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## INDUSTRY OVERVIEW

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*The information and statistics presented in this section and other sections of this document, unless otherwise indicated, were extracted from different official government publications and other publications, and from the industry report prepared by Frost & Sullivan, an independent market research and consulting company that was commissioned by us, in connection with this [REDACTED]. The information from official government sources has not been independently verified by us, the Sole Sponsor, any of their respective directors and advisers, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.*

### SOURCES OF INFORMATION

We engaged Frost & Sullivan, an independent market research consultant, to conduct an analysis of, and to prepare a report on Hong Kong and Macao hotel service market and the Greater Bay Area cross-boundary ferry and bus passenger transportation service market for the use in this document, which was commissioned by us for a fee of HKD550,000. In compiling and preparing the F&S Report, Frost & Sullivan adopted the following assumptions: (i) the social, economic and political conditions globally currently discussed will remain stable during the forecast period, (ii) government policies on Hong Kong and Macao hotel service market and the Greater Bay Area cross-boundary ferry and bus passenger transportation service market will remain consistent during the forecast period, (iii) Hong Kong and Macao hotel service market and the Greater Bay Area cross-boundary ferry and bus passenger transportation service market will be driven by the factors which are stated in the report in the forecast period. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the F&S Report. The F&S Report has been prepared by Frost & Sullivan independently without any influence from us or other interested parties.

### ANALYSIS OF HONG KONG AND MACAO HOTEL SERVICE MARKET

#### Definition and Classification of Hotel Service Market

Hotel service refers to a comprehensive service activity with accommodation as the core, providing services around travelers' living, catering and related supporting needs during their trips, usually including room service, catering service, leisure and entertainment, and retail.

#### Market Size of Hong Kong and Macao Hotel Service Market

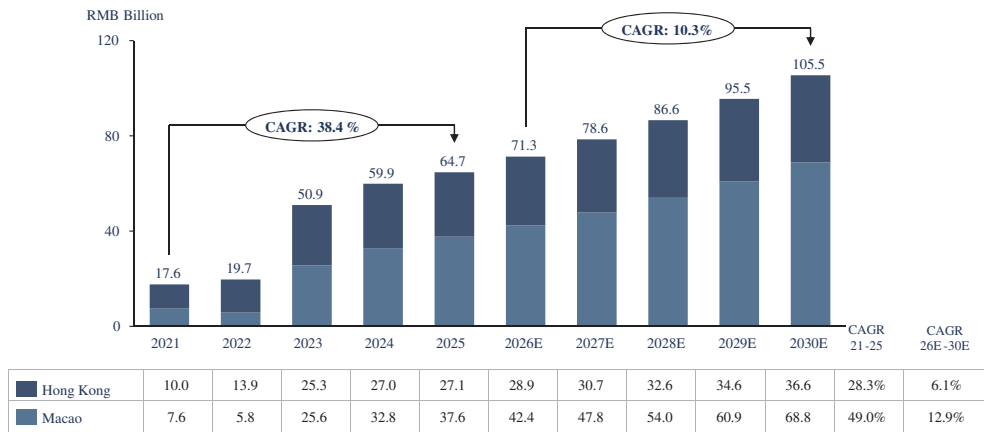
The Hong Kong and Macao hotel service market has shown a continuous growth trend. From 2021 to 2025, the market size of the market increased from RMB17.6 billion to RMB64.7 billion, with a CAGR of 38.4% during the period. Starting from a low base in 2021 due to the pandemic, the market gradually returned to normal as the impact of the pandemic faded and cross-border travel restrictions were relaxed, driving a steady recovery in inbound tourist arrivals. Secondly, the continuous upgrading of residents' consumption, optimization of hotel operation models and improvement of digital service capabilities have further facilitated the recovery and sound development of the market. Looking ahead, with the improvement of cross-boundary travel convenience, the demand for tourism and business travel will be continuously released. Coupled with the green and intelligent transformation of the hotel industry, the market will grow steadily. It is estimated that from 2026 to 2030, the market size will increase from RMB71.3 billion to RMB105.5 billion, with a CAGR of 10.3% during the period.

