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## RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

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### INFORMATION ON OUR CONTROLLING SHAREHOLDERS

As at the Latest Practicable Date, China Travel HK held the entire issued share capital of our Company. As disclosed in the section headed “The Distribution and Spin-off” in this document, the Distribution will be satisfied by way of a distribution to the Qualifying China Travel HK Shareholders of the entire issued share capital of our Company, in proportion to their shareholdings in China Travel HK on the Record Date, on the basis of one Share for every [REDACTED] China Travel HK Shares held on the Record Date. As at the Latest Practicable Date, China Travel HK was directly owned as to approximately [REDACTED]% by CTS (Holdings) and approximately [REDACTED]% by Hongkong New Travel, which is directly wholly owned by CTS Asset Management, which is in turn directly wholly owned by CTS (Holdings), and CTS (Holdings) is a direct wholly-owned subsidiary of CTG. As a result, 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.

Upon [REDACTED], we will operate independently from our Controlling Shareholders and their close associates, details of which are set out below.

### INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS AND THE RETAINED GROUP

Our Directors do not expect that there will be any significant transactions between our Group and our Controlling Shareholders or their respective close associates upon completion of the Spin-off and the [REDACTED] other than the transactions as disclosed in the section headed “Continuing Connected Transactions” in this document. Taking into account the factors discussed in the paragraphs below, our Directors are satisfied that upon [REDACTED], our Group will be able to conduct its business operationally and financially independent of our Controlling Shareholders and the Retained Group.

Our Group operates passenger transportation services in the Greater Bay Area (including the operation of cross-border ferry and bus services), hotel operations business in Hong Kong and Macao, and travel-document and related services, and ancillary to the above operations, hold certain investment properties in Hong Kong, Macao and Chinese Mainland and generate rental income therefrom. With the exception of the passenger transportation businesses which provide transportation services connecting Hong Kong and Macao with other cities in the Greater Bay Area and the ownership of the Beijing Guang’anmen Grand Metropark Hotel (the “**Beijing Hotel**”), the businesses and operations of our Group are in Hong Kong and Macao.

#### **Clear delineation of business**

##### *Delineation from the CTG Group*

Currently, CTG Group (comprising CTG, our Controlling Shareholder, and its subsidiaries and associates) owns and/or operates hotels in the Chinese Mainland, Hong Kong, and other countries and regions worldwide, including two hotels in Hong Kong, namely the Kimberley Hotel and Kew Green Hotel Mongkok (the “**Hong Kong Hotels**”). On the other hand, we currently own and operate five hotels and one serviced apartment in Hong Kong, one hotel in Macao and the Beijing Hotel.

Given both the CTG Group and we own hotels in Hong Kong and Beijing, to mitigate the potential competition of our hotel business with that of CTG Group and resolve any conflict of interests in relation thereto, (i) on [●], 2026, our Group entered into two separate hotel management entrustment agreements with CTG Group, pursuant to which CTG Group entrusted the exclusive management of the Hong Kong Hotels to us and our Group has the full authority to make final decisions as to the day-to-day commercial and operational

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decision-making of the Hong Kong Hotels, and (ii) on [●], 2026, our Group entered into a hotel management entrustment agreement with CTG Group, under which the exclusive management of our Beijing Hotel is entrusted to CTG Group and CTG Group has the full authority to make final decisions as to the day-to-day commercial and operational decision-making of the Beijing Hotel. For details of these entrustment agreements, please refer to "Continuing Connected Transactions—Partially Exempt Continuing Connected Transactions—Hotel Management Entrustment Agreements" in this document. Pursuant to the respective agreements, our Group will be the decision maker for all the management and business operations of the two Hong Kong Hotels, and enjoy the economic benefits of the Hong Kong Hotels, while CTG Group will be the decision maker for all the management and business operations of the Beijing Hotel, and enjoy the economic benefits of the Beijing Hotel. For the year ended December 31, 2025, (i) the unaudited total revenue of the Hong Kong Hotels were approximately HKD217.0 million; and (ii) the unaudited total revenue of the Beijing Hotel was approximately HKD143.9 million. During the same period, (i) the Hong Kong Hotels recorded net losses, and (ii) the unaudited net profits of the Beijing Hotel was approximately HKD15.2 million.

