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香港中旅國際投資有限公司
CHINA TRAVEL INTERNATIONAL INVESTMENT HONG KONG LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00308)

ANNOUNCEMENT OF 2024 FINAL RESULTS

CHAIRMAN'S STATEMENT

I am pleased to present my report to the shareholders:

BUSINESS REVIEW

On behalf of the Board of Directors (the “**Board**”) of China Travel International Investment Hong Kong Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), I hereby present the Group’s annual results announcement for the year ended 31 December 2024.

The year 2024 marks a crucial period for the in-depth implementation of the national “14th Five-Year Plan”. The Company is determined to execute these national strategic decisions and has achieved phased results in various initiatives, guided by our strategy of “based in Hong Kong, deeply-rooted in Hainan, expanding into Mainland China, and refining our overseas operations”. The Group continued to enhance its core functions and core competitiveness, and is maintaining its focus on shaping its investment, product, operations and digital capabilities as it strives to enhance its business scale and development level. In 2024, the Group’s consolidated revenue was HK\$4,627 million, representing a 3% increase compared with the previous year. Profit attributable to shareholders was HK\$106 million, representing a 56% decrease compared with the previous year. The Group’s cash flow remained steady and sufficient, the debt level was stable and controllable, and the financial position was healthy. As of 31 December 2024, cash and bank balances were HK\$2,444 million, total assets were HK\$24,532 million, and debt-to-capital ratio was 32%.

An interim dividend of HK1.5 cents per share was paid during the year. The Board does not recommend the payment of a final dividend for the year ended 31 December 2024.

EXTERNAL ENVIRONMENT

In 2024, facing a complex and severe situation of increased external pressures and internal difficulties, China's government responded by introducing a series of incremental policies to boost social confidence and revive the economy in overall stability, and successfully accomplished the major goals and tasks of economic and social development. According to the National Bureau of Statistics of China, China's GDP reached RMB134.9 trillion in 2024, representing a year-on-year growth of 5.0% calculated at constant prices. This was higher than the global projected growth rate of around 3%, making China the largest engine for world economic growth.

In Hong Kong, economic activity grew with the support of various government policies. The Hong Kong government has hosted a series of high-profile large-scale events to increase public participation and boost local consumption and tourism. The completion and operation of the three-runway system at Hong Kong International Airport increased its capacity for passenger and cargo flights. The government's efforts to attract high-quality tourists may be followed by further supportive policies, which should revitalise the market once cyclical factors turn favourable, thereby enhancing the Group's profitability.

CORPORATE DEVELOPMENT

At the Central Economic Work Conference in December 2024, "vigorously boosting consumption, improving investment efficiency and comprehensively expanding domestic demand" was placed at the top of a list of nine major tasks. In the overall presence of the parent company's tourism industry, the Company is positioned as a "first-class tourist destination investment and operation service provider" and regards "integrity management and quality service" as its core business philosophy. It promotes the in-depth integration and development of cultural tourism and focuses on fulfilling the people's desire for a better life while improving its operational scale and development level.

At present, the Group invests and operates a number of scenic destinations, maintaining a leading position in the industry. In October 2024, with the attention of leaders from China and Vietnam, the China-Vietnam Detian cross-border Tourism Cooperation Zone was officially put into operation, becoming the first cross-border tourism cooperation zone in China. The Company will focus on innovation, creativity and creation, enhance product and IP creation capabilities, improve the product system of "mountains, rivers, forests, fields, lakes, grasslands and sands" and create seasonal festival-themed projects of "spring, summer, autumn and winter" to form a replicable scenic IP operational model.

The Company adheres to strategic guidance and aims to increase its innovation and development efforts. At the end of 2024, it held a strategic seminar to further refine its strategy, resulting in placing greater emphasis on customer demand-oriented approaches and developing a multi-level and differentiated product series. Focusing on product and IP development, the Company is gradually enhancing the rapid replication and monetisation of product resources. Following the accident at Detian Scenic Spot in August 2024, the Group devised 12 specific actions from four aspects to reshape its system of safety management: "accident warning reflection", "holistic inspection and investigation", "establishment of long-term mechanism" and "strict accountability".

The Group will further increase the proportion of investments and assets in Hong Kong, with the aim of establishing a leading tourism and transportation investment platform in the Guangdong-Hong Kong-Macao Greater Bay Area. The Group will focus on development opportunities of Hong Kong tourism and cultural projects and cooperate with the Hong Kong Government to promote local tourism. It will strengthen the tourism and transportation business, pursue the transformation and upgrading of the bus and vessel businesses operated under Shun Tak-China Travel, and focus on studying and expanding its regional and business presence. As one of the Group's important strategic regions, Hainan will be subject of the "deeply-rooted in Hainan" strategy, to which the Group will intensify its efforts to expand. Overseas, the Group is working to complete the project design and commence the high-standard construction of its Ambara Resort project by 2025. The project's main building is expected to be completed and begin trial operation by the end of 2026. The Group will continue to explore high-quality overseas investment opportunities.

The Company assigns great importance to the national requirements for improving and strengthening the market value management of central enterprise-controlled listed companies. In particular, the Company is striving for breakthroughs in value creation and value release. While promoting performance growth, the Company continues to explore measures such as asset revitalisation. Through high-quality performance briefings, roadshows and reverse roadshows, it aims to communicate its strategy and performance to the capital market, fostering a virtuous cycle where performance growth drives market value enhancement, and market value enhancement in turn fuels corporate development.

The Group fulfills its corporate social responsibilities by engaging in rural revitalisation assistance. The Group has undertaken the task of paired assistance in Shangri-La and Deqin, Yunnan, and introduced external uncompensated assistance funds. During the year, it stepped up efforts in intellectual support, conducting training for 369 grassroots cadres, technical personnels and leaders in poverty-stricken areas. The Group continued to explore new models of industrial assistance, assisted the sale of speciality agricultural products in recipient points and promote the integration of assistance with the tourism industry chain, which resulted in the completion and operation of a boutique homestay project in Yujie Village, the commencement of a boutique homestay project at Tiger Leaping Gorge, a boutique homestay project on Haba Snow Mountain, and approval of the Hot Spring project in Dechen Valley. With a focus on consolidating the achievements of constructing the "Diqing Job-transfer Tourism Boutique Class", the Group is advancing the organic integration of assistance work with cultural tourism, continuing to innovate the mode of cooperation between tertiary institutions and enterprises and education assistance, and is building a "Tibetan incense" and "Straw weaving technology" intangible cultural heritage studio named after China Tourism Group Corporation Limited.

The Group has always placed a high priority on corporate governance, construction of the governance system, improvement of the governance mechanism, and strengthened comprehensive risk management, internal control system construction, and compliance management. For key subsidiaries, the Group plans for both existing and incremental targets in terms of market and asset integration, with particular attention given to sustainable development. The Group systematically advances the implementation of rectification and continues to improve its risk prevention and control capabilities.

PROSPECTS

Looking to 2025, the Chinese economy remains beset by challenges including far-reaching adjustments in the real estate market, restructuring of domestic demand, and the impact of trade wars. However, with the continued deepening of reform and opening up, the steady development of new quality productivity, the strengthening support of macroeconomic policies, and the orderly and effective resolution of key risks, the long-term positive trajectory of the economy remains unchanged. Emerging sectors such as green transformation, the digital economy and AI still promise new growth potential. The Group will maintain its strategic focus, intensify its transformation and development efforts, and deploy strategic emerging industries while adhering fully to risk management and strengthening compliance. The Company will focus on enhancing the efficiency of serving the real economy, adhere to a steady and progressive approach, and strive to achieve stable operations in a diversified and dynamic market environment.

Though it faces a complicated situation, the scenic spot industry is changing in line with a variety of opportunities. The Company will strengthen control over core resources and strategic scenic spots, improve the ability to navigate the cycle, explore IP operational models, and strengthen research and implementation of new content and gameplay. With its diverse and unique offerings, the Company aims to meet the needs of a wide range of consumers. The Company will work to address existing challenges and pursue its business development with great confidence and vigour.

The Group will implement its industry leadership plan to further enhance its competitiveness. It will identify market gaps through benchmarking, improve key indicators, build core competencies, and optimise its competitive strategy. The Group remains cautiously optimistic about the overall business fundamentals and will do its utmost to implement initiatives, maintain steady growth in operations, and accelerate breakthroughs in development bottlenecks to create greater value for shareholders. I would like to express my sincere gratitude to the Board, management and all employees for their dedication, loyalty, diligence and professional performance, and their valuable contributions to the Group.

