



Kato (Hong Kong) Holdings Limited
嘉濤(香港)控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 2189

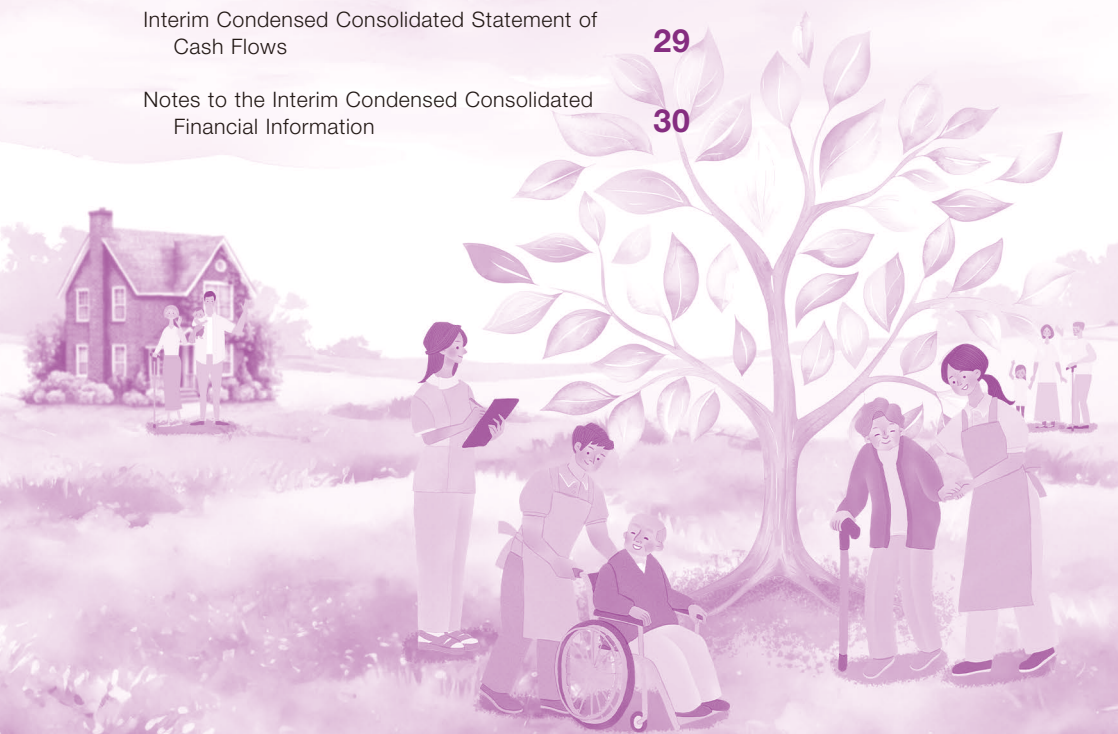


優質服務 敬老樂業
以人為本 全身投入

2025 INTERIM
REPORT

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Ngai Ka Yee

Ngai Shi Shing Godfrey (*Chairman and
Chief Executive Officer*)

Lau Kwok Wo

Independent Non-executive Directors

Or Kevin

Wu Wing Fong

Wong Chun Kit

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

1st Floor

Tung Wai Court

No. 3 Tsing Ling Path

Tuen Mun

New Territories

Hong Kong

COMPANY WEBSITE

www.elderlyhk.com

COMPANY SECRETARY

Kwok Chi Kan (*HKICPA*)

AUTHORISED REPRESENTATIVES

Ngai Shi Shing Godfrey

Kwok Chi Kan (*HKICPA*)

BOARD COMMITTEES

Audit Committee

Or Kevin (*Chairman*)

Wu Wing Fong

Wong Chun Kit

Remuneration Committee

Or Kevin (*Chairman*)

Ngai Shi Shing Godfrey

Wu Wing Fong

Nomination Committee

Wu Wing Fong (*Chairlady*)

Ngai Shi Shing Godfrey

Or Kevin



Corporate Information

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Union Registrars Limited
Suites 3301-04, 33/F
Two Chinachem Exchange Square
338 King's Road, North Point
Hong Kong

LEGAL ADVISER AS TO HONG KONG LAWS

Loeb & Loeb LLP
2206-19 Jardine House
1 Connaught Place
Central
Hong Kong

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F Prince's Building
Central
Hong Kong

PRINCIPAL BANKERS

Hang Seng Bank Limited
The Hongkong and Shanghai Banking
Corporation Limited
Bank of China (Hong Kong) Limited
Shanghai Commercial Bank Limited



Management Discussion and Analysis

BUSINESS REVIEW

Elderly home care services

Kato (Hong Kong) Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) is an established operator of residential care homes for the elderly (the “**RCHE(s)**”) in Hong Kong offering a comprehensive range of residential care services for the elderly including (i) the provision of accommodation, professional nursing and care-taking services, nutritional management, medical services, physiotherapy and occupational therapy services, psychological and social care services, individual care plans and recreational services; and (ii) the sale of healthcare and medical goods and the provision of add-on healthcare services to the residents.

As at 30 September 2025, the Group had a network of twelve (31 March 2025: eleven) care and attention homes for the elderly with 1,556 (31 March 2025: 1,378 residential care places) strategically located across six (31 March 2025: six) districts in Hong Kong. The Group’s care and attention homes for the elderly operate under the brand names of “Fai To 輝濤”, “Kato 嘉濤”, “Happy Luck Home”, “Tsuen Wan Centre”, “Pine Villa”, “Ka Shui Garden 嘉瑞園”, “Hing Tin Elderly Centre” and “Ka Shing”.

The Group’s customers primarily consisted of two groups, namely (i) the Social Welfare Department (the “**SWD**”) with which the Group entered into contractual arrangements pursuant to which the SWD purchased residential care places from the Group under the Enhanced Bought Place Scheme (the “**EBPS**”) or pursuant to which the SWD subsidised residential care places from the Group under the awarded tender operating a Contract Home; and (ii) individual customers who settled their own residential fee, being those who were subsidised by the SWD under the Residential Care Service Voucher Scheme for the Elderly, and those who were subsidised by the SWD under the EBPS but settled the unsubsidised portion by themselves.



Management Discussion and Analysis

The following table sets forth a summary of the basic information of the Group's RCHEs as at 30 September 2025:

	Location	Year of commencement of operation by the Group	Number of residential care places (excluding isolated beds)		Total	Classification under the EBPS
			Under the EBPS or Contract Home	For individual customers not under the EBPS and Contract Home		
Kato Home for the Elderly ("Kato Elderly Home")	Tuen Mun	1999	126	54	180	EA1 ⁽¹⁾
Kato Home for the Aged	Tuen Mun	1998	86	17	103	EA1 ⁽¹⁾
Fai-To Home for the Aged (On Lai) Branch ("Fai To Home (On Lai)")	Tuen Mun	1997	28	19	47	EA1 ⁽¹⁾
Fai To Home for the Aged (Tuen Mun) Branch ("Fai To Home (Tuen Mun)")	Tuen Mun	1995	47	29	76	EA1 ⁽¹⁾⁽²⁾
Fai To Sino West Combined Home for the Aged ("Fai To Sino West Home")	To Kwa Wan	2000	143	151	294	EA1 ⁽¹⁾
Happy Luck Elderly Home Limited ("Happy Luck Home")	Tsuen Wan	2015	75	71	146	EA1 ⁽¹⁾
Tsuen Wan Elderly Centre Limited ("Tsuen Wan Centre")	Tsuen Wan	2008	79	71	150	EA1 ⁽¹⁾
Pine Villa	Tseung Kwan O	2013	N/A	90	90	N/A
Ka Shui Garden Nursing Home for the Elderly ("KSG (SSP)")	Sham Shui Po	2023	80	20	100	N/A
Hing Tin Elderly Centre ("Hing Tin Centre")	Lam Tin	2024	—	76	76	N/A
Ka Shui Garden Nursing Home for the Elderly (Tak Tin) ("KSG (Tak Tin)")	Lam Tin	2024	42	60	102	N/A
Ka Shing Home for the Elderly ("Ka Shing")	Tsuen Wan	2025	—	192	192	N/A
			706	850	1,556	

Notes:

- Being one of the two categories under the EBPS. EA1 homes have higher requirements in terms of staffing and per capita net floor space as compared to EA2 homes. As required under the EBPS, the staffing requirement for an EA1 home with 40 places is 21.5, calculated on the basis of eight working hours per staff per day including relief staff and its per capita net floor area is 9.5 m².