Based on the reciprocal entrustment arrangements described above, there is a clear business delineation between our Group and CTG Group in respect of the hotel businesses, and there will be no material competition between the parties upon the entering into of the aforementioned hotel management entrustment agreements based on geographical locations, whereby our Group will focus on operation of hotels in Hong Kong and Macao, and CTG Group will focus on operation of hotels in the Chinese Mainland and other countries and regions worldwide.

Regarding passenger transportation services, while our Group provides cross-boundary ferry and bus services in the Greater Bay Area, the CTG Group (i) operates cross-province or international sightseeing train services in Beijing, Hebei, Xinjiang and Yunnan in the PRC and Laos, (ii) shuttle bus services at tourist attractions in Beijing, (iii) chartered car, scheduled car and car rental services in Beijing and Hainan in the PRC, and (iv) tourist cruise services in the brand of China Cruises (華夏郵輪) along the Three Gorges region in the PRC. Hence, there is a clear geographical business delineation between the CTG Group and our Group in respect of passenger transportation services.

In providing our travel-document administration services to CTS (Holdings), we act as the exclusive agent of CTS (Holdings), pursuant to an arrangement in the terms of an agency agreement dated May 15, 2001 and a deed of novation dated June 1, 2020, we receive from CTS (Holdings) an agency fee of 45% of the gross fee revenue from travel permit applications for providing the above administration services. For details, see "Continuing Connected Transactions—Non-Exempt Continuing Connected Transactions—Travel Permit Administration Services Agreements."

In light of the factors set out above, neither our Controlling Shareholders and their respective close associates nor our Directors are interested in any business apart from our Group's business which competes or is likely to complete, directly or indirectly, with our Group's principal business and which disclosure is required pursuant to Rules 8.10(1) and 8.10(2) of the Listing Rules.

### *Delineation from the Retained Group*

The Retained Group is primarily engaged in theme parks, natural cultural scenic spot destinations and tourist attraction operations, which are predominantly located in Chinese Mainland. As part of its travel destination business operations, the Retained Group operates hotels are built in proximity to and are associated with core tourist attractions and scenic

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spots. The hotel operations in the Retained Group are expected to operate in the suburbs of first-tier and leading second-tier cities in the PRC as part of a traveling experience package targeting leisure and vacation travelers.

Our Group does not operate any theme parks or natural and cultural scenic spot destinations. The Retained Group does not operate any business in Hong Kong and Macao and does not have any business related to travel documents, hotels without any accompanying tourist attractions or scenic spots, or passenger transportation operations.

Accordingly, there is no overlap in the businesses of our Group and the Retained Group, and there is also a clear delineation of the businesses and operations commercially, geographically and strategically between our Group and the Retained Group, particularly in respect of the hotels within the travel destination business of the Retained Group and within our Group's hotel operations.

### Management Independence

Upon completion of the Spin-off and the [REDACTED], our Group and the Retained Group will have boards of directors that function independently of each other. Our Board consists of two executive Directors, namely Mr. Tao Xiaobin and Mr. Zhang Daorong, two non-executive Directors, namely Mr. Ha Yufeng and Mr. Tuen Chun Leung, and four independent non-executive Directors namely Mr. Fok Kai Kong Kenneth, BBS, JP, Ms. Lu Qiannan, Ms. Liu Xinxin and Dr. Li Baolin. The independent non-executive Directors will provide checks and balances over our Board's decision-making on significant transactions, connected transactions and other transactions involving any actual or potential conflict of interests. There are no overlapping directors between our Board and the China Travel HK Board.