Wu Qiang
Chairman of the Board

Hong Kong, 26 March 2025

The Board is pleased to present the consolidated results of the Group for the year ended 31 December 2024 together with the comparative figures.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Revenue	4	4,627,425	4,494,211
Cost of sales		<u>(3,140,379)</u>	<u>(2,979,093)</u>
Gross profit		1,487,046	1,515,118
Other income and gains, net	6	168,723	153,940
Fair value loss of investment properties		(222,092)	(19,126)
Impairment losses on property, plant and equipment		(32,905)	–
Selling and distribution costs		(245,597)	(273,259)
Administrative expenses		<u>(845,434)</u>	<u>(813,264)</u>
Operating income	6	309,741	563,409
Finance income	5	51,128	65,308
Finance costs	5	<u>(10,923)</u>	<u>(12,724)</u>
Finance income, net	5	40,205	52,584
Share of profits and losses of:			
– associates		71,081	89,675
– joint ventures		<u>(2,557)</u>	<u>(3,664)</u>
Profit before taxation		418,470	702,004
Tax expense	7	<u>(214,832)</u>	<u>(356,510)</u>
Profit for the year		<u>203,638</u>	<u>345,494</u>
Attributable to:			
Equity owners of the Company		105,972	239,548
Non-controlling interests		<u>97,666</u>	<u>105,946</u>
Profit for the year		<u>203,638</u>	<u>345,494</u>
Earnings per share for profit attributable to equity owners of the Company (HK cents)	9		
Basic earnings per share		<u>1.91</u>	<u>4.33</u>
Diluted earnings per share		<u>1.91</u>	<u>4.33</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit for the year	<u>203,638</u>	<u>345,494</u>
Other comprehensive (loss)/income for the year		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling), net of tax	(9,111)	27,330
Exchange differences on translation of foreign operations attributable to non-controlling interests, net	(25,149)	–
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations attributable to equity owners of the Company, net	<u>(174,088)</u>	<u>(67,741)</u>
Other comprehensive loss for the year, net of tax	<u>(208,348)</u>	<u>(40,411)</u>
Total comprehensive (loss)/income for the year	<u>(4,710)</u>	<u>305,083</u>
Attributable to:		
Equity owners of the Company	(76,277)	223,663
Non-controlling interests	<u>71,567</u>	<u>81,420</u>
Total comprehensive (loss)/income for the year	<u>(4,710)</u>	<u>305,083</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Note</i>	2024 HK\$'000	2023 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		9,638,670	9,568,333
Investment properties		3,232,813	3,464,007
Prepaid land lease payments		444,477	425,654
Goodwill		1,354,468	1,354,686
Other intangible assets		121,301	112,734
Investments in associates		1,335,883	1,322,266
Investments in joint ventures		78,974	68,532
Derivative financial instrument		–	1,145
Other financial assets		54,101	64,400
Prepayments and other receivables		45,846	13,560
Deferred tax assets		249,230	298,396
		<hr/>	<hr/>
Total non-current assets		16,555,763	16,693,713
		<hr/>	<hr/>
Current assets			
Inventories		147,748	168,955
Properties under development		3,980,836	3,804,347
Completed properties held for sale		418,276	503,462
Trade receivables	<i>10</i>	193,463	183,540
Deposits, prepayments and other receivables		456,690	598,837
Amounts due from holding companies		22,588	26,089
Amounts due from fellow subsidiaries		306,619	311,924
Tax recoverable		950	27
Pledged and restricted deposits		4,811	60,157
Cash and bank balances		2,444,190	2,663,388
		<hr/>	<hr/>
Total current assets		7,976,171	8,320,726
		<hr/>	<hr/>
Total assets		24,531,934	25,014,439
		<hr/> <hr/>	<hr/> <hr/>

	<i>Note</i>	2024 HK\$'000	2023 HK\$'000
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to owners of the Company			
Share capital		9,222,295	9,222,295
Reserves		6,883,715	7,132,069
		16,106,010	16,354,364
Non-controlling interests		2,025,883	1,897,686
		18,131,893	18,252,050
LIABILITIES			
Non-current liabilities			
Deferred income		561,643	586,347
Loans from a fellow subsidiary		350,957	468,981
Lease liabilities		277,681	218,532
Bank and other borrowings		640,424	662,964
Deferred tax liabilities		624,304	615,353
		2,455,009	2,552,177
Current liabilities			
Trade payables	<i>11</i>	763,042	880,596
Other payables and accruals		2,146,559	2,237,856
Loans from holding companies		337,202	337,147
Loans from a fellow subsidiary		86,389	–
Amounts due to holding companies		9,659	4,978
Amounts due to fellow subsidiaries		26,414	49,182
Lease liabilities		56,065	55,569
Tax payables		128,173	164,172
Bank and other borrowings		391,529	480,712
		3,945,032	4,210,212
Total liabilities		6,400,041	6,762,389
Total equity and liabilities		24,531,934	25,014,439

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1 Corporate information

China Travel International Investment Hong Kong Limited (the “Company”) and its subsidiaries (together the “Group”) are principally engaged in following activities:

- Tourist attraction and related operations
- Travel document and related operations
- Hotel operations
- Passenger transportation operations

The Company is a limited liability company incorporated in Hong Kong and is listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is 12th Floor, CTG House, 78-83 Connaught Road Central, Hong Kong.

In the opinion of the Company’s directors, the immediate holding company of the Company is China Travel Service (Holdings) Hong Kong Limited (“CTS (Holdings)”), which is incorporated in Hong Kong, and the ultimate holding company is China Tourism Group Corporation Limited, a People’s Republic of China (the “PRC”) state-owned enterprise.

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the Hong Kong Companies Ordinance. This announcement has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These consolidated financial statements have been prepared under the historical cost convention, except that investment properties, financial assets measured at fair value through other comprehensive income and derivative financial instrument, which have been measured at fair value. This financial information is presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

The financial information relating to the years ended 31 December 2024 and 2023 included in this announcement of annual results does not constitute the Company’s statutory annual consolidated financial statements for those years but, in respect of the year ended 31 December 2023, is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The consolidated financial statements for the year ended 31 December 2024 have yet to be reported by the Company’s auditor and will be delivered to the Registrar of Companies in due course. The Company has delivered the consolidated financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the "2020 Amendments")
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The application of the above revised HKFRSs has had no material impact on the Group's results and financial position.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ³
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ³
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ²
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
Amendments to HKAS 21	<i>Lack of Exchangeability</i> ¹
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature - dependent Electricity</i> ²
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ²

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual/reporting periods beginning on or after 1 January 2027

⁴ No mandatory effective date yet determined but available for adoption

The Group has already commenced an assessment of the impact of the above amendments to HKFRSs. So far it has assessed that the adoption of them is unlikely to have a significant impact on the Group's financial statements, except the Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the consolidated financial statements.

3 Operating segment information

Executive directors of the Company is the Group's chief operating decision-maker and regularly reviews the segment results. For management purposes, the Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments. No operating segments have been aggregated to form the reportable segments. A summary of details of the operating segments is as follows:

- (a) the tourist attraction and related operations segment engages in the operation of theme parks, scenic spots, cable car systems, skiing facilities, hot spring resorts, other resorts, arts performance and tourism property development mainly located in Mainland China;
- (b) the travel document and related operations segment engages in the provision of travel document and related services in Hong Kong and Mainland China;
- (c) the hotel operations segment engages in the provision of hotel accommodation, food and beverage services in Hong Kong, Macau and Mainland China; and
- (d) the passenger transportation operations segment engages in the provision of cross-border transportation services to individuals travelling between Hong Kong, Macau and Mainland China, vehicle and vessel rental and charter operations in Hong Kong, Macau and Mainland China.

Management has determined the operating segments based on the information reviewed by the chief operating decision maker and monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on the profit/(loss) attributable to equity owners of the Company of each reportable operating segment excluding changes in fair value of investment properties and a derivative financial instrument, results from disposal of subsidiaries, property, plant and equipment and equity-settled share option expenses.

Segment assets include all tangible and intangible assets and current assets with the exception of investments in associates and joint ventures and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities includes all trade payables, other payables and accruals, bank and other borrowings, tax payables and deferred tax liabilities, except for head office and corporate liabilities that are managed on a group basis.