## INDUSTRY OVERVIEW

The Hong Kong hotel service market has achieved steady growth. From 2021 to 2025, the market size increased from RMB10.0 billion to RMB27.1 billion, with a CAGR of 28.3%. This growth is mainly driven by the rapid rebound in business travel demand, the continuous recovery of inbound tourism, and the rising demand for mid-to-high-end accommodation. Looking ahead to 2026 to 2030, the market size of Hong Kong's hotel service market is expected to grow steadily, with a CAGR of 6.1%.

The Macao hotel service market has also maintained a good growth momentum. From 2021 to 2025, the market size increased from RMB7.6 billion to RMB37.6 billion, with a CAGR of 49.0%. Driven by the continuous recovery of Macao's tourism market, the orderly resumption of cross-boundary travel, and the steady growth in demand for mid-to-high-end accommodation, the Macao hotel service market has achieved sustained and healthy development. Looking ahead to 2026 to 2030, the scale of Macao's hotel service market is expected to further break through, with a CAGR of 12.9%.

**Market Size of Hotel Service Market\* (by operating revenue),  
Hong Kong and Macao, 2021-2030E**



Source: Frost & Sullivan

\*Note: Hong Kong and Macao's hotel service market includes the room service, as well as the self-operated catering, leisure and entertainment, and retail services provided by hotels in Hong Kong and Macao.

### Market Drivers of Hong Kong and Macao Hotel Service Market

- Continuous Growth of Tourism and Business Travel Demand in Hong Kong and Macao.** With the improvement of residents' consumption confidence and capacity, after the full customs clearance between the Chinese mainland, Hong Kong and Macao, the cross-boundary tourism passenger flow has grown steadily. At the same time, various conferences, exhibitions and other business activities have been developing, and the scale of cross-boundary business travel has expanded, directly driving the release of hotel accommodation demand.
- Upgrading of Residents' Consumption Drives the Growth of Mid-to-High-End Accommodation Demand.** With the increase in residents' income and the change in consumption concepts, tourists to Hong Kong and Macao pay more attention to accommodation quality and personalized experience, and are willing to pay a premium for high-quality services, which drives the growth of demand for mid-to-high-end, boutique and resort hotels and promotes the quality-oriented development of the industry.

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## INDUSTRY OVERVIEW

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- ***Optimized Consumption Experience via Membership System and Service Upgrade.*** Major hotel groups improve their membership systems and enrich benefits to enhance customer stickiness. At the same time, they upgrade supporting services such as catering and intelligent check-in, promote online-offline integration, and improve customer satisfaction and repurchase rate.

### Development Trends of Hong Kong and Macao Hotel Service Market

- ***Continuous Improvement of Branding and Chain Operation.*** Intensified industry competition is driving resource integration, where branding ensures service quality and chain operation improves operational efficiency, reduces costs and expands market coverage, emerging as a key direction for the high-quality development of the Hong Kong and Macao hotel industry. A growing number of hotels are joining mature brand systems, propelling the industry towards standardized and efficient development.
- ***Accelerated Application of Digital and Intelligent Services.*** The in-depth integration of digital technology with the accommodation sector has become a crucial driver for hotels to enhance core competitiveness. Tools such as online booking and intelligent check-in are widely adopted, while big data and intelligent management systems enable hotels to achieve refined operation, striking a balance between efficiency improvement and cost control.
- ***Accelerated Development of Sustainable and Green Hotels.*** Against the backdrop of rising global environmental awareness and growing consumer demand for low-carbon travel, green hotel certifications, energy-saving and carbon-reduction facilities, and eco-friendly operational models have become new industry focuses. A growing number of hotels are adopting renewable energy, reducing single-use items, and implementing water recycling systems to support carbon neutrality goals, while enhancing brand image and long-term competitiveness.