The senior management team of our Group consists of Mr. Tao Xiaobin, Mr. Zhang Daorong and Mr. Jiang Bin. Following the completion of the Spin-off and the [REDACTED], there will be no overlapping personnel in senior management between our Group and the Retained Group.

We will adopt corporate governance measures to manage potential conflicts of directors' interests after the Spin-off and the [REDACTED] in accordance with the requirements of the Listing Rules. In addition, our Directors and senior management will be given sufficient training for their respective roles for a company listed on the Stock Exchange, including on directors' fiduciary duties to act in our best interests. On the basis of our Board's composition, our Directors believe that our Board will operate and resolve actual or potential conflicting matters involving our businesses independently of our Controlling Shareholders, and vice versa. We will therefore operate independently and in the interest of our Shareholders as a whole, and not in the interests of our Controlling Shareholders to the prejudice of other Shareholders.

Further, upon [REDACTED], we will have a separate management team and separate departments covering administration, human resources, strategic development investor and public relations, accounting and internal audit and compliance functions. All essential administration and daily operations of our Group will continue to be carried out by our Group independently of the CTG Group after completion of the Spin-off and the [REDACTED].

Based on the above, our Directors are of the view that our Group is capable of managing our business independently of our Controlling Shareholders and their respective close associates after the [REDACTED].

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### Operational Independence

The business and operation of our Group is not dependent on any member of the CTG Group. Following completion of the Spin-off and the [REDACTED], our Group has its own dedicated staff to operate the Spin-off Business independently from the Retained Group and the CTG Group. Our Group has independent access to its customers and suppliers and does not rely on the Retained Group and the CTG Group for such access.

In addition, our Group has full rights to make all decisions on, and to carry out, our own business operations independently. Our Group has our own departments specializing in the respective areas which have been in operation and are expected to continue to operate independently from our Controlling Shareholders and their close associates. Our Group holds the licenses and qualifications necessary to carry on our principal business. Our Group also has sufficient capital, facilities and employees to operate our business independently from our Controlling Shareholders and their close associates.

While we expect to conduct certain transactions with the CTG Group on normal commercial terms on a recurring and continuing basis after [REDACTED] for the reasons as disclosed in the section headed "Continuing Connected Transactions" in this document, our Group's business operations will be independent from our Controlling Shareholders and their respective close associates.

### Financial Independence

Our Company is empowered to make independent decision of business financial matters. Our Group has our own internal control, accounting and financial management system, accounting and finance department, independent treasury functions for cash receipts and payment and the ability to operate independently of our Controlling Shareholders from financial perspective.

We have sufficient capital to operate our business independently and have adequate internal resources and a strong credit profile to support our daily operations. Upon [REDACTED], there will be no financial assistance, security, or guarantee provided by our Controlling Shareholders or their respective close associates in our favor or vice versa (as the case may be).

## CORPORATE GOVERNANCE MEASURES TO AVOID CONFLICT OF INTEREST

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

- (i) we have established internal control mechanisms to identify connected transactions. Upon [REDACTED], if we enter into connected transactions with our Controlling Shareholders or any of their associates, our Company will comply with the applicable Listing Rules requirements;
- (ii) our Company has appointed four independent non-executive Directors to ensure the effective exercise of independent judgments on the decision-making process of our Board and provide independent advice to our Shareholders;
- (iii) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their close associates has a material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

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- (iv) our independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between our Group and our Controlling Shareholders (the "**Annual Review**") and provide impartial and professional advice to protect the interests of our minority Shareholders;
- (v) our independent non-executive Directors may request all information necessary for the Annual Review, including all relevant financial, operational and market information in reviewing the transactions between our Controlling Shareholders and our Group;
- (vi) we will disclose decisions on matters reviewed by the independent non-executive Directors either in our annual or interim reports or by way of announcements as required by the Listing Rules;
- (vii) where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our expenses; and
- (viii) we have appointed Somerley Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Controlling Shareholders and us, and to protect our minority Shareholders' interests after the [REDACTED].