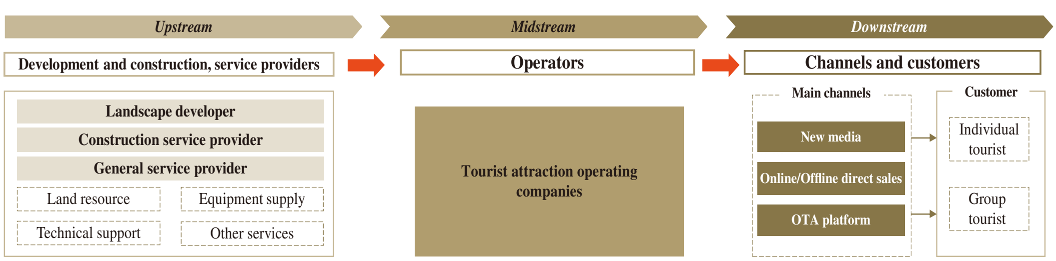
The information and statistics set out in this section and other sections of this document were extracted from the report prepared by CIC, which was commissioned by us, and from various official governmental publications and other publicly available publications. The information from official government sources has not been independently verified by us, the Sole Sponsor, or any of our or their respective directors, senior management, representatives, advisers or any other persons involved in this document and no representation is given as to its accuracy.

OVERVIEW OF CHINA'S TOURISM INDUSTRY

According to National Bureau of Statistics of China, China's tourism industry is a comprehensive economic sector that relies on tourism resources and provides services specifically or primarily for tourists, including travel, sightseeing, accommodation, dining, shopping, entertainment, etc. It aims to meet people's growing spiritual and cultural needs while promoting local economic development and cultural heritage preservation, with attractions generally categorised into cultural, natural and historical tourist attractions. Currently, tourism consumption patterns are increasingly shifting from traditional sightseeing toward cultural experiences and personalised travel itineraries, further deepening the integration of culture and tourism and driving the development of the broader tourism ecosystem.

Value Chain of China's Tourism Industry

Value Chain of China's Tourism Industry



Source: China Insights Consultancy

The upstream segment of China's tourism industry includes development and construction, and full supply chain management.

The midstream segment serves as the core of visitor experience and revenue generation. Key participants primarily include operators of tourist attractions, also including the operation of auxiliary service within the tourist attractions such as hotels, performances, catering service, cultural venues, etc. Midstream companies are also responsible for destination operation, content development, IP licensing and related commercialisation. Professional service providers, such as marketing, ticketing and membership service agencies, support these operators by enhancing customer acquisition, transaction efficiency and visitor management.

The downstream segment primarily consists of direct sales channels and third-party sales channels such as OTA platforms. Driven by the rapid development of new media platforms, direct sales channels have increasingly become important tools for brand promotion and visitor engagement, while OTA platforms continue to maintain a leading market position. Meanwhile, the group tourists are generally addressed by travel agencies. Together, these channels enable tourist attraction operators to reach diversified tourist groups and broaden market coverage.

Since 2022, driven by the recovery of the domestic tourism industry, the upgrading of consumer spending structures, and strong growth in overseas tourist arrivals, China has seen steady and sustained rebounds in both tourist visits and tourist spending. Domestic tourist visits rose from 3.2 billion in 2021 to 6.5 billion in 2025, representing a CAGR of 19.1% from 2021 to 2025. Tourist spending increased from RMB2.9 trillion in 2021 to RMB6.3 trillion in 2025, with a CAGR of 21.2% over the same period. Looking ahead, the total number of domestic tourist visits and tourist spending in China are expected to maintain a stable growth trajectory. Tourist visits are projected to reach 10.7 billion by 2030, with a CAGR of 10.3% from 2025 to 2030. In line with the supporting policies such as the 15th Five-Year Plan and related measures pertaining to the tourism industry, tourist spending is expected to reach RMB11.6 trillion by 2030, representing a CAGR of 12.9% between 2025 to 2030. Meanwhile, inbound tourist arrivals in China reached 154.5 million in 2025, nearly doubling from 2023 levels. The continued recovery in inbound tourism is expected to further support the growth of China's tourism industry.