## ANALYSIS OF THE GREATER BAY AREA CROSS-BOUNDARY FERRY AND BUS PASSENGER TRANSPORTATION SERVICE MARKET

### Definition and Classification of Passenger Transportation Service Market

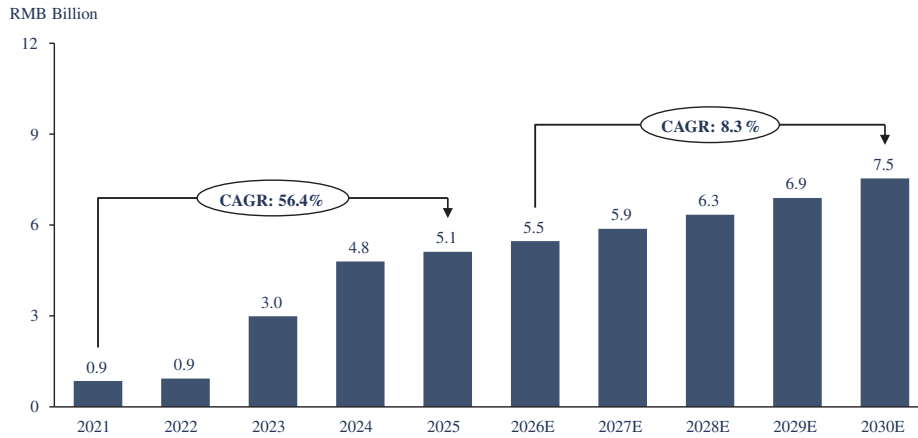
Passenger transportation service refers to activities that provide transportation for individuals and groups through air, rail, road, and waterway modes, along with related support services. Among them, bus and ferry services are the primary modes of passenger transportation by land and water, respectively.

### Market Size of the Greater Bay Area Cross-boundary Ferry and Bus Passenger Transportation Service Market

The development of the cross-boundary ferry and bus passenger transportation service market in the Greater Bay Area is driven by multiple factors. These include sustained regional economic growth and increased population mobility, which have supported rising demand for cross-boundary business and travel. At the same time, the continuous improvement of transportation infrastructure and enhanced customs clearance efficiency have further strengthened cross-boundary connectivity. In addition, ongoing policy initiatives promoting interconnectivity and transportation integration within the area, together with the gradual recovery of tourism and leisure travel demand, have collectively provided new growth momentum and supported the steady development of the overall market. It is estimated that from 2026 to 2030, the Greater Bay Area cross-boundary ferry and bus passenger transportation service market will grow at a CAGR of 8.3% and reach RMB7.5 billion by 2030.

## INDUSTRY OVERVIEW

### Market Size of Cross-boundary Ferry and Bus Passenger Transportation Service Market\* (by revenue), the Greater Bay Area, 2021-2030E



Source: Frost & Sullivan

\*Note: The Greater Bay Area cross-boundary ferry and bus passenger transportation service market includes ferry and bus passenger travel services between Hong Kong and Macao, Guangdong and Macao, and Guangdong and Hong Kong in the Greater Bay Area.

### Market Drivers of the Greater Bay Area Cross-boundary Ferry and Bus Passenger Transportation Service Market

- **Upgrading of Tourism Consumption and Continuous Growth in Demand.** With the rise in household disposable income and stronger consumer willingness to spend, leisure travel and business travel activities continue to flourish. Growing overall tourism market demand has driven the steady expansion of cross-boundary ferry and bus services, boosting revenue growth of relevant operators and improving overall transport capacity.
- **Urban Cluster and Regional Integration Boosting Transportation Demand.** The development of urban clusters and regional economic integration has strengthened connectivity among cities and regions, driving growth in cross-city commuting, tourism and business travel demand. Deepening regional integration continues to generate sustained demand for diversified passenger transportation services and supports the enhancement of industry service capabilities.
- **Ongoing Investment in Transportation Infrastructure and Network Expansion.** Ongoing construction and upgrading of transportation infrastructure, including expressways, cross-sea bridges and ports, have improved network connectivity and accessibility. The enhancement of transportation networks reduces travel time and improves service reliability, creating favorable conditions for industry growth and operational efficiency improvement.