Management Discussion and Analysis

2. Fai To Home (Tuen Mun) has been upgraded to EA1 home since May 2025.

The following table sets forth the average monthly occupancy rate of each respective RCHEs as at 30 September 2025 and 31 March 2025:

	Average monthly occupancy rate ^(Note)	
	As at 30 September 2025 %	As at 31 March 2025 %
Kato Elderly Home	99.1	97.5
Kato Home for the Aged	99.2	90.0
Fai To Home (On Lai)	97.5	91.5
Fai To Home (Tuen Mun)	92.8	83.8
Fai To Sino West Home	98.0	94.5
Happy Luck Home	95.3	92.9
Tsuen Wan Centre	91.8	84.2
Pine Villa	97.8	98.7
KSG (SSP)	99.0	90.3
Hing Tin Centre	86.8	74.5
KSG (Tak Tin)	97.7	96.4
Ka Shing	6.8	N/A
Overall	92.3	91.5

Note:

The monthly occupancy rate is calculated by dividing the number of beds occupied as at the month end by the total number of beds available at each of our care and attention homes for the elderly as at the relevant month end. The average monthly occupancy rate for the year/period is calculated by dividing the sum of the monthly occupancy rates by the total number of months in that year/period.



Management Discussion and Analysis

Community care and day care services for the elderly

(i) *Home-based and centre-based services*

The Group offered home-based services under the pilot scheme on Community Care Service Voucher (the “**CCSV**”) for the elderly launched by the SWD, which aim to help families in need of home care services while relieving their financial and caregiving pressures. Our home-based services include hospital outpatient and discharge escort, caregiver training, home safety assessment, physiotherapy, nursing support, etc.

As at 30 September 2025 and 31 March 2025, Fai To Sino West Home, Ka Shui Garden Day Care Centre (Tsuen Wan), Kato Elderly Home and Pine Villa are the recognised service providers under the pilot scheme on CCSV, covering four (31 March 2025: four) Contract Homes, with a total capacity of centre-based services of 100 places (31 March 2025: 100) and home-based services of 800 (31 March 2025: 800) voucher holders.

(ii) *Day care service*

Day-care centres for elderly provide on-site elderly care services during daytime, which generally exclude overnight care services. To extend the Group’s reach to non-residents, the Group has commenced providing day care services to elderly, covering a range of centre-based care and support services during daytime to enable the day care service users who suffer from moderate to severe level of impairment to achieve optimal level of functioning, develop their potential, improve their quality of life, and continue to live in their own homes wherever feasible and possible. As at 30 September 2025 and 31 March 2025, two of the Group’s care and attention homes for the elderly were entitled to offer day care services with a total of 30 subsidised day care places pursuant to the Bought Place Scheme Day Care Units for the Elderly (the “**BPS**”).

Medical and laboratory services

The Group tapped into medical diagnostic and imaging and health check markets in Hong Kong in 2022. The Group provides versatile healthcare services, including but not limited to general physical examinations, X-ray, ECG, mammography, ultrasound, DEXA Bone Densitometry and various laboratory tests. As at 31 March 2025, the Group had three medical and health check-up centres located across three districts in Hong Kong. Medical and laboratory services was ceased in April 2025 due to the Group’s strategy to devote its resources on elderly home care services.



Management Discussion and Analysis

FINANCIAL HIGHLIGHTS

Revenue

The Group's revenue was principally generated from the provision of residential care services and day care services for the elderly in Hong Kong. The Group's revenue was derived from (i) rendering of elderly home care services; (ii) sales of elderly home related goods; (iii) rendering of elderly community care services; (iv) rental and management fee income; and (v) rendering of medical and laboratory services. The following table sets forth the breakdown of revenue for the Group's revenues by types of services for the six months ended 30 September 2025 (the "Period") and the six months ended 30 September 2024 (the "Previous Period"):

	For the six months ended 30 September			
	2025		2024	
	HK\$'000	%	HK\$'000	%
Rendering of elderly home care services				
— residential care places purchased by the SWD under the EBPS and the Contract Home	73,098	42.0	62,739	42.3
— residential care places purchased by individual customers	58,622	33.6	46,764	31.6
Sales of elderly home related goods	30,207	17.3	24,548	16.6
	161,927	92.9	134,051	90.5
Rendering of elderly community care services	7,175	4.1	1,563	1.1
Rental and management fee income	5,147	3.0	8,216	5.6
Rendering of medical and laboratory services	—	—	4,141	2.8
Total	174,249	100.0	147,971	100.0

Management Discussion and Analysis

The revenue increased from approximately HK\$148.0 million for the Previous Period to approximately HK\$174.2 million for the Period mainly due to (i) increase in revenue from rendering of elderly home care services as two care and attention homes located in Lam Tin commenced operation in June 2024 and September 2024, with their full operation in the Period; and (ii) increase in average occupancy rate.

Employee benefit expenses

Employee benefit expenses comprised of wages and salaries, retirement benefit scheme contributions, staff welfare and benefits, directors' remunerations, provision for long service payments and share-based payment expense. The employee benefits expenses increased from approximately HK\$58.5 million for the Previous Period to approximately HK\$71.1 million for the Period. The increase was primarily due to (i) increase in number of staff due to commencement of operation for two care and attention homes located in Lam Tin with aggregate 178 residential care places in June 2024 and September 2024, with their full operation in the Period; and (ii) general salaries increment for staff.

Food and beverage costs

Food and beverage costs are food ingredients and beverages costs used for the provision of meals to the residents. Food and beverage costs increased to approximately HK\$7.3 million for the Period (Previous Period: approximately HK\$6.3 million) mainly due to (i) commencement of operation for two care and attention homes located in Lam Tin in June 2024 and September 2024, with their full operation in the Period; and (ii) increase in average monthly occupancy rate.



Management Discussion and Analysis

Profit for the Period

As a result of the foregoing, the profit for the Period increased by approximately 7.3% to approximately HK\$27.4 million as compared to approximately HK\$25.5 million for the Previous Period.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the Period (Previous Period: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

The Group's net assets was approximately HK\$451.7 million as at 30 September 2025 (31 March 2025: approximately HK\$442.2 million). As at 30 September 2025, the Group's net current assets was approximately HK\$0.5 million (31 March 2025: approximately HK\$2.6 million), including cash and cash equivalents of approximately HK\$46.1 million (31 March 2025: approximately HK\$51.1 million), of which 99.0% and 1.0% (31 March 2025: 100.0% and 0%) were denominated in Hong Kong Dollar and Renminbi respectively.