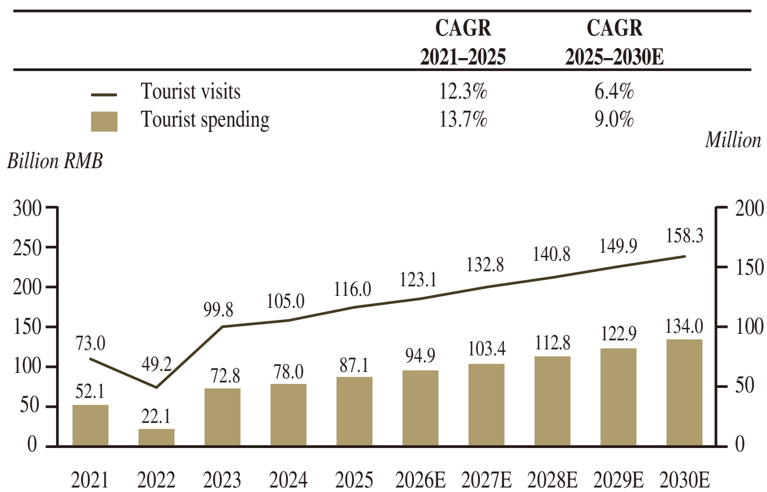
Overview of Henan's Tourism Industry

Henan Province, located in the middle and lower reaches of the Yellow River, is an important origin of Chinese civilisation and possesses favourable geographical conditions, providing a natural foundation for the development of its tourism industry. As a populous province, Henan has a permanent resident population of over 97.4 million as at the end of 2025, and its robust domestic demand provides strong support for the sustained growth of the tourism industry. According to Henan Provincial Bureau of Statistics, tourist spending accounted for 16.2% of the province's GDP in 2025, underscoring the tourism industry's important contribution to regional economic growth and employment. Relying on Central Plains culture and integrating distinctive resources such as Yellow River culture, ancient capital culture, and martial arts (Kung Fu) culture, Henan's tourism industry has formed a diverse system of tourism products through preservation, transformation, and industrialisation, achieving the dual goals of cultural heritage and economic development. Since 2022, tourist visits and tourist spending in Henan Province have recovered and entered a period of steady growth. Tourist visits increased from 0.8 billion in 2021 to 1.1 billion in 2025, representing a CAGR of 8.7% from 2021 to 2025. Tourist spending rose from RMB0.6 trillion in 2021 to RMB1.1 trillion in 2025, with a CAGR of 15.5% over the same period. It is expected that by 2030, tourist visits in Henan Province will reach 1.4 billion, with a CAGR of 4.6% from 2025 to 2030. In line with the policy targets of relevant national authorities, specifically the economic goals set forth in the 15th Five-Year Plan, the total tourist spending during the same period is expected to reach RMB1.6 trillion, with a CAGR of 8.2%.

Overview of Kaifeng's Tourism Industry

Kaifeng is the city located in eastern Henan Province within the Yellow River basin, and it is one of China's renowned historical and cultural cities. The city possesses profound cultural heritage, inheriting a thousand years of historical legacy and featuring distinctive traditional Chinese cultural characteristics. As a key nodal city of the Central Plains Urban Agglomeration, Kaifeng has a permanent resident population of approximately 4.7 million. In 2025, the city received over 116.0 million tourists, ranking third in the province; its tourist spending ranked fourth in the province, with tourist spending accounting for 30% of the Kaifeng's total GDP, making it a core pillar driving economic growth, boosting employment and income, and enhancing the city's brand. Centred on Song culture as its core, Kaifeng's tourism integrates distinctive resources such as ancient capital culture, Yellow River culture, and folk intangible cultural heritage. Through the revitalisation of cultural heritage, immersive scene reconstruction, and business model innovation and upgrading, Kaifeng is building the core IP of Song culture and developing a diverse product system encompassing performances, night tours, study tours, and cultural and creative products. Since 2022, tourist visits and tourist spending in Kaifeng's tourism industry have shown a significant increase and maintained a steady growth trend. Tourist visits increased from 73.0 million in 2021 to 116.0 million in 2025, representing a CAGR of 12.3% from 2021 to 2025. Tourist spending rose from RMB52.1 billion in 2021 to RMB87.1 billion in 2025, with a CAGR of 13.7% over the same period. Looking ahead, the number of tourist visits and tourist spending in Kaifeng are expected to maintain a stable growth trajectory. Tourist visits are projected to reach 158.3 million by 2030, with a CAGR of 6.4% from 2025 to 2030. Based on the policy targets of relevant national authorities, specifically the economic goals set forth in the 15th Five-Year Plan, tourist spending is expected to reach RMB134.0 billion by 2030, representing a CAGR of 9.0% from 2025 to 2030.