### Development Trends of the Greater Bay Area Cross-boundary Ferry and Bus Passenger Transportation Service Market

- **Acceleration of Integrated and Multimodal Transportation Services.** Passenger transportation services are increasingly evolving toward integrated networks combining aviation, rail, road and waterway transportation. Multimodal solutions, such as coordinated scheduling and through-ticketing, enhance travel convenience and optimize the overall utilization efficiency of transportation networks.

## INDUSTRY OVERVIEW

- **Widespread Adoption of Digital Ticketing and Smart Mobility Services.** The industry is increasingly adopting online booking, mobile ticketing, electronic verification and smart mobility management platforms. Digital technologies improve operational efficiency, reduce passenger waiting time, and provide real-time information, thereby enhancing travel experience and service reliability.
- **Growing Focus on Service Quality and Operational Efficiency.** Operators are placing greater emphasis on punctuality, safety, passenger comfort and resource allocation efficiency. Through continued investment in fleet management, staff training and process standardization, companies are improving customer satisfaction while enhancing operational efficiency and cost effectiveness.

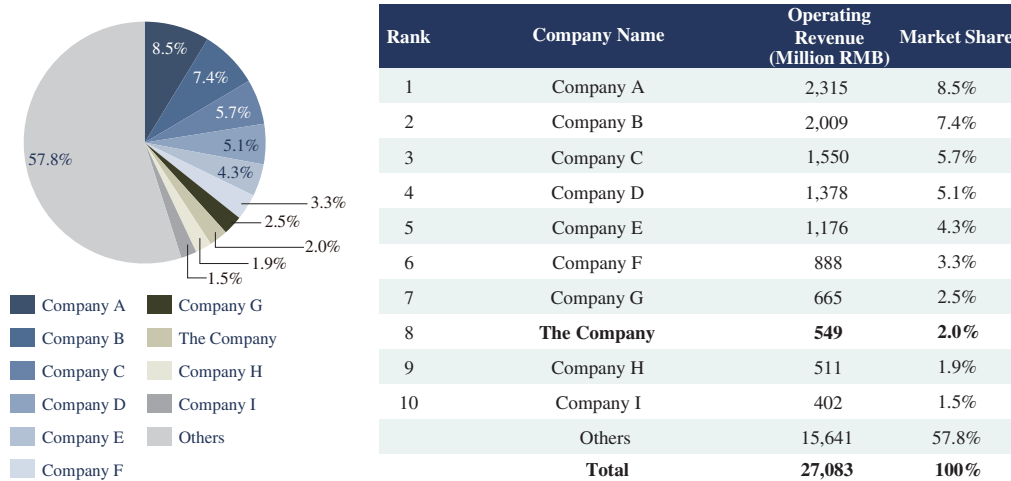
### COMPETITIVE ANALYSIS

#### Ranking of Hong Kong Hotel Service Providers

In 2025, Hong Kong hotel service market generated RMB27,083 million in operating revenue.

In terms of operating revenue in 2025, the Company ranked the 8th among hotel service providers in Hong Kong with self-owned property, generating RMB549 million and capturing a market share of 2.0%.

**Ranking of Hotel Service Providers with Self-owned Property (by operating revenue), Hong Kong, 2025**



Source: Frost & Sullivan

\*Note: Company A is a company headquartered in Hong Kong, China, and listed on the Hong Kong Stock Exchange. It was established in 1971 and primarily specializes in hotel ownership, operation and management, as well as related property investment.

Company B is a company headquartered in Hong Kong, China, and listed on the Hong Kong Stock Exchange. It was established in 1996 and primarily specializes in property development, investment and hotel operations.

