property valuers engaged by the Group and on which the directors' assessment of the fair values of investment properties was based;
- assessing the external property valuers' qualifications, experience and expertise in the properties being valued and considering their objectivity;
- with the assistance of our internal property valuation specialists and utilising their industry knowledge and experience, discussing with the external property valuers, without the presence of management, their valuation methodologies, and assessing the key estimates and assumptions adopted in the valuations by comparing capitalisation rates, prevailing market rents and comparable market transactions with the available market data, on a sample basis;
- comparing tenancy information, including committed rents and occupancy rates, provided by the Group to the external property valuers with underlying contracts and related documentation, on a sample basis.

### INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.



### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yau Ngai Lun, Alan.

#### **KPMG**

*Certified Public Accountants*  
8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

18 March 2025

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024



|  | Note      | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|--|-----------|------------------|------------------|
| Revenue  | 3(a)      | 422,910          | 374,605          |
| Direct costs                                   |           | (258,803)        | (234,115)        |
|  |           | 164,107          | 140,490          |
| Other revenue                                  | 3(a) & 4  | 69,764           | 83,723           |
| Other net income/(losses)                      | 4         | 12,304           | (902)            |
| Valuation gains on investment properties       | 3(d) & 11 | 2,004            | 42,339           |
| Selling and marketing expenses                 |           | (7,589)          | (12,736)         |
| Administrative expenses                        |           | (98,174)         | (74,998)         |
| Other operating expenses                       |           | (7,479)          | (3,591)          |
| <b>Profit from operations</b>                  | 3(b)      | 134,937          | 174,325          |
| Interest on lease liabilities                  |           | (473)            | (265)            |
| Share of profits less losses of associates     |           | 857              | 746              |
| Share of profits less losses of joint ventures |           | 41,003           | 31,830           |
| <b>Profit before taxation</b>                  | 5         | 176,324          | 206,636          |
| Taxation                                       | 6(a)      | (15,948)         | (20,770)         |
| <b>Profit for the year</b>                     |           | 160,376          | 185,866          |
| <b>Attributable to:</b>                        |           |                  |                  |
| Equity shareholders of the Company             |           | 163,875          | 190,393          |
| Non-controlling interests                      |           | (3,499)          | (4,527)          |
| <b>Profit for the year</b>                     |           | 160,376          | 185,866          |
| Earnings per share                             |           |                  |                  |
| – Basic and diluted                            | 10        | \$0.46           | \$0.53           |

The notes on pages 117 to 188 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 9.



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

|   | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|---|------------------|------------------|
| <b>Profit for the year</b>  | <b>160,376</b>   | 185,866          |
| <b>Other comprehensive income for the year<br/>(after tax and reclassification adjustments):</b>                                      |                  |                  |
| Items that will not be reclassified to profit or loss:  |                  |                  |
| Remeasurement of employee retirement benefits assets  | 1,471            | (2,901)          |
| Financial assets at fair value through other comprehensive income<br>– net movement in securities revaluation reserve (non-recycling) | 15,864           | 2,760            |
|   | 17,335           | (141)            |
| <b>Total comprehensive income for the year</b>  | <b>177,711</b>   | 185,725          |
| <b>Attributable to:</b>   |                  |                  |
| Equity shareholders of the Company  | 181,210          | 190,252          |
| Non-controlling interests   | (3,499)          | (4,527)          |
| <b>Total comprehensive income for the year</b>  | <b>177,711</b>   | 185,725          |

The notes on pages 117 to 188 form part of these financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024



|  | Note  | 2024             |                  | 2023             |                  |
|--|-------|------------------|------------------|------------------|------------------|
|  |       | HK\$'000         | HK\$'000         | HK\$'000         | HK\$'000         |
| <b>Non-current assets</b>                    |       |                  |                  |                  |                  |
| Investment properties                        | 11    |                  | 2,495,790        |                  | 2,488,690        |
| Other property, plant and equipment          | 11    |                  | 60,015           |                  | 65,647           |
| Interest in leasehold land                   | 11    |                  | 30,817           |                  | 32,186           |
|  |       |                  | <u>2,586,622</u> |                  | <u>2,586,523</u> |
| Interest in associates                       | 13    |                  | 5,430            |                  | 6,370            |
| Interest in joint ventures                   | 14    |                  | 691,388          |                  | 700,385          |
| Other financial assets                       | 15    |                  | 132,965          |                  | 107,189          |
| Other receivables and prepayments            | 18(a) |                  | 83,304           |                  | 90,970           |
| Net employee retirement benefits assets      | 16(b) |                  | 3,127            |                  | 2,100            |
| Deferred tax assets                          | 22(b) |                  | 3,479            |                  | 3,513            |
|  |       |                  | <u>3,506,315</u> |                  | <u>3,497,050</u> |
| <b>Current assets</b>                        |       |                  |                  |                  |                  |
| Inventories                                  | 17(a) | 1,803,089        |                  | 1,802,140        |                  |
| Trade and other receivables                  | 18(b) | 186,214          |                  | 164,130          |                  |
| Tax recoverable                              | 22(a) | 838              |                  | 517              |                  |
| Cash and bank balances                       | 19(a) | 1,876,592        |                  | 1,825,434        |                  |
|  |       | <u>3,866,733</u> |                  | <u>3,792,221</u> |                  |
| <b>Current liabilities</b>                   |       |                  |                  |                  |                  |
| Trade and other payables                     | 20    | (206,577)        |                  | (212,823)        |                  |
| Long service payment liabilities             | 16(c) | (1,229)          |                  | (1,152)          |                  |
| Lease liabilities                            | 21    | (4,025)          |                  | (6,883)          |                  |
| Tax payable                                  | 22(a) | (16,179)         |                  | (19,868)         |                  |
|  |       | <u>(228,010)</u> |                  | <u>(240,726)</u> |                  |
| <b>Net current assets</b>                    |       |                  | <u>3,638,723</u> |                  | <u>3,551,495</u> |
| <b>Total assets less current liabilities</b> |       |                  | <u>7,145,038</u> |                  | <u>7,048,545</u> |
| <b>Non-current liabilities</b>               |       |                  |                  |                  |                  |
| Lease liabilities                            | 21    | (3,999)          |                  | (2,879)          |                  |
| Deferred tax liabilities                     | 22(b) | (87,756)         | (91,755)         | (81,026)         | (83,905)         |
| <b>NET ASSETS</b>                            |       |                  | <u>7,053,283</u> |                  | <u>6,964,640</u> |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 December 2024

|  | Note  | 2024     |           | 2023     |           |
|--|-------|----------|-----------|----------|-----------|
|  |       | HK\$'000 | HK\$'000  | HK\$'000 | HK\$'000  |
| <b>CAPITAL AND RESERVES</b>  |       |          |           |          |           |
| Share capital  | 23(b) |          | 1,754,801 |          | 1,754,801 |
| Reserves   |       |          | 5,307,918 |          | 5,215,776 |
| <b>Total equity attributable to equity shareholders of the Company</b> |       |          | 7,062,719 |          | 6,970,577 |
| <b>Non-controlling interests</b>                                       |       |          | (9,436)   |          | (5,937)   |
| <b>TOTAL EQUITY</b>  |       |          | 7,053,283 |          | 6,964,640 |

Approved and authorised for issue by the board of directors on 18 March 2025.

**Dr. Lam Ko Yin, Colin**  
Chairman

**Li Ning**  
Director

The notes on pages 117 to 188 form part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024



|   | Attributable to the equity shareholders of the Company |  |                          |                  |                  |                           |                  |
|---|--|--|--------------------------|------------------|------------------|---------------------------|------------------|
|   | Share capital  | Securities revaluation reserve (non-recycling) | Other capital reserves   | Retained profits | Total            | Non-controlling interests | Total equity     |
| Note  | HK\$'000<br>(Note 23(b))                               | HK\$'000<br>(Note 23(c))                       | HK\$'000<br>(Note 23(c)) | HK\$'000         | HK\$'000         | HK\$'000                  | HK\$'000         |
| <b>Balance at 1 January 2023</b>                      | 1,754,801  | (24,292)                                       | 605                      | 5,487,143        | 7,218,257        | –                         | 7,218,257        |
| <b>Changes in equity for 2023:</b>                    |  |  |                          |                  |                  |                           |                  |
| Profit for the year                                   | –  | –  | –                        | 190,393          | 190,393          | (4,527)                   | 185,866          |
| Other comprehensive income                            | –  | 2,760  | –                        | (2,901)          | (141)            | –                         | (141)            |
| Total comprehensive income                            | –  | 2,760  | –                        | 187,492          | 190,252          | (4,527)                   | 185,725          |
| Dividends approved in respect of the previous year    | 9  | –  | –                        | (409,715)        | (409,715)        | –                         | (409,715)        |
| Dividends declared in respect of the current year     | 9  | –  | –                        | (35,627)         | (35,627)         | –                         | (35,627)         |
| Shares issued to non-controlling interests (note)     | –  | –  | 7,410                    | –                | 7,410            | (1,410)                   | 6,000            |
| <b>Balance at 31 December 2023 and 1 January 2024</b> | <b>1,754,801</b>                                       | <b>(21,532)</b>                                | <b>8,015</b>             | <b>5,229,293</b> | <b>6,970,577</b> | <b>(5,937)</b>            | <b>6,964,640</b> |
| <b>Changes in equity for 2024:</b>                    |  |  |                          |                  |                  |                           |                  |
| Profit for the year                                   | –  | –  | –                        | 163,875          | 163,875          | (3,499)                   | 160,376          |
| Other comprehensive income                            | –  | 15,864   | –                        | 1,471            | 17,335           | –                         | 17,335           |
| Total comprehensive income                            | –  | 15,864   | –                        | 165,346          | 181,210          | (3,499)                   | 177,711          |
| Dividends approved in respect of the previous year    | 9  | –  | –                        | (53,441)         | (53,441)         | –                         | (53,441)         |
| Dividends declared in respect of the current year     | 9  | –  | –                        | (35,627)         | (35,627)         | –                         | (35,627)         |
| <b>Balance at 31 December 2024</b>                    | <b>1,754,801</b>                                       | <b>(5,668)</b>                                 | <b>8,015</b>             | <b>5,305,571</b> | <b>7,062,719</b> | <b>(9,436)</b>            | <b>7,053,283</b> |

*Note:* During the year ended 31 December 2023, a subsidiary of the Company reached a Subscription and Shareholders Agreement with an external party under which the subsidiary agrees to issue to the external party, and the external party agrees to subscribe for ordinary shares at HK\$6,000,000 (the “Subscription”). The Subscription was completed on 19 January 2023.

The notes on pages 117 to 188 form part of these financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2024

|  |      | 2024     |           | 2023      |           |
|--|------|----------|-----------|-----------|-----------|
|  | Note | HK\$'000 | HK\$'000  | HK\$'000  | HK\$'000  |
| <b>Operating activities</b>  |      |          |           |           |           |
| Profit before taxation   |      |          | 176,324   |           | 206,636   |
| Adjustments for:   |      |          |           |           |           |
| Amortisation of leasehold land premium   | 5(b) | 1,369    |           | 1,369     |           |
| Depreciation   | 5(b) | 18,059   |           | 18,240    |           |
| Gain on lease modifications  | 4    | –        |           | (494)     |           |
| Impairment losses on trade and other receivables   | 5(b) | 54       |           | 98        |           |
| Reversal of impairment losses on trade and other receivables                                   | 4    | (262)    |           | (58)      |           |
| Change in fair value of other financial assets designated at fair value through profit or loss | 4    | (9,912)  |           | 8,400     |           |
| Net gain on disposal of other property, plant and equipment                                    | 4    | –        |           | (2)       |           |
| Valuation gains on investment properties   | 11   | (2,004)  |           | (42,339)  |           |
| Construction cost adjustment   | 4    | –        |           | (5,239)   |           |
| Interest income  | 5(b) | (93,522) |           | (99,096)  |           |
| Interest expenses  |      | 473      |           | 265       |           |
| Dividend income from listed investments  | 5(b) | (6,898)  |           | (6,548)   |           |
| Share of profits less losses of associates   |      | (857)    |           | (746)     |           |
| Share of profits less losses of joint ventures   |      | (41,003) |           | (31,830)  |           |
|  |      |          | (134,503) |           | (157,980) |
| <b>Operating profit before changes in working capital</b>                                      |      |          | 41,821    |           | 48,656    |
| Decrease/(increase) in net employee retirement benefits assets                                 |      | 444      |           | (4,789)   |           |
| Increase in inventories  |      | (949)    |           | (142,175) |           |
| (Increase)/decrease in trade and other receivables   |      | (16,927) |           | 85,574    |           |
| (Decrease)/increase in trade and other payables  |      | (6,169)  |           | 68,277    |           |
|  |      |          | (23,601)  |           | 6,887     |
| <b>Cash generated from operations</b>  |      |          | 18,220    |           | 55,543    |
| Profits tax paid   |      | (13,194) |           | (30,918)  |           |
|  |      |          | (13,194)  |           | (30,918)  |
| <b>Net cash generated from operating activities</b>  |      |          | 5,026     |           | 24,625    |



## CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

For the year ended 31 December 2024



|  | Note  | 2024     |          | 2023      |           |
|--|-------|----------|----------|-----------|-----------|
|  |       | HK\$'000 | HK\$'000 | HK\$'000  | HK\$'000  |
| <b>Investing activities</b>  |       |          |          |           |           |
| Interest received  |       | 96,239   |          | 100,132   |           |
| Payment for purchase of other property, plant and equipment              |       | (6,083)  |          | (4,087)   |           |
| Payment for addition to investment properties                            |       | (5,096)  |          | (105,307) |           |
| Net repayment from associates  |       | 1,047    |          | 593       |           |
| Loan repaid by a joint venture   | 14    | 50,000   |          | 277,500   |           |
| Dividends received from listed investments                               |       | 6,898    |          | 6,548     |           |
| Dividends received from an associate                                     |       | 750      |          | 960       |           |
| Decrease in bank deposits with maturity over three months at acquisition |       | 343,184  |          | 96,733    |           |
| <b>Net cash generated from investing activities</b>                      |       |          | 486,939  |           | 373,072   |
| <b>Financing activities</b>  |       |          |          |           |           |
| Capital element of lease rental paid                                     | 19(b) | (8,082)  |          | (7,948)   |           |
| Interest element of lease rental paid                                    | 19(b) | (473)    |          | (265)     |           |
| Proceed from shares issued to non-controlling interests                  |       | —        |          | 6,000     |           |
| Dividends paid   |       | (89,068) |          | (445,342) |           |
| <b>Net cash used in financing activities</b>                             |       |          | (97,623) |           | (447,555) |
| <b>Net increase/(decrease) in cash and cash equivalents</b>              |       |          | 394,342  |           | (49,858)  |
| <b>Cash and cash equivalents at 1 January</b>                            |       |          | 101,056  |           | 150,914   |
| <b>Cash and cash equivalents at 31 December</b>                          | 19(a) |          | 495,398  |           | 101,056   |

The notes on pages 117 to 188 form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1 MATERIAL ACCOUNTING POLICIES

### (a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”). Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

### (b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- investment properties (see note 1(g)); and
- investments in equity securities (see note 1(f)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 2.



## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (c) Changes in accounting policies

The Group has applied the following amendments to HKFRSs issued by the HKICPA to the financial statements for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current* (“2020 amendments”)
- Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants* (“2022 amendments”)
- Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial Instruments: Disclosures: Supplier finance arrangements*

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

### (d) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests (“NCI”) either at fair value or at the NCI’s proportionate share of the subsidiary’s net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the company.

Changes in the Group’s interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (d) Subsidiaries (Continued)

In the company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(j)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

### (e) Associates and joint arrangements

An associate is an entity in which the Group or the company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group or the company has joint control, whereby the Group or the company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An interest in an associate or a joint venture is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture, after applying the expected credit loss ("ECL") model to such other long-term interests where applicable (see note 1(j)(i)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the Company's statement of financial position, investments in associates and joint ventures are stated at cost less impairment losses (see note 1(j)), unless classified as held for sale (or included in a disposal group that is classified as held for sale).

### (f) Investments in securities

The Group's policies for investments in equity securities, other than investments in subsidiaries, associates and joint ventures, are set out below:

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 24(e). These investments are subsequently accounted for as follows, depending on their classification.



## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (f) Investments in securities (Continued)

#### Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see note 1(s)(v)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- fair value through other comprehensive income (“FVOCI”) – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. ECLs, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

#### Equity investments

An investment in equity securities is classified as FVPL unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer’s perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income (see note 1(s)(vi)).

### (g) Investment properties

Investment property is initially measured at cost, and subsequently at fair value with changes therein recognised in profit or loss.

Any gain or loss on disposal of investment property is recognised in profit or loss. Rental income from investment properties is recognised in accordance with note 1(s)(i).

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (h) Other property, plant and equipment

The following property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 1(j)):

- right-of-use assets arising from leases over freehold or leasehold properties where the Group is not the registered owner of the property interest; and
- items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see note 1(i)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Any related revaluation surplus is transferred from the revaluation reserve to retained profits and is not reclassified to profit or loss.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment less their estimated residual values, if any, using the straight line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

|  |  |
|--|--|
| Buildings  | 40 years or over the unexpired terms of the leases, if shorter |
| Leasehold land                                     | Over the unexpired terms of the leases                         |
| Ferry vessels and other crafts                     | 8 to 20 years  |
| Machinery, furniture and other plant and equipment |  |
| – Dry dock and ship lift                           | 30 to 40 years   |
| – Others   | 4 to 10 years  |

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

### (i) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

#### As a lessee

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items such as laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.





## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (i) Leased assets (Continued)

#### As a lessee (Continued)

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 1(h) and 1(j)(iii)), except for the right-of-use assets that meet the definition of investment property are carried at fair value in accordance with note 1(g).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see notes 1(f), 1(s)(v) and 1(j)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

The Group presents right-of-use assets that do not meet the definition of investment property in 'Other property, plant and equipment' and presents lease liabilities separately in the statement of financial position.

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (i) Leased assets (Continued)

#### As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 1(s)(i).

### (j) Credit losses and impairment of assets

#### (i) Credit losses from financial instruments, contract assets and lease receivables

The Group recognises a loss allowance for ECLs on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables and loans to associates and joint ventures);
- contract assets (see note 1(k)(iii));
- non-equity securities measured at FVOCI (recycling) (see note 1(f)); and
- lease receivables.

Financial assets measured at fair value, including units in trust funds and equity securities designated at FVOCI (non-recycling) are not subject to the ECL assessment.

#### Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate; and
- lease receivables: discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.



## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (j) Credit losses and impairment of assets (Continued)

#### (i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

##### Measurement of ECLs (Continued)

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments (including loan commitments issued) for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

##### Significant increases in credit risk

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (j) Credit losses and impairment of assets (Continued)

#### (i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

##### Significant increases in credit risk (Continued)

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 90 days past due.

The Group considers a financial instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘investment grade’.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument’s credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position.

##### Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.



## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (j) Credit losses and impairment of assets (Continued)

#### (i) Credit losses from financial instruments, contract assets and lease receivables (Continued)

##### Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

#### (ii) Credit losses from financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees issued are initially recognised at fair value, which is determined by reference to fees charged in an arm’s length transaction for similar services, when such information is obtainable, or to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group’s policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss.

The amount initially recognised as deferred income is subsequently amortised in profit or loss over the term of the guarantee as income from financial guarantees issued.

The Group monitors the risk that the specified debtor will default on the contract and remeasures the above liability at a higher amount when ECLs on the financial guarantees are determined to be higher than the carrying amount in respect of the guarantees.

A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured. The same definition of default and the same assessment of significant increase in credit risk as described in note 1(j)(i) apply.

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (j) Credit losses and impairment of assets (Continued)

#### (iii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than property carried at revalued amounts, investment property, inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### (k) Inventories

#### (i) Trading stocks

Trading stocks are stated at the lower of cost and net realisable value. Cost includes the cost of materials computed using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.





## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (k) Inventories (Continued)

#### (ii) Spare parts and consumables

Spare parts and consumables are stated at cost, computed using the weighted average method, less provision for obsolescence.

#### (iii) Contract assets

Contract assets are recognised when the Group recognises revenue (see note 1(s)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECLs (see note 1(j)(i)) and are reclassified to receivables when the right to the consideration has become unconditional (see note 1(l)).

#### (iv) Property development

Inventories in respect of property development activities are carried at the lower of cost and net realisable value. Cost and net realisable values are determined as follows:

- Properties under development for sale

The cost of properties under development for sale comprises specifically identified cost, including the acquisition cost of land, aggregate cost of development, materials and supplies, wages and other direct expenses, and an appropriate proportion of overheads. Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the property.

- Completed properties held for sale

The cost of completed properties held for sale comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

In the case of completed properties developed by the Group, cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (l) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see note 1(j)(i)).

### (m) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

### (n) Contract liabilities

A contract liability is recognised as forward sales deposits received when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 1(s)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable is also recognised (see note 1(l)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

### (o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECL (see note 1(j)(i)).



# 1 MATERIAL ACCOUNTING POLICIES (Continued)

## (p) Employee benefits

### (i) Short term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

### (ii) Defined benefit plan obligations

The Group has the following two categories of defined benefit plans:

- defined benefit retirement plans registered under the Hong Kong Occupational Retirement Schemes Ordinance (the “ORSO plans”)
- Long service payments (“LSP”) under the Hong Kong Employment Ordinance.

The Group’s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. For ORSO plans, the net obligation is after deducting the fair value of plan assets. For LSP obligations, the estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group’s MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

The calculation of defined benefit obligation is performed by a qualified actuary using the projected unit credit method. For ORSO plans, when the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements arising from defined benefit plans, which comprise actuarial gains and losses, the return on plan assets in ORSO plans (excluding interest) and the effect of any asset ceiling (excluding interest), are recognised immediately in OCI. Net interest expense for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (q) Income tax

Income tax expense comprises current tax and deferred tax assets. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.



## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (q) Income tax (Continued)

Where investment properties are carried at their fair value in accordance with note 1(g), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date, unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

### (r) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see note 1(j)(iii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

### (s) Revenue recognition

Income is classified by the Group as revenue when it arises from the sale of properties, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Except for the sale of healthcare service, the Group is the principal for its revenue transactions and recognises revenue on a gross basis. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (s) Revenue recognition (Continued)

Further details of the Group's revenue recognition policies are as follows:

#### (i) Rental income from operating leases

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

#### (ii) Sale of goods

Revenue is recognised when the customer takes possession of and accepts the products. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis.

#### (iii) Ferry and shipyard operations

Revenue relating to ferry operations is recognised when the relevant ferry services are provided.

Revenue from shipyard operations is recognised progressively over time using the cost-to-cost method, i.e. based on the proportion of the actual costs incurred relative to the estimated total costs.

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

#### (iv) Healthcare, medical aesthetic and beauty services

Revenue from medical aesthetic and beauty services is recognised when the relevant services are provided.

Revenue from healthcare agency services is recognised when the obligation to arrange for the provision of the specified service is fulfilled.

#### (v) Interest income

Interest income is recognised as it accrues using the effective interest method. Effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 1(j)(i)).





## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (s) Revenue recognition (Continued)

#### (vi) Dividends

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

#### (vii) Other practical expedients applied

In addition, the Group has applied the following practical expedients:

- For sales contracts that had an original expected duration of one year or less, the Group has not disclosed the information related to the aggregated amount of the transaction price allocated to the remaining performance obligations in accordance with paragraph 121(a) of HKFRS 15.
- The Group has recognised the incremental costs of obtaining contracts relating to the sale of properties and services as an expense when incurred in accordance with paragraph 94 of HKFRS 15, as the amortisation period of the assets that the Group otherwise would have recognised is within the same reporting period as the date of entering into the contract.

### (t) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The assets and liabilities of foreign operations are translated into Hong Kong dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Hong Kong dollars at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (u) Related parties

- (i) A person, or a close member of that person's family, is related to the Group if that person:
  - (A) has control or joint control over the Group;
  - (B) has significant influence over the Group; or
  - (C) is a member of the key management personnel of the Group.
- (ii) An entity is related to the Group if any of the following conditions applies:
  - (A) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (B) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (C) Both entities are joint ventures of the same third party.
  - (D) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (E) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
  - (F) The entity is controlled or jointly controlled by a person identified in note (u)(i).
  - (G) A person identified in note (u)(i)(A) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (H) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

### (v) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.



## 2 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

Notes 16(b), 16(c) and 24 contain information about the assumptions and their risk factors relating to ORSO plan assets, LSP liabilities and financial instruments. Other key sources of estimation uncertainty and critical accounting judgements in applying the Group's accounting policies are as follows:

### (a) Valuation of investment properties

In determining the fair value of the investment properties, the Group has considered information from different sources, including a valuation performed by a firm of professional valuers after taking into consideration the net rental income allowing for reversionary income potential, and other available market survey reports.

The assumptions adopted in the property valuations are based on the market conditions existing at the end of the reporting period, with reference to the appropriate capitalisation rate and occupancy rate.

### (b) Recognition of deferred tax assets

At 31 December 2024, the Group had recognised deferred tax assets in relation to the unused tax losses amounting to approximately HK\$11,570,000 (2023: HK\$12,564,000). The realisability of the deferred tax assets mainly depends on whether it is probable that future taxable profits or taxable temporary differences will be available against which related tax benefits under the deferred tax assets can be utilised. In cases where the actual future taxable profits or taxable temporary differences generated are less than expected, a reversal of deferred tax assets may arise, which will be recognised in profit or loss for the period in which such a reversal takes place.

## 3 SEGMENT INFORMATION

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.
- Healthcare, medical aesthetic and beauty services: income from provision of healthcare, medical aesthetic 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.

### 3 SEGMENT INFORMATION (Continued)

#### 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.

The segment information for the years ended 31 December 2024 and 2023 about these reportable segments is presented below:

#### (a) Segment revenue

|   | Total revenue    |                  | Elimination of inter-segment revenue |                  | Revenue from external customers |                  |
|---|------------------|------------------|--------------------------------------|------------------|---------------------------------|------------------|
|   | 2024<br>HK\$'000 | 2023<br>HK\$'000 | 2024<br>HK\$'000                     | 2023<br>HK\$'000 | 2024<br>HK\$'000                | 2023<br>HK\$'000 |
| Property development                              | –                | –                | –                                    | –                | –                               | –                |
| Property investment                               | 172,523          | 170,149          | 189                                  | –                | 172,334                         | 170,149          |
| Ferry, shipyard and related operations            | 179,416          | 166,040          | 1,552                                | 1,417            | 177,864                         | 164,623          |
| Healthcare, medical aesthetic and beauty services | 40,209           | 14,078           | 106                                  | 295              | 40,103                          | 13,783           |
| Securities investment                             | 11,792           | 6,548            | –                                    | –                | 11,792                          | 6,548            |
| Others  | 187,591          | 114,038          | 97,010                               | 10,813           | 90,581                          | 103,225          |
|   | <u>591,531</u>   | <u>470,853</u>   | <u>98,857</u>                        | <u>12,525</u>    | <u>492,674</u>                  | <u>458,328</u>   |
| <b>Analysed by:</b>                               |                  |                  |                                      |                  |                                 |                  |
| <b>Revenue</b>                                    |                  |                  |                                      |                  | 422,910                         | 374,605          |
| <b>Other revenue</b>                              |                  |                  |                                      |                  | 69,764                          | 83,723           |
|   |                  |                  |                                      |                  | <u>492,674</u>                  | <u>458,328</u>   |

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



### 3 SEGMENT INFORMATION (Continued)

#### Segment results (Continued)

##### (a) Segment revenue (Continued)

#### Disaggregation in revenue

Disaggregation of revenue from contracts with customers by major service lines is as follows:

|  | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|--|------------------|------------------|
| Revenue from contracts with customers within the scope of HKFRS 15 |                  |                  |
| Disaggregated by service lines                                     |                  |                  |
| – Revenue from property development                                | –                | –                |
| – Revenue from ferry operations                                    | 104,589          | 88,564           |
| – Revenue from shipyard operations                                 | 60,254           | 55,226           |
| – Revenue from healthcare, medical aesthetic and beauty services   | 37,399           | 13,772           |
|  | <u>202,242</u>   | <u>157,562</u>   |
| Revenue from other sources   |                  |                  |
| – Property investment  | 125,361          | 121,696          |
| – Securities investment  | 6,898            | 6,548            |
| – Others   | 88,409           | 88,799           |
|  | <u>220,668</u>   | <u>217,043</u>   |
|  | <u>422,910</u>   | <u>374,605</u>   |

Apart from revenue from shipyard operations which is recognised over time, the Group's other revenue streams within the scope of HKFRS 15 are recognised at a point in time.

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

At 31 December 2024, the aggregate amount of revenue expected to be recognised in profit or loss in the future from construction and repairing contracts entered into in relation to the Group's shipyard operations amounted to HK\$18,884,000 (2023: HK\$12,764,000), which will be recognised over time until the work is completed, which is expected to occur over the next 12 months.

At 31 December 2024, the total amount of revenue expected to be recognised in profit or loss in the future from healthcare, medical aesthetic, and beauty services is HK\$17,725,000 (2023: HK\$8,918,000). This revenue will be recognised when the service obligation is fulfilled for the customers or upon the expiry of the contract, which is expected to occur within the next 12 months.