Inter-segment sales and transfers are transacted with reference to the selling prices for sales transactions made to third parties at the prevailing market prices.

Year ended 31 December 2024

	Tourist attraction and related operations <i>HK\$'000</i>	Travel document and related operations <i>HK\$'000</i>	Hotel operations <i>HK\$'000</i>	Passenger transportation operations <i>HK\$'000</i>	Total of reportable segments <i>HK\$'000</i>	Corporate and others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue							
Sales to external customers	2,345,323	343,908	820,211	1,093,388	4,602,830	24,595	4,627,425
Inter-segment revenue	939	110	436	230	1,715	2,250	3,965
	<u>2,346,262</u>	<u>344,018</u>	<u>820,647</u>	<u>1,093,618</u>	4,604,545	26,845	4,631,390
Elimination of inter-segment revenue					(1,715)	(2,250)	(3,965)
Revenue					<u>4,602,830</u>	<u>24,595</u>	<u>4,627,425</u>
Segment results	<u>13,791</u>	<u>176,028</u>	<u>226,660</u>	<u>(10,506)</u>	<u>405,973</u>	<u>(99,435)</u>	306,538
Non-controlling interests							<u>85,414</u>
							391,952
Equity-settled share option expenses, net of tax							(4,306)
Fair value loss of investment properties, net of tax							(214,660)
Fair value loss of a derivative financial instrument, net of tax							(859)
Gain on disposal of subsidiaries, net of tax							4,892
Net gain on disposal of property, plant and equipment, net of tax							<u>26,619</u>
Profit for the year							<u>203,638</u>

	Tourist attractions and related operations <i>HK\$'000</i>	Travel document and related operations <i>HK\$'000</i>	Hotel operations <i>HK\$'000</i>	Passenger transportation operations <i>HK\$'000</i>	Total of reportable segments <i>HK\$'000</i>	Corporate and others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	11,763,705	1,652,413	6,027,886	1,345,597	20,789,601	2,327,476	23,117,077
Investments in associates	1,188,877	-	-	133,072	1,321,949	13,934	1,335,883
Investments in joint ventures	13,006	-	-	23,061	36,067	42,907	78,974
Inter-segment receivables	134,833	94,707	788,855	221,633	1,240,028	10,496,487	11,736,515
	<u>13,100,421</u>	<u>1,747,120</u>	<u>6,816,741</u>	<u>1,723,363</u>	<u>23,387,645</u>	<u>12,880,804</u>	<u>36,268,449</u>
Elimination of inter-segment receivables							(11,736,515)
Total assets							<u>24,531,934</u>
Segment liabilities	4,425,163	120,276	621,920	726,870	5,894,229	505,812	6,400,041
Inter-segment payables	3,652,508	58,427	3,894,658	787,293	8,392,886	3,343,629	11,736,515
	<u>8,077,671</u>	<u>178,703</u>	<u>4,516,578</u>	<u>1,514,163</u>	<u>14,287,115</u>	<u>3,849,441</u>	<u>18,136,556</u>
Elimination of inter-segment payables							(11,736,515)
Total liabilities							<u>6,400,041</u>
Other segment information:							
Share of profits and losses of associates	51,611	-	-	20,068	71,679	(598)	71,081
Share of profits and losses of joint ventures	8	-	-	(2,350)	(2,342)	(215)	(2,557)
Capital expenditure	495,291	53,822	222,810	25,053	796,976	72,550	869,526
- owned property, plant and equipment	417,002	29,861	173,463	2,137	622,463	68,165	690,628
- right-of-use assets and prepaid land lease payments	78,289	23,961	42,803	22,916	167,969	4,385	172,354
- investment properties	-	-	6,544	-	6,544	-	6,544
Depreciation and amortisation	268,730	31,883	96,505	120,494	517,612	7,022	524,634
- owned property, plant and equipment	236,205	16,387	82,313	98,448	433,353	4,246	437,599
- right-of-use assets and prepaid land lease payments	32,525	15,496	14,192	22,046	84,259	2,776	87,035
Provision for impairment of trade and other receivables, net	1,174	-	(36)	-	1,138	-	1,138
Provision for impairment of property, plant and equipment	32,905	-	-	-	32,905	-	32,905
Provision for impairment of investment of an associate	6,669	-	-	-	6,669	-	6,669

Year ended 31 December 2023

	Tourist attraction and related operations <i>HK\$'000</i>	Travel document and related operations <i>HK\$'000</i>	Hotel operations <i>HK\$'000</i>	Passenger transportation operations <i>HK\$'000</i>	Total of reportable segments <i>HK\$'000</i>	Corporate and others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:							
Sales to external customers	2,303,832	474,230	693,873	988,687	4,460,622	33,589	4,494,211
Inter-segment revenue	<u>255</u>	<u>2,187</u>	<u>696</u>	<u>75</u>	<u>3,213</u>	<u>2,520</u>	<u>5,733</u>
	<u>2,304,087</u>	<u>476,417</u>	<u>694,569</u>	<u>988,762</u>	4,463,835	36,109	4,499,944
Elimination of inter-segment revenue					<u>(3,213)</u>	<u>(2,520)</u>	<u>(5,733)</u>
Revenue					<u>4,460,622</u>	<u>33,589</u>	<u>4,494,211</u>
Segment results	<u>(99,817)</u>	<u>250,769</u>	<u>161,678</u>	<u>19,580</u>	<u>332,210</u>	<u>(48,930)</u>	283,280
Non-controlling interests							<u>105,946</u>
Equity-settled share option expenses, net of tax							389,226
Gain on bargain purchase of a subsidiary, net of tax							(14,259)
Gain on bargain purchase of a subsidiary, net of tax							4,819
Fair value loss of investment properties, net of tax							(19,171)
Fair value loss of a derivative financial instrument, net of tax							(16,066)
Net gain on disposal of property, plant and equipment, net of tax							<u>945</u>
Profit for the year							<u>345,494</u>

	Tourist attractions and related operations <i>HK\$'000</i>	Travel document and related operations <i>HK\$'000</i>	Hotel operations <i>HK\$'000</i>	Passenger transportation operations <i>HK\$'000</i>	Total of reportable segments <i>HK\$'000</i>	Corporate and others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	11,719,165	1,928,752	4,369,285	1,548,392	19,565,594	4,058,047	23,623,641
Investments in associates	1,209,125	–	–	98,300	1,307,425	14,841	1,322,266
Investments in joint ventures	43,122	–	–	25,410	68,532	–	68,532
Inter-segment receivables	2,549,811	79,783	475,302	164,842	3,269,738	7,050,774	10,320,512
	<u>15,521,223</u>	<u>2,008,535</u>	<u>4,844,587</u>	<u>1,836,944</u>	<u>24,211,289</u>	<u>11,123,662</u>	<u>35,334,951</u>
Elimination of inter-segment receivables							(10,320,512)
Total assets							<u>25,014,439</u>
Segment liabilities	4,356,959	153,630	515,415	883,807	5,909,811	852,578	6,762,389
Inter-segment payables	3,396,624	119,418	1,495,806	755,885	5,767,733	4,552,779	10,320,512
	<u>7,753,583</u>	<u>273,048</u>	<u>2,011,221</u>	<u>1,639,692</u>	<u>11,677,544</u>	<u>5,405,357</u>	<u>17,082,901</u>
Elimination of inter-segment payables							(10,320,512)
Total liabilities							<u>6,762,389</u>
Other segment information:							
Share of profits and losses of associates	56,281	–	–	33,916	90,197	(522)	89,675
Share of profits and losses of joint ventures	–	–	–	(3,559)	(3,559)	(105)	(3,664)
Capital expenditure (<i>note (a)</i>)	464,030	95,174	958,989	17,313	1,535,506	559,055	2,094,561
– owned property, plant and equipment	435,142	56,223	14,573	12,473	518,411	549,861	1,068,272
– right-of-use assets and prepaid land lease payments	28,888	38,951	1,326	4,840	74,005	9,194	83,199
– investment properties	–	–	31,500	–	31,500	–	31,500
– assets from acquisition of a subsidiary	–	–	911,590	–	911,590	–	911,590
Depreciation and amortisation	267,828	29,284	109,892	130,345	537,349	7,488	544,837
– owned property, plant and equipment	234,616	15,300	97,303	122,409	469,628	4,809	474,437
– right-of-use assets and prepaid land lease payments	33,212	13,984	12,589	7,936	67,721	2,679	70,400
Provision for impairment/(written back of provision for impairment) of trade and other receivables	8,348	–	11	–	8,359	483	8,842

Notes:

- (a) Capital expenditure consists of additions of property, plant and equipment, investment properties, prepaid land lease payments and assets from the acquisition of a subsidiary.