Market Size of Kaifeng's Tourism Industry, by tourist visits and tourist spending, 2021–2030E



Source: Kaifeng Bureau of Statistics, China Insights Consultancy

Key Policy Empowerment for the Tourism Industry in China, Henan Province, and Kaifeng

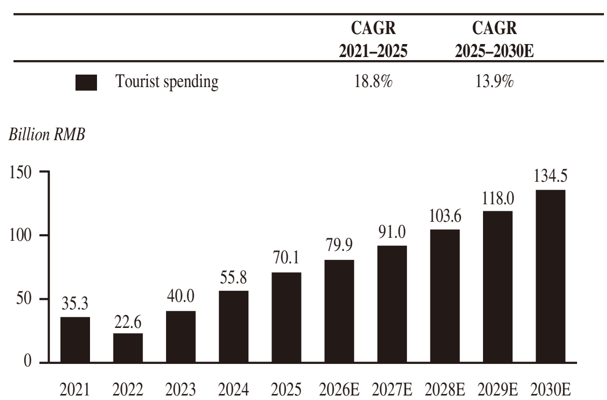
As the strategic goals of the 15th Five-Year Plan for the tourism industry are fully rolled out and implemented, a series of policies have been successively introduced at the national, Henan Provincial, and Kaifeng municipal levels in 2026 to further drive the industry's growth toward high-quality and sustainable development. National and regional policies, including the 15th Five-Year Plan for National Economic and Social Development of the People's Republic of China, the Three-Year Action Plan for the Construction of Key Cultural and Tourism Industry Chain Clusters in Henan Province (2025–2027), and the Zhengzhou-Kaifeng Integrated Development Plan, are expected to continue supporting the stable development of the tourism industry over the forecast period. Under the 15th Five-Year Plan, a core socio-economic objective is to ensure that the tourist spending nationwide achieves no less than approximately 5% annual growth.

OVERVIEW OF CHINA'S THEME PARK INDUSTRY

A theme park is a composite tourism and leisure destination that possesses a clear and unified IP, and is planned, designed, and operated around a specific cultural or entertainment theme. Requiring substantial land area and capital investment, theme parks feature large-scale amusement rides as the experience carrier, and generally operate under a closed management model. Its core characteristics include: (i) closed management and long-term continuous commercial operations; (ii) providing large-scale amusement rides, performances and other forms of entertainment, complemented by integrated service facilities and consumption scenarios such as rides, dining, retail, etc.; (iii) a ticketed operational model, under which visitors are required to pay an admission fee to enter and enjoy various entertainment facilities. The park generally has fixed operational premises and may be designed as an indoor, outdoor, or combined indoor-outdoor enclosed space.

Theme parks in China have gradually shifted from pursuing high ticket revenues to driving tourist visit growth, leveraging stable and recurring park attendance to drive consumption across dining, retail, entertainment, and other services. Many parks have introduced and adopted annual pass systems and membership-based operation models to reduce per-visit cost for guests to enhance consumer loyalty.

Market Size of China's Theme Park Industry, by tourist spending, 2021–2030E



Source: China Insights Consultancy

The total tourist spending on China's theme parks has shown a significant increase and maintained a steady growth trend. Tourist spending increased from RMB35.3 billion in 2021 to RMB70.1 billion in 2025, with a CAGR of 18.8% from 2021 to 2025. Looking ahead, tourist spending in China's theme park industry is expected to maintain a stable growth trajectory, reaching an estimated RMB134.5 billion by 2030, with a CAGR of 13.9% from 2025 to 2030.