### 3 SEGMENT INFORMATION (Continued)

#### Segment results (Continued)

##### (b) Segment result

|   | Reportable segment<br>(loss)/profit |                |
|---|-------------------------------------|----------------|
|   | 2024                                | 2023           |
|   | HK\$'000                            | HK\$'000       |
| Property development                              | (9,241)                             | (715)          |
| Property investment (note 3(d))                   | 76,507                              | 123,694        |
| Ferry, shipyard and related operations            | (7,977)                             | (7,643)        |
| Healthcare, medical aesthetic and beauty services | (27,616)                            | (37,842)       |
| Securities investment                             | 16,372                              | (2,254)        |
|   | <u>48,045</u>                       | <u>75,240</u>  |
| Others (note 3(e))                                | 86,892                              | 99,085         |
|   | <u>134,937</u>                      | <u>174,325</u> |

##### (c) Reconciliation of reportable segment profit

|  | 2024           | 2023           |
|--|----------------|----------------|
|  | HK\$'000       | HK\$'000       |
| Reportable segment profit derived from external customers              | 48,045         | 75,240         |
| Other profit derived from external customers                           | 86,892         | 99,085         |
| Interest on lease liabilities  | (473)          | (265)          |
| Share of profits of associates and joint ventures (net)                | 41,860         | 32,576         |
|  | <u>176,324</u> | <u>206,636</u> |
| Profit before taxation in the consolidated statement of profit or loss |                |                |

(d) The segment result of the "Property investment" included valuation gains on investment properties of HK\$2,004,000 (2023: HK\$42,339,000).

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





### 3 SEGMENT INFORMATION (Continued)

#### Segment results (Continued)

##### (f) Other segment information

|   | Depreciation and amortisation |                  | (Reversal of)/provision for impairment losses |                  | Capital expenditure incurred |                  |
|---|-------------------------------|------------------|---|------------------|------------------------------|------------------|
|   | 2024<br>HK\$'000              | 2023<br>HK\$'000 | 2024<br>HK\$'000                              | 2023<br>HK\$'000 | 2024<br>HK\$'000             | 2023<br>HK\$'000 |
| Property development                              | –                             | 1,007            | –   | –                | –                            | –                |
| Property investment                               | –                             | –                | (208)   | 98               | 5,096                        | 105,307          |
| Ferry, shipyard and related operations            | 8,297                         | 8,204            | –   | –                | 1,987                        | 1,107            |
| Healthcare, medical aesthetic and beauty services | 10,343                        | 9,786            | –   | –                | 3,512                        | 667              |
| Others  | 788                           | 612              | –   | –                | 584                          | 1,870            |
|   | <u>19,428</u>                 | <u>19,609</u>    | <u>(208)</u>                                  | <u>98</u>        | <u>11,179</u>                | <u>108,951</u>   |

### 4 OTHER REVENUE AND NET INCOME/(LOSSES)

|   | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|---|------------------|------------------|
| <b>Other revenue</b>  |                  |                  |
| Management fee income   | 27,772           | 28,282           |
| Other income  | 19,110           | 21,224           |
| Air-conditioning charges income                                   | 17,768           | 18,510           |
| Other interest income   | 5,114            | 10,296           |
| Government grants – others (note 1)                               | –                | 5,411            |
|   | <u>69,764</u>    | <u>83,723</u>    |
| <b>Other net income/(losses)</b>                                  |                  |                  |
| Change in fair value of other financial assets designated at FVPL | 9,912            | (8,400)          |
| Income from sale of spare parts                                   | 1,105            | 887              |
| Sundry income   | 1,042            | 840              |
| Reversal of impairment losses on trade and other receivables      | 262              | 58               |
| Net exchange losses   | (17)             | (22)             |
| Construction cost adjustment (note 2)                             | –                | 5,239            |
| Gain on lease modifications                                       | –                | 494              |
| Net gain on disposal of other property, plant and equipment       | –                | 2                |
|   | <u>12,304</u>    | <u>(902)</u>     |

#### 4 OTHER REVENUE AND NET INCOME/(LOSSES) (Continued)

*Note 1:* In 2023, the Group was qualified for the relief measures offered for the public transport sector and other sectors under the Anti-epidemic Fund set up by the Government amounting to HK\$5,300,000 and HK\$111,000 respectively. The purpose of the funding was to provide financial support to franchised and licensed ferry and shipyard operators and eligible applicants under other sectors who were adversely impacted by the COVID-19 pandemic.

*Note 2:* During the year ended 31 December 2023, construction cost adjustment represented the revision of the original construction costs of the properties completed in prior years, confirmed by the surveyors.

#### 5 PROFIT BEFORE TAXATION

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

##### (a) Staff costs:

|  | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|--|------------------|------------------|
| Expense recognised in respect of defined benefit retirement plans: |                  |                  |
| – ORSO plans ( <i>note 16(b)(v)</i> )                              | 388              | 563              |
| – LSP ( <i>note 16(c)</i> )  | 285              | 1,152            |
| Contributions to defined contribution retirement plan              | 3,917            | 2,997            |
| Total retirement costs   | 4,590            | 4,712            |
| Salaries, wages and other benefits                                 | 136,088          | 110,189          |
|  | 140,678          | 114,901          |



## 5 PROFIT BEFORE TAXATION (Continued)

### (b) Other items:

|  | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|--|------------------|------------------|
| Amortisation of leasehold land premium   | 1,369            | 1,369            |
| Depreciation   | 18,059           | 18,240           |
| Cost of inventories ( <i>note 17(b)</i> )  | 8,279            | 10,136           |
| Auditor's remuneration   |                  |                  |
| – audit services   | 1,992            | 1,986            |
| – other services   | 366              | 366              |
| Impairment losses on trade and other receivables   | 54               | 98               |
| Rentals receivable from investment properties less direct outgoings of HK\$64,249,000 (2023: HK\$62,264,000) ( <i>note</i> )                 | (61,112)         | (59,431)         |
| Rentals receivable from leases, other than those relating to investment properties, less direct outgoings of HK\$841,000 (2023: HK\$706,000) | (2,215)          | (7,029)          |
| Interest income  | (93,522)         | (99,096)         |
| Dividend income from other financial assets designated at FVPL   | (2,559)          | (3,348)          |
| Dividend income from other financial assets designated at FVOCI  | (4,339)          | (3,200)          |

*Note:* Included contingent rental income which is determined based on turnover of certain shops and commercial arcades of HK\$2,989,000 (2023: HK\$2,479,000).

## 6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

### (a) Taxation in the consolidated statement of profit or loss represents:

|   | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|---|------------------|------------------|
| <b>Current tax – Hong Kong Profits Tax</b>        |                  |                  |
| Provision for the year                            | 9,027            | 12,361           |
| Provision for the claims ( <i>note</i> )          | 107              | 119              |
| Under-provision in respect of prior years         | 50               | 626              |
|   | <u>9,184</u>     | <u>13,106</u>    |
| <b>Deferred tax</b>                               |                  |                  |
| Origination and reversal of temporary differences | 6,764            | 7,664            |
|   | <u>15,948</u>    | <u>20,770</u>    |

The provision for Hong Kong Profits Tax for 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year, 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 2023.

The provision for Hong Kong Profits Tax for 2024 takes into account a reduction granted by the Government of 100% of the tax payable for the year of assessment 2023/24 subject to a maximum reduction of HK\$3,000 for each business (2023: a maximum reduction of HK\$6,000 was granted for the year of assessment 2022/23 and was taken into account in calculating the provision for 2023).

*Note:* In prior years, the Inland Revenue Department (“IRD”) raised additional profits tax assessments on a subsidiary of the Group covering the years of assessment from 2001/02 to 2009/10 as the IRD disallowed the deduction of certain capital expenditure incurred by the subsidiary (the “claims”). Notices of objection were filed with the IRD by the subsidiary. In February 2017 and March 2022, the IRD further raised additional profits tax assessments covering the years of assessment from 2010/11 to 2014/15 and 2015/16 in respect of such disallowance. Management has sought advice from the Group’s tax adviser and has filed a notice of objection against such additional tax assessments. In August 2022, IRD issued a determination regarding previous objections and continued to disallow the claims. The subsidiary filed a notice of appeal to the Board of Review in September 2022 and the appeal was heard in July and August 2024. As at the date of this annual report, the Board of Review has yet to hand down its decision. During the year ended 31 December 2024, the Group made an additional provision of HK\$107,000 for the claims.



## 6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

### (b) Reconciliation between tax expense and accounting profit at an applicable tax rate:

|   | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|---|------------------|------------------|
| Profit before taxation  | <u>176,324</u>   | <u>206,636</u>   |
| Notional tax on profit before taxation, calculated at the rates applicable to profit in tax jurisdictions concerned | 28,926           | 33,928           |
| Tax effect of non-deductible expenses   | 1,160            | 2,890            |
| Tax effect of non-taxable income  | (23,727)         | (28,042)         |
| Tax effect of current year's tax losses not recognised  | 7,223            | 9,851            |
| Tax effect of prior years' unrecognised tax losses utilised this year   | –                | (1,481)          |
| Tax effect of temporary differences on investment properties and other property, plant and equipment                | 2,316            | 2,998            |
| Under-provision in respect of prior years   | <u>50</u>        | <u>626</u>       |
| Actual tax expense  | <u>15,948</u>    | <u>20,770</u>    |

## 7 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and Chief Executive's emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance, Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation and Appendix D2 to the Listing Rules are as follows:

|  | Directors' fees               |                  | Retirement schemes contribution  |                  |
|--|-------------------------------|------------------|----------------------------------|------------------|
|  | 2024<br>HK\$'000              | 2023<br>HK\$'000 | 2024<br>HK\$'000                 | 2023<br>HK\$'000 |
| <b>Executive directors</b>                               |                               |                  |                                  |                  |
| Dr. Lam Ko Yin, Colin                                    | 200                           | 200              | —                                | —                |
| Mr. Li Ning  | 150                           | 150              | —                                | —                |
| Mr. Lee Gabriel<br>(appointed on 3 January 2023)         | 150                           | 149              | —                                | —                |
| <b>Non-executive directors</b>                           |                               |                  |                                  |                  |
| Mr. Au Siu Kee, Alexander                                | 100                           | 100              | —                                | —                |
| Mr. Lau Yum Chuen, Eddie                                 | 100                           | 100              | —                                | —                |
| <b>Independent non-executive directors</b>               |                               |                  |                                  |                  |
| Mr. Ho Hau Chong, Norman                                 | 300                           | 300              | —                                | —                |
| Ms. Wong Yu Pok, Marina                                  | 300                           | 300              | —                                | —                |
| Mr. Wu King Cheong                                       | 300                           | 300              | —                                | —                |
| Mr. Chan Wai Yan, Ronald<br>(appointed on 20 March 2023) | 250                           | 197              | —                                | —                |
|  | <u>1,850</u>                  | <u>1,796</u>     | <u>—</u>                         | <u>—</u>         |
|  |                               |                  |                                  |                  |
|  | Salaries and other emoluments |                  | Retirement schemes contributions |                  |
|  | 2024<br>HK\$'000              | 2023<br>HK\$'000 | 2024<br>HK\$'000                 | 2023<br>HK\$'000 |
| <b>Group General Manager</b>                             |                               |                  |                                  |                  |
| Mr. Lee Gabriel  | <u>5,230</u>                  | <u>5,096</u>     | <u>261</u>                       | <u>254</u>       |





## 8 EMOLUMENTS OF FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT

### (a) Five highest paid individuals

Of the five individuals with the highest emoluments, one (2023: one) is the chief executive whose emoluments is disclosed in note 7. The aggregate of the emoluments in respect of the remaining four (2023: four) individuals are as follows:

|                                 | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|---------------------------------|------------------|------------------|
| Salaries and other emoluments   | 6,379            | 5,060            |
| Retirement scheme contributions | 318              | 163              |
|                                 | <u>6,697</u>     | <u>5,223</u>     |

The emoluments of the four (2023: four) individuals with the highest emoluments are within the following bands:

| HK\$                | 2024<br>Number of<br>individuals | 2023<br>Number of<br>individuals |
|---------------------|----------------------------------|----------------------------------|
| 1,000,001–1,500,000 | –                                | 3                                |
| 1,500,001–2,000,000 | <u>4</u>                         | <u>1</u>                         |

### (b) Emoluments of senior management

Other than the emoluments of directors, chief executive and five highest paid individuals disclosed in notes 7 and 8(a), the emoluments of the remaining senior management whose profiles are provided in Directors' and Senior Management's Profile fell within the following band:

| HK\$                | 2024<br>Number of<br>individuals | 2023<br>Number of<br>individuals |
|---------------------|----------------------------------|----------------------------------|
| 500,000 or below    | –                                | 1                                |
| 500,001–1,000,000   | 1                                | 1                                |
| 1,000,001–1,500,000 | <u>1</u>                         | <u>–</u>                         |

## 9 DIVIDENDS

### (a) Dividends payable to equity shareholders of the Company attributable to the year

|  | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|--|------------------|------------------|
| Interim dividend declared and paid of HK10 cents<br>(2023: HK10 cents) per ordinary share                            | 35,627           | 35,627           |
| Final dividend proposed after the end of the reporting period<br>of HK15 cents (2023: HK15 cents) per ordinary share | 53,441           | 53,441           |
|  | <u>89,068</u>    | <u>89,068</u>    |

The final dividend proposed after the end of the reporting 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 year

|  | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|--|------------------|------------------|
| Final dividend in respect of the previous financial year,<br>approved and paid during the year, of HK15 cents<br>(2023: HK15 cents) per ordinary share | 53,441           | 53,441           |
| Special dividend in respect of the previous financial year,<br>approved and paid during the year, of HK\$ Nil<br>(2023: HK\$1) per ordinary share      | —                | 356,274          |
|  | <u>53,441</u>    | <u>409,715</u>   |

## 10 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\$163,875,000 (2023: HK\$190,393,000) and 356,273,883 (2023: 356,273,883) ordinary shares in issue during the year.

There were no dilutive potential ordinary shares in existence during the years 2024 and 2023, therefore diluted earnings per share are the same as basic earnings per share for both years.