The current ratio, which is calculated as the total current assets divided by the total current liabilities, was approximately 1.0 times as at 30 September 2025 (31 March 2025: approximately 1.0 times).

The Group has established a treasury policy with the objective of lowering cost of funds. Therefore, funding for all its operations have been centrally reviewed and monitored at the Group level. To manage the Group's exposure to fluctuations in interest rates, appropriate funding policies has been applied, including the use of bank borrowings or placing of new shares. The management will continue its efforts to obtain the best rates and most favourable terms available to the Group for its financing.



Management Discussion and Analysis

The Group monitors its capital with reference to its gearing ratio, which is expressed as a percentage of net debt divided by total capital. Net debt is calculated as the sum of bank borrowings and lease liabilities less the sum of cash and cash equivalents, short-term bank deposits and restricted bank deposits. Total capital represents total equity as shown on the interim condensed consolidated statement of financial position of the Group.

The gearing ratio as at 30 September 2025 and 31 March 2025 were as follows:

	As at 30 September 2025 (Unaudited) HK\$'000	As at 31 March 2025 (Audited) HK\$'000
Bank borrowings	193,175	207,771
Lease liabilities	108,579	125,189
	301,754	332,960
Less: Short-term bank deposits	(100)	(1,600)
Restricted bank deposits	(10,895)	(10,895)
Cash and cash equivalents	(46,068)	(51,057)
	(57,063)	(63,552)
Net debt	244,691	269,408
Total equity	451,696	442,228
Gearing ratio	54.2%	60.9%



Management Discussion and Analysis

As at 30 September 2025, bank borrowings of the Group bore floating interest rate and was denominated in HK\$, the maturity profile of which are set out as follows:

	HK\$'000
Within 1 year	26,730
More than 1 year but less than 2 years	19,776
More than 2 years but less than 5 years	47,418
More than 5 years	99,251
	193,175

CAPITAL COMMITMENTS

As at 30 September 2025, the Group had capital commitments for property and equipment, amounting to approximately HK\$7.0 million (31 March 2025: approximately HK\$7.4 million) after netting off the prepayment for the purchase of property and equipment.

CAPITAL STRUCTURE

There had been no changes in the capital structure of the Group during the Period. As at the date of this report, the share capital of the Company only comprised of ordinary shares.

INVESTMENT PROPERTIES

The Group's investment properties comprise commercial complex, retail shops, fresh market stalls, cooked food stalls, storerooms and car park spaces in Lam Tin and are leased to third parties under operating leases for rental income. As at 30 September 2025, the Group's investment properties amounted to HK\$344.8 million (31 March 2025: HK\$344.8 million).

SIGNIFICANT INVESTMENTS

As at 30 September 2025 and 31 March 2025, the Group did not hold any significant investment, with a value of over 5% of the total assets of the Group.



Management Discussion and Analysis

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

On 16 December 2024, the Group and Ms. Kwok Hoi Yin and Ms. Lee Tao Ying (the **“Vendors”**) entered into the Sale and Purchase Agreement, pursuant to which the Group conditionally agreed to acquire and the Vendors agreed to dispose of the entire issued share capital of Hong Tak Home For the Elderly (Tsuen Wan) Limited (the **“Target Company”**), together with the business license for operating the elderly residential care home, at a consideration of HK\$2,000,000. The Target Company owned and managed the operation of an elderly residential care home in Tsuen Wan. The acquisition was completed in April 2025. The Group has commenced carrying out the alteration and addition works on the premises so as to establish a new care and attention home with approximately 192 residential care places. The new care and attention home commenced operation in August 2025.

For further details, please refer to the announcement of the Company dated 16 December 2024.

Save as disclosed above and elsewhere in this report, the Group did not conduct any material acquisition or disposal of subsidiaries, associates and joint ventures during the Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

In July 2021, the Group completed acquisition of four parcels of land in Yuen Long for establishment of another new care and attention home with approximately 250 residential care places, which is expected to commence operation in late 2026.

Save as disclosed elsewhere in this report, the Group does not have any plans for material investments and capital assets acquisitions for the coming 12 months.

CONTINGENT LIABILITIES

As at 30 September 2025 and 31 March 2025, the Group did not have any significant contingent liabilities.

EVENTS AFTER THE DATE OF REPORTING PERIOD

There is no material event after the date of reporting period and up to the date of this report.



Management Discussion and Analysis

FOREIGN EXCHANGE EXPOSURE

The Group mainly operates in Hong Kong and the majority of the Group's transactions and the Group's cash and cash equivalents are denominated in Hong Kong Dollar. The Group is not exposed to any foreign currency risk on transaction that is in a currency other than the functional currency of the Group. The Group did not resort to any foreign currency hedging facilities during the Period, but the management will continuously monitor foreign exchange exposure and will consider hedging significant foreign currency exposure where appropriate.

PLEDGE OF ASSETS

As at 30 September 2025, investment properties, property and equipment and right-of-use assets with an aggregate carrying amount of approximately HK\$444.4 million (31 March 2025: approximately HK\$447.0 million) and restricted bank deposit of approximately HK\$10.9 million (31 March 2025: HK\$10.9 million) were pledged to secure banking facilities granted to the Group. Save for the above, the Group had no other pledge of assets as at 30 September 2025 and 31 March 2025.

EMPLOYEES AND REMUNERATION POLICIES

The aggregate number of full-time and part-time employees was 594 as at 30 September 2025 (31 March 2025: 585). The Group's employee benefit expenses mainly include salaries, discretionary bonuses, medical insurance coverage, staff quarter, other staff benefits and contributions to retirement schemes. Share options were granted to certain Directors and other eligible employees of the Group to reward their contributions under the share option scheme of the Company (the "**Share Option Scheme**"). The Group's total employee benefit expenses (including directors' emoluments) for the Period amounted to approximately HK\$71.1 million (Previous Period: approximately HK\$58.5 million).

Remuneration is determined generally with reference to the qualification, experience and work performance of the relevant employee, whereas the payment of discretionary bonus is generally subject to work performance of the relevant employee, the financial performance of the Group in that particular year and general market conditions.



Management Discussion and Analysis

PROSPECTS

Hong Kong has the longest life expectancy in the world. An ageing population has been one of the biggest challenges facing Hong Kong, and the trend is expected to become more prominent in the years to come. The Government estimated that by 2046, more than one in three Hong Kong residents will be aged 65 or above, totalling an estimated 2.7 million. The unprecedented demographic shift inevitably leads to surging demand on residential care home services for elderly.

In the 2025 Policy Address, the Government announced an expansion of elderly care services, including the increase of Community Care Service Vouchers for the Elderly by 4,000, bringing the total to 16,000 vouchers. The supply of subsidised residential care will be bolstered by approximately 700 new places, and the number of Residential Care Service Vouchers will be increased by 1,000, raising the total to 7,000.

Our principal business objectives are to solidify our established market position in the private RCHE industry in Hong Kong and enhance our market position in the care and attention homes sector. Also, the Group will continue to participate in various community care related programmes for the provision of accessible, comprehensive, co-ordinated and person-centred care services to the community.

As reflected in the Company's motto: "Quality Service; Respecting and Positive; People-oriented; and Full Dedication (優質服務·敬老樂業·以人為本·全身投入)", the Group is committed to providing quality residential care home services to our residents. As part of our continuing effort to maintain a high quality of our services, the Group has implemented standardised management and operational procedures and quality controls across our network of care and attention homes for the elderly. With the Group's experienced management team and reputation in the market, the Group will continue to expand its network of RCHE in strategic locations in Hong Kong to serve more elderly residents when there are suitable opportunities. In August 2025, a new care and attention home located in Tsuen Wan with 192 residential care places commenced operation. Also, a care and attention home located in Lam Tin with 146 residential care places under second phase commenced operation in November 2025.



Management Discussion and Analysis

Having considered the surge in available properties in the market and significant decrease in property prices, the Group completed the acquisition of four pieces of lands in Yuen Long in July 2021 for establishment of a new care and attention home, which is anticipated to provide approximately 250 residential care places and expected to commence operation in late 2026.

In 2024, the Group became a Recognised Service Provider under the Residential Care Services Scheme in Guangdong (“**GDRCS Scheme**”) and started to provide subsidised care and attention places for elderly persons joining the scheme. GDRCS Scheme provides an option for elderly persons on the Central Waiting List for subsidised care and attention places to choose to live in the residential care homes for the elderly in Guangdong designated under the Scheme. Two residential care homes for the elderly operated under a partnership formed by the Group and Mainland elderly service operators, located in Shenzhen and Foshan commenced operation during the Period.

The Group are confident in its sustainable growth and believes that its management team with extensive industry experience and its agile operations team are able to adapt to the rapid changes of the demand from the community and adjust the business strategy in accordance with market trends.



Other Information

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATIONS

As at 30 September 2025, the interests and short positions of the Directors and the chief executive of the Company in the Shares (the “**Share(s)**”), underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”) (i) which were required to be notified to the Company and the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), were as follows:

Name of Directors	Nature of interests	Number of Shares held ⁽¹⁾	Percentage of shareholding in the Company's issued share capital (%) ⁽⁵⁾
Ms. Ngai Ka Yee (“ Ms. Ngai ”)	Settlor of a family trust	626,096,000(L) ⁽²⁾	63.61
	Beneficiary owner	10,000,000(L) ⁽³⁾	
Mr. Ngai Shi Shing Godfrey (“ Mr. Ngai ”)	Beneficiary of a family trust	626,096,000(L) ⁽²⁾	64.76
	Beneficial owner	21,508,000(L) ⁽⁴⁾	



Other Information

Notes:

- (1) The letter “L” denotes a long position in the Shares.
- (2) These Shares were held by Sheung Fung Limited (“**Sheung Fung**”), which is wholly owned by Shi Fung (PTC) Limited (the “**Trustee**”), the trustee of a family trust, namely, The Kwong and Ngai Family Trust which was established pursuant to the trust deed dated 19 March 2018 and as amended and supplemented by a deed of variation of removal of beneficiaries dated 17 July 2018 (the “**Family Trust**”). Ms. Ngai is the settlor of the Family Trust and Mr. Ngai is the sole beneficiary of the Family Trust. By virtue of the SFO, Ms. Ngai and Mr. Ngai are deemed to be interested in the Shares held by Sheung Fung.
- (3) It represents the interest in the 10,000,000 underlying Shares in respect of the share options granted by the Company to Ms. Ngai under the Share Option Scheme, details of which are disclosed in the section headed “Share Option Scheme” below.
- (4) It represents 11,508,000 Shares held by Mr. Ngai and 10,000,000 underlying Shares in respect of the share options granted by the Company to Mr. Ngai under the Share Option Scheme, details of which are disclosed in the section headed “Share Option Scheme” below.
- (5) The approximate percentages were calculated based on 1,000,000,000 Shares in issue as at 30 September 2025.

Save as disclosed above, as at 30 September 2025, none of the Directors nor chief executive of the Company has registered an interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.



Other Information

INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS OF THE COMPANY AND OTHER PERSONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATIONS

So far as the Directors are aware, as at 30 September 2025, the following persons (not being Directors or chief executive of the Company) had or were deemed or taken to have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO:

Name of Shareholders	Nature of interests	Number of Shares held ⁽¹⁾	Percentage of shareholding in the Company's issued share capital ⁽⁵⁾ (%)
Sheung Fung	Beneficial owner	626,096,000(L)	62.61
The Trustee	Trustee	626,096,000(L) ⁽²⁾	62.61
Ms. Wei Xiaoling	Interest of spouse	647,604,000(L) ⁽³⁾	64.76
Mr. Lam Kong ("Mr. Lam")	Beneficial owner	70,202,000(L) ⁽⁴⁾	7.02



Other Information

Notes:

- (1) The letter “L” denotes a long position in the Shares.
- (2) These Shares were held by Sheung Fung, which is wholly owned by the Trustee. Ms. Ngai is the settlor of the Family Trust and Mr. Ngai is the sole beneficiary of the Family Trust. By virtue of the SFO, the Trustee, Ms. Ngai and Mr. Ngai are deemed to be interested in the Shares held by Sheung Fung.
- (3) Ms. Wei Xiaoling is the spouse of Mr. Ngai and is deemed to be interested in the Shares which are interested by Mr. Ngai under the SFO.
- (4) It represents 60,202,000 Shares held by Mr. Lam and 10,000,000 underlying Shares in respect of the share options granted by the Company to Mr. Lam under the Share Option Scheme, details of which are disclosed in the section headed “Share Option Scheme” below.
- (5) The approximate percentages were calculated based on 1,000,000,000 Shares in issue as at 30 September 2025.

Save as disclosed above, as at 30 September 2025, the Directors were not aware of any other persons who had any interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO, and/or who are directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company listed securities during the Period (including sale of treasury shares). As of the end of the Period, no treasury shares were held by the Company.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in the Model Code. In response to the specific enquiry made by the Company, all Directors have confirmed that they have complied with the Model Code during the Period.



Other Information

SHARE OPTION SCHEME

The Share Option Scheme was conditionally approved and adopted in compliance with Chapter 17 of the Listing Rules by written resolutions of all the shareholders of the Company (the “**Shareholder(s)**”) passed on 20 May 2019.

Movements in the outstanding share options granted under the Share Option Scheme during the Period are set out below:

Date of Grant (dd/mm/yyyy)	Name of Grantees	Position/Capacity	Number of Shares over which Share Options are Exercisable					Balance as at 30 September 2025	Exercise Price Per Share (Note 1)	Vested Date (dd/mm/yyyy)	Expiry Date (dd/mm/yyyy)
			Balance as at 1 April 2025	Granted during the Period	Exercised during the Period	Lapsed during the Period	Cancelled/ Forfeited during the Period				
22/03/2022	Mr. Ngai	Chairman of the Board, executive Director, chief executive officer and controlling Shareholder	10,000,000	—	—	—	—	10,000,000	HK\$0.6	22/03/2025	22/03/2032
22/03/2022	Ms. Ngai	Executive Director and controlling Shareholder	10,000,000	—	—	—	—	10,000,000	HK\$0.6	22/03/2025	22/03/2032
22/03/2022		Other eligible employees	40,000,000	—	—	—	—	40,000,000	HK\$0.6	22/03/2025	22/03/2032
			60,000,000	—	—	—	—	60,000,000			

Note:

- The closing price of the Shares immediately before the date on which the share options were granted (i.e. 22 March 2022) was HK\$0.6 per Share.

During the Period, no share option was granted, exercised, lapsed, cancelled or forfeited under the Share Option Scheme, and as at 30 September 2025, 60,000,000 share options were granted to the Directors and other eligible employees.



Other Information

As of 30 September 2025, the total number of options available for grant at the beginning and the end of the Period under the Share Option Scheme was 40,000,000 shares, representing 4.0% of the total number of issued shares of the Company. There is no service provider sublimit set under the Share Option Scheme; and no share options were granted to service providers under Rule 17.03(3) of the Listing Rules. The number of Shares that may be issued in respect of options granted under the Share Option Scheme during the Period was 60,000,000. The weighted average number of Shares for the Period was 1,000,000,000. The number of shares that may be issued in respect of options granted under the Share Option Scheme during the Period divided by the weighted average number of Shares in issue for the reporting period was 0.06.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board has adopted the principles and the code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Part 2 of Appendix C1 to the Listing Rules to ensure that the Company’s business activities and decision making processes are regulated in a proper and prudent manner. The Company is committed to attaining and maintaining high standards of corporate governance to safeguard interest of the Shareholders and ensure the quality of the constitution of the Board and transparency and accountability to the Shareholders. The Company complied with all the code provisions in the CG Code during the Period and up to the date of this report, except for the deviation from code provision C.2.1 of the CG Code as noted hereunder.

Code provision C.2.1 of the CG Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Ngai is the chief executive officer of the Company and was appointed as the chairman of the Board on 15 October 2020. Although this deviates from the practice under code provision C.2.1 of the CG Code, which provides that these two positions should be held by two different individuals, as Mr. Ngai has considerable experience in the enterprise operation and management of the Company, the Board believes that it is in the best interests of the Company and the Shareholders as a whole to have Mr. Ngai as chairman of the Board so that it can benefit from his experience and capability in leading the Board in the long-term development of the Company and for more effective planning and execution of business strategies. As all major decisions are made in consultation with the members of the Board, and there are three independent non-executive Directors on the Board offering independent perspectives, the Board believes that there are adequate safeguards in place to ensure sufficient balance of powers within the Board.

Other Information

AUDIT COMMITTEE

The Board has set up an audit committee on 20 May 2019 (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code. The primary duties of the Audit Committee are to assist the Board: (i) making recommendations on the appointment and removal of the external auditor; (ii) reviewing the financial statements of the Group and monitoring the integrity of such financial statements; and (iii) overseeing the financial reporting system and internal control and risk management procedures. As at the date of this report, the Audit Committee is comprised of three independent non-executive Directors, namely, Mr. Or Kevin, Ms. Wu Wing Fong and Mr. Wong Chun Kit. The chairman of the Audit Committee is Mr. Or Kevin, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The unaudited condensed consolidated financial statements of the Group for the Period have been reviewed by the Audit Committee.

On behalf of the Board

Ngai Shi Shing Godfrey

Chairman and executive Director

Hong Kong, 27 November 2025



Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 September 2025

	Note	For the six months ended 30 September	
		2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Revenue	6	174,249	147,971
Employee benefit expenses, net		(71,079)	(58,496)
Depreciation of property and equipment		(6,243)	(5,919)
Depreciation of right-of-use assets		(17,614)	(17,683)
Property rental and related expenses		(2,642)	(3,798)
Food and beverage costs		(7,288)	(6,289)
Utility expenses		(4,223)	(3,826)
Supplies and consumables		(2,110)	(1,225)
Repair and maintenance		(1,057)	(1,416)
Subcontracting fees, net		(7,313)	(1,492)
Laundry expenses		(1,548)	(1,252)
Medical fees and related expenses		(1,291)	(1,373)
Legal and professional fee		(1,113)	(789)
Amortisation of intangible assets		(194)	—
Other operating expenses		(6,754)	(6,554)
Loss on disposal of subsidiaries		(7,331)	(35)
Other income and other gains, net		858	581
Finance costs, net	7	(4,826)	(8,148)
Profit before taxation	8	32,481	30,257
Income tax expense	9	(5,106)	(4,756)
Profit for the period		27,375	25,501
Profit/(loss) for the period attributable to			
— Owners of the Company		26,976	25,664
— Non-controlling interests		399	(163)
		27,375	25,501
Earnings per share attributable to the owners of the Company (in HK cents)			
— Basic	11	2.70	2.57
— Diluted	11	2.70	2.57

The above interim condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2025

	For the six months ended 30 September	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Profit for the period	27,375	25,501
Other comprehensive loss: <i>Item that will not be reclassified to profit or loss</i>		
Fair value changes of financial assets at fair value through other comprehensive income	—	(43)
Other comprehensive loss for the period, net of tax	—	(43)
Total comprehensive income for the period	27,375	25,458
Total comprehensive income/(loss) for the period attributable to		
— Owners of the Company	26,976	25,621
— Non-controlling interests	399	(163)
	27,375	25,458

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.



Interim Condensed Consolidated Statement of Financial Position

As at 30 September 2025

		As at 30 September 2025 (Unaudited) HK\$'000	As at 31 March 2025 (Audited) HK\$'000
	Note		
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	12	109,698	110,919
Investment properties		344,800	344,800
Right-of-use assets	13	232,587	251,607
Intangible assets		1,746	—
Deferred tax assets		4,110	4,110
Prepayment and deposits	15	5,974	5,364
Total non-current assets		698,915	716,800
CURRENT ASSETS			
Trade receivables	14	20,813	15,983
Prepayments, deposits and other receivables	15	14,652	13,231
Short-term bank deposits		100	1,600
Restricted bank deposits		10,895	10,895
Cash and cash equivalents		46,068	51,057
Total current assets		92,528	92,766
Total assets		791,443	809,566
EQUITY AND LIABILITIES			
Equity attributable to the owners of the Company			
Share capital		10,000	10,000
Reserves		433,727	426,751
		443,727	436,751
Non-controlling interests		7,969	5,477
Total equity		451,696	442,228

Interim Condensed Consolidated Statement of Financial Position

As at 30 September 2025

		As at 30 September 2025 (Unaudited) HK\$'000	As at 31 March 2025 (Audited) HK\$'000
	Note		
LIABILITIES			
NON-CURRENT LIABILITIES			
Accruals and other payables	17	3,704	3,838
Lease liabilities	13	77,570	93,692
Bank borrowings		166,445	179,671
Total non-current liabilities		247,719	277,201
CURRENT LIABILITIES			
Trade and other payables	17	26,143	27,139
Contract liabilities	6	1,106	1,136
Bank borrowings		26,730	28,100
Lease liabilities	13	31,009	31,497
Income tax payable		7,040	2,265
Total current liabilities		92,028	90,137
Total liabilities		339,747	367,338
Total equity and liabilities		791,443	809,566

The above interim condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.



Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2025

	Unaudited Attributable to the owners of the Company							Non- controlling interest	Total equity
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Revaluation reserve HK\$'000	Share option reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000		
For the six months ended 30 September 2024									
At 1 April 2024	10,000	126,440	36	25,240	3,974	268,603	434,293	234	434,527
Total comprehensive income:									
Profit for the period	—	—	—	—	—	25,664	25,664	(163)	25,501
Other comprehensive income	—	—	—	(43)	—	—	(43)	—	(43)
	—	—	—	(43)	—	25,664	25,621	(163)	25,458
Transactions with owners in their capacity as owners:									
Dividends	—	—	—	—	—	(20,000)	(20,000)	—	(20,000)
Share-based payment	—	—	—	—	980	—	980	—	980
At 30 September 2024	10,000	126,440	36	25,197	4,954	274,267	440,894	71	440,965
For the six months ended 30 September 2025									
At 1 April 2025	10,000	126,440	36	25,493	5,880	268,902	436,751	5,477	442,228
Total comprehensive income:									
Profit for the period	—	—	—	—	—	26,976	26,976	399	27,375
Transactions with owners in their capacity as owners:									
Dividends	—	—	—	—	—	(20,000)	(20,000)	—	(20,000)
Disposal of subsidiaries	—	—	—	—	—	—	—	2,093	2,093
At 30 September 2025	10,000	126,440	36	25,493	5,880	275,878	443,727	7,969	451,696

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2025

		For the six months ended 30 September	
	Note	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Cash flows from operating activities			
Cash generated from operations	18	59,880	55,429
Hong Kong profits tax paid		(331)	(9,829)
Interest received		194	311
Net cash generated from operating activities		59,743	45,911
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		(1,940)	—
Capital expenditure		(9,359)	(6,136)
Change in short-term bank deposits		1,500	29,000
Disposal of subsidiaries		(156)	(24)
Net cash (used in)/generated from investing activities		(9,955)	22,840
Cash flows from financing activities			
Repayments of bank borrowings		(14,596)	(13,007)
Dividends paid to shareholders		(20,000)	(20,000)
Payment of principal and interest elements of lease liabilities		(16,854)	(16,888)
Interest paid		(3,327)	(6,274)
Net cash used in financing activities		(54,777)	(56,169)
Net (decrease)/increase in cash and cash equivalents		(4,989)	12,582
Cash and cash equivalents at the beginning of period		51,057	37,420
Cash and cash equivalents at the end of period		46,068	50,002

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.



Notes to the Interim Condensed Consolidated Financial Information

1 GENERAL INFORMATION

Kato (Hong Kong) Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 19 April 2018 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as combined and revised) of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company and its subsidiaries (collectively, the “**Group**”) principally engage in the provision of residential care services and day care services for the elderly in Hong Kong.

This interim condensed consolidated financial information is presented in thousands of Hong Kong Dollar (“**HK\$’000**”), unless otherwise stated.

This interim condensed consolidated financial information was approved for issue by the Board of Directors of the Company on 27 November 2025.

This interim condensed consolidated financial information has not been audited.

2 BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 September 2025 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). This interim condensed consolidation financial information does not include all the notes of the type normally included in annual consolidated financial statements. Accordingly, this interim condensed consolidated financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2025, which have been prepared in accordance with HKFRS Accounting Standards.

The interim condensed consolidated financial information have been prepared under the historical cost convention, except for the investment properties, which are carried at fair values.



Notes to the Interim Condensed Consolidated Financial Information

3 ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 March 2025, as described in those annual consolidated financial statements, except for the adoption of new and amended standards as set out below.

3.1 New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

3.2 Impact of standards issued but not yet applied by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for this reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to variety financial risks: market risk (cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. Because of the simplicity of the financial structure and the current operations of the Group, no hedging activities are undertaken by management.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 March 2025.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.



Notes to the Interim Condensed Consolidated Financial Information

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (Continued)

	Undiscounted cash flows					Carrying amount HK\$'000
	Less than 1 year or on demand HK\$'000	Between 1-2 years HK\$'000	Between 2-5 years HK\$'000	Over 5 years HK\$'000	Total HK\$'000	
As at 30 September 2025 (unaudited)						
Trade and other payables	15,507	510	—	—	16,017	16,017
Bank borrowings	33,928	26,104	61,927	114,187	236,146	193,175
Undiscounted lease liabilities	33,844	32,495	48,152	—	114,491	108,579
	83,279	59,109	110,079	114,187	366,654	317,771
As at 31 March 2025 (audited)						
Trade and other payables	16,099	644	—	—	16,743	16,743
Bank borrowings	37,782	29,956	70,194	130,594	268,526	207,771
Undiscounted lease liabilities	34,856	34,538	63,615	—	133,009	125,189
	88,737	65,138	133,809	130,594	418,278	349,703

There have been no other significant changes in the risk management policies since 31 March 2025.

4.2 Fair value estimation

The table below analyses the Group's financial instruments carried at fair values as at 30 September 2025 and 31 March 2025 by level of valuation techniques used to measure fair values. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).



Notes to the Interim Condensed Consolidated Financial Information

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.2 Fair value estimation (Continued)

The following table presents the Group's financial assets that are measured at fair values:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
As at 30 September 2025 (unaudited)				
Investment properties	—	—	344,800	344,800
As at 31 March 2025 (audited)				
Investment properties	—	—	344,800	344,800

There were no transfer of financial assets and liabilities between the fair value hierarchy classifications during the six months ended 30 September 2025 and 2024.

The carrying values of the Group's financial assets, including trade receivables, deposits and other receivables, short-term bank deposits, restricted bank deposits and cash and cash equivalents, and financial liabilities, including trade and other payables, lease liabilities and bank borrowings approximate to their fair values due to their short-term maturities or with interest rate close to market rate. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments, unless the discounting effect is insignificant.

No financial assets and liabilities were subject to offsetting, enforceable master netting arrangements and similar arrangements as at 30 September 2025 and 31 March 2025.



Notes to the Interim Condensed Consolidated Financial Information

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim condensed consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2025.

6 REVENUE AND SEGMENT INFORMATION

The executive directors, who are the chief operating decision-maker (the “**CODM**”) of the Group, review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the executive directors that are used to make strategic decisions.

The CODM has determined the operating segments based on these reports. The Group is organised into two business segments:

- (a) elderly care services segment (“**Elderly care services**”); and
- (b) investment properties holding segment (“**Investment properties holding**”).



Notes to the Interim Condensed Consolidated Financial Information

6 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) Segment revenue and results

The following tables present revenue and segment results regarding the Group's reportable segments for the six months ended 30 September 2025 and 2024 respectively.

For the six months ended 30 September 2025 (Unaudited)

	Elderly care services HK\$'000	Investment properties holding HK\$'000	Total HK\$'000
Revenue from contract with customers within the scope of HKFRS 15			
<i>Recognised over time:</i>			
Rendering of elderly home care services	131,720	—	131,720
Rendering of elderly community home care services	7,175	—	7,175
Rental and properties management fee income	—	1,002	1,002
<i>Recognised at a point in time:</i>			
Sales of elderly home related goods	30,207	—	30,207
Revenue arising from operating lease within the scope of HKFRS 16:			
Fixed	—	6,875	6,875
Segment revenue	169,102	7,877	176,979
Inter-segment revenue	—	(2,730)	(2,730)
Segment revenue from external customers	169,102	5,147	174,249
Segment results	35,625	3,948	39,573
Corporate and other unallocated expenses			(2,266)
Finance costs, net			(4,826)
Profit before taxation			32,481
Other information:			
Depreciation of property and equipment	(6,243)	—	(6,243)
Depreciation of right-of-use assets	(14,739)	(2,875)	(17,614)
Capital expenditures	(11,823)	—	(11,823)



Notes to the Interim Condensed Consolidated Financial Information

6 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) Segment revenue and results (Continued)

For the six months ended 30 September 2024 (Unaudited)

	Elderly care services HK\$'000	Investment properties holding HK\$'000	Total HK\$'000
Revenue from contract with customers within the scope of HKFRS 15			
<i>Recognised over time:</i>			
Rendering of elderly home care services	109,503	—	109,503
Rendering of elderly community home care services	1,563	—	1,563
Rendering of medical and laboratory services	4,141	—	4,141
Rental and properties management fee income	—	871	871
<i>Recognised at a point in time:</i>			
Sales of elderly home related goods	24,548	—	24,548
Revenue arising from operating lease within the scope of HKFRS 16:			
Fixed	—	7,345	7,345
Segment revenue from external customers	139,755	8,216	147,971
Segment results	37,284	5,332	42,616
Corporate and other unallocated expenses			(4,211)
Finance costs, net			(8,148)
Profit before taxation			30,257
Other information:			
Depreciation of property and equipment	(5,919)	—	(5,919)
Depreciation of right-of-use assets	(16,332)	(1,351)	(17,683)
Capital expenditures	(3,646)	—	(3,646)



Notes to the Interim Condensed Consolidated Financial Information

6 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) Segment revenue and results (Continued)

The Group's revenue was derived solely from its operations in Hong Kong during the six months ended 30 September 2025 (2024: same), and the non-current assets of the Group were located in Hong Kong as at 30 September 2025 (31 March 2025: same).

Revenue of approximately HK\$79,933,000 (2024: HK\$65,602,000) for the six months ended 30 September 2025 was derived from the Government of HKSAR under the Enhanced Bought Place Scheme ("EBPS"), Bought Place Scheme ("BPS") and provision of residential care services in the Contract Home, which amounted to more than 10% (2024: same) of the Group's revenue.

The Group did not recognise any revenue-related contract assets during the six months ended 30 September 2025 (2024: Nil).

(b) Segment assets and liabilities

As at 30 September 2025 (Unaudited)

	Elderly care services HK\$'000	Investment properties holding HK\$'000	Total HK\$'000
Assets			
Segment assets	290,954	492,424	783,378
Unallocated:			
Prepayment, deposits and other receivables			1,875
Short-term bank deposits			100
Cash and cash equivalents			6,090
Total assets			791,443
Liabilities			
Segment liabilities	143,020	1,484	144,504
Unallocated:			
Bank borrowings			193,175
Other payables			2,068
Total liabilities			339,747



Notes to the Interim Condensed Consolidated Financial Information

6 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment assets and liabilities (Continued)

As at 31 March 2025 (Audited)

	Elderly care services HK\$'000	Investment properties holding HK\$'000	Total HK\$'000
Assets			
Segment assets	214,259	584,548	798,807
Unallocated:			
Prepayments, deposits and other receivables			1,534
Short-term bank deposits			1,600
Cash and cash equivalents			7,625
Total assets			809,566
Liabilities			
Segment liabilities	157,094	1,463	158,557
Unallocated:			
Bank borrowings			207,771
Other payables			1,010
Total liabilities			367,338



Notes to the Interim Condensed Consolidated Financial Information

6 REVENUE AND SEGMENT INFORMATION (CONTINUED)

An analysis of revenue is as follows:

	For the six months ended 30 September	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15:		
<i>Recognised over time:</i>		
Rendering of elderly home care services	131,720	109,503
Rendering of elderly community care services	7,175	1,563
Rendering of medical and laboratory services	—	4,141
Management fee income and car park revenue	1,002	871
<i>Recognised at a point in time:</i>		
Sales of elderly home related goods	30,207	24,548
Revenue arising from operating lease within the scope of HKFRS 16:		
Fixed	4,145	7,345
	174,249	147,971

The Group did not recognise any revenue-related contract assets during the six months ended 30 September 2025 and 2024.



Notes to the Interim Condensed Consolidated Financial Information

6 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Contract liabilities

The balances represent the receipt in advance from customers. The Group recognised the following revenue-related contract liabilities:

	As at 30 September 2025 (Unaudited) HK\$'000	As at 31 March 2025 (Audited) HK\$'000
Contract liabilities	1,106	1,136

The following table shows the revenue recognised during the six months ended 30 September 2025 and 2024 related to carried-forward contract liabilities:

	For the six months ended 30 September 2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Revenue recognised that was included in the contract liabilities balance as at beginning of the period	1,136	964

Due to the short-term nature of the related service contracts, the entire contract liabilities balance at the end of reporting period would be recognised into revenue in the next period. As permitted under HKFRS 15, the transaction price allocated to those unsatisfied contracts which have an original expected duration of one year or less is not disclosed.



Notes to the Interim Condensed Consolidated Financial Information

7 FINANCE COSTS, NET

	For the six months ended 30 September	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Bank interest income	194	311
Unwinding interest on rental deposits	60	1
Finance income	254	312
Interest expenses on bank borrowings	(3,327)	(6,274)
Interest expenses on lease liabilities	(1,753)	(2,186)
Finance costs	(5,080)	(8,460)
Finance costs, net	(4,826)	(8,148)



Notes to the Interim Condensed Consolidated Financial Information

8 PROFIT BEFORE TAXATION

Profit before taxation is stated after charging/(crediting) the following:

	For the six months ended 30 September	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Depreciation on property and equipment	6,243	5,919
Depreciation on right-of-use assets	17,614	17,683
Amortisation of intangible assets	194	—
Property rental and related expenses	2,642	3,798
Employee benefit expenses, net	71,079	58,496
— Wages and salaries	66,628	53,457
— Retirement benefit scheme contributions	2,204	1,716
— Staff welfare and benefits	69	76
— Provision for long service payments	212	—
— Directors' remunerations	2,242	3,010
— Share-based payment expenses: staff portion	—	652
— Government subsidies	(276)	(415)
Subcontracting fees, net	7,313	1,492
— Subcontracting fees	9,619	5,202
— Government subsidies	(2,306)	(3,710)
Legal and professional fee	1,113	789
Loss allowance on trade receivables	5	—

As at 30 September 2025, the Group had no forfeited contribution available to reduce its contributions to the pension schemes in future years (31 March 2025: same).



Notes to the Interim Condensed Consolidated Financial Information

9 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the two-tiered rate of 8.25% for the first HK\$2,000,000 of the estimated assessable profit of the qualifying group entity and 16.5% on the remaining estimated assessable profit of the Group for the six months ended 30 September 2025 and 2024.

An analysis of the income tax expenses is as follows:

	For the six months ended 30 September	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Hong Kong profits tax		
Current tax	5,106	4,756

10 DIVIDENDS

The Board has resolved not to recommend the payment of interim dividend for the six months ended 30 September 2025 (six months ended 30 September 2024: Nil).



Notes to the Interim Condensed Consolidated Financial Information

11 EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 September 2025 and 2024.

	For the six months ended 30 September	
	2025 (Unaudited)	2024 (Unaudited)
Profit attributable to the owners of the Company (HK\$'000)	26,976	25,664
Weighted average number of shares in issue (thousand shares)	1,000,000	1,000,000
Basic earnings per share (HK cents)	2.70	2.57

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Shares issuable under the share option schemes are the only dilutive potential ordinary shares. A calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average daily quoted market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

For the six months ended 30 September 2025 and 2024, dilutive earnings per share was of the same amount as the basic earnings per share as the share options were anti-dilutive.



Notes to the Interim Condensed Consolidated Financial Information

12 PROPERTY AND EQUIPMENT

(Unaudited)
HK\$'000

Six months ended 30 September 2024

Net book value as at 1 April 2024	105,014
Additions	3,646
Depreciation	(5,919)

Net book value as at 30 September 2024	102,741
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Six months ended 30 September 2025

Net book value as at 1 April 2025	110,919
Additions	9,883
Depreciation	(6,243)
Disposal of subsidiaries	(4,861)

Net book value as at 30 September 2025	109,698
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Notes to the Interim Condensed Consolidated Financial Information

13 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The interim condensed consolidated statement of financial position shows the following amounts relating to the leases:

	As at 30 September 2025 (Unaudited) HK\$'000	As at 31 March 2025 (Audited) HK\$'000
Right-of-use assets		
Leasehold land	136,225	139,100
Elderly residential care homes/day care centres/ laboratory centres	91,057	105,972
Staff quarters	3,771	4,694
Office and warehouse	1,534	1,841
	232,587	251,607
Lease liabilities		
Non-current	77,570	93,692
Current	31,009	31,497
	108,579	125,189



Notes to the Interim Condensed Consolidated Financial Information

13 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

There was no addition to the right-of-use assets during the six months ended 30 September 2025 (six months ended 30 September 2024: HK\$1.2 million).

The interim condensed consolidated statement of profit or loss shows the following amounts relating to the leases:

	For the six months ended 30 September	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Depreciation of right-of-use assets (<i>Note 8</i>)	17,614	17,683
Interest expenses on lease liabilities (<i>Note 7</i>)	1,753	2,186

During the six months ended 30 September 2025, total cash outflow for leases of approximately HK\$17.8 million (30 September 2024: HK\$17.8 million).

14 TRADE RECEIVABLES

	As at 30 September 2025 (Unaudited) HK\$'000	As at 31 March 2025 (Audited) HK\$'000
Trade receivables	20,836	16,001
Less: loss allowance	(23)	(18)
Trade receivables	20,813	15,983



Notes to the Interim Condensed Consolidated Financial Information

14 TRADE RECEIVABLES (CONTINUED)

The ageing analysis of the Group's gross trade receivables based on invoice date are as follows:

	As at 30 September 2025 (Unaudited) HK\$'000	As at 31 March 2025 (Audited) HK\$'000
Within 30 days	16,671	7,906
31–60 days	352	6,798
61–180 days	3,554	1,116
Over 180 days	259	181
	20,836	16,001

The Group's trade receivables are denominated in HK\$. The carrying amounts of trade receivables approximate to their fair values due to their short maturities.

The Group's trading terms with its customers are mainly payment in advance. Generally, there is no credit term granted to customers. However, in practice, customers settled their outstanding balances shortly after the date when the amounts are due. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the management.

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 September 2025, loss allowance of HK\$23,000 (31 March 2025: HK\$18,000) was provided for trade receivables from tenants.

The maximum exposure to credit risk at the end of reporting period was the carrying amounts of trade receivables mentioned above. The Group did not hold any collateral as security.



Notes to the Interim Condensed Consolidated Financial Information

15 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 September 2025 (Unaudited) HK\$'000	As at 31 March 2025 (Audited) HK\$'000
Prepayments	3,411	3,457
Rental deposits	5,163	5,517
Deposits	1,880	3,785
Other receivables	9,325	5,513
Prepayments for property and equipment	847	323
	20,626	18,595
Less: Non-current portion		
Prepayments for property and equipment	(847)	(323)
Rental deposits	(5,127)	(5,041)
	(5,974)	(5,364)
Current portion	14,652	13,231

Financial assets included in the above balances relate to receivables for which there was no recent history of default. The Group did not hold any collateral as security. The carrying amounts of deposits and other receivables approximate to their fair values due to their short maturities or with interest rate close to market rate and are denominated in HK\$.



Notes to the Interim Condensed Consolidated Financial Information

16 RELATED PARTY BALANCES AND TRANSACTIONS

The Group is controlled by Sheung Fung Limited, a limited company incorporated in the British Virgin Islands, which owns 62.6% of the Company's shares as at 30 September 2025 (31 March 2025: 62.4%).

(a) Significant transactions with related parties

The Group had the following significant transactions with related parties in the ordinary course of business:

		For the six months ended 30 September	
		2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
	Note		
Repayment of principal and interest portion of lease liabilities and lease payments to related parties:			
— Ms. Ngai Ka Yee	(i)	335	335
— Mr. Lam Kong	(ii)	330	—
— Mr. Ngai Shi Shing, Godfrey	(i)	289	247
— Mr. Ngai Ha Sang	(ii)	180	180
— Mr. Lam Wan Yuet	(ii)	108	—
— Ms. Lam Wan Fong	(ii)	90	90
Repayment of principal and interest portion of lease liabilities and lease payments to related companies:			
— Kato Elderly Affairs Limited	(iii)	2,430	2,430
— Shing Kong Limited	(iii)	1,692	1,772
— Smarts Corporation Limited	(iii)	1,362	1,362
— Kato Property Limited	(iii)	1,188	1,188
— Perfect Cheer Investment Limited	(iii)	1,002	1,002
— Classic Mate Limited	(iii)	618	618

The above-mentioned transactions were conducted in the normal course of business and the interest expenses and repayment of lease liabilities were charged at terms mutually agreed by the relevant parties and companies.



Notes to the Interim Condensed Consolidated Financial Information

16 RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

(a) Significant transactions with related parties (Continued)

Notes:

- (i) Ms. Ngai Ka Yee and Mr. Ngai Shi Shing, Godfrey are the executive directors of the Company.
- (ii) They are the close members of the family of the directors.
- (iii) The related companies are controlled by the Group's directors and/or the close members of the family of the directors.

(b) Key management compensation

Key management included the directors and senior management of the Group.

	For the six months ended 30 September	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Salaries, discretionary bonus, allowances and benefits in kind	4,338	3,968
Retirement benefit scheme contribution	66	51
Share-based payment	—	815
	4,404	4,834



Notes to the Interim Condensed Consolidated Financial Information

17 TRADE AND OTHER PAYABLES

	As at 30 September 2025 (Unaudited) HK\$'000	As at 31 March 2025 (Audited) HK\$'000
Trade payables	2,747	2,545
Accruals and other payables	8,197	8,966
Accrued wages and salaries and contributions to MPF scheme	10,636	11,040
Deposits from customers	4,034	4,205
Rental deposits received	1,039	1,027
Provision for reinstatement cost	575	575
Employee benefit obligations	2,619	2,619
	29,847	30,977
Less: Non-current portion	(3,704)	(3,838)
Current portion	26,143	27,139

As at 30 September 2025 and 31 March 2025, the carrying amounts of trade and other payables approximate to their fair values and are denominated in HK\$.

Trade payables are unsecured, non-interest bearing and repayable in accordance with contractual terms. The ageing analysis of trade payables by invoice date is as follows:

	As at 30 September 2025 (Unaudited) HK\$'000	As at 31 March 2025 (Audited) HK\$'000
Within 60 days	2,747	2,545



Notes to the Interim Condensed Consolidated Financial Information

18 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Cash generated from operations

		For the six months ended 30 September	
	Note	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Profit before taxation		32,481	30,257
Adjustments for:			
Interest income	7	(194)	(312)
Interest expenses	7	5,020	8,460
Depreciation of property and equipment		6,243	5,919
Depreciation of right-of-use assets		17,614	17,683
Amortisation of intangible assets		194	—
Provision for long service payment		212	—
Share-based payment expenses		—	980
Loss on disposal of subsidiaries		7,331	35
Loss allowance on trade receivables		5	—
Operating profit before working capital change		68,906	63,022
Changes in working capital:			
Trade receivables		(5,238)	(5,194)
Prepayments, deposits and other receivables		(3,308)	(3,223)
Trade and other payables		(450)	970
Contract liabilities		(30)	104
Amount due to a director		—	(250)
Cash generated from operations		59,880	55,429



Notes to the Interim Condensed Consolidated Financial Information

19 CAPITAL COMMITMENT

As at 30 September 2025, the Group had capital commitments for property and equipment, amounting to approximately HK\$7.0 million (31 March 2025: approximately HK\$7.4 million) after netting off the prepayment for the purchase of property and equipment.

20 CONTINGENT LIABILITIES

As at 30 September 2025 and 31 March 2025, the Group had no material contingent liabilities.