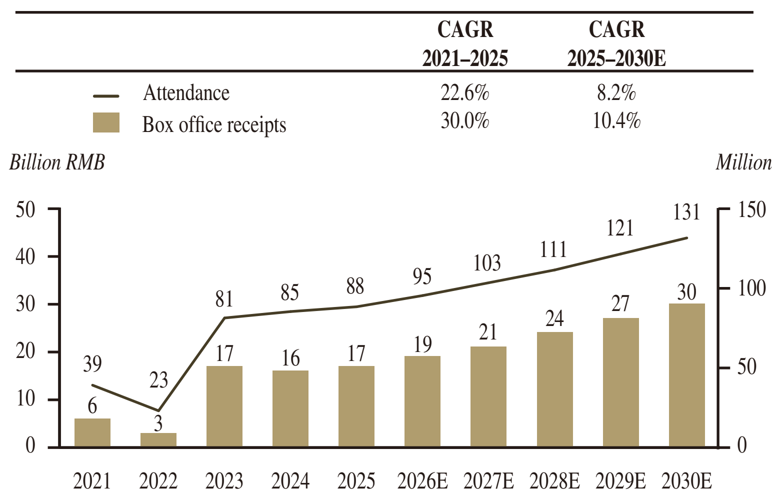
OVERVIEW OF CHINA'S TOURISM PERFORMANCE INDUSTRY

China's tourism performance industry refers to a comprehensive business format centred on tourism, leveraging landscapes, theatres, themed spaces, and other venues to present traditional Chinese culture, historical stories, and folk customs through performing arts. It provides visitors with immersive, interactive, and artistic experiences. As an important manifestation of tourism integration, it plays a significant role in enriching visitor experiences, extending dwell time, upgrading consumption levels, and promoting the coordinated development of the cultural industry and tourism industry. Based on different performance settings and forms of expression, tourism performances can be divided into:

Scenery performances: Using large-scale landscapes or natural scenery as the stage backdrop of performance, integrating sound, lighting, and visual effects technologies with a large cast, to create a magnificent, awe-inspiring spectacle that is seamlessly integrated with the physical landscape.

Theatre performances and others: Relying on enclosed or limited-space venues such as tourism-oriented theatres, indoor performing arts centres, and themed immersive venues, these performances are primarily designed for tourism scenarios and visitor experiences, emphasising professional artistic creation and coherent narrative expression, while featuring non-outdoor live performance formats with both artistic value and cultural communication attributes.

Market Size of China's Tourism Performance Industry, by attendance and box office receipts, 2021–2030E



Source: China Performance Industry Association, China Insights Consultancy

The number of attendances in China's tourism performance industry increased from 38.9 million in 2021 to 88.0 million in 2025, with a CAGR of 22.6% from 2021 to 2025. Looking ahead, the number of attendances in China's tourism performance industry is expected to continue its stable growth trajectory, reaching 130.5 million by 2030, representing a CAGR of 8.2% from 2025 to 2030. The box office receipts of China's tourism performance industry has also increased from RMB6.1 billion in 2021 to RMB17.4 billion in 2025, with a CAGR of 30.0% from 2021 to 2025. In the future, the total box office receipts of China's tourism performance industry is expected to maintain a stable growth trajectory, reaching RMB29.6 billion by 2030, representing a CAGR of 10.4% from 2025 to 2030.

COMPETITIVE LANDSCAPE

In 2025, the Company's Millennium City Park, with traditional Chinese culture as its core theme park attribute, and operated as the only theme park in Henan Province that offered large-scale scenery tourism performances, achieved a total number of tourist visits of 9.6 million, ranking fourth among all individual theme parks in China and making the Company the only theme park with traditional Chinese cultural attributes among the top 5 nationwide.

Market Ranking of China's Top Five Individual Theme Park, 2025
By Tourist Visits

Ranking	Company	Theme Park attribute	Tourist visits *(million)*
1	Company A[1]	Marine life	17.7
2	Company B[2]	Movies and TV dramas	14.8
3	Company C[3]	Movies and TV dramas	9.8
4	**The Company**	**Traditional Chinese culture**	**9.6**
5	Company D[4]	Wild life	4.8

Note: Tourist visits refer to the aggregate number of visitors admitted to theme park.

1. Company A is a large-scale marine-life themed park opened in 2014 in Zhuhai, China, integrating marine animal exhibitions, themed entertainment attractions and tourism and leisure services.

2. Company B is a large-scale movie and TV drama themed park opened in 2016 in Shanghai, China, featuring globally recognised intellectual property, immersive themed attractions and integrated leisure and entertainment experiences.

3. Company C is a large-scale movie and TV drama themed park opened in 2021 in Beijing, China, featuring globally recognised film and entertainment intellectual property, immersive themed attractions and integrated tourism and leisure experiences.

4. Company D is a large-scale wildlife-themed park opened in 1997 in Guangzhou, China, featuring wildlife conservation and exhibition, safari experiences, themed attractions and integrated tourism and leisure services.

Source: China Insights Consultancy

As a province endowed with both remarkable natural landscapes and profound cultural heritage, Henan's tourism profile is prominently shaped by its top-tier tourist attractions. Tourist attractions levelled 3A and above collectively account for approximately 70% of the province's total tourist visits, while over 50% of all tourist visits are headed to the 5A-level tourist attractions. In 2025, with Chinese folk culture and human history as its core themes, the Company recorded a total of 9.6 million tourist visits, ranking first among all 5A-level tourist attractions in Henan Province.

Market Ranking of the Top Five 5A-level Tourist Attractions in Henan, 2025
By Tourist Visits

Ranking	Tourist attraction	Tourist visits *(million)*
1	**The Company's Tourist attraction**	**9.6**
2	Tourist attraction A[1]	8.5
3	Tourist attraction B[2]	6.3
4	Tourist attraction C[3]	6.0
5	Tourist attraction D[4]	4.2

Note: Tourist visits refer to the aggregate number of visitors admitted to tourist attractions and attendees of tourism performances.

1. Tourist attraction A is one of the representative grotto sites located in Luoyang, renowned for its sophisticated stone carving craftsmanship and diverse sculptural subjects, and is recognised as a representative example of Buddhist art.

2. Tourist attraction B is a natural landscape located in Jiaozuo and is characterised by mountainous and water landscapes, integrating geological landforms and cultural heritage resources, with attractions including canyon landscapes, peak forest formations and waterscape.

3. Tourist attraction C is a natural landscape located in Luoyang, which consists of two major scenic areas, integrating Taoist cultural attractions with karst cave landscapes. The tourist area features integrated tourism resources centred on Taoist cultural heritage and natural cave formations.

4. Tourist attraction D is a world-renowned tourist destination located in Dengfeng, centred on martial arts culture, featuring extensive cultural heritage resources and distinctive natural landscapes. It is recognised as the ancestral temple of Chan Buddhism in China.

Source: China Insights Consultancy

In 2025, the Company's production *The Great Song Dynasty: Reminiscences of the Eastern Capital* achieved total box office receipts of RMB224.5 million, ranking fourth nationally in the tourism performance industry and second nationally among scenery performances, with a market share of 1.3% in terms of box office receipts in China's tourism performance industry.

Market Ranking of China's Top Five Tourism Performance, 2025
By Total Box Office Receipts

Ranking	Performance	Category	Box office receipts *(RMB million)*	Market share
1	*Performance A*[1]	Theatre	1,890.8	10.8%
2	*Performance B*[2]	Scenery	553.8	3.2%
3	*Performance C*[3]	Theatre	290.2	1.7%
4	***The Company's Performance***	**Scenery**	**224.5**	**1.3%**
5	*Performance D*[4]	Theatre	198.1	1.1%

Note:

1. Performance A is a large-scale song and dance performance series premiered in 1997 in Hangzhou, developed under an integrated theme park and tourism performance model, centred around local cultural themes across multiple tourist destinations in China and incorporating sound-and-light technologies and stage machinery to enhance audience immersion.

2. Performance B is a live-action historical dance drama premiered in 2006 in Xi'an, themed around a Tang Dynasty love story, integrating natural landscape settings, lighting effects and large-scale stage technologies to deliver an immersive viewing experience.

3. Performance C is a live performance premiered in 2024 in Xi'an, depicting the historical process of Qin's unification of the six states, utilising aerial moving stage installations, dynamic stage machinery and 3D holographic projection technologies to recreate the military and cultural landscape of the Qin Dynasty and deliver an immersive viewing experience.

4. Performance D is a live-action song and dance performance premiered in 2017 in Xi'an, featuring a moving immersive theatres format, themed around the Belt and Road Initiative and traditional Tang Dynasty culture.

Source: China Insights Consultancy

Driving Factors of China's Tourism Industry

- **Systematic Support and Regulation of the Policy Environment:** China's tourism policy supports the industry through a three-pronged approaches include goal orientation, factor guarantees, and standards/regulations. National policies prioritise tourism infrastructure through long-term treasury bonds and aim to foster internationally influential tourism brands and industry growth. Standardisation drives quality improvement, with new tourist attraction quality ratings including tourism integration, visitor management, and safety/ecological requirements as key factors.

- **Deep Integration and Living Transformation of Traditional Chinese Culture:** China's tourism industry has overcome the content supply bottleneck by tapping into local history and cultural IPs, integrating them across all aspects. Through immersive experiences and digital technology, it has transformed culture into a dynamic force. Tourist attractions are innovatively transmitting traditional culture, expanding their visitor base, and shifting from a "ticket economy" to a diversified "content + industry" model. More tourist attractions are leveraging local IPs to boost consumption, using asset-light operations to reduce expansion barriers and enhancing consumption spillover with synergistic services.

- **Industrial Ecosystem Synergy and Cross-sector Supply Upgrade:** China's tourism industry is advancing through industrial clusters, cross-sector integration, and supply-side upgrades. Leading firms combine IP, manufacturing, and operations to boost efficiency and drive hotels, catering, and retail. "Performance+" turns tickets into rights carriers, enabling new forms like commercial districts and night economy. New attractions and immersive technology shift the model from a ticket economy to a sustainable "content + industry" ecosystem.

Future Trends of China's Tourism Industry

- **Deep Activation and High-Quality Innovation of Traditional Cultural IP:** China's domestic tourism is entering a new phase of IP and full-life cycle operations centred on history and culture. It taps traditional resources such as historical stories, Guofeng aesthetics, and intangible heritage to create youthful, immersive IP. Digital tools like AI, XR, and holograms enable new forms such as immersive theatre and drone shows. Full-chain digital operations support cultural IP lifecycle management, aligning with the rise of Guochao consumption and cultural identity.

- **Further Coverage of All Age Groups:** China's tourism transition focuses on high-quality development and existing-market competition. The customer base now spans children, adults, and seniors, with multi-generational travel as the dominant trend. By optimising products, spaces, and services for different ages, the industry expands into study tours, senior leisure, family travel, and youth outings, addressing challenges such as narrow demographics, seasonal dips, and daytime dependence.

- **Head Consolidation and Asset-Light Expansion into Lower-Tier Cities:** Amid tighter regulations and fierce competition, resources and opportunities in China's tourism sector are shifting to leading firms with strong IP, capital, and operations. Meanwhile, lower-tier cities have become key growth drivers. Leaders adopt asset-light expansion to cut costs and fill gaps. Going forward, major players will strengthen IP and operations, while SMEs should focus on regional distinctiveness and differentiated competition.

Key Success Factors and Competitive Barriers of China's Tourism Industry

- **Cultural Content Development and Commercialisation Capability:** The ability to leverage cultural heritage resources and develop differentiated cultural content and immersive experiences through live performances, digital technologies and diversified tourism offerings is critical to attracting visitors, enhancing visitor engagement and expanding non-ticket revenue streams. The industry further extends its value chain through cultural products, study tours and tourism complexes, supporting diversified monetisation channels and broader tourism consumption scenarios. Leading operators may further establish recognisable cultural IPs, strengthening brand differentiation and long-term commercialization capabilities.

- **Diversified Visitor Acquisition and Regional Collaboration Capability:** Strong cooperation with OTA platforms, travel agencies, regional tourism alliances and local governments is important to maintaining stable tourist flows and expanding market reach. Established operators generally possess broader distribution networks and stronger regional influence, reinforcing their competitive positioning within the industry.

- **Integrated Consumption Ecosystem and Operational Capability:** The ability to develop integrated tourism consumption ecosystems with diversified tourism offerings and consumption scenarios, such as hotels, performances, night tours and cultural products, is important to enhancing visitor monetization, extending visitor stay duration and improving operational efficiency. China's tourism industry is also increasingly promoting the deep integration of "tourism +" business models across diversified consumption scenarios and tourism offerings. Such integrated operational capabilities generally require strong operational management, resource integration and cross-industry coordination capabilities.

- **Regional Resource Access and Policy Support:** Access to premium tourism resources, favourable geographical locations and government support are important factors driving the sustainable development of tourist attractions. High-quality cultural and tourism resources are scarce and often concentrated in established tourism destinations with strong local policy support and infrastructure advantages. The ability to leverage integrated urban-tourism infrastructure and distinctive local cultural and natural resources enhances tourism accessibility, differentiated tourism experiences and regional tourism appeal.

- **Technology, Digitalization and Capital Requirements:** The operation of smart tourism systems, digital platforms and immersive technologies, such as VR and AR technologies, increasingly requires substantial technology investment, specialised technical capabilities and compliance with stringent technical, data security and safety standards. In addition, tourism projects typically involve significant upfront investment, continuous operating expenditures and relatively long investment recovery cycles, favouring operators with stronger financial, technical and operational capabilities.

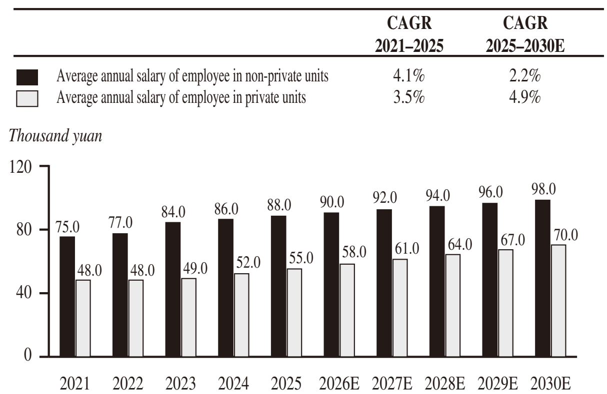
Challenges of China's Tourism Industry

- **Shortage of Skilled and Interdisciplinary Talent:** China's tourism industry faces a shortage of skilled and interdisciplinary talent in areas such as cultural content development, smart tourism management, immersive experience operations and digital operations. High turnover in frontline service positions and increasing competition for skilled professionals create challenges in maintaining service quality, operational efficiency and long-term talent retention.

ANALYSIS OF COST

Labour costs dominate operating expenses at Henan's tourist attractions, covering visitor services, management, security, and performances. It primarily include employee salaries, social insurance contributions, welfare benefits, and skill training expenses. Labour costs are rising due to higher service standards and policies, with high turnover and inefficient structures adding pressure.

Average Annual Salary of Employee in Urban Non-private and Private Units in Henan Province, 2021–2030E



Source: Henan Provincial Bureau of Statistics, China Insights Consultancy

DATA SOURCES AND RESEARCH METHODOLOGY

We have commissioned CIC to conduct an analysis and report on China's Tourism Industry. CIC is a market research and consulting firm established in Hong Kong, engaged in providing professional consulting services across various industries. We have agreed to pay CIC a fee of RMB800,000 for the preparation of the CIC Report. We have extracted certain information from the CIC Report in this section, as well as from the sections of "Summary," "Risk Factors," "Business," "Financial Information" and elsewhere in this Document. The data and information collected by CIC is independently prepared by CIC and is not subject to any influence from us or other interested parties. Unless otherwise specified, all data and forecasts contained in this section are sourced from the CIC Report.

The information and data collected by CIC have been analysed, evaluated and verified using CIC's internal analysis models and techniques. Primary research was conducted via interviews with key industry experts and leading industry participants. Secondary research involved analysis of market data obtained from several publicly available data sources. The market projections in the CIC Report are based on the following key assumptions: (i) the global social, economic, and political environment are expected to remain stable during the forecast period; (ii) global economic and industrial development are likely to maintain a steady growth in the forecast period; (iii) related industry key drivers are likely to continue to drive the growth of China's Tourism Industry in the forecast period; and (iv) there is no extreme force majeure or industry regulation in which the market may be affected dramatically or fundamentally. All forecasts in relation to market size are based on the general economic conditions as at the Latest Practicable Date.

Our Directors confirm that, to the best of their knowledge, after making reasonable inquiries and exercising reasonable care, there is no material adverse change in the market information since the date of the relevant data contained in the CIC Report which may qualify, contradict or have an impact on the information in this section.