# 11 INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT AND INTEREST IN LEASEHOLD LAND

|   | Buildings<br>HK\$'000 | Ferry<br>vessels<br>and other<br>crafts<br>HK\$'000 | Machinery,<br>furniture<br>and others<br>HK\$'000 | Sub-total<br>HK\$'000 | Investment<br>properties<br>HK\$'000 | Interest in<br>leasehold<br>land<br>HK\$'000 | Total<br>HK\$'000 |
|---|-----------------------|---|---|-----------------------|--------------------------------------|--|-------------------|
| <b>Cost or valuation:</b>                             |                       |   |   |                       |                                      |  |                   |
| At 1 January 2023                                     | 113,533               | 120,398   | 300,171   | 534,102               | 2,342,305                            | 159,407                                      | 3,035,814         |
| Additions   | 752                   | 212   | 3,412   | 4,376                 | 105,307                              | –  | 109,683           |
| Disposals   | (3,059)               | –   | (5)   | (3,064)               | –                                    | –  | (3,064)           |
| Cost adjustment (note)                                | –                     | –   | –   | –                     | (1,261)                              | –  | (1,261)           |
| Valuation gains                                       | –                     | –   | –   | –                     | 42,339                               | –  | 42,339            |
| At 31 December 2023                                   | 111,226               | 120,610   | 303,578   | 535,414               | 2,488,690                            | 159,407                                      | 3,183,511         |
| <b>Representing:</b>                                  |                       |   |   |                       |                                      |  |                   |
| Cost  | 111,226               | 120,610   | 303,578   | 535,414               | –                                    | 159,407                                      | 694,821           |
| Valuation   | –                     | –   | –   | –                     | 2,488,690                            | –  | 2,488,690         |
|   | 111,226               | 120,610   | 303,578   | 535,414               | 2,488,690                            | 159,407                                      | 3,183,511         |
| <b>Accumulated amortisation<br/>and depreciation:</b> |                       |   |   |                       |                                      |  |                   |
| At 1 January 2023                                     | 76,673                | 119,071   | 258,678   | 454,422               | –                                    | 125,852                                      | 580,274           |
| Charge for the year                                   | 11,386                | 267   | 6,587   | 18,240                | –                                    | 1,369  | 19,609            |
| Written back on disposals                             | (2,890)               | –   | (5)   | (2,895)               | –                                    | –  | (2,895)           |
| At 31 December 2023                                   | 85,169                | 119,338   | 265,260   | 469,767               | –                                    | 127,221                                      | 596,988           |
| <b>Net book value:</b>                                |                       |   |   |                       |                                      |  |                   |
| At 31 December 2023                                   | 26,057                | 1,272   | 38,318  | 65,647                | 2,488,690                            | 32,186                                       | 2,586,523         |

# 11 INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT AND INTEREST IN LEASEHOLD LAND (Continued)

|   | Buildings<br>HK\$'000 | Ferry<br>vessels<br>and other<br>crafts<br>HK\$'000 | Machinery,<br>furniture<br>and others<br>HK\$'000 | Sub-total<br>HK\$'000 | Investment<br>properties<br>HK\$'000 | Interest in<br>leasehold<br>land<br>HK\$'000 | Total<br>HK\$'000 |
|---|-----------------------|---|---|-----------------------|--------------------------------------|--|-------------------|
| <b>Cost or valuation:</b>                             |                       |   |   |                       |                                      |  |                   |
| At 1 January 2024                                     | 111,226               | 120,610   | 303,578   | 535,414               | 2,488,690                            | 159,407                                      | 3,183,511         |
| Additions   | 7,414                 | 219   | 4,794   | 12,427                | 5,096                                | -  | 17,523            |
| Disposals   | (5,907)               | -   | (348)   | (6,255)               | -                                    | -  | (6,255)           |
| Valuation gains                                       | -                     | -   | -   | -                     | 2,004                                | -  | 2,004             |
| At 31 December 2024                                   | 112,733               | 120,829   | 308,024   | 541,586               | 2,495,790                            | 159,407                                      | 3,196,783         |
| <b>Representing:</b>                                  |                       |   |   |                       |                                      |  |                   |
| Cost  | 112,733               | 120,829   | 308,024   | 541,586               | -                                    | 159,407                                      | 700,993           |
| Valuation   | -                     | -   | -   | -                     | 2,495,790                            | -  | 2,495,790         |
|   | 112,733               | 120,829   | 308,024   | 541,586               | 2,495,790                            | 159,407                                      | 3,196,783         |
| <b>Accumulated amortisation<br/>and depreciation:</b> |                       |   |   |                       |                                      |  |                   |
| At 1 January 2024                                     | 85,169                | 119,338   | 265,260   | 469,767               | -                                    | 127,221                                      | 596,988           |
| Charge for the year                                   | 10,997                | 220   | 6,842   | 18,059                | -                                    | 1,369  | 19,428            |
| Written back on disposals                             | (5,907)               | -   | (348)   | (6,255)               | -                                    | -  | (6,255)           |
| At 31 December 2024                                   | 90,259                | 119,558   | 271,754   | 481,571               | -                                    | 128,590                                      | 610,161           |
| <b>Net book value:</b>                                |                       |   |   |                       |                                      |  |                   |
| At 31 December 2024                                   | 22,474                | 1,271   | 36,270  | 60,015                | 2,495,790                            | 30,817                                       | 2,586,622         |

**Note:** Cost adjustment represented the revision of the original construction costs of the properties completed in prior years, confirmed by the surveyor during the year ended 31 December 2023.



# 11 INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT AND INTEREST IN LEASEHOLD LAND (Continued)

## (a) Fair value measurement of investment properties

### (i) Fair value hierarchy

The following table presents the fair value of the Group's investment properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

|   | Fair value at<br>31 December<br>2024<br>HK\$'000 | Fair value measurements as at<br>31 December 2024 categorised into |                     |                     |
|---|--|--|---------------------|---------------------|
|   |  | Level 1<br>HK\$'000  | Level 2<br>HK\$'000 | Level 3<br>HK\$'000 |
| <b>Recurring fair value measurement</b> |  |  |                     |                     |
| Investment properties                   | <u>2,495,790</u>                                 | <u>–</u>   | <u>–</u>            | <u>2,495,790</u>    |

|   | Fair value at<br>31 December<br>2023<br>HK\$'000 | Fair value measurements as at<br>31 December 2023 categorised into |                     |                     |
|---|--|--|---------------------|---------------------|
|   |  | Level 1<br>HK\$'000  | Level 2<br>HK\$'000 | Level 3<br>HK\$'000 |
| <b>Recurring fair value measurement</b> |  |  |                     |                     |
| Investment properties                   | <u>2,488,690</u>                                 | <u>–</u>   | <u>–</u>            | <u>2,488,690</u>    |

## 11 INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT AND INTEREST IN LEASEHOLD LAND (Continued)

### (a) Fair value measurement of investment properties (Continued)

#### (i) Fair value hierarchy (Continued)

During the year ended 31 December 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2023: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

#### Valuation process

All the Group's investment properties were revalued as at 31 December 2024. The valuations were carried out by a firm of surveyors, Cushman & Wakefield Limited, who have among their staff Members of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued, on a market value basis. The management has discussion with the surveyors on the valuation assumptions and valuation results when the valuation is performed at each interim and annual reporting date.

#### (ii) Information about Level 3 fair value measurements

The fair values of investment properties were determined using income capitalisation approach which capitalised the net income of the properties and taking into account the reversionary potential of properties after expiry of the current leases except for an investment property which was determined using market comparison approach by reference to recent sales price of comparable properties on a price per square foot basis using market data which is publicly available.

Below is a table which presents the significant unobservable inputs:

#### Income capitalisation approach

|          | Range of capitalisation rates |               | Range of occupancy rates |            |
|----------|-------------------------------|---------------|--------------------------|------------|
|          | 2024                          | 2023          | 2024                     | 2023       |
|          | %                             | %             | %                        | %          |
| Retail   | <b>2.75% – 4.75%</b>          | 2.75% – 4.75% | <b>86% – 100%</b>        | 89% – 100% |
| Car park | <b>4.125% – 6.5%</b>          | 4.125% – 6.5% | <b>58% – 100%</b>        | 61% – 100% |

#### Market comparison approach

|        | Market unit sales price |              | Adopted market rate |              |
|--------|-------------------------|--------------|---------------------|--------------|
|        | 2024                    | 2023         | 2024                | 2023         |
|        | HK\$/sq. ft.            | HK\$/sq. ft. | HK\$/sq. ft.        | HK\$/sq. ft. |
| Godown | <b>652 – 839</b>        | 652 – 839    | <b>700</b>          | 700          |





## 11 INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT AND INTEREST IN LEASEHOLD LAND (Continued)

### (a) Fair value measurement of investment properties (Continued)

#### (ii) Information about Level 3 fair value measurements (Continued)

The fair value measurement of investment properties is positively correlated to the occupancy rate and market unit sales price and negatively correlated to the capitalisation rate.

The movements during the year in the balance of these Level 3 fair value measurements are as follows:

|                              | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|------------------------------|------------------|------------------|
| <b>Investment properties</b> |                  |                  |
| At 1 January                 | 2,488,690        | 2,342,305        |
| Additions                    | 5,096            | 105,307          |
| Cost adjustment              | —                | (1,261)          |
| Valuation gains              | 2,004            | 42,339           |
| At 31 December               | 2,495,790        | 2,488,690        |

Fair value adjustment of investment properties is recognised in the line item “valuation gains on investment properties” on the face of the consolidated statement of profit or loss.

All the gains or losses recognised in profit or loss for the year arise from the properties held at the end of the reporting period.

### (b) The analysis of the net book value of all the properties, which are held in Hong Kong, is as follows:

|                    | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|--------------------|------------------|------------------|
| Short-term leases  | —                | —                |
| Medium-term leases | 2,387,881        | 2,386,533        |
| Long-term leases   | 161,200          | 160,400          |
|                    | 2,549,081        | 2,546,933        |

## 11 INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT AND INTEREST IN LEASEHOLD LAND (Continued)

- (c) The Group leases out investment properties under operating leases. The leases typically run for an initial period of one month to three years, with an option to renew the lease after that date at which time all terms are renegotiated. Certain of the leases include contingent rentals calculated with reference to the revenue of tenants.

All properties held under operating leases that would otherwise meet the definition of investment properties are classified as investment properties.

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

|                                  | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|----------------------------------|------------------|------------------|
| Within 1 year                    | 83,009           | 69,055           |
| After 1 year but within 2 years  | 42,082           | 32,911           |
| After 2 years but within 3 years | 11,332           | 7,555            |
|                                  | <u>136,423</u>   | <u>109,521</u>   |

### (d) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

|  | Note | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|--|------|------------------|------------------|
| Other properties leased for own use, carried at depreciated cost | (i)  | 7,583            | 8,418            |
| Machinery, furniture and others, carried at depreciated cost     | (ii) | —                | 34               |
|  |      | <u>7,583</u>     | <u>8,452</u>     |



## 11 INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT AND INTEREST IN LEASEHOLD LAND (Continued)

### (d) Right-of-use assets (Continued)

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

|  | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|--|------------------|------------------|
| Depreciation charge of right-of-use assets by class of underlying asset: |                  |                  |
| Other properties leased for own use                                      | 7,180            | 7,762            |
| Machinery, furniture and others  | 34               | 159              |
|  | <u>7,214</u>     | <u>7,921</u>     |
| Interest on lease liabilities  | <u>473</u>       | <u>265</u>       |

During the year, additions to right-of-use assets were HK\$6,344,000 (2023: HK\$732,000). The amount primarily related to the capitalised lease payments payable under new tenancy agreements.

*Note (i):* Other properties leased for own use  
The Group has obtained the right to use other properties as its office space and ferry piers through tenancy agreements. The leases typically run for an initial period of two to three years.

*Note (ii):* Other leases  
The Group leases office equipment under leases expiring for four years. Some leases include an option to renew the lease when all terms are renegotiated. None of the leases includes variable lease payments.

## 12 INTEREST IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

|  | Particulars of issued and paid up capital | Proportion of ownership interests |                      | Principal activities                           |
|--|---|-----------------------------------|----------------------|--|
|  |   | Held by the Company               | Held by subsidiaries |  |
| Century Time Holdings Limited                  | 10,000 shares                             | 85%                               | –                    | Medical aesthetic and beauty services          |
| Galaxy Harbour Limited                         | 1 share                                   | 100%                              | –                    | Healthcare services                            |
| Galaxy Hotel Management Company Limited        | 1,000,000 shares                          | –                                 | 100%                 | Floating restaurant business                   |
| Genius Star Development Limited                | 2 shares                                  | 100%                              | –                    | Property investment                            |
| HKF Property Investment Limited                | 2 shares                                  | 100%                              | –                    | Property investment                            |
| Hong Kong Ferry Finance Company Limited        | 2 shares                                  | 100%                              | –                    | Funding for group companies                    |
| HYFCO Development Company, Limited             | 1,200,003 shares                          | 100%                              | –                    | Investment holding                             |
| HYFCO Estate Management & Agency Limited       | 2,500,000 shares                          | 100%                              | –                    | Property management                            |
| HYFCO Trading and Investments Company Limited  | 2 shares                                  | 100%                              | –                    | Trading  |
| Jet Legend Limited                             | 1 share                                   | 100%                              | –                    | Property development and financing             |
| Join Galaxy Limited                            | 2 shares                                  | –                                 | 100%                 | Property financing                             |
| Lenfield Limited                               | 2 shares                                  | 100%                              | –                    | Property development, investment and financing |
| Pico International Limited                     | 6,000,000 shares                          | 100%                              | –                    | Investment holding                             |
| The Hong Kong Shipyard Limited                 | 170,000 shares                            | 100%                              | –                    | Shipbuilding and repairs                       |
| The Hongkong and Yaumati Ferry Company Limited | 1,000,000 shares                          | 100%                              | –                    | Ferry operations                               |
| Topkey Development Limited                     | 1 share                                   | 100%                              | –                    | Healthcare services                            |
| Well Dynamic Limited                           | 1 share                                   | 100%                              | –                    | Property development, investment and financing |
| World Fame Shipping Limited                    | 2 shares                                  | 100%                              | –                    | Property development                           |
| World Light Limited                            | 1 share                                   | 100%                              | –                    | Property development, investment and financing |

All the subsidiaries listed above are incorporated in Hong Kong.



### 13 INTEREST IN ASSOCIATES

|                             | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|-----------------------------|------------------|------------------|
| Share of net assets         | 973              | 845              |
| Amounts due from associates | 11,634           | 12,654           |
| Share of net liabilities    | (383)            | (335)            |
|                             | 11,251           | 12,319           |
| Less: impairment loss       | (6,794)          | (6,794)          |
|                             | 5,430            | 6,370            |

Except for the amount advanced to 2OK Company Limited ("2OK") which is interest-bearing at Hong Kong dollar prime rate minus 3% per annum for first half of year 2023 as disclosed in note 26(b)(ii), all of the amounts due from associates are unsecured, interest-free and have no fixed terms of repayment. All the amounts due from associates are not expected to be recovered within one year.

The following list contains the particulars of associates, all of which are unlisted corporate entities whose quoted market price is not available:

|                         | Particulars of<br>issued and paid<br>up capital | Proportion of<br>ownership<br>interest held by<br>subsidiaries | Principal activities |
|-------------------------|---|--|----------------------|
| 2OK                     | 10 ordinary shares                              | 50%  | Property financing   |
| Authian Estates Limited | 5,000 A shares<br>5,000 B shares                | 50%  | Property investment  |
| Concord Grand Limited   | 5,000 ordinary shares                           | 7.5%   | Medical              |
| Winwide Limited         | 100 ordinary shares                             | 30%  | Trading              |

All of the associates are incorporated and operate in Hong Kong.

All of the above associates are accounted for using the equity method in the consolidated financial statements.

### 13 INTEREST IN ASSOCIATES (Continued)

Aggregate information of associates that are not individually material:

|  | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|--|------------------|------------------|
| Aggregate carrying amount of individually immaterial associates in the consolidated financial statements | 590              | 510              |
| Aggregate amounts of the Group's share of those associates'  |                  |                  |
| Profit for the year  | 857              | 746              |
| Total comprehensive income   | 857              | 746              |

### 14 INTEREST IN JOINT VENTURES

|                             | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|-----------------------------|------------------|------------------|
| Share of net assets         | 539,035          | 498,008          |
| Share of net liabilities    | (147)            | (123)            |
| Advances to a joint venture | 152,500          | 202,500          |
|                             | 691,388          | 700,385          |

The advances to a joint venture is unsecured, interest-bearing at Hong Kong dollar prime rate minus 3% per annum and has no fixed terms of repayment. An amount of HK\$50,000,000 (2023: HK\$277,500,000) was recovered from a joint venture during the year ended 31 December 2024.

Details of the Group's interest in material joint ventures, which is accounted for using the equity method in the consolidated financial statements, are as follows:

| Name of joint venture            | Form of business structure | Place of incorporation and business | Particulars of issued capital | Proportion of ownership interest held by subsidiaries | Principal activities               |
|----------------------------------|----------------------------|-------------------------------------|-------------------------------|---|------------------------------------|
| Mega Capital Enterprises Limited | Incorporated               | Hong Kong                           | 2 ordinary shares             | 50%   | Property financing                 |
| Win Standard Enterprises Limited | Incorporated               | Hong Kong                           | 10,000 ordinary shares        | 50%   | Property development and financing |

The joint ventures are unlisted corporate entities whose quoted market price are not available.





## 14 INTEREST IN JOINT VENTURES (Continued)

Summarised financial information of material joint venture, adjusted for any differences in accounting policies and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

| Gross amounts of the joint venture's  | Win Standard Enterprises Limited |                  |
|---|----------------------------------|------------------|
|   | 2024<br>HK\$'000                 | 2023<br>HK\$'000 |
| Current assets  | 1,326,655                        | 1,690,120        |
| Non-current assets  | 250,042                          | 286,333          |
| Current liabilities   | (524,808)                        | (995,144)        |
| Non-current liabilities   | —                                | —                |
| Total equity  | 1,051,889                        | 981,309          |
| Included in the above assets and liabilities:                                     |                                  |                  |
| Cash and cash equivalents   | 939,131                          | 1,303,666        |
| Current financial liabilities (excluding trade and other payables and provisions) | —                                | —                |
| Contract liabilities  | —                                | (5,020)          |
| Non-current financial liabilities   | —                                | —                |
| Revenue   | 52,369                           | 61,153           |
| Profit for the year   | 70,579                           | 60,354           |
| Other comprehensive income  | —                                | —                |
| Total comprehensive income  | 70,579                           | 60,354           |
| Included in the above profit:   |                                  |                  |
| Interest income   | 53,979                           | 48,797           |
| Interest expenses   | —                                | —                |
| Taxation  | (3,091)                          | (2,091)          |

No depreciation and amortisation is included in the above profit.

|   | Win Standard Enterprises Limited |                  |
|---|----------------------------------|------------------|
|   | 2024<br>HK\$'000                 | 2023<br>HK\$'000 |
| Reconciled to Group's interest in the joint venture |                                  |                  |
| Gross amounts of the joint venture's net assets     | 1,051,889                        | 981,309          |
| Group's effective interest                          | 50%                              | 50%              |
| Group's share of the joint venture's net assets     | 525,945                          | 490,655          |

## 14 INTEREST IN JOINT VENTURES (Continued)

Aggregate information of joint ventures that is not individually material:

|  | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|--|------------------|------------------|
| Aggregate carrying amount of individually immaterial joint ventures in the consolidated financial statements | 12,943           | 7,231            |
| Aggregate amounts of the Group's share of those joint ventures'  |                  |                  |
| Profit for the year  | 5,713            | 1,653            |
| Total comprehensive income   | 5,713            | 1,653            |

## 15 OTHER FINANCIAL ASSETS

|   | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|---|------------------|------------------|
| Financial assets designated at FVOCI (non-recycling) (note) |                  |                  |
| – Equity securities listed in Hong Kong                     | 58,560           | 42,696           |
| Financial assets designated at FVPL                         |                  |                  |
| – Unit trust listed in Hong Kong                            | 74,405           | 64,493           |
|   | 132,965          | 107,189          |
| Market value of listed securities at 31 December            | 132,965          | 107,189          |

*Note:* The Group has designated certain investments as equity securities designated as financial assets at FVOCI (non-recycling) as the investments are held for strategic purposes which are subject to regular strategic review. Details of the investments are as follows:

| Name of equity securities          | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|------------------------------------|------------------|------------------|
| Bank of China Ltd                  | 40,840           | 30,656           |
| Agricultural Bank of China Limited | 17,720           | 12,040           |
| As at 31 December                  | 58,560           | 42,696           |



## 16 POST-EMPLOYMENT BENEFITS

The Group operates a MPF scheme for the employees and a retirement plan registered under the Occupational Retirement Schemes Ordinance (Chapter 426 of the Laws of Hong Kong) for the employees in Hong Kong. In addition, the employees employed under the Hong Kong Employment Ordinance are also entitled to LSP if the eligibility criteria are met.

The ORSO plans and LSP are defined benefit plans. The analysis of the carrying amount of defined benefit plan assets/liabilities is as follows:

|  | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|--|------------------|------------------|
| ORSO plan assets ( <i>note 16(b)</i> )                 | <u>3,127</u>     | <u>2,100</u>     |
| Long service payment liabilities ( <i>note 16(c)</i> ) | <u>(1,229)</u>   | <u>(1,152)</u>   |

A portion of the above liability is expected to be settled after more than one year. However, it is not practicable to segregate this amount from the amounts payable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions. The Group expects to pay HK\$76,000 (2023: HK\$138,000) in contributions to defined benefit plan in 2025.

### (a) MPF scheme

The Group operates a MPF scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the Group's ORSO plans. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

### (b) ORSO plan assets

The ORSO plans of the Group are administered by trustees, who are independent, with their assets held separately from those of the Group.

The plan is funded by contributions from the Group in accordance with an independent actuary's recommendation based on annual actuarial valuations. The latest independent actuarial valuation of the plan was at 31 December 2024 and was prepared by qualified staff of Towers Watson Hong Kong Limited, who are members of recognised actuarial bodies, using the projected unit credit method. The actuarial valuation indicates that 100% (2023: 100%) of the Group's obligations under the defined benefit plan are covered by the plan assets held by the trustees.

## 16 POST-EMPLOYMENT BENEFITS (Continued)

### (b) ORSO plan assets (Continued)

The plan exposes the Group to actuarial risks, such as interest rate risk, investment risk and longevity risk. Information about the plan is disclosed below:

- (i) The amounts recognised in the consolidated statement of financial position are as follows:

|  | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|--|------------------|------------------|
| Fair value of plan assets                            | 13,009           | 19,425           |
| Present value of wholly or partly funded obligations | (9,882)          | (17,325)         |
|  | <u>3,127</u>     | <u>2,100</u>     |

The plan assets do not include any share issued by the Company or any property occupied by the Group.

- (ii) Plan assets consist of the following:

|                           | 2024          | 2023          |
|---------------------------|---------------|---------------|
| Equity securities         | 90.1%         | 51.9%         |
| Cash and cash equivalents | 9.9%          | 48.1%         |
| Total                     | <u>100.0%</u> | <u>100.0%</u> |

All of the equity securities have quoted prices in active markets.



## 16 POST-EMPLOYMENT BENEFITS (Continued)

### (b) ORSO plan assets (Continued)

(iii) Movements in the present value of the defined benefit obligations:

|   | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|---|------------------|------------------|
| At 1 January  | 17,325           | 16,862           |
| Remeasurements:   |                  |                  |
| – Actuarial (gain)/loss arising from changes in financial assumptions   | (604)            | 1,090            |
| – Actuarial loss arising from changes in experience                     | 107              | 834              |
| – Actuarial loss/(gain) arising from changes in demographic assumptions | 3                | (2)              |
|   | (494)            | 1,922            |
| Current service cost  | 405              | 516              |
| Interest cost   | 436              | 605              |
| Benefits paid by the plan   | (7,790)          | (2,580)          |
| At 31 December  | 9,882            | 17,325           |

(iv) Movements in plan assets:

|                                       | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|---------------------------------------|------------------|------------------|
| At 1 January                          | 19,425           | 17,074           |
| Interest income                       | 499              | 618              |
| Return more/(less) than discount rate | 826              | (979)            |
| Benefits paid by the plan             | (7,790)          | (2,580)          |
| Administrative expenses paid          | (46)             | (60)             |
| Contributions paid to the plan        | 95               | 5,352            |
| At 31 December                        | 13,009           | 19,425           |

## 16 POST-EMPLOYMENT BENEFITS (Continued)

### (b) ORSO plan assets (Continued)

- (v) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income are as follows:

|  | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|--|------------------|------------------|
| Current service cost                                       | 405              | 516              |
| Net interest on net defined benefit assets                 | (63)             | (13)             |
| Administrative expenses paid                               | 46               | 60               |
| Total amounts recognised in profit or loss                 | 388              | 563              |
| Actuarial (gain)/loss                                      | (494)            | 1,922            |
| (Return)/expense on plan assets, excluding interest income | (826)            | 979              |
| Total amounts recognised in other comprehensive income     | (1,320)          | 2,901            |
| Total defined benefit (gain)/costs                         | (932)            | 3,464            |

The current service cost, the net interest on defined benefit liabilities and the administrative expenses paid are recognised in the following item in the consolidated statement of profit or loss:

|                         | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|-------------------------|------------------|------------------|
| Administrative expenses | 388              | 563              |





## 16 POST-EMPLOYMENT BENEFITS (Continued)

### (b) ORSO plan assets (Continued)

- (vi) Significant actuarial assumptions (expressed as weighted averages) and sensitivity analysis are as follows:

|                                | 2024 | 2023 |
|--------------------------------|------|------|
| Discount rate                  | 3.7% | 2.9% |
| Long-term salary increase rate | 4%   | 4%   |

The below analysis shows how the defined benefit obligations would have (increased)/decreased as a result of 0.25% change in the significant actuarial assumptions:

|               | Increase in 0.25% |          | Decrease in 0.25% |          |
|---------------|-------------------|----------|-------------------|----------|
|               | 2024              | 2023     | 2024              | 2023     |
|               | HK\$'000          | HK\$'000 | HK\$'000          | HK\$'000 |
| Discount rate | 179               | 242      | (183)             | (248)    |
| Future salary | (175)             | (235)    | 172               | 231      |

The above sensitivity analysis is based on the assumption that changes in actuarial assumptions are not correlated and therefore it does not take into account the correlations between the actuarial assumptions.

### (c) Long service payment liabilities

Hong Kong employees that have been employed continuously for at least five years are entitled to LSP in accordance with the Hong Kong Employment Ordinance under certain circumstances. These circumstances include where an employee is dismissed for reasons other than serious misconduct or redundancy, that employee resigns at the age of 65 or above, or the employment contract is of fixed term and expires without renewal. The amount of LSP payable is determined with reference to the employee's final salary (capped at HK\$22,500) and the years of service, reduced by the amount of any accrued benefits derived from the Group's contributions to MPF scheme (see note 16(a)) or ORSO plans (see note 16(b)), with an overall cap of HK\$390,000 per employee. Currently, the Group does not have any separate funding arrangement in place to meet its LSP obligation.

In June 2022, the Government gazetted the Amendment Ordinance, which will eventually abolish the statutory right of an employer to reduce its LSP payable to a Hong Kong employee by drawing on its mandatory contributions to the MPF scheme. The Government has subsequently announced that the Amendment Ordinance will come into effect from the Transition Date i.e. 1 May 2025. Separately, the Government is also expected to introduce a subsidy scheme to assist employers after the abolition.

## 16 POST-EMPLOYMENT BENEFITS (Continued)

### (c) Long service payment liabilities (Continued)

Among other things, once the abolition of the offsetting mechanism takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory MPF contributions (irrespective of the contributions made before, on or after the Transition Date) to reduce the LSP in respect of an employee's service from the Transition Date. However, where an employee's employment commenced before the Transition Date, the employer can continue to use the above accrued benefits to reduce the LSP in respect of the employee's service up to that date; in addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

The Group has accounted for the offsetting mechanism and its abolition as disclosed in note 1(p)(ii).

The Group has determined that the Amendment Ordinance primarily impacts the Group's LSP liability with respect to Hong Kong employees that do not participate in the Group's ORSO plans. The Amendment Ordinance has no material impact on the Group's LSP liability with respect to employees that participate in the Group's ORSO plans.

The present value of unfunded obligations and its movements are as follows:

|  | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|--|------------------|------------------|
| At 1 January   | 1,152            | –                |
| Expenses recognised in profit or loss:                 |                  |                  |
| Current service cost                                   | 253              | 1,152            |
| Interest cost  | 32               | –                |
| Remeasurement recognised in other comprehensive income | (151)            | –                |
| Benefits paid  | (57)             | –                |
| At 31 December   | 1,229            | 1,152            |

The weighted average duration of the defined benefit obligation is 6 years (2023: 6 years).



## 16 POST-EMPLOYMENT BENEFITS (Continued)

### (c) Long service payment liabilities (Continued)

The above expenses are recognised in the following line items in the consolidated statement of profit or loss:

|                         | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|-------------------------|------------------|------------------|
| Direct costs            | 47               | 237              |
| Administrative expenses | 238              | 915              |
|                         | <u>285</u>       | <u>1,152</u>     |

Significant actuarial assumptions (expressed as weighted averages) and sensitivity analysis are as follows:

|   | 2024 | 2023 |
|---|------|------|
| Discount rate                                   | 3.6% | 2.9% |
| Future salary increases                         | 4%   | 4%   |
| Expected investment return MPF accrued benefits | 4.5% | 4.5% |

The below analysis shows how the defined benefit obligations would have (increased)/decreased as a result of 0.25% change in the significant actuarial assumptions:

|               | Increase in 0.25% |                  | Decrease in 0.25% |                  |
|---------------|-------------------|------------------|-------------------|------------------|
|               | 2024<br>HK\$'000  | 2023<br>HK\$'000 | 2024<br>HK\$'000  | 2023<br>HK\$'000 |
| Discount rate | 17                | 17               | (19)              | (17)             |
| Future salary | 9                 | 6                | (8)               | (5)              |

The above sensitivity analysis is based on the assumption that changes in actuarial assumptions are not correlated and therefore it does not take into account the correlations between the actuarial assumptions.

## 17 INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

|                                       | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|---------------------------------------|------------------|------------------|
| <b>Property development</b>           |                  |                  |
| Properties under development for sale | 6,933            | 6,933            |
| Completed properties held for sale    | 1,788,719        | 1,788,719        |
|                                       | <u>1,795,652</u> | <u>1,795,652</u> |
| <b>Other operations</b>               |                  |                  |
| Trading stocks                        | 5,917            | 4,166            |
| Spare parts and consumables           | 1,520            | 2,322            |
|                                       | <u>7,437</u>     | <u>6,488</u>     |
|                                       | <u>1,803,089</u> | <u>1,802,140</u> |

The above properties are situated in Hong Kong and held under medium-term leases.

All of the inventories are expected to be recovered within one year.

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

|                                     | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|-------------------------------------|------------------|------------------|
| Carrying amount of inventories sold | <u>8,279</u>     | <u>10,136</u>    |



## 18 TRADE AND OTHER RECEIVABLES

### (a) Non-current

|                                   | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|-----------------------------------|------------------|------------------|
| Instalment receivables            | 83,304           | 88,489           |
| Other receivables and prepayments | —                | 2,481            |
|                                   | <u>83,304</u>    | <u>90,970</u>    |

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

|                                   | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|-----------------------------------|------------------|------------------|
| Trade receivables                 | 70,356           | 57,840           |
| Instalment receivables            | 2,605            | 2,480            |
| Less: loss allowance              | (5)              | (2,651)          |
|                                   | <u>72,956</u>    | <u>57,669</u>    |
| Other receivables and prepayments | 79,285           | 77,426           |
| Amounts due from joint ventures   | 33,973           | 29,035           |
|                                   | <u>186,214</u>   | <u>164,130</u>   |

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\$62,140,000 (2023: HK\$55,874,000) which are unsecured, interest-free and recoverable on demand. Related companies are companies under control of a company which has significant influence on the Group.

The balance as at 31 December 2024 is unsecured, interest-free and recoverable on demand.

## 18 TRADE AND OTHER RECEIVABLES (Continued)

### (b) Current (Continued)

#### (i) 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:

|  | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|--|------------------|------------------|
| Current  | 32,465           | 30,397           |
| 1 to 3 months overdue                              | 30,805           | 26,082           |
| More than 3 months but less than 12 months overdue | 9,503            | 1,173            |
| More than 12 months overdue                        | 183              | 17               |
|  | <u>72,956</u>    | <u>57,669</u>    |

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. Further details on the Group's credit policy are set out in note 24(a).

#### (ii) Impairment of trade debtors

Impairment losses in respect of trade debtors are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors directly (see note 1(j)(i)).

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which include a specific element based on individual receivables and a collective element calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The movement in the loss allowance accounts during the year is as follows:

|                                  | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|----------------------------------|------------------|------------------|
| At 1 January                     | 2,651            | 2,709            |
| Impairment losses recognised     | 54               | 98               |
| Impairment losses reversed       | (262)            | (58)             |
| Uncollectible amount written off | <u>(2,438)</u>   | <u>(98)</u>      |
| At 31 December                   | <u>5</u>         | <u>2,651</u>     |





## 18 TRADE AND OTHER RECEIVABLES (Continued)

### (b) Current (Continued)

#### (ii) Impairment of trade debtors (Continued)

The Group has recognised an ECL on trade debtors amounting to HK\$5,000 (2023: HK\$2,651,000) as at 31 December 2024, calculated on 100% of certain individual trade debtors with significantly increased in credit risk. The identified impairment losses on the remaining trade debtors was immaterial as at 31 December 2024 and 31 December 2023.

## 19 CASH AND BANK BALANCES

| (a)  | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|--|------------------|------------------|
| Deposits with banks and other financial institutions                       | 1,799,001        | 1,724,378        |
| Cash at bank and in hand   | 77,591           | 101,056          |
| Cash and bank balances in the consolidated statement of financial position | 1,876,592        | 1,825,434        |
| Less: Bank deposits with maturity over three months at acquisition         | (1,381,194)      | (1,724,378)      |
| Cash and cash equivalents in the consolidated cash flow statement          | 495,398          | 101,056          |

Included in cash and bank balances are the following amounts denominated in a currency other than Hong Kong dollars:

|                       | 2024<br>'000 | 2023<br>'000 |
|-----------------------|--------------|--------------|
| United States dollars | 13           | 13           |
| Renminbi              | 61           | 47           |
| Macau Patacas         | 29           | —            |

## 19 CASH AND BANK BALANCES (Continued)

### (b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

|  | <b>Lease liabilities</b> |                 |
|--|--------------------------|-----------------|
|  | <b>2024</b>              | <b>2023</b>     |
|  | <b>HK\$'000</b>          | <b>HK\$'000</b> |
|  | <i>(Note 21)</i>         |                 |
| <b>At 1 January</b>  | <b>9,762</b>             | 17,624          |
| <b>Changes from financing cash flows:</b>  |                          |                 |
| Capital element of lease rentals paid  | <b>(8,082)</b>           | (7,948)         |
| Interest element of lease rentals paid   | <b>(473)</b>             | (265)           |
| Total changes from financing cash flows  | <b>(8,555)</b>           | (8,213)         |
| <b>Other changes:</b>  |                          |                 |
| Increase in lease liabilities from entering into new leases and lease modifications during the year <i>(net)</i> | <b>6,344</b>             | 582             |
| Interest expenses  | <b>473</b>               | 265             |
| Gain on lease modification and disposal  | <b>–</b>                 | (496)           |
| Total other changes  | <b>6,817</b>             | 351             |
| <b>At 31 December</b>  | <b>8,024</b>             | 9,762           |



## 19 CASH AND BANK BALANCES (Continued)

### (c) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

|                             | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|-----------------------------|------------------|------------------|
| Within financing cash flows | 8,555            | 8,213            |

This amount relate to the following:

|                    | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|--------------------|------------------|------------------|
| Lease rentals paid | 8,555            | 8,213            |

## 20 TRADE AND OTHER PAYABLES

All of the trade and other payables except for an amount of HK\$19,607,000 (2023: HK\$18,995,000) are expected to be settled within one year. Included in the trade and other payables are amounts due to related companies of HK\$29,110,000 (2023: HK\$19,938,000) which are unsecured, interest-free and repayable within 30–45 days or repayable on demand. Related companies are companies under control of a company/person which has significant influence on the Group.

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:

|   | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|---|------------------|------------------|
| Due within 1 month or on demand         | 118,912          | 131,004          |
| Due after 1 month but within 3 months   | 1,256            | 1,265            |
| Due after 3 months but within 12 months | –                | –                |
| More than 12 months                     | 2                | 2                |
|   | 120,170          | 132,271          |

## 21 LEASE LIABILITIES

At 31 December 2024, the lease liabilities were repayable as follows:

|                                  | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|----------------------------------|------------------|------------------|
| Within 1 year                    | 4,025            | 6,883            |
| After 1 year but within 2 years  | 1,219            | 2,879            |
| After 2 years but within 5 years | 2,780            | —                |
|                                  | 3,999            | 2,879            |
|                                  | 8,024            | 9,762            |

## 22 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Tax payable/(recoverable) in the consolidated statement of financial position represents:

|  | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|--|------------------|------------------|
| Provision for Hong Kong Profits Tax for the year                 | 9,027            | 12,361           |
| Provisional Profits Tax paid                                     | (9,583)          | (10,243)         |
|  | (556)            | 2,118            |
| Balance of Hong Kong Profits Tax payable relating to prior years | 15,897           | 17,233           |
|  | 15,341           | 19,351           |

Represented by:

|                 | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|-----------------|------------------|------------------|
| Tax payable     | 16,179           | 19,868           |
| Tax recoverable | (838)            | (517)            |
|                 | 15,341           | 19,351           |



## 22 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

### (b) Deferred tax assets and liabilities recognised:

#### Movement of each component of deferred tax assets and liabilities

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

| Deferred tax arising from:             | Temporary differences from investment properties and other property, plant and equipment<br>HK\$'000 | Future benefit of tax losses<br>HK\$'000 | Intra-group interest capitalised in properties under development<br>HK\$'000 | Total<br>HK\$'000 |
|--|--|--|--|-------------------|
| At 1 January 2023                      | 77,745   | (5,201)                                  | (2,695)  | 69,849            |
| Charged to profit or loss (note 6(a))  | 4,488  | 3,128                                    | 48   | 7,664             |
| At 31 December 2023 and 1 January 2024 | 82,233   | (2,073)                                  | (2,647)  | 77,513            |
| Charged to profit or loss (note 6(a))  | 6,600  | 164                                      | –  | 6,764             |
| At 31 December 2024                    | 88,833   | (1,909)                                  | (2,647)  | 84,277            |

#### Represented by:

|   | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|---|------------------|------------------|
| Net deferred tax asset recognised in the consolidated statement of financial position     | (3,479)          | (3,513)          |
| Net deferred tax liability recognised in the consolidated statement of financial position | 87,756           | 81,026           |
|   | 84,277           | 77,513           |

## 22 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

### (c) Deferred tax assets not recognised:

In accordance with the accounting policy set out in note 1(q), the Group has not recognised the following deferred tax assets in respect of deductible temporary differences and cumulative tax losses as it is not probable that future taxable profits against which the deductible temporary differences and tax losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation.

|  | 2024  |                                    | 2023  |                                    |
|--|---|------------------------------------|---|------------------------------------|
|  | Deductible<br>temporary<br>differences/<br>tax losses<br>HK\$'000 | Deferred<br>tax assets<br>HK\$'000 | Deductible<br>temporary<br>differences/<br>tax losses<br>HK\$'000 | Deferred<br>tax assets<br>HK\$'000 |
| Excess of tax written down values over<br>accounting carrying values of other<br>property, plant and equipment | 1,715   | 283                                | 39  | 6                                  |
| Tax losses   | 343,144   | 56,619                             | 301,648   | 49,772                             |
|  | <u>344,859</u>  | <u>56,902</u>                      | <u>301,687</u>  | <u>49,778</u>                      |





## 23 CAPITAL AND RESERVES

### (a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

#### The Company

|   | Note | Share<br>capital<br>HK\$'000<br>(Note 23(b)) | Retained<br>profits<br>HK\$'000 | Total<br>HK\$'000 |
|---|------|--|---------------------------------|-------------------|
| <b>Balance at 1 January 2023</b>                          |      | 1,754,801                                    | 2,844,459                       | 4,599,260         |
| <b>Changes in equity for 2023:</b>                        |      |  |                                 |                   |
| Loss for the year   |      | –  | (34,181)                        | (34,181)          |
| Other comprehensive income                                |      | –  | (2,901)                         | (2,901)           |
| Total comprehensive income                                |      | –  | (37,082)                        | (37,082)          |
| Dividends approved in respect of the previous year        | 9    | –  | (409,715)                       | (409,715)         |
| Dividends declared in respect of the current year         | 9    | –  | (35,627)                        | (35,627)          |
| <b>Balance at 31 December 2023 and<br/>1 January 2024</b> |      | <b>1,754,801</b>                             | <b>2,362,035</b>                | <b>4,116,836</b>  |
| <b>Changes in equity for 2024:</b>                        |      |  |                                 |                   |
| Loss for the year   |      | –  | (38,279)                        | (38,279)          |
| Other comprehensive income                                |      | –  | 1,323                           | 1,323             |
| Total comprehensive income                                |      | –  | (36,956)                        | (36,956)          |
| Dividends approved in respect of the previous year        | 9    | –  | (53,441)                        | (53,441)          |
| Dividends declared in respect of the current year         | 9    | –  | (35,627)                        | (35,627)          |
| <b>Balance at 31 December 2024</b>                        |      | <b>1,754,801</b>                             | <b>2,236,011</b>                | <b>3,990,812</b>  |

## 23 CAPITAL AND RESERVES (Continued)

### (b) Share capital

|  | 2024                |                  | 2023                |                  |
|--|---------------------|------------------|---------------------|------------------|
|  | Number of<br>shares | HK\$'000         | Number of<br>shares | HK\$'000         |
| <b>Ordinary shares, issued and fully paid:</b> |                     |                  |                     |                  |
| At 1 January/31 December                       | <u>356,273,883</u>  | <u>1,754,801</u> | <u>356,273,883</u>  | <u>1,754,801</u> |

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have a par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

### (c) Nature and purpose of reserves

#### (i) Securities revaluation reserve (non-recycling)

The securities revaluation reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under HKFRS 9 that are held at the end of the reporting period (see note 1(f)).

#### (ii) Other capital reserves

The other capital reserves comprise the following:

- the unrealised profit on inter-company interest capitalised under investment properties; and
- the gain on sale of additional shares of a subsidiary to NCI.

**23 CAPITAL AND RESERVES (Continued)****(d) Distributability of reserves**

At 31 December 2024, the aggregate amount of reserves available for distribution to equity shareholders of the Company, as calculated under the provisions of Part 6 of the Hong Kong Companies Ordinance, was HK\$2,200,128,000 (2023: HK\$2,326,107,000). After the end of the reporting periods the directors proposed a final dividend of HK15 cents (2023: HK15 cents) per ordinary share, amounting to HK\$53,441,000 (2023: HK\$53,441,000) (note 9). This dividend has not been recognised as a liability at the end of the reporting period.

**(e) Capital management**

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern and ensure that it maintains a healthy capital ratio in order to support its business and provide returns for shareholders.

The Group actively and regularly reviews and manages its capital structure under the policy of prudent financial management. The Group maintains a financially sound capital position and, where appropriate, makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2024 and 2023.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

**24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS**

Exposure to credit, liquidity, currency and equity price risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities and movements in its own equity share price.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

**(a) Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in a financial loss to the Group.

The Group's credit risk is primarily attributable to bank deposits and trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

## 24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### (a) Credit risk (Continued)

Cash is deposited with financial institutions with sound credit ratings and the Group has exposure limit to any single financial institution. Given their high credit ratings, management does not expect any of these financial institutions will fail to meet their obligations.

Regular review and follow-up actions are carried out on overdue amounts of instalments receivable from sale of properties which enable management to assess their recoverability and to minimise the exposure to credit risk. In respect of other trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due ranging from 7 to 45 days from the date of billing. Debtors with balances that are more than 60 days overdue are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is not influenced by the individual characteristics of each customer as the Group does not have a certain concentration of credit risk of the total trade and other receivables.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial positions. Except for the financial guarantees given by the Group as set out in note 25, the Group does not provide any other guarantees to third parties which would expose the Group to credit risk.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 18.

### (b) Liquidity risk

The treasury functions of the Group is centralised at the head office. Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses to cover expected cash demands, subject to approval by the Company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements, to ensure that it maintains sufficient reserves of cash from major financial institutions to meet its liquidity requirements in the short and longer term.



## 24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### (b) Liquidity risk (Continued)

The following table shows the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on:

- contractual undiscounted cash flows (including interest payments computed using contractual rates at the end of the reporting period) and the date the Group is contractually required to pay, or if the counterparty has the choice of when the amount should be paid (irrespective of the fulfilment of covenants), the earliest date the Group can be required to pay; and
- expected undiscounted cash flows provided to the Group's key management personnel and the date the Group is expected to pay, shown as adjustments to the contractual undiscounted cash flows if the timing and/or amount to the cash flows are expected to be different from the contractual undiscounted cash flows.

|                          | 2024                                  |   |  |                            |                | Carrying amount at 31 December HK\$'000 |
|--------------------------|---------------------------------------|---|--|----------------------------|----------------|---|
|                          | Contractual undiscounted cash outflow |   |  |                            |                |   |
|                          | Within 1 year or on demand HK\$'000   | More than 1 year but less than 2 years HK\$'000 | More than 2 years but less than 5 years HK\$'000 | More than 5 years HK\$'000 | Total HK\$'000 |   |
| Trade and other payables | 186,970                               | 13,688  | 5,919  | –                          | 206,577        | 206,577                                 |
| Lease liabilities        | 4,314                                 | 1,425   | 2,955  | –                          | 8,694          | 8,024                                   |

|                          | 2023  |  |   |                                     |                   | Carrying<br>amount at<br>31 December<br>HK\$'000 |
|--------------------------|---|--|---|-------------------------------------|-------------------|--|
|                          | Contractual undiscounted cash outflow           |  |   |                                     |                   |  |
|                          | Within<br>1 year<br>or on<br>demand<br>HK\$'000 | More than<br>1 year<br>but less<br>than<br>2 years<br>HK\$'000 | More than<br>2 years<br>but less<br>than<br>5 years<br>HK\$'000 | More<br>than<br>5 years<br>HK\$'000 | Total<br>HK\$'000 |  |
|                          |   |  |   |                                     |                   |  |
| Trade and other payables | 193,828   | 10,007   | 8,988   | –                                   | 212,823           | 212,823  |
| Lease liabilities        | 7,000   | 2,888  | –   | –                                   | 9,888             | 9,762  |

### (c) Currency risk

The Group has no significant exposure to foreign currency risk given its large asset base and operational cash flow are primarily denominated in Hong Kong dollars.

## 24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### (d) Equity price risk

The Group is exposed to equity price change arising from other financial assets designated through FVOCI and FVPL held for non-trading purposes (see note 15).

Listed investments held by the Group have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations.

#### Sensitivity analysis

At 31 December 2024, it is estimated that an increase/decrease of 10% (2023: 10%) in the market prices of equity investments in other financial assets, with all other variables held constant would have increased/decreased the Group's profit after tax (and retained profits) and the securities revaluation reserve by approximately HK\$13,297,000 (2023: HK\$10,719,000).

|   | 2024  |   | 2023  |   |
|---|---|---|---|---|
|   | Effect<br>on profit<br>after tax<br>and retained<br>profits<br>HK\$'000 | Effect<br>on other<br>components<br>of equity<br>HK\$'000 | Effect<br>on profit<br>after tax<br>and retained<br>profits<br>HK\$'000 | Effect<br>on other<br>components<br>of equity<br>HK\$'000 |
| <b>Change in the relevant equity price risk variable:</b> |   |   |   |   |
| Increase by 10%   | 7,441   | 5,856   | 6,449   | 4,270   |
| Decrease by 10%   | (7,441)   | (5,856)   | (6,449)   | (4,270)   |

The sensitivity analysis indicates the instantaneous change in the Group's profit after tax (and retained profits) and other components of consolidated equity that would arise assuming that the changes in the stock market index or other relevant risk variables had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to equity price risk at the end of the reporting period. It is also assumed that none of the Group's other financial assets would be considered impaired as a result of the decrease in the relevant stock market index or other relevant risk variables, and that all other variables remain constant.





## 24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### (e) Fair value measurement

#### (i) Financial assets measured at fair value

##### Fair value hierarchy

The fair value of the Group's financial assets measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*.

The fair value measurements of the Group's financial assets as at 31 December 2024 and 31 December 2023 are categorised into Level 1. During the year ended 31 December 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2023: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

#### (ii) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2024 and 2023.

## 25 CONTINGENT LIABILITIES

### Financial guarantees issued

At 31 December 2024, the Company has issued the guarantees to certain suppliers in respect of granting or giving credit facilities to its wholly-owned subsidiaries.

Under the guarantees, the Company is liable to the amount due from the subsidiaries to these respective parties in the event of any default and its liability shall at no time exceed the sum stated on the letters of guarantee.

At the end of the reporting period, the directors do not consider it probable that a claim will be made against the Company under any of the guarantees. The maximum liability of the Company at the end of the reporting period under the guarantees issued above is the outstanding amount due to the relevant parties by its wholly-owned subsidiaries, being HK\$57,000 (2023: HK\$75,000).

The Company has not recognised any deferred income in respect of the guarantees issued as its fair value cannot be reliably measured using observable market data and its transaction price was HK\$ Nil (2023: HK\$ Nil).

## 26 MATERIAL RELATED PARTY AND CONNECTED TRANSACTIONS

### (a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to certain of the Company's directors, chief executive and the highest paid employees as disclosed in notes 7 and 8 respectively, is as follows:

|                              | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|------------------------------|------------------|------------------|
| Short-term employee benefits | 8,541            | 8,766            |
| Post-employment benefits     | 401              | 383              |
|                              | <u>8,942</u>     | <u>9,149</u>     |

Total remuneration is included in "staff costs" (see note 5(a)).

### (b) Other material related party and connected transactions

- (i) In 1999, the Group entered into a development agreement (the "Agreement") with Henderson Land Development Company Limited ("HLD") and two wholly-owned subsidiaries of HLD ("HLD Sub 1" and "HLD Sub 2"), whereby HLD Sub 1 and HLD Sub 2 acquired the right to 50% of any proceeds from the future sale of the residential portion of the redevelopment of Metro Harbour View, Kowloon Inland Lot No. 11127 (the "MHV Property") for a consideration of HK\$1,500,000,000.

As part of the Agreement, HLD Sub 1 and HLD Sub 2 agreed to reimburse the Group 50% of its development expenditures relating to the residential portion of the MHV Property. At 31 December 2024, an amount of HK\$294,000 (2023: HK\$302,000) remained unpaid and was included in trade and other receivables.

In February 2017, the Group entered into a deed of novation (the "Deed of Novation") with HLD, HLD Sub 1 and HLD Sub 2 pursuant to which HLD Sub 1 transferred and assigned unto HLD Sub 2, and HLD Sub 2 took and assumed all of the rights and obligations of HLD Sub 1 under the Agreement subject to the terms and conditions as stated in the Deed of Novation. The Deed of Novation was supplemental to the Agreement.

- (ii) In December 2001, a wholly-owned subsidiary of the Company acquired 50% equity interest in 2OK Company Limited ("2OK") which was set up to provide mortgage loans to the residential unit buyers of the MHV Property. HLD through its subsidiary beneficially owned the remaining 50% equity interest in 2OK at 31 December 2024. During the year, the Group received management and administrative fees in the total of HK\$ Nil (2023: HK\$18,000) from 2OK. The Group and the subsidiary of HLD have made advances to 2OK to finance the latter's mortgage operation and interest was charged on amounts advanced. During the year, the Group received interest amounting to HK\$ Nil (2023: HK\$20,000) from 2OK. At 31 December 2024, the amount advanced by the Group totalling HK\$40,000 (2023: HK\$1,114,000) is in proportion to the Group's equity interest in 2OK and is unsecured and has no fixed repayment terms.



## 26 MATERIAL RELATED PARTY AND CONNECTED TRANSACTIONS (Continued)

### (b) Other material related party and connected transactions (Continued)

- (iii) In December 2002, the Group appointed a wholly-owned subsidiary of HLD ("HLD Sub A") as the leasing and promotion agent of the commercial arcade of the MHV Property, Metro Harbour Plaza ("MHP"), for an initial term of two years at the remuneration of 5% of the monthly rental income from MHP and such agreement shall thereafter be renewable on the same terms from year to year until terminated by either party by giving three months' prior notice in writing. An amount of HK\$2,944,000 (2023: HK\$2,840,000) was charged to the Group for the year. At 31 December 2024, an amount of HK\$1,464,000 (2023: HK\$1,421,000) remained unpaid and was included in trade and other payables.
- (iv) In March 2011, the Group entered into a Fanling Prime Cost Contract and appointed a wholly-owned subsidiary of HLD ("HLD Sub C") as the main contractor for a fee of 5% on all works relating to the development of Green Code at No. 1 Ma Sik Road, Fanling, New Territories, Hong Kong (formerly known as Fanling Sheung Shui Town Lot No. 177) (the "Fanling Property"). The aggregate of the cost of works carried out by the main contractor or any connected persons (as defined in the Listing Rules) of the Company together with the 5% fee were subject to the total ceilings of the respective years.

In October 2014, the Group entered into a Fanling Prime Cost Contract Extension Letter with HLD Sub C to extend the period of payment of fees for the respective ceilings of HK\$6,800,000 and HK\$19,000,000 for the period from 1 June 2014 to 31 December 2014 and for the year ended 31 December 2015 respectively. During the year ended 31 December 2023, as a result of change in the latest cost estimates, an amount of HK\$6,417,000 and HK\$321,000, represented a corresponding adjustment in fees, were credited to the Group in relation to the superstructure work of the development of the Fanling Property and the 5% fee on all works relating to the development of the Fanling Property. At 31 December 2023, the balance had been repaid.

Under the term of Fanling Prime Cost Contract Extension Letter, the contract expired in December 2015.

- (v) In October 2015, the Group entered into a letter agreement with a wholly-owned subsidiary of HLD ("HLD Sub B") and appointed HLD Sub B as the agent of the Group to lease certain shops and spaces of Mira Place One (formerly known as Miramar Shopping Centre) ("Premises 1") for the marketing services of 208 Tung Chau Street, Sham Shui Po, Kowloon, Hong Kong (the "TCS Property") for the period from 5 November 2015 to the earlier of 4 January 2017 and the date on which the last residential unit in the TCS Property is sold, subject to the respective ceilings of HK\$2,000,000 for the period from 5 November 2015 to 31 December 2015 and HK\$3,600,000 for the period from 1 January 2016 to 4 January 2017. The letter agreement expired in January 2017.

In January 2017, the Group entered into a second letter agreement with HLD Sub B and HLD Sub B continued to act as the agent of the Group to lease the Premises 1 for use as show flats and sales office for the sale of the residential units of the TCS Property for the period from 5 January 2017 to the earlier of 4 May 2017 and the date on which the last residential unit in the TCS Property is sold, subject to the ceiling of HK\$1,700,000. The second letter agreement expired in May 2017.

No fee has been charged to the Group during the years ended 31 December 2024 and 2023. At 31 December 2024, an amount of HK\$997,000 (2023: HK\$997,000) remained unpaid and was included in trade and other payables.

**26 MATERIAL RELATED PARTY AND CONNECTED TRANSACTIONS (Continued)****(b) Other material related party and connected transactions (Continued)**

- (vi) In June 2022, a wholly-owned subsidiary of Miramar Hotel and Investment Company, Limited (“Miramar”) (and an associate (as defined in the Listing Rules) of HLD, a substantial shareholder of the Company), as landlord and a subsidiary of the Company as tenant entered into a tenancy agreement (the “Tenancy Agreement”) in respect of the leasing of Units Nos. 901-04 & 18 on 9th Floor of Mira Place Tower A, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong for a term of three years from 10 June 2022 to 9 June 2025 (the “Term”) at a monthly rental (exclusive of management fee, air-conditioning charges and government rates) of HK\$473,000 for Year 1 of the Term, HK\$522,000 for Year 2 of the Term and HK\$558,000 for Year 3 of the Term, together with other ancillary charges.

In accordance with the applicable HKFRS, the Group recognised the rent payable under the Tenancy Agreement (being fixed payments) as an acquisition of right-of-use asset of capital in nature taking into account the carrying amount of such right-of-use asset, i.e. approximately HK\$16,730,000 recognised by the Group during the year ended 31 December 2022, having been measured on the basis of the discounted present value of the fixed rent payable by the Group under the Tenancy Agreement. As the wholly-owned subsidiary of Miramar is an associate of HLD and thus a connected person of the Company, such acquisition of right-of-use asset constituted a one-off connected transaction of the Company under Chapter 14A of the Listing Rules. The management fees and air-conditioning charges payable by the Group to the wholly-owned subsidiary of Miramar (being variable payments) are being recognised as expenses in the Group’s profit and loss accounts in the periods in which they are incurred, and the payment of such expenses is regarded as continuing connected transactions of the Company under Chapter 14A.31 of the Listing Rules.

The annual caps of the aggregate management fees and air-conditioning charges (exclusive of government rates) payable under the Tenancy Agreement are subject to the annual ceilings of HK\$1,000,000 for the period from 10 June 2022 to 31 December 2022, HK\$1,500,000 for the period from 1 January 2023 to 31 December 2023, HK\$1,600,000 for the period from 1 January 2024 to 31 December 2024, and HK\$800,000 for the period from 1 January 2025 to 9 June 2025.

During the year, an amount of HK\$1,367,000 (2023: HK\$1,328,000), being the aggregate of management fees and air-conditioning charges under the Tenancy Agreement, was charged to the Group.

- (vii) In June 2022, the Group appointed HLD Sub B, an indirect wholly-owned subsidiary of HLD as the sales manager to provide project sales and marketing services in respect of the comprehensively planned development of a site at The Remaining Portion of New Kowloon Inland Lot No. 6559 held by Urban Renewal Authority as the owner and the Group as the developer (the “Proposed Development”) for a term of three years commencing from the date of the first initial sale of any residential units of the Proposed Development at a sales fee equivalent to 0.5% of the gross proceeds of sale of such units (but excluding those sale and purchase agreements which were effected by third party sales agent(s)) subject to the annual ceilings of HK\$8,000,000 for the year ended 31 December 2022, HK\$3,000,000 for the year ended 31 December 2023, HK\$2,000,000 for the year ended 31 December 2024 and HK\$1,000,000 for the period from 1 January 2025 to 31 May 2025 (but only up to and including the date being 3 years from the commencement date of the term).

No fee was charged to the Group during the year.



## 26 MATERIAL RELATED PARTY AND CONNECTED TRANSACTIONS (Continued)

### (b) Other material related party and connected transactions (Continued)

- (viii) In June 2022, the Group entered into a letter agreement with HLD Sub B (the “Letter Agreement”) pursuant to which HLD Sub B would provide portions of Shops 501–506, 5th Floor, Mira Place 1, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong (the “Premises”) rented under the agreement entered into between a wholly-owned subsidiary of Miramar as landlord and HLD Sub B as tenant in respect of the tenancy of Shops 501–506, 5th Floor, Mira Place 1, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong (of which the Premises form part) dated 31 July 2020, as disclosed in the announcement of Miramar dated 31 July 2020 (the “Miramar/HPAL Agreement”), for use as show flats and sales office for the sale of the residential units of the Proposed Development for the period from 10 June 2022 to the earlier of 4 August 2023 and the date on which the last residential unit in the Proposed Development to be sold is sold, at a monthly rent of HK\$170,000 together with other ancillary charges, representing the relevant management fees, air-conditioning charges and the promotion contribution, the aggregate of such charges would be subject to the respective ceilings of HK\$330,000 for the period from 10 June 2022 to 31 December 2022 and HK\$330,000 for the period from 1 January 2023 to 4 August 2023. The Letter Agreement expired on 4 August 2023.

In accordance with the applicable HKFRS, the Group recognised the rent payable under the Letter Agreement (being fixed payments) as an acquisition of right-of-use asset of capital in nature taking into account the carrying amount of such right-of-use asset, i.e. approximately HK\$2,350,000 recognised by the Group during the year ended 31 December 2022, having been measured on the basis of the discounted present value of the fixed rent payable by the Group under the Letter Agreement. Such acquisition of right-of-use asset constituted a one-off connected transaction of the Company under Chapter 14A of the Listing Rules. The management fees, air-conditioning charges and the promotion contribution payable by the Group under the Letter Agreement (being variable payments) are being recognised as expenses in the Group’s profit and loss accounts in the periods in which they are incurred, and the payment of such expenses is regarded as continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

During the period from 10 June 2022 to 4 August 2023, the Group did not use the Premises as show flats and sales office for the sale of the residential units of the Proposed Development. During the year ended 31 December 2023, the carrying amount of the right-of-use asset of approximately HK\$168,000 was reversed and the Group was not required to pay any management fees, air-conditioning charges and the promotion contribution to HLD Sub B.

- (ix) At 31 December 2024, HLD, a substantial shareholder (as defined in the Listing Rules) of the Company was interested in approximately 33.41% (2023: 33.41%) of the total number of issued shares of the Company.

To the extent the above transactions constituted connected transactions (as defined in the Listing Rules), the Group had complied with the relevant requirements under Chapter 14A of the Listing Rules.

### (c) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of notes 26(b)(iv), (v), (vi), (vii) and (viii) above constitute connected transactions and/or continuing connected transactions (as defined in Chapter 14A of the Listing Rules). The disclosures required by Chapter 14A of the Listing Rules are provided in the paragraph headed “Connected Transactions” in the Report of the Directors as set out in the Company’s annual report for the year ended 31 December 2024.

## 27 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

|   | Note  | 2024<br>HK\$'000   | 2023<br>HK\$'000   |
|---|-------|--------------------|--------------------|
| <b>Non-current assets</b>               |       |                    |                    |
| Interest in subsidiaries                | 12    | 5,470,511          | 5,554,334          |
| Interest in an associate                |       | 3,268              | 3,268              |
| Net employee retirement benefits assets |       | 3,127              | 2,100              |
|   |       | <u>5,476,906</u>   | <u>5,559,702</u>   |
| <b>Current assets</b>                   |       |                    |                    |
| Trade and other receivables             |       | 2,145              | 1,083              |
| Cash and bank balances                  |       | 5,808              | 5,602              |
|   |       | <u>7,953</u>       | <u>6,685</u>       |
| <b>Current liabilities</b>              |       |                    |                    |
| Amounts due to subsidiaries             |       | 1,487,429          | 1,442,134          |
| Long service payment liabilities        |       | 3                  | 6                  |
| Trade and other payables                |       | 6,615              | 7,411              |
|   |       | <u>1,494,047</u>   | <u>1,449,551</u>   |
| <b>Net current liabilities</b>          |       | <u>(1,486,094)</u> | <u>(1,442,866)</u> |
| <b>NET ASSETS</b>                       |       | <u>3,990,812</u>   | <u>4,116,836</u>   |
| <b>CAPITAL AND RESERVES</b>             | 23(a) |                    |                    |
| Share capital                           |       | 1,754,801          | 1,754,801          |
| Reserves                                |       | 2,236,011          | 2,362,035          |
| <b>TOTAL EQUITY</b>                     |       | <u>3,990,812</u>   | <u>4,116,836</u>   |

Approved and authorised for issue by the board of directors on 18 March 2025.

**Dr. Lam Ko Yin, Colin**  
Chairman

**Li Ning**  
Director





## 28 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

- (a) After the end of the reporting period, the directors proposed a final dividend. Further details are disclosed in note 9.
- (b) Subsequent to the end of the reporting period, a wholly-owned subsidiary of the Group entered into a legally binding memorandum of understanding (“MOU”) with an organisation (the “Intending Tenant”) in relation to the leasing of all the residential units of The Symphonie at Tung Chau Street to the Intending Tenant for a medium-term tenure at market rental with expected rent commencement date in the first half of the year 2025. The transactions contemplated under the MOU are conditional.

## 29 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2024

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2024 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

|  | Effective for<br>accounting periods<br>beginning on or after |
|--|--|
| Amendments to HKAS 21, <i>The effects of changes in foreign exchange rates:</i><br><i>Lack of exchangeability</i>  | 1 January 2025   |
| Amendments to HKFRS 9, <i>Financial Instruments</i> and HKFRS7,<br><i>Financial Instruments: Disclosures “Amendments to the classification<br/>and measurement of financial instruments”</i> | 1 January 2026   |
| Annual improvements to HKFRS Accounting Standards – Volume 11  | 1 January 2026   |
| HKFRS 18, <i>Presentation and disclosure in financial statements</i>   | 1 January 2027   |
| HKFRS 19, <i>Subsidiaries without public accountability: Disclosures</i>   | 1 January 2027   |

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements, except for HKFRS 18, where the presentation and disclosure of the consolidated financial statement are expected to change.

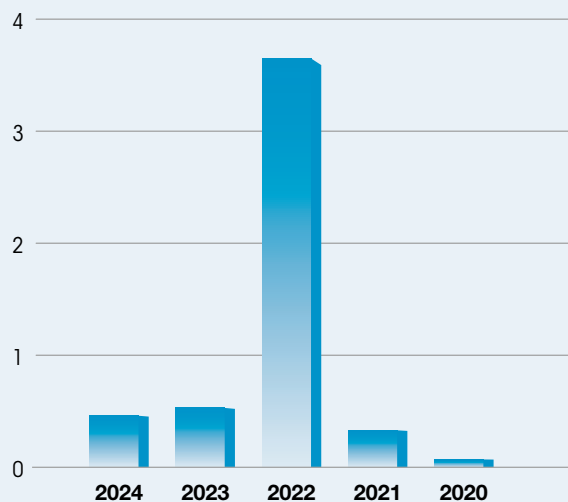
## FIVE YEARS' FINANCIAL SUMMARY

|  | 2020<br>HK\$ Million | 2021<br>HK\$ Million | 2022<br>HK\$ Million | 2023<br>HK\$ Million | 2024<br>HK\$ Million |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Consolidated results</b>  |                      |                      |                      |                      |                      |
| Revenue  | 208                  | 244                  | 281                  | 375                  | 423                  |
| Profit for the year attributable to:   |                      |                      |                      |                      |                      |
| Equity shareholders of the Company   | 27                   | 118                  | 1,299                | 190                  | 164                  |
| Non-controlling interests  | –                    | –                    | –                    | (4)                  | (4)                  |
|  | 27                   | 118                  | 1,299                | 186                  | 160                  |
| Dividends  | 89                   | 89                   | 445                  | 89                   | 89                   |
| <b>Assets and liabilities</b>  |                      |                      |                      |                      |                      |
| Investment properties, other property,<br>plant and equipment and leasehold land | 2,261                | 2,345                | 2,456                | 2,587                | 2,587                |
| Interest in associates   | 8                    | 8                    | 7                    | 6                    | 5                    |
| Interest in joint ventures   | 1,527                | 495                  | 947                  | 700                  | 691                  |
| Properties under development for sale  | 1,165                | 1,274                | 1,625                | 7                    | 7                    |
| Other financial assets   | 160                  | 136                  | 113                  | 107                  | 133                  |
| Deferred tax assets  | 3                    | 3                    | 6                    | 4                    | 3                    |
| Other assets   | 1,095                | 2,008                | 2,380                | 3,878                | 3,947                |
| Total assets   | 6,219                | 6,269                | 7,534                | 7,289                | 7,373                |
| Total liabilities  | 247                  | 264                  | 316                  | 324                  | 320                  |
| Net assets employed  | 5,972                | 6,005                | 7,218                | 6,965                | 7,053                |
|  | HK\$                 | HK\$                 | HK\$                 | HK\$                 | HK\$                 |
| Earnings per share   | 0.07                 | 0.33                 | 3.65                 | 0.53                 | 0.46                 |
| Dividend per share   | 0.25                 | 0.25                 | 1.25                 | 0.25                 | 0.25                 |
| Net assets per share   | 16.76                | 16.85                | 20.26                | 19.55                | 19.80                |
|  | Times                | Times                | Times                | Times                | Times                |
| Dividend cover   | 0.3                  | 1.3                  | 2.9                  | 2.1                  | 1.8                  |



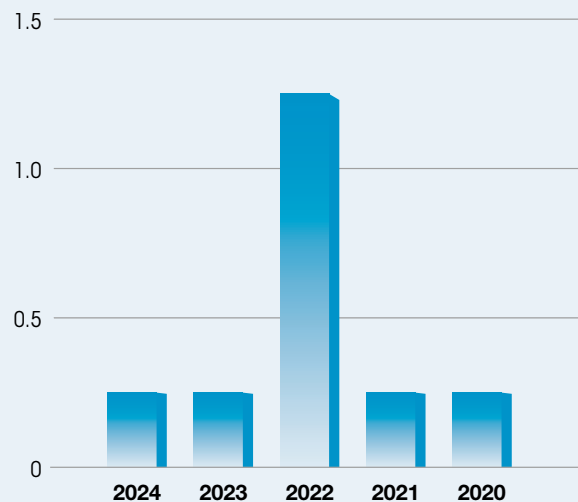
## Earnings per share

HK\$



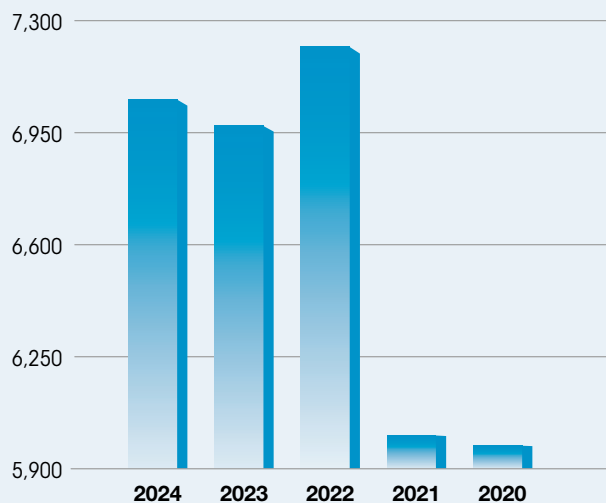
## Dividends per share

HK\$



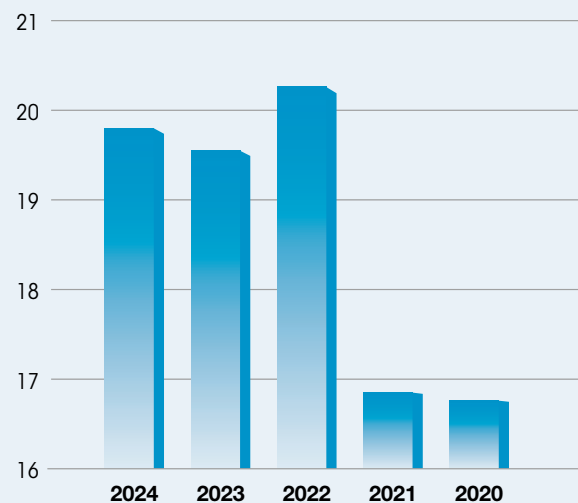
## Shareholders' funds

HK\$ Million



## Net assets per share

HK\$



## 1 PROPERTIES HELD FOR SALE

| Location  | Lot No.                                  | Saleable<br>area remaining<br>unsold<br>(sq.m.) | Group's<br>interest<br>(%) | Existing<br>use |
|---|--|---|----------------------------|-----------------|
| The Royale<br>8 Castle Peak Road –<br>Castle Peak Bay<br>Tuen Mun | Tuen Mun<br>Town Lot No. 547             | 2,256   | 50                         | Residential     |
| The Symphonie<br>280 Tung Chau Street<br>Cheung Sha Wan           | New Kowloon<br>Inland Lot<br>No. 6559 RP | 8,036   | 100                        | Residential     |

## 2 PROPERTIES HELD FOR INVESTMENT

| Location  | Lot No.                            | Gross<br>floor<br>area<br>(sq.m.) | Lease<br>expiry<br>(year) | Existing<br>use      |
|---|------------------------------------|-----------------------------------|---------------------------|----------------------|
| Metro Harbour Plaza<br>8 Fuk Lee Street<br>Tai Kok Tsui | KIL 11127 RP                       | 23,549                            | 2047                      | Commercial<br>arcade |
| METRO6<br>121 Bulkeley Street                           | Hung Hom<br>I.L. No. 555           | 932                               | 2061                      | Commercial<br>arcade |
| Green Code<br>1 Ma Sik Road<br>Fanling                  | F.S.S.T.L. 177<br>(S.T.T. 1364(N)) | 12,684                            | 2060                      | Commercial<br>arcade |
| Shining Heights<br>83 Sycamore Street                   | KIL 11159                          | 2,469                             | 2054                      | Commercial<br>arcade |
| The Spectacle<br>8 Cho Yuen Street<br>Yau Tong          | Yau Tong<br>Inland Lot No. 38      | 2,300                             | 2047                      | Commercial<br>arcade |



## 2 PROPERTIES HELD FOR INVESTMENT (Continued)

| Location   | Lot No.  | Gross floor area<br>(sq.m.) | Lease expiry<br>(year) | Existing use |
|--|--|-----------------------------|------------------------|--------------|
| 20 Tin Dai Yan Road<br>Chung Uk Tsuen<br>Hung Shui Kiu   | Lot Nos. 3039A,<br>3039RP & 3042<br>in DD 124<br>Hung Shui Kiu | 1,912                       | 2047                   | Godown       |
| Ground floor together<br>with the Yard<br>adjacent thereto,<br>234 Sai Yeung Choi<br>Street South                          | KIL 2567 RP  | 79                          | 2080                   | Shop         |
| Ground floor of<br>No. 250 Sai Yeung Choi<br>Street South and<br>ground floor of No. 252<br>Sai Yeung Choi Street<br>South | KIL 2292 Sec. B, C<br>and RP                                   | 169                         | 2080                   | Shop         |

## 3 OTHER PROPERTIES

| Location   | Lot No.   | Site area<br>(sq.m.) | Lease expiry<br>(year) | Group's interest<br>(%) | Description         |
|--|---|----------------------|------------------------|-------------------------|---------------------|
| 98 Tam Kon Shan Road<br>Ngau Kok Wan<br>North Tsing Yi | Tsing Yi Town<br>Lot No. 102                        | 19,740               | 2047                   | 100                     | Shipyard and office |
| Mui Wo   | DD 2<br>Lot Nos. 614 RP,<br>619 Sec. B, C<br>and RP | 4,233                | 2047                   | 100                     | Agricultural land   |
| Mui Wo   | DD 2<br>Lot Nos. 431–487,<br>569 and 635–637        | 28,423               | 2047                   | 50                      | Agricultural land   |
| Mui Wo   | DD 2<br>Lot Nos. 498–499,<br>and 588–591            | 849                  | 2047                   | 100                     | Agricultural land   |



AMOUR  
AESTHETIC CLINIC

洋景航遊  
Harbour Cruise - Boatinn

THE HONGKONG & YAU MATI FERRY CO., LTD.  
香港油蔴地小輪船有限公司

全面醫護  
Total HealthCare Group

全面醫護綜合治療中心  
Total HealthCare Health Centre

全面醫護專科中心  
Total HealthCare Specialists Centre

HYFCO ESTATE MANAGEMENT & AGENCY LIMITED  
油蔴地物業管理及代理有限公司

HYFCO TRADING AND INVESTMENTS COMPANY LIMITED  
港輪貿易投资有限公司

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香港油蔴地建设有限公司

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