Company C is a company headquartered in Hong Kong, China, and listed on the Hong Kong Stock Exchange. It was established in 1979 and primarily specializes in hotel ownership, operation and related hospitality services.

Company D is a company headquartered in Hong Kong, China, and listed on the Hong Kong Stock Exchange. It was established in 2013 and primarily specializes in the ownership and operation of premium hotels in Asia and globally.

## INDUSTRY OVERVIEW

Company E is a company headquartered in Hong Kong, China, and listed on the Hong Kong Stock Exchange. It was established in 1866 and primarily specializes in diversified business operations including property development and hotel investment.

Company F is a company headquartered in Hong Kong, China, and listed on the Hong Kong Stock Exchange. It was established in 1997 and primarily specializes in property development, investment and hotel operations in Hong Kong and Chinese Mainland.

Company G is a company headquartered in Hong Kong, China, and listed on the Hong Kong Stock Exchange. It was established in 1971 and primarily specializes in the ownership and management of luxury hotels and residences worldwide.

Company H is a company headquartered in Hong Kong, China, and listed on the Hong Kong Stock Exchange. It was established in 1950 and primarily specializes in hotel operation, property development and car park management.

Company I is a company headquartered in Hong Kong, China, and listed on the Hong Kong Stock Exchange. It was established in 1986 and primarily specializes in hotel ownership, operation and management.

### Ranking of Cross-boundary Ferry and Bus Passenger Transportation Service Providers in the Greater Bay Area

In 2025, the market size of the cross-boundary ferry and bus passenger transportation service market in the Greater Bay Area was RMB5,119 million, with the top five service providers collectively accounting for 70.7% of the market share.

In terms of revenue in 2025, the Company ranked second among cross-boundary ferry and bus passenger transportation service providers in the Greater Bay Area, generating revenue of RMB823 million and achieving a market share of 16.1%.

#### Ranking of Cross-boundary Ferry and Bus Passenger Transportation Service Providers (by revenue), the Greater Bay Area, 2025



Source: Frost & Sullivan

\*Note: Company J is a company headquartered in Guangdong Province, China, established in 2017 and primarily specializes in operating cross-boundary shuttle bus services in the Greater Bay Area.

Company K is a company headquartered in Hong Kong, China, and listed on the Hong Kong Stock Exchange. It was established in 1948 and primarily specializes in operating cross-boundary and local bus services in Hong Kong.

Company L is a company headquartered in Hong Kong, China, established in 1992 and primarily specializes in operating cross-boundary direct bus services between Hong Kong and Chinese Mainland.

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## INDUSTRY OVERVIEW

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Company M is a company headquartered in Hong Kong, China, established in 1980 and primarily specializes in operating cross-boundary shuttle bus services between Hong Kong and Chinese Mainland.

### Entry Barriers

- **Regulatory and Compliance Barriers.** In the passenger transportation market, operators are required to meet licensing, safety and operational compliance requirements. These requirements not only restrict market entry but also ensure service standards.
- **Brand Barriers.** In the passenger transportation sector, established operators benefit from their reputation, reliability and long-standing service track records, enabling them to attract customers and achieve higher load factors. Similarly, in the hotel service market, well-known hotel brands are more readily recognized by consumers due to their consistent service quality and strong brand reputation.
- **Resource Barriers.** In the passenger transportation market, key resources such as fleet size, terminal slots and access to transportation infrastructure are critical factors influencing market participation and operational scale. In the hotel service market, core resources include premium property locations, professional management teams and stable supply chain support. The difficulty in acquiring these resources also creates barriers for new entrants.
- **Capital Barriers.** The passenger transportation sector requires significant capital expenditure for vehicle procurement, access to infrastructure and operational setup, thereby creating financial barriers to entry. In the hotel service market, new entrants are also required to bear high costs related to property investment, renovation and refurbishment, brand licensing, and pre-opening operations.