
SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full text of this document. You should read the whole document including the appendices hereto, which constitute an integral part of this document.

OVERVIEW

Building on our subsidiary's service history dating back to 1954, we have grown into a leading integrated travel services provider with a strategic focus on the Greater Bay Area. We operate an integrated cross-boundary passenger transportation platform in the Greater Bay Area spanning maritime and road networks. Our cross-boundary transportation services are offered under two principal cross-boundary transportation brands: "TurboJET" and "CTS Bus." TurboJET operates Hong Kong-Macao ferry routes and had 22 licensed vessels as of December 31, 2025. CTS Bus primarily operates cross-boundary road passenger transportation services. Our fleet included 221 large coaches and 44 business vehicles as of December 31, 2025, providing route coverage across Hong Kong, Macao and nine other cities in the Greater Bay Area. In addition, we operate a portfolio of three hotel brands, Metropark (維景), Kew Green (睿景) and Green Residence (柏景軒), with differentiated positioning. Our hotels are located in major commercial districts and key tourism areas in Hong Kong, Macao and Beijing. These hotels are positioned as business-oriented and chain-style properties targeting mid- to upper-tier customers. We also provide travel-document administration services in Hong Kong as appointed by CTS (Holdings), with a view to enhancing public convenience.

OUR BUSINESS MODEL

We offer a diverse and comprehensive range of travel-related services, and operate through three business segments: (i) passenger transportation, (ii) hotel operations, and (iii) travel-document and related services.

Passenger Transportation

As an integrated cross-boundary mobility provider in the Greater Bay Area, we focus on high-speed ferry and bus services.

We provide cross-boundary ferry transportation under the "TurboJET" brand. Through scheduled high-speed ferry services operating on fixed routes and timetables, we connect major ports in Hong Kong, Macao and Shenzhen. Our ferry transportation services are supported by a comprehensive service offering, including ticketing, reservation and ancillary customer services across multiple sales channels.

We also operate cross-boundary bus transportation services connecting Hong Kong and Macao with Chinese Mainland cities in the Greater Bay Area, supplemented by local passenger transportation services in Hong Kong, Zhuhai and Shenzhen. These bus services are operated through designated routes and boarding points with advance ticketing and fixed schedules, and are designed to facilitate convenient and efficient travel for both individual travelers and organized tour groups.

We served approximately 6.4 million, 7.0 million and 7.2 million passengers in 2023, 2024 and 2025, respectively, providing essential mobility across the region for residents, commuters and tourists. Our passenger base primarily comprises leisure, business and frequent cross-boundary travelers, and we also serve governmental and institutional customers, such as the Hong Kong government, for which we provide large-scale charter services for events such as the National Games and tours to Chinese Mainland. According to

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Frost & Sullivan, we are a leading cross-boundary ferry and bus passenger transportation operator by revenue in the Greater Bay Area, servicing the Hong Kong-Chinese Mainland and Hong Kong-Macao routes.

Hotel Operations

We operate eight accommodation properties, comprising seven hotels and one serviced apartment, across Hong Kong, Macao, and Beijing. Through our three brands, Metropark (維景), Kew Green (睿景) and Green Residence (柏景軒), we serve a broad customer base with offerings ranging from premium to more affordable accommodations, primarily targeting the mid- to high-end market. Our properties are strategically located in major city centers, serving business travelers and tourists seeking convenient access to key commercial, leisure, and transportation hubs. Supported by our established brand recognition, capital resources, and experienced team, we have developed extensive experience in hotel operations across Hong Kong, Macao, and Chinese Mainland, with a focus on providing guests with a comfortable stay.

We have been actively expanding our hotel portfolio, notably through the opening of Metropark Hung Hom and Wanchai Green Residence Serviced Apartment in May 2024, which have further strengthened our market presence and contributed to our revenue growth. As of December 31, 2023, 2024 and 2025, we operated six, eight and eight hotels, respectively, with a total of 1,917, 2,563 and 2,563 guest rooms, respectively.

Travel-document and Related Services

Our travel-document administration services primarily involve assisting individual applicants with cross-boundary travel documentation, including receiving travel permit applications and related materials, checking whether the required materials have been provided and submitting such materials for further processing.

We provide these services in Hong Kong under an arrangement with CTS (Holdings), under which we have been appointed as CTS (Holdings)' exclusive agent to provide travel-document administration services in Hong Kong until June 30, 2047. This right is governed by an agency agreement dated May 15, 2001 and a deed of novation dated June 1, 2020. Under this arrangement, we receive an agency fee from CTS (Holdings). For details, see "Continuing Connected Transactions—Non-Exempt Continuing Connected Transactions—Travel Permit Administration Services Agreements." This arrangement provides us with a stable, long-term platform for the provision of travel-document administration services.

In addition, we provide related services to relevant government agencies and institutional clients. We act as an authorized agent for the sale and distribution of security equipment used to support cross-boundary customs clearance processes, as well as specialized physical materials and consumables required for the production of travel documents. Furthermore, our operations include the provision of travel-document software solutions, where we offer ongoing technical maintenance and support services for the software to ensure its stable operation.

The table below sets out the breakdown of our revenue by business segment, in an absolute amount and as a percentage of total revenue, for the years indicated:

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	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(HKD in thousands, except percentages)</i>					
Passenger transportation	988,709	45.1	1,053,414	47.0	1,006,799	45.8
Hotel operations	694,585	31.7	820,624	36.6	887,547	40.4
Travel-document and related services	474,250	21.6	343,928	15.3	279,580	12.7
Corporate and others	33,589	1.6	23,974	1.1	23,910	1.1
Total	<u>2,191,133</u>	<u>100.0</u>	<u>2,241,940</u>	<u>100.0</u>	<u>2,197,836</u>	<u>100.0</u>

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths are the key to our success and will continue to enable us to compete effectively and capitalize on future growth opportunities:

- A leading integrated travel services provider in the Greater Bay Area;
- A strong cross-boundary business network that generates operational synergies;
- A high-quality hotel portfolio with a self-managed operating model that provides flexibility and control;
- Digital operations, centralized procurement and an efficient management platform drive operating efficiency; and
- Strong shareholder support, experienced leadership and high-caliber talent power sustainable growth.

OUR STRATEGIES

We plan to further strengthen our leading position by implementing the following strategies:

- Capture the “gateway” value of cross-boundary services by integrating transportation and other services to expand Greater Bay Area-wide customer reach;
- Strengthen the hotel business through location advantages, product upgrades and refined operations to enhance retention and stabilize our foundation;
- Develop “Tourism+” offerings to provide local destination experiences and build a new growth engine in Hong Kong;
- Build a “One Customer” membership ecosystem, strengthen cross-business collaboration and unlock customer lifetime value; and
- Enhance international talent development and strengthen organizational capabilities to support long-term strategy execution.

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CUSTOMERS AND SUPPLIERS

Our customers primarily consist of government and public-sector entities, corporate customers as well as individual travelers. In 2023, 2024 and 2025, our revenue generated from sales to our five largest customers in aggregate amounted to HKD548.4 million, HKD557.8 million and HKD587.2 million, respectively, representing 25.2%, 24.9% and 26.8% of our total revenue in the corresponding periods. For the same periods, our revenue generated from sales to our largest customer amounted to HKD397.7 million, HKD302.4 million and HKD264.8 million, respectively, representing 18.2%, 13.5% and 12.1% of our total revenue in the corresponding periods.

Our suppliers primarily consist of energy and petroleum suppliers, public utilities companies and other operational service providers. In 2023, 2024 and 2025, our purchases from our five largest suppliers in aggregate amounted to HKD288.8 million, HKD315.6 million and HKD309.7 million, respectively, representing 40.1%, 42.3% and 39.9% of our total purchases in the corresponding periods. For the same periods, our purchases from our largest supplier amounted to HKD218.3 million, HKD210.9 million and HKD220.0 million, respectively, representing 30.3%, 28.3% and 28.3% of our total purchases in the corresponding periods.

For details, see “Business—Customers” and “Business—Suppliers.”

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

On April 24, 2026, Shun Tak-China Travel Ship Management Limited, our non-wholly owned subsidiary, entered into an asset purchase agreement with Dukling Limited to acquire its cruise and tourism business, together with the operating vessel and associated assets, including intellectual property rights, accounts and records, for a total consideration of HKD10,000,000. As of the Latest Practicable Date, the acquisition had not been completed. See Note 40 to the Accountants’ Report set out in Appendix I to this document.

Our Directors confirm that up to the date of this document, there had been no material adverse change in our financial condition, business operations or prospects since December 31, 2025, being the latest balance sheet date of our combined financial statements as set out in the Accountants’ Report included in Appendix I to this document.

RISK FACTORS

Our business involves certain risks. Some of the major risks we face include, but are not limited to: (i) general declines or disruptions in the travel industry may adversely affect our business and results of operations; (ii) our business could be affected by changes in travel-related government policies; (iii) we are subject to risks relating to our third-party suppliers and business partners; (iv) we face intense competition that could adversely affect our business, financial condition and results of operations; (v) we may continue to rely on CTG Group in certain aspects of our operations, and any changes in such relationships could adversely affect our business, financial condition and results of operations; and (vi) failure to ensure and protect the confidentiality of the personal data of customers could subject us to penalties, negatively impact our reputation or deter consumers from using our services.

SALES AND MARKETING

We employ a diversified sales and marketing model tailored to our core business segments, leveraging a combination of traditional institutional partnerships and innovative digital platforms to maximize market reach.

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Passenger Transportation

Our passenger transportation business uses a multi-channel ticketing system that integrates online and offline sales to make tickets easily accessible to passengers. For our ferry transportation services, tickets are available through physical outlets and authorized agents across Chinese Mainland, Hong Kong, and Macao. To further enhance the on-site experience, we operate self-service ticketing kiosks at designated ferry terminals, enabling quick purchases even shortly before departure. Beyond direct sales, we have established strategic partnerships with local travel agencies to incorporate our ferry services into customized and integrated travel itineraries. We also leverage marketing synergies by collaborating with renowned local attractions and major hotels to offer bundled packages that combine ferry tickets with third-party accommodations and entertainment, thereby enhancing our overall value proposition to customers.

For our bus transportation services, passengers can access tickets through our own digital platforms, including mobile mini-programs and official online channels as well as ticketing counters and a network of authorized agents throughout the regions we serve. In addition to serving individual travelers, we cater to corporate and institutional clients by offering bulk booking arrangements and tailored transportation solutions.

By integrating these diverse sales channels across both land and sea, we are able to provide a consistent and efficient "one-stop" booking experience that effectively captures the high-volume cross-boundary passenger market.

Hotel Operations

Our hotel sales strategy is built on a multi-channel distribution network designed to capture a wide range of traveler segments. We maintain a robust base of corporate and institutional clients, including government authorities and state-owned enterprises. To capture the individual travel market, we collaborate extensively with major online travel agencies (OTAs), such as Ctrip, Agoda, Klook, Meituan, Fliggy, Booking.com, and Expedia, while simultaneously driving direct sales through our own digital ecosystem, including our official website, mobile application, and WeChat mini-programs. We have also adopted social commerce strategies using platforms like Douyin and Xiaohongshu for live-streaming sessions and collaborating with key opinion leaders to enhance brand visibility and drive reservations. We also continue to leverage the networks of traditional travel agencies, to capture individual travelers and regional leisure travelers.

COMPETITION

We operate in highly competitive markets across our principal segments of passenger transportation operations and hotel operations in Hong Kong, Macao and Chinese Mainland. Competition arises from state-owned, private and multinational enterprises, including international and local travel service providers and hotel operators. In the Greater Bay Area, we compete with other cross-boundary transportation services, including competing ferry and coach routes and substitutes such as rail and air travel. We also face competition from independent and chain hotels.

THE DISTRIBUTION AND SPIN-OFF

The Spin-off will be effected through a [REDACTED] of our Shares by way of introduction on the Main Board of the Stock Exchange and the Distribution, whereby the Qualifying China Travel HK Shareholders will be entitled to one Share for every [REDACTED] China Travel HK Shares held as at the Record Date. The Introduction does not involve any public offering of our Shares or any other securities of our Company for purchase or subscription.

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We have applied to the Stock Exchange for the [REDACTED] of, and permission to [REDACTED], our Shares. The Spin-off and the [REDACTED] are conditional upon the Listing Committee of the Stock Exchange granting its approval for the [REDACTED] of, and permission to [REDACTED], our Shares, and such approval not having been revoked prior to 8:00 a.m. (Hong Kong time) on the [REDACTED]. If such conditions are not satisfied, the Spin-off and the [REDACTED] will not take place.

On [●], the China Travel HK Board declared the Distribution to the Qualifying China Travel HK Shareholders. The Distribution will be satisfied wholly by way of a distribution in specie of [up to] an aggregate of [REDACTED] Shares, representing the entire issued share capital of our Company, to the Qualifying China Travel HK Shareholders. For details, see “Information about this document and the Introduction.”

In preparation for the Spin-off and the [REDACTED], China Travel HK Group underwent the Spin-off Reorganization. Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on September 12, 2025. Prior to the Spin-off Reorganization, the subsidiaries holding the Spin-off Businesses were directly or indirectly owned by China Travel HK. Pursuant to a series of equity transfers and debt assignment arrangements, the equity interests in the companies comprising the Spin-off Businesses were transferred to our Company, certain intercompany indebtedness relating to the Spin-off Businesses was assigned to our Company. The Spin-off Reorganization was completed on May 13, 2026. Upon completion, the relevant subsidiaries and associated companies of China Travel HK became subsidiaries and associated companies of our Company, respectively, and our Company became the holding company of all operating subsidiaries of our Group. For details, see “History and Development—The Spin-off Reorganization.”

OUR CONTROLLING SHAREHOLDERS

As of the date of this document, our Company is a direct wholly-owned subsidiary of China Travel HK. As the Distribution will be effected by distributing the entire issued share capital of our Company to the Qualifying China Travel HK Shareholders in proportion to their shareholdings in China Travel HK on the Record Date, immediately after the Distribution, our Company will cease to be a subsidiary of China Travel HK, and the Controlling Shareholders of our Company will include CTG, CTS (Holdings), CTS Asset Management and Hongkong New Travel.

There is a clear delineation between the businesses of our Group and the CTG Group and the remaining business of the Retained Group after the Spin-off and our Group is able to function and operate independently from our Controlling Shareholders. For details, see “Relationship with Controlling Shareholders.”

CONTINUING CONNECTED TRANSACTIONS

Our Group has entered into and will continue to engage in certain transactions in our ordinary and usual course of business with connected persons of our Company. For details, see “Continuing Connected Transactions.”

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables present our historical financial information for the years or as of the dates indicated. This summary has been derived from our historical financial information set forth in the Accountants’ Report in Appendix I to this document. The summary historical financial data set forth below should be read together with, and is qualified in its entirety by reference to, the historical financial information included in the Accountants’ Report in Appendix I to this document, including the accompanying notes, and the information set forth in “Financial Information.” Our historical financial information was prepared in accordance with HKFRS Accounting Standards.

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Summary of Combined Income Statements

The following table sets forth a summary of our combined income statements for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(HKD in thousands, except percentages)</i>					
Revenue	2,191,133	100.0	2,241,940	100.0	2,197,836	100.0
Cost of sales	(1,385,156)	(63.2)	(1,493,198)	(66.6)	(1,573,853)	(71.6)
Gross profit	805,977	36.8	748,742	33.4	623,983	28.4
Other income and gains, net	85,307	3.9	83,871	3.7	74,497	3.4
Fair value loss of investment properties	(21,500)	(1.0)	(206,701)	(9.2)	(182,270)	(8.3)
Selling and distribution costs	(64,096)	(2.9)	(67,901)	(3.0)	(67,949)	(3.1)
Administrative expenses	(256,409)	(11.7)	(259,563)	(11.6)	(273,480)	(12.4)
Operating profit	549,279	25.1	298,448	13.3	174,781	8.0
Finance income	19,137	0.9	12,369	0.6	7,950	0.4
Finance costs	(30,967)	(1.4)	(51,451)	(2.3)	(38,694)	(1.8)
Finance costs, net	(11,830)	(0.5)	(39,082)	(1.7)	(30,744)	(1.4)
Share of profits and losses of:						
– associates	33,916	1.5	46,664	2.1	48,137	2.2
– joint ventures	(3,559)	(0.2)	(2,349)	(0.1)	4,087	0.2
Profit before taxation	567,806	25.9	303,681	13.6	196,261	9.0
Tax expense	(88,521)	(4.0)	(109,595)	(5.0)	(78,779)	(3.6)
Profit for the year	479,285	21.9	194,086	8.6	117,482	5.4

See “Financial Information—Description of Selected Components of Combined Income Statements” and “Financial Information—Period to Period Comparison of Results of Operations” for detailed analysis.

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Summary of Combined Statements of Financial Position

The following table sets forth selected information from our combined statements of financial position as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(HKD in thousands)</i>		
Total non-current assets	10,180,959	9,899,192	9,577,765
Total current assets	1,029,915	967,805	959,223
Total Assets	11,210,874	10,866,997	10,536,988
Total non-current liabilities	1,145,867	1,083,546	748,944
Total current liabilities	3,204,088	2,744,564	5,370,804
Total liabilities	4,349,955	3,828,110	6,119,748
Net current liabilities	(2,174,173)	(1,776,759)	(4,411,581)
Total equity and liabilities	11,210,874	10,866,997	10,536,988

As of December 31, 2023, 2024 and 2025, we recorded net current liabilities of HKD2,174.2 million, HKD1,776.8 million and HKD4,411.6 million, respectively. Our net current liabilities position was primarily attributable to amounts due to holding companies and loans from a holding company. Amounts due to holding companies primarily represented trade-related balances, and other balances which were non-trade in nature, unsecured, interest-free and repayable on demand. The increase in our net current liabilities as of December 31, 2025 was mainly due to the increase in amounts due to holding companies as a result of the dividends declared by our subsidiaries to their shareholders, amounting to HKD2,625.0 million as of December 31, 2025. As part of the Spin-off Reorganization, non-trade amounts due to holding companies and loans from a holding company of HKD4,358.4 million as of December 31, 2025 were assigned to the Company on May 13, 2026, in consideration of which the Company allotted and issued a certain number of Shares to China Travel HK. Following the debt assignment and the share allotment, the amounts previously owed by us to China Travel HK were capitalized and extinguished.

See "Financial Information—Discussion of Certain Selected Items from the Combined Statements of Financial Position" for detailed analysis.

Summary of Combined Statements of Cash Flows

The following table sets out our cash flows for the years indicated:

	For the Year ended December 31,		
	2023	2024	2025
	<i>(HKD in thousands)</i>		
Net cash flows from operating activities	825,659	675,489	560,880
Net cash flows used in investing activities	(1,589,673)	(147,754)	(39,004)
Net cash flows from/(used in) financing activities	528,230	(558,329)	(572,118)
Net decrease in cash and cash equivalents	(235,784)	(30,594)	(50,242)
Cash and cash equivalents at beginning of year	781,212	541,344	508,284
Effect of foreign exchange rate changes, net	(4,084)	(2,466)	9,259
Cash and cash equivalents at end of year	541,344	508,284	467,301

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See “Financial Information—Liquidity and Capital Resources—Cash Flows” for detailed analysis.

KEY FINANCIAL RATIOS

The table below sets forth the key financial ratios of our Group as of the dates indicated:

	As of December 31,		
	2023	2024	2025
Current ratio	0.3	0.4	0.2
Quick ratio	0.3	0.3	0.2
Gearing ratio	17.6%	15.4%	23.0%

See “Financial Information—Key Financial Ratios” for detailed calculation of the key financial ratios.

DIVIDEND

In 2023, 2024, and 2025, no dividends were declared or distributed by our Company.

Currently, we do not have a formal dividend policy or a fixed or predetermined dividend distribution ratio. In determining or recommending the frequency, amount and form of any dividend in any financial year, the Board shall consider factors including, but not limited to, our actual and expected financial performance of our Group, economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of our Group, our business strategies and operations, including future cash commitments and investment needs to sustain the long-term growth aspect of the business, the current and future liquidity position and capital requirements and any other factors that the Board deems appropriate. The dividend payout ratio will vary from year to year. There is no assurance that dividends will be paid in any particular amount for any given period. As we are a holding company incorporated under the laws of the Cayman Islands, the payment and amount of any future dividends will be subject to certain restrictions under Cayman Islands law, namely that our Company may only pay dividends either out of profits and/or share premium account, and provided always that in no circumstances may a dividend be paid out of share premium if this would result in our Company being unable to pay its debts as they fall due in the ordinary course of business. Our future declarations of dividends may or may not reflect our historical declarations of dividends.

[REDACTED] EXPENSES

The total [REDACTED] expenses for the [REDACTED] are estimated to be approximately HKD[REDACTED] million, including (i) professional fees of the professional parties for their services rendered in relation to the [REDACTED], including sponsor fees, fees for legal advisors, reporting accountants, the internal control consultant and the independent industry consultant of approximately HKD[REDACTED] million; and (ii) other fees and expenses of approximately HKD[REDACTED] million. No [REDACTED] expenses has been charged to our combined income statements and [REDACTED] expenses of HKD[REDACTED] million is expected to be charged to our combined income statements for the year ending December 31, 2026.