Geographical information

(a) Revenue from external customers

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong	2,014,515	1,927,120
Mainland China and Macau	<u>2,612,910</u>	<u>2,567,091</u>
	<u><u>4,627,425</u></u>	<u><u>4,494,211</u></u>

The analysis of the Group's revenue by geographical area is based on the location of operations at which the services were provided and the location of the customers that the goods were sold.

(b) Non-current assets

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong	8,868,810	6,619,149
Mainland China and Macau	<u>7,383,622</u>	<u>9,710,623</u>
	<u><u>16,252,432</u></u>	<u><u>16,329,772</u></u>

The information about the Group's non-current assets is based on the physical location of assets which exclude financial assets and deferred tax assets.

Information about major customers

There was no revenue from any sales to any single external customer that amounted to 10% or more of the total revenue of the Group during the year ended 31 December 2024 (2023: Nil).

4 Revenue

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered during the year.

Disaggregation of revenue

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Types of goods or services		
– Tourist attraction and related income	2,037,239	1,855,296
– Travel document and related income	343,908	474,272
– Hotel income	837,083	735,833
– Passenger transportation income	1,093,388	988,687
– Property sales income	126,605	291,478
– Consultancy and service income	29,042	28,871
	<u>4,467,265</u>	<u>4,374,437</u>
Revenue from other sources		
Gross rental income from investment properties		
– Fixed lease payments	<u>160,160</u>	<u>119,774</u>
	<u>4,627,425</u>	<u>4,494,211</u>

5 Finance income, net

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Finance income:		
Bank deposits and entrustment loans	<u>51,128</u>	<u>65,308</u>
Interest expense:		
Lease liabilities	(10,923)	(12,724)
Bank and other borrowings	<u>(59,975)</u>	<u>(46,213)</u>
	(70,898)	(58,937)
Less: Interest expense capitalised into properties under development and property, plant and equipment	<u>59,975</u>	<u>46,213</u>
Finance costs	<u>(10,923)</u>	<u>(12,724)</u>
Finance income, net	<u>40,205</u>	<u>52,584</u>

6 Operating income/(loss)

The Group's operating income/(loss) is arrived at after charging/(crediting):

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
(a) Other income and gains, net		
Foreign exchange differences, net	(2,940)	4,970
Government grants	(10,014)	(16,877)
Management fee income	(216)	(677)
Gain on disposal of property, plant and equipment, net	(26,619)	(945)
Gain on disposal of subsidiaries	(4,892)	–
Gain on bargain purchase of subsidiaries	–	(4,819)
Fair value loss of a derivative financial instrument	1,145	21,422
Reversal of provision for membership refund	(9,328)	(14,929)
Other rental income, net	(24,492)	(26,419)
Other	(91,367)	(115,666)
	<u>(168,723)</u>	<u>(153,940)</u>
(b) Other items:		
Depreciation charge		
– owned property, plant and equipment	437,599	474,437
– right-of-use assets	69,683	49,346
	<u>507,282</u>	<u>523,783</u>
Amortisation of prepaid land lease payments	<u>17,352</u>	21,054
Employee benefit expenses (including directors' remuneration)		
– Wages and salaries	1,396,047	1,354,483
– Equity-settled share option expenses	4,306	14,259
– Retirement benefit scheme contributions	61,976	47,208
	<u>1,462,329</u>	<u>1,415,950</u>
Provision for impairment of trade and other receivables, net	1,138	8,842
Lease payments not included in the measurement of lease liabilities	9,964	7,759
Direct operating expenses of investment properties	4,254	3,893
Fuel cost	304,549	250,928
Cost of properties sold	76,284	166,583
Auditor's remuneration	4,125	3,755
Fair value loss of investment properties	222,092	19,126
Impairment losses on property, plant and equipment	32,905	–
Impairment loss on investment in an associate	6,669	–
	<u>6,669</u>	<u>–</u>

7 Tax expense

Hong Kong Profits Tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on assessable profits elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Under the Provisional Regulations on Land Appreciation Tax (“LAT”), all gains arising from transfer of real estate property in Mainland China are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights, borrowings costs and all property development expenditures.

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current – Hong Kong		
Charge for the year	71,758	68,612
Over-provision in prior years	(6,316)	(627)
	65,442	67,985
Current – Mainland China and Macau		
Charge for the year	76,192	34,435
	76,192	34,435
LAT	7,772	198,220*
Deferred tax	65,426	55,870
Total tax charge for the year	214,832	356,510

* During the year ended 31 December 2023, additional LAT provision of HK\$198,220,000 has been recognised based on the latest best estimate with reference to the computation of the tax consultant engaged by the Group for certain property development projects undergoing LAT clearance process.

8 Dividends

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interim – HK1.5 cents (2023: HK1.5 cents) per ordinary share	83,050	83,050
Final – Nil (2023: HK1 cent) per ordinary share	–	55,367

An interim dividend of HK1.5 cents per share was paid during the year. The Board does not recommend the payment of a final dividend for the year ended 31 December 2024. (2023: HK 1 cent per share).

9 Earnings per share for profit attributable to equity owners of the Company

The calculation of basic and diluted earnings per share is based on profit attributable to equity owners of the Company for the year ended 31 December 2024 of HK\$106 million (2023: HK\$240 million) and the weighted average of 5,536,633,709 ordinary shares (2023: 5,536,633,709 ordinary shares) in issue during the year.

The share options granted by the Group had no dilutive effect during the year ended 31 December 2024 and 2023.

10 Trade receivables

The Group allows an average credit period from 30 to 90 days to its trade debtors. As the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral as security. Trade receivables are interest-free.

As at 31 December 2024 and 2023, the ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 3 months	120,803	99,454
Over 3 months to 6 months	40,183	44,510
Over 6 months to 12 months	30,370	33,119
Over 1 year to 2 years	1,283	2,463
Over 2 years	824	3,994
	<u>193,463</u>	<u>183,540</u>

11 Trade payables

The ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 3 months	372,102	299,768
Over 3 months to 6 months	134,413	89,924
Over 6 months to 12 months	54,783	317,805
Over 1 year to 2 years	58,552	60,098
Over 2 years	143,192	113,001
	<u>763,042</u>	<u>880,596</u>

The trade payables are interest-free and are normally settled on terms ranging from 30 to 90 days.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OVERVIEW

In 2024, the global economy was poised to confront the impacts of geopolitical tensions and extreme weather events, with overall economic growth and inflation gradually declining towards central banks' target level. The International Monetary Fund (IMF) forecasted a global economic growth rate of 3.2% for 2024. Amidst a complex and ever-changing landscape of challenges, China's economy rebounded steadily throughout the year, with a projected year-on-year growth of 5.0% in its gross domestic product (GDP) in 2024. In the face of a challenging and intricate international environment, China's economy has made progress amidst stability, continually solidifying its trajectory of sustained improvement. The Group will remain committed to its corporate mission and objectives of striving to improve efficiency, reduce costs, and further enhance operating performance.

In 2024, the Group's consolidated revenue was HK\$4,627 million, representing a 3% increase compared with the previous year. Profit before taxation was HK\$418 million, representing a 40% decrease compared with the previous year. Profit attributable to shareholders was HK\$106 million, representing a 56% decrease compared with the previous year. Profit attributable to operation was HK\$307 million, representing a 8% increase compared with the previous year. The decreased profit for the year ended 31 December 2024 was mainly attributable to a decrease in the fair value of investment properties.

The Group's financial position remained stable and healthy, with adequate investment and financing capabilities. As of 31 December 2024, total assets were HK\$24,532 million, representing a 2% decrease compared with the previous year. Equity attributable to shareholders was HK\$16,106 million, representing a 2% decrease compared with the previous year. An aggregate of cash and bank balances and pledged and restricted deposits amounted to HK\$2,449 million, representing a 10% decrease compared with the previous year. After deducting HK\$1,807 million in loans from holding companies, loans from a fellow subsidiary, bank loans and other borrowings, net cash amounted to HK\$642 million, representing a 17% decrease compared with the previous year.

DIVIDENDS

An interim dividend of HK1.5 cents per share was paid during the year. The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: HK1 cent per share).

BUSINESS REVIEW

(I) Tourist attractions and related operations

The Group's tourist attractions and related operations mainly comprise:

1. Theme parks: Shenzhen The World Miniature Co., Ltd. ("**Window of the World**") and Shenzhen Splendid China Development Co., Ltd. ("**Splendid China**");
2. Natural and cultural scenic spots: CTS (Ningxia) Shapotou Tourist Spot Co., Ltd. and CTS (Ningxia) Shapotou Cable Car Co., Ltd. ("**Shapotou Scenic Spot**"), Jiangxi Xing Zi Lu Shan Xiu Feng Passage Cable Car Co., Ltd. ("**Xiufeng Cable Car**"), CTS Guangxi Detian Waterfall Tourism Development Co., Ltd. ("**Detian Scenic Spot**"), CTS Luzhou Laojiao Culture Tourism Development Company Limited ("**CTS Luzhou Culture Tourism**"), CTS Lugu Lake (Lijiang) Tourism Development Co., Ltd. ("**CTS Lugu Lake**"), CTS Xinjiang Tourism Operation Management Co., Ltd. ("**CTS Xinjiang**"), CTS Bairui Xinjiang Tourism Development Co., Ltd. ("**CTS Bairui**"), CTS Changyi (Shanghai) Tourism Development Co., Ltd. ("**CTS Changyi**"), CTS (Zhejiang) Qiandao Lake Tourism Development Co., Ltd. ("**Qiandao Lake Company**"), and CTS (Yunnan) Tourism Development Co., Ltd. ("**Yunnan Company**");

Non-controlling investments in scenic spots: Huangshan Yuping Cable Car Company Ltd., Huangshan Taiping Cable Car Co., Ltd., Changsha Colorful World Company Limited, Changchun Jingyuetan Youle Co. Ltd., Hangzhou New Century Senbo Tourism Investment Co., Ltd. ("**New Century Senbo**"), Changde City Taoxi Cultural Tourism Investment Company Limited ("**Changde Taoxi**", formerly known as "CTS Taohuayuan (Changde) Cultural Tourism Development Company Limited") and Handhuvaru Ocean Holidays Private Limited ("**HOH Company**");

3. Leisure resorts: China Travel Hong Kong (Zhuhai) Ocean Spring Co., Ltd. ("**Zhuhai OSR**"), CTS (Xianyang) Ocean Spring Resort Co., Ltd. ("**Xianyang OSR**"), Zhuhai Evergrande Ocean Spring Land Co., Ltd. ("**Evergrande OSR**") and CTS (Anji) Tourism Development Company Limited ("**Anji Company**"); and
4. Supplementary tourist attraction operations: China Heaven Creation International Performing Arts Co., Ltd. ("**Heaven Creation Company**"), CTS (Shenzhen) City Development Co., Ltd. ("**CTS City**"), China Travel Zhiye Culture Development (Shenzhen) Co., Ltd. ("**China Travel Zhiye**"), CTS Scenery (Beijing) Tourism Management Limited ("**CTS Scenery**") and CTS Holiday Travel Management (Hainan) Co., Ltd. ("**CTS Holiday**").

In 2024, the tourism economy returned to a growth tendency, with inbound and outbound travel expanding rapidly. However, revenue from theme parks and leisure resort destinations fell short of expectations due to rainy weather in the Greater Bay Area. As a result of the tailing off of the real estate business, the leisure resort destinations recorded a year-on-year decline in revenue. In 2024, the Group's total revenue from tourist attractions and related operations was HK\$2,345 million, representing a 2% increase compared with the previous year. Attributable profit was HK\$14 million, compared with attributable loss of HK\$100 million for the previous year.

Theme parks

Theme parks suffered a significant drop in visitors due to weather conditions, resulting in lower revenues and profits. In 2024, the revenue of theme parks amounted to HK\$596 million, representing an 11% decrease compared with the previous year. Attributable profit was HK\$67 million, representing a 15% decrease compared with the previous year.

Natural and cultural scenic spots

Revenue from natural and cultural scenic spots amounted to HK\$1,241 million, representing a 30% increase compared with the previous year. Attributable profit amounted to HK\$99 million, representing a 39% decrease compared with the previous year.

Revenue from Shapotou Scenic Spot amounted to HK\$465 million, representing a 15% increase compared with the previous year. Attributable profit amounted to HK\$42 million, representing a 20% increase compared with the previous year.

Shapotou Scenic Spot has strengthened cooperation with OTA platforms to improve the convenience and service quality of online booking. It has also established long-term cooperation with several well-known travel agencies across the country. By leveraging its partners' channel resources, Shapotou Scenic Spot has been promoting the integration of seasonal hotspot attractions such as the Populus Euphratica Forest + Ningxia, creating joint travel products aimed at attracting tourists during the off-season. Revenue from Detian Scenic Spot amounted to HK\$290 million, representing a 14% increase compared with the previous year. Detian Scenic Spot has completed its cross-border integrated street cultural tourism design with a "China-Vietnam Landscape Moments" theme, the design scheme for a Sino-Vietnamese street cultural and tourism integration enhancement scheme, and rainbow-themed packaging of the "Paddy Field Waterfall Café". The projects will be built according to the principle of unified upgrading and transformation of the theme scene, to further enhance traffic flow. CTS Luzhou Culture Tourism focused on developing wine culture tourism, with revenue amounting to HK\$224 million, representing a 7% increase compared with the previous year. CTS Lugu Lake actively integrated destination products, with revenue decreasing. CTS Bairui mainly focused on Xinjiang's 5A and 4A scenic spots and scarce core areas of major tourist destinations, and recorded a decrease in revenue compared to the previous year. CTS Bairui will intensify development of the custom tours business, creating a synergistic effect across a variety of projects. Qiandao Lake Company was established in December 2023 as the main body responsible for the integrated operation and management of Qiandao Lake Scenic Spot and execution of overall planning and development of Qiandao Lake. Revenue of HK\$60 million was recorded for the year, with Qiandao Lake Company accelerating project modification, strengthening marketing and expansion of the scenic area, and increasing the number of group and individual tourists. Yunnan Company was established in December 2023 and will carry out all operation and maintenance work for the Dali Erhai ecological corridor. The Erhai ecological corridor project is a new tourism landmark created by Dali Prefecture. Yunnan Company's participation in the investment and operation of local tourism resources will further improve the Company's brand influence in the southwest region. Yunnan Company recorded revenue of HK\$133 million, and will increase its efforts in the implementation of the courier station and utilise the "Dali Erhai IP" to form a revenue

growth point. New Century Senbo, an associate of the Company, recorded an attributable profit of HK\$17 million.

Leisure resorts

Revenue from leisure resorts was HK\$458 million, representing a decrease of 27% compared with the previous year. Attributable loss was HK\$153 million, representing a decrease of 48% compared with the previous year. The drop in revenue was mainly attributable to a decrease in revenue recognised from real estate.

Zhuhai OSR recorded revenue of HK\$221 million, representing a decrease of 11% compared with the previous year. This was mainly attributable to a decrease in revenue recognised from real estate. Zhuhai OSR has implemented integrated micro-innovations to establish an “integration of two parks” between Mysterious Island Amusement Park and Cute Pet Paradise, enhancing the attractiveness and price-performance ratio of their offerings. Revenue from Xianyang OSR decreased by 25% compared with the previous year. Xianyang OSR has refined its products to meet customer demand, including by upgrading and renovating its hotel’s Chinese restaurant and creating a new immersive wedding banquet hall. Anji Company’s revenue decreased by 41% compared with the previous year due to a significant decrease in revenue recognised from real estate. Anji Company will strengthen the requirements of the ClubMed hotel management team and control costs to enhance revenue, boost marketing and expansion, and improve profitability in the face of market downturns. Evergrande OSR, our associate, recorded an attributable loss of approximately HK\$19 million.

Supplementary tourist attraction operations

Revenue from supplementary tourist attraction operations was HK\$50 million, representing a 2% increase compared with the previous year. Attributable profit was HK\$1 million, compared with attributable loss of HK\$47 million for the previous year.

CTS Scenery was engaged in management and consulting services, and recorded a 29% increase in revenue compared with the previous year. It will collaborate on cultural tourism projects with other industries across various Chinese provinces by leveraging its advantages and resource integration capabilities in cultural creativity, development and operation of cultural-commercial-tourism complexes, and operation and management of scenic spots. This will create complementary industrial advantages and establish a “cultural tourism +” cooperation model for joint project implementation and operation. China Travel Zhiye was engaged in providing tourism planning services and recorded a 24% decrease in revenue compared with the previous year. China Travel Zhiye continued to pursue its overall goal of developing into a first-class national tourism think-tank, and will further enhance its three core business capabilities of planning, marketing and operation. Heaven Creation Company was engaged in creative planning, performing arts and management businesses. Its residence performance has come to a complete halt due to the pandemic. Its development of other businesses also encountered obstacles. Its revenue increased by 11% compared with the previous year.

(II) Travel document and related operations

The Group's travel document and related operations comprise China Travel Service Entry Permit Service Hong Kong Limited and China Travel Hi-Tech Computer Hong Kong Ltd.

In 2023, the relaxation of pandemic-related travel restrictions and social measures in Hong Kong and Mainland China led to a significant increase in demand for the travel document business. In 2024, as most travel documents that expired during the pandemic were renewed in 2023, demand for the travel document business returned to a normal level. In 2024, the Group's revenue from travel document and related operations was HK\$344 million, representing a decrease of 27% compared with the previous year. Attributable profit was HK\$176 million, representing a 30% decrease compared with the previous year. China Travel Hi-Tech Computer Hong Kong Ltd. provides system maintenance and data security services for the Group's travel document business. It has been engaged in optimising the Group's travel documents business system and supporting its digital transformation.

(III) Hotel operations

The Group's hotel operations comprise:

1. Six hotels and one serviced apartment in Hong Kong and Macau
2. Beijing Guang'anmen Grand Metropark Hotel Co., Ltd. ("**Beijing Metropark Hotel**")
3. CTS H.K. Metropark Hotels Management Company Limited

The outlook for hotel operations in Hong Kong is optimistic, with the opening of the Metropark Hotel Hung Hom and Green Residence serviced apartment in May 2024 expanding profit growth points, and international tourist arrivals increasing due to the relaxation of travel restrictions worldwide. Hotel operations in Mainland China are also expected to maintain growth. In 2024, revenue from the Group's hotel operations was HK\$820 million, representing an 18% increase compared with the previous year. Hotel operations recorded an attributable profit of HK\$227 million, representing a 40% increase compared with the previous year.

Key operating data

	2024	2023
Six hotels and one serviced apartment in Hong Kong and Macau <i>(Metropark Hotel Hung Hom and Green Residence serviced apartment opened in May 2024)</i>		
Average occupancy rate (%)	95	95
Average room rate (HK\$)	760	748
Beijing Metropark Hotel		
Average occupancy rate (%)	81	82
Average room rate (RMB)	706	692

(IV) Passenger transportation operations

The Group's passenger transportation operations comprise bus and vessel businesses operated under Shun Tak-China Travel Shipping Investments Limited ("**Shun Tak-China Travel**").

In 2024, revenue from passenger transportation operations was HK\$1,093 million, representing an 11% increase compared with the previous year. Attributable loss was HK\$11 million, compared with attributable profit of HK\$20 million for the previous year.

Shun Tak-China Travel will seize on opportunities arising from the resumption of cross-border travel, leveraging the "Hong Kong people travelling north" trend and the opening of the "Shenzhen-Zhongshan Bridge". It will develop the market and quickly recover to seek business growth and in-depth participation of local businesses in search of opportunities for integration of resources, and create an influential tourism transportation platform in the Greater Bay Area.

BUSINESS DEVELOPMENT

Tourist attractions and related operations

Pursuant to its strategy of building a "first-class tourist destination investment and operation service provider", the Group focuses on natural and cultural scenic spots and leisure resort product lines via the major pathways of Mainland scenic business and Hong Kong business. These bring its focus to enhancing four major capabilities – investment, products, digitisation and operation – to build first-class national tourism destination projects with branding and influence. Following the principles of "upholding fundamental principles and innovation, quality and efficiency improvement, and integration and development", the Group has played an active role in the five areas of "better serving the good life, promoting economic development, constructing a spiritual home, showcasing China's image, and enhancing mutual understanding among civilisations". The Company further promotes "integrity management and quality service" and the in-depth integration of culture and tourism, and strives to create standardised products and operational systems.

With the government's support for the tourism industry, consumption upgrading and the rise of new consumer groups, the market size for theme park tourism is expected to continue to expand. Window of the World launched a new product, Jurassic Water World, in the summer, and revamped the Ovation Street commercial outlet to form a themed area integrating "culture, tourism and business". It will build a cultural and tourism business complex with multiple functions such as "culture + product + performing arts + business". In cooperation with Tencent Video, Splendid China is going to introduce the IP of A Dream of Splendour to create the IP powered "Splendid and Flourishing Age", an immersive new cultural and entertainment neighbourhood. Window of the World and Splendid China will focus on transformation development and creating new products in line with market trends.

After the State Council issued the “Action Plan for Promoting Large-scale Equipment Renewals and Consumer Goods Trade-ins” in March 2024, various provinces and municipalities followed up with the issuance of policies. A number of the Group’s subsidiaries responded by devising renewal plans to promote the upgrading and replacement of cultural and tourism equipment and facilities at a lower cost to create a better visitor experience. The Company has set up a special taskforce for the integration of culture and tourism, formulated an “Implementation Plan for Deepening the Integration of Culture and Tourism and Promoting the High-Quality Development of Tourism”, and holds regular coordination meetings for culture and tourism integration. By these means, it is working to cultivate new business forms, new models and new products in the integration of culture and tourism.

Shapotou Scenic Spot continued the development of a new “scenic spot + characteristic hotel” tourism model, successfully creating a national-level tourist resort. Desert Star Hotel instituted lean management, while Diamond Hotel officially opened and achieved considerable revenue growth during the year. Efforts will be made to expand and penetrate market channels to ensure a stable base of visitors. Detian Scenic Spot carried out a comprehensive self-investigation and self-inspection of structural safety within the scenic spot, and will continue the rectification of safety hazards according to the results of investigations and inspections. The China-Vietnam Detian cross-border Tourism Cooperation Zone in Detian Scenic Spot has gone into operation, becoming the first cross-border tourism cooperation zone in China. For online platforms, “emotional value” products will be built to stimulate tourists’ consumption and foster a sense of identification, and will primarily focus on “integration of supply chain, co-construction of project and acquisition of customers by giving subsidies”. By expanding promotion in the form of videos, live broadcasts, travel expert guides, etc, it shaped the IP image of the characteristic tourism destination. Xiufeng Cable Car’s revenue and profit increased year-on-year. The Group will strengthen the marketing of the “Waterfall” brand to enhance the scenic spot’s traffic flow, and sign an annual preferential agreement with travel agencies to incentivise them to maintain positive marketing efforts during the off-season and ensure the stability of group visitor numbers. The Group disposed of its 51% equity interest in CTS (Guangxi Ningming) Yanhua Tourism Culture Co., Ltd. (“**Huashan Scenic Spot**”) by public listing on the website of Shenzhen United Property and Equity Exchange in July 2024, and subsequently entered into an equity transfer agreement under which the Group agreed to dispose of 51% equity interest in Huashan Scenic Spot to Guangxi Ningming Feiyue Tourism Industry Investment Co., Ltd. at a consideration of approximately RMB16 million. The disposal of Huashan Scenic Spot aids the Group in optimising its asset portfolio of natural and cultural scenic spots, enhancing the asset turnover rate and cash flow, and further improving its sustainable development. The disposal did not generate any significant gain or loss. CTS Luzhou Culture Tourism will strengthen the marketing development and revenue management of the “Guili Park” hotel. Lanyue Hotel of CTS Lugu Lake commenced operations in September 2024. The hotel offers a variety of immersive local cultural experiences, catering to the preferences of high-net-worth vacationers, and has been awarded multiple accolades as a boutique resort hotel.

Zhuhai OSR transformed and upgraded its existing products and improved service with a view to enriching the “Ocean Spring” brand portfolio with differentiated products. Zhuhai OSR is committed to opening up and cooperation, introducing high-quality external partners, and promoting development and construction of the second phase of the real estate project. The resort is also advancing negotiations with multiple potential partners to explore cooperative development models such as “tourism and wellness” and “tourism and education”, and is studying and promoting business transformation and development. Xianyang OSR will repartition the functions of hot springs and hotels to form a new consumption format with deep integration of culture, tourism and business, and will build a cultural tourism and business complex. Anji Company strengthened the marketing of Elf’s Mound Farm and Valley Ji City Commercial Street and leveraged the benefits of new products. CTS City’s “CTS Investment Building” project is generally positioned as a landmark urban complex of the first rank in the convention and exhibition sector, comprising a modern complex of prestigious offices as well as a convention and exhibition and leisure areas. It has completed the main construction stage, and ongoing development work is being carried out in an orderly manner.

On 10 January 2024, the Company entered into a cooperation agreement with Chongqing Tourism Investment Group Co., Ltd. (“**Chongqing Tourism Group**”), Chongqing Cultural Tourism Development Group Co., Ltd. (“**Chongqing Cultural Tourism**”) and Chongqing Tongjing Tourism Development Co., Ltd. (“**Tongjing Company**”) to establish a joint venture for the urban renewal of Chongqing amusement park, and the upgrading of Tongjing scenic spot and other cultural tourism projects. The latter will exploit the Chongqing city landscape, the Three Gorges, Wuling style and other resource advantages to create metropolitan area, northeast and southeast Chongqing major brand product lines, to support the overall development of Chongqing’s tourism industry. Under the cooperation agreement, the total registered capital of the joint venture is RMB400 million, and the Company contributed capital of RMB220 million, accounting for 55% of the joint venture’s equity interest. Tongjing Company contributed capital of approximately RMB168 million, accounting for 41.99% of the equity interest. Chongqing Cultural Tourism contributed capital of approximately RMB12 million, accounting for 3.01% of the equity interest. Chongqing Cultural Tourism agreed to contribute 60% of its equity interest in Chongqing Bashan Yushui Cultural Tourism Development Co., Ltd. (“**Bashan Yushui**”) by way of equity investment upon the establishment of the joint venture, making Bashan Yushui a 60%-owned joint venture of the joint venture. The joint venture was established on 11 June 2024 and became a subsidiary of the Company under the name CTS Southwest (Chongqing) Tourism Development Co., Ltd. to facilitate the investment, construction and operation of the Chongqing Amusement Park project.

On 29 November 2024, CTS (Shenzhen) Travel Management Company Limited (“**CTS (Shenzhen)**”), a wholly-owned subsidiary of the Company, Hainan Aerospace City Industrial Investment Holding Co., Ltd. (“**Aerospace City Industrial Investment**”) and Wenchang Tourism Culture Investment Co., Ltd. (“**Wenchang Tourism Investment**”), established a joint venture under the name of CTS (Hainan) Aerospace Tourism Development Co., Ltd. (“**CTS Hainan**”). CTS Hainan will focus on building a Wenchang aerospace tourism investment and operation platform, with the upgrading and operation of the Wenchang Aerospace Science Center as its starting point. It plans to develop businesses such as dining, accommodation and vacationing in the surrounding area over the next three to five years, and ultimately establish itself as a domestic and international aerospace tourism destination. The registered capital of CTS Hainan is RMB10 million, with CTS (Shenzhen) contributing capital of RMB5.1 million to account for 51% of the registered capital of CTS Hainan. Aerospace City Industrial Investment will

contribute capital of RMB4.8 million, accounting for 48% of the registered capital, while Wenchang Tourism Investment will contribute capital of RMB100,000, accounting for 1% of the registered capital. The project is conducive to implementing the strategic deployment of “**deeply-rooted in Hainan**” by the Company and promoting investment and operational cooperation of influential scenic spots. The project is of high strategic significance: by collaborating with Aerospace City Industrial Investment and Wenchang Tourism Investment, it is conducive to obtaining core resources from aerospace tourism, laying a foundation for further in-depth cooperation in the investment and operation of aerospace tourism products and the development of Wenchang’s aerospace tourism zone.

On 3 December 2024, New Century Senbo, an associate of the Company, and Shenzhen Dapeng New District Investment Holding Co., Ltd. (“**Dapeng Investment Holding**”) established a joint venture under the name of CTS Senbo (Shenzhen) Tourist Resort Co., Ltd. (“**CTS Senbo**”). The registered capital of CTS Senbo is RMB300 million, of which the Company will contribute capital of RMB153 million, accounting for 51% of the registered capital. New Century Senbo will contribute capital of RMB87 million, accounting for 29% of the registered capital, while Dapeng Investment Holding will contribute capital of RMB60 million, accounting for 20% of the registered capital. CTS Senbo will invest and operate the Longqi Bay Resort project in Dapeng New District, Shenzhen, covering an area of approximately 1,100 mu. With the goal of helping Shenzhen become a world-class tourist destination, it will develop cooperation projects based on the positioning of Dapeng as a coastal eco-tourism resort and the mountain and sea resources of Longqi Bay. The project is in line with the development strategy of the Company’s leisure and vacation products in cities and surrounding areas, and is an important exploration for the Company’s goal of building a quality “**one-stop leisure and vacation destination in the Greater Bay Area**”. It is also of high strategic significance for building a “**new one-stop high-quality resort complex benchmark product and brand IP**”, and the project risk is controllable.

On 20 December 2024, CTS (Shenzhen) and Ruijin Cultural Tourism Development Group Co., Ltd. (“**Ruijin Cultural Tourism**”) established a joint venture under the name of CTS (Ruijin) Cultural Tourism Development Co., Ltd. (“**CTS Ruijin**”). CTS Ruijin will rent the venue from Ruijin Cultural Tourism, responsible for production and operation of plays, and develop other incremental products. The registered capital of CTS Ruijin is RMB70.71 million, with CTS (Shenzhen) contributing capital of RMB36.06 million, accounting for 51% of the registered capital, and Ruijin Cultural Tourism contributing capital of RMB34.65 million, accounting for 49%. Ruijin Republic Cradle scenic spot is the core scenic spot of Ruijin City, one of the two 5A scenic spots in Ganzhou City, and is the first national patriotic education demonstration base announced by the Central Propaganda Department. The project is a significant initiative for the Company to promote the integration of culture and tourism. Red tourism is also an important supplement to the CTS product system, and the project is of high strategic significance.

On 23 December 2024, CTS (Shenzhen) established CTS (Shantou) Tourism Development Co., Ltd. (“**CTS Shantou**”) with registered capital of RMB15 million, fully contributed by CTS (Shenzhen). CTS Shantou acquired the management rights of Nan’ao Island National Forest Park through public bidding. Using the park as the cooperation target, CTS Shantou will invest, operate and manage the park. By enhancing the park’s operational service and investing in new experiential products such as transportation, natural campsites and coffee cultural creations, the Company strives to create a high-quality eco-tourism destination.

On 26 December 2024, CTS (Shenzhen) and Daocheng Shengjie Yading Tourism Operation and Management Co., Ltd. (“**Yading Tourism Operation**”) established a joint venture under the name of CTS Yading (Daocheng) Tourism Development Co., Ltd. (“**CTS Yading**”). The registered capital of CTS Yading is RMB10 million, of which CTS (Shenzhen) will contribute capital of RMB5.1 million, accounting for 51% of the registered capital, while Yading Tourism Operation will contribute capital of RMB4.9 million, accounting for 49% of the registered capital. The project is a significant initiative for the Company to implement the “deeply-rooted in Western development” strategy, cooperate in world-class tourist destination projects, and develop high-quality tourism resources along the Great Shangri-La Loop. CTS Yading is currently advancing the preparation and opening of hotels in the Daocheng Yading scenic spot, participating in tourism transportation within the scenic spot, and will gradually explore cooperation in cultural and tourism resources in Ganzi Prefecture.

Management business

Through subsidiaries such as CTS Scenery, China Travel Zhiye and CTS Holiday, the Group executes customised scenic spot management services, including custom solutions and full operational services for tourist destinations. The Group now has 27 scenic spots under management, of which seven are 5A grade and eleven are 4A grade. Among these, CTS Scenery is a leading tourist destination operator in China, with the development and consulting for cultural tourism projects, management, and digital marketing being the main focus of the Group’s scenic spot management business. It provides tailored solutions and full operational services to tourist destinations. China Travel Zhiye is a fully integrated platform enterprise under the Group, covering four fundamental businesses: planning and design, investment consulting, operational management, and tourism marketing. It offers one-stop services for local cultural tourism development and has extensive experience in pioneering, significant and innovative planning and creation, including “world-class tourist destinations, world-class scenic spot/resorts, first-tier tourist cities, and provincial tourism industry development”. With a goal of “leading an in-depth resort lifestyle and becoming a leader and excellent brand creator in China’s tourist resort destinations”, CTS Holiday focuses on the development, investment and operation of boutique holiday destinations by providing implementable custom solutions and full operational services. CTS Holiday is a professional resort destination management company with a complete tourism industry chain. It owns three major brands, namely the boutique resort hotel Lanyue, the boutique lifestyle hotel Xingchuanshan, and the CTS Resort Hotel Alliance, as well as the “Xinlu Club” professional digital platform, and continued to provide an unparalleled holiday experience to a wide range of customers.

Digital transformation

Driven by technological innovation, the Company has upgraded its management and operation as well as supported high-quality and sustainable business development. In 2024, the Company continued to iterate and enhance the functionality of its digital platforms to optimise booking processes and the customer service experience. By leveraging capabilities such as whole-staff marketing and discount purchase limits, the Company further enhances its self-operated trading volume. The Company successfully integrated with the parent company's Hong Kong platform, CTGO, providing strong support for the expansion of Hong Kong operations, promoted destinations such as Xinjiang, Detian and Lugu Lake, and launched new destination platforms for Dali and Qiandao Lake. Currently, all the Company's controlled scenic spots have adopted digital platforms for integrated online business operations. By introducing tools such as customer review dashboards, large amusement facility monitoring systems and safety hazard reporting devices, as well as releasing big data analysis and user insight reports, the Company has driven improvements in service quality and operational efficiency. The Company has also explored innovative applications of new technologies and products such as AI and drones in scenic areas. It launched the Starway AI Creation Platform, hosted five AIGC creation competitions, and released the Planet Space metauniverse, winning four awards including the National Data Administration's "Golden Apricot Excellence Award". The Company has also implemented five innovative scenarios, such as an AR tour experience at Detian Scenic Spot, Qianxiaobao AI Agent, and drone performances at Window of the World, in order to enhance user experience.

Looking to 2025, the Company will enhance AI empowerment and create new scenario applications such as AI agents to provide more personalised tourism services and experiences while reducing labour- and time-related costs. The Company will build innovative technological applications, explore and implement immersive smart tourism experience projects, actively promote digital transformation, upgrade tourism destinations' digital platforms, enhance membership operations and new media creative marketing capabilities, and drive business synergy. It will further optimise the management dashboard for user comments to improve service quality, and utilise informatisation and intellectualisation to enhance safety management to achieve digital innovation and development.

Passenger transportation operations

The market trend of "Hong Kong people travelling north" and the availability of the Shenzhen-Zhongshan Bridge has led the Company to adjust the operation line in Zhongshan to provide users with a faster touring experience. In line with Hong Kong Government's carbon emissions reduction policy, the Company has accelerated the procurement of electric vehicles to save fuel and maintenance costs. It will also further explore cooperative projects and help address the operational challenges of quota shortages through mergers and acquisitions, thereby strengthening Shun Tak-China Travel's leading position in the Greater Bay Area's integrated cross-border transportation sector. As to its passenger vessel operation, the Company will continue to implement effective cost management and control and dispose of inefficient assets and low-yield routes toward the goal of increasing its share of the cross-border marine transportation market.

Shun Tak-China Travel will explore the low-altitude economy, leveraging interconnectivity in the Greater Bay Area to expand passenger transportation operations. The Company will continue to build its revenue foundation on cross-border passenger transportation operation in synergy with its passenger vessel operation. It aims to seize opportunities presented by events and holiday peaks and devise diversified marketing strategies that integrate bus and ferry services. This will help expand brand influence and help to realise the ambition of being “the largest cross-border passenger transportation platform in the Guangdong-Hong Kong-Macao Greater Bay Area”.

On 26 July 2024, China Travel Tours Transportation Services Hong Kong Limited, a non-wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with China International Travel Service (Hong Kong) Holdings Limited, pursuant to which China Travel Tours Transportation Services Hong Kong Limited agreed to purchase seven units of second-hand tour buses with PSL certificates from China International Travel Service (Hong Kong) Holdings Limited at a total consideration of HK\$9.98 million. Under the existing government policy, the total number of non-franchised buses in Hong Kong has been capped and there has been zero growth in new PSL registration, while demand for non-franchised bus services has grown steadily after the COVID-19 pandemic. In view of this supply-demand imbalance which has increased the market prices of PSLs, the acquisition will enable the passenger transportation operation to expand its own bus fleet at a reasonable cost to cope with new business opportunities in Hong Kong. For details, please refer to the Company’s announcement dated 26 July 2024.

Hong Kong and overseas business

The Group follows a strategy of “based in Hong Kong, deeply-rooted in Hainan, expanding into Mainland China, and refining our overseas operations” while exploring the potential of overseas markets. HOH Company is advancing the Maldives project in an orderly manner; at present, the hydraulic reclamation of Ambara Island is basically completed, and the hotel design programme has entered the refinement phase. We are committed to making the hotel in Maldives a high-quality and distinctive island resort; and the corporate governance system of the joint venture is to be improved.

The Group is studying the revitalisation and optimisation of existing assets, including properties in Hong Kong, with the aim of enhancing operational efficiency and unlocking value. Commencing operation in May 2024, the Metropark Hotel Hung Hom is positioned in the medium- to high-end market, and capable of generating stable and competitive revenue for the Company.

In the second half of 2023, the Group acquired a property at Nos. 8-12 Fenwick Street and Nos. 42-50 Lockhart Road, Wanchai, Hong Kong (the property is now named “**Green Residence**”). Green Residence is a 15-storey serviced apartment with a basement whose close proximity to Kew Green Hotel Wanchai Hong Kong offers a high operational synergy value. In the future, the property’s operation will be fully integrated with that of Kew Green Hotel Wanchai Hong Kong, achieving full synergy in management services, resources and facilities to enhance operational efficiency. The interior renovation of all rooms at Green Residence has been completed and the property began operation during the year.

During the year, the Group entered into a strategic cooperation agreement and service contract with a subsidiary of Sun Hung Kai Properties Limited, in which it will provide consulting and operational support services for the cultural tourism project at Ma Wan Park Phase II. The Group focuses on providing support in terms of introducing cultural tourism resources and offering suggestions for scene enhancement, organising tour routes and passenger transport. The Group aims to cultivate an island art community and develop a light holiday destination on the island, establishing it as a new landmark for coastal and island tourism in Hong Kong.

INTERNAL MANAGEMENT

While striving to achieve performance targets through routine operation and management, the Company will simultaneously pursue a new level of development by strengthening its core competitiveness in investment, product, digital and operating capabilities. The Company consolidated the baseline for safety production by improving safety management institutions, enhancing the dual prevention system, and providing safety training and emergency drills for frontline employees.

The Company fully complies with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and regulatory requirements. It continues to optimise its governance mechanism and system, maintain a high standard of corporate governance, continuously improves its internal control management, and has strengthened its system construction. The Company has enhanced its overall risk prevention and control capability to ensure scientific decision-making, efficient operation and controllable risks, thereby ensuring a solid foundation for high quality development.

EMPLOYEES AND REMUNERATION

As of 31 December 2024, the Group employed 7,004 staff. Employees are remunerated on the basis of work performance, professional experience and prevailing industry practice. The remuneration policy and packages for the Group’s employees are periodically reviewed by management. Apart from retirement benefits and in-house training programmes, discretionary bonuses and share options are awarded to certain eligible employees according to assessments of individual performance and the performance of the Group.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group’s financial position remains strong. The Group generally finances its operations with internally generated cash flows and loan facilities from banks. As of 31 December 2024, the Group’s cash and bank balances and pledged and restricted deposits amounted to HK\$2,449 million, while bank and other borrowings, loans from a fellow subsidiary and loans from the holding companies amounted to HK\$1,807 million. The debt-to-capital ratio was 32%. The debt includes bank and other borrowings, trade payables, other payables and accruals, loans from holding companies, loans from a fellow subsidiary and amounts due to holding companies and fellow subsidiaries.

FOREIGN EXCHANGE RISK

The Group has certain assets, borrowings and major transactions which are denominated in foreign currencies, and are thus exposed to foreign currency risk. The Group has not engaged in any particular hedge against foreign exchange risk. It will closely monitor and manage its foreign currency exposure and take appropriate measures as required.

CHARGE ON ASSETS

As of 31 December 2024, the Group's bank deposits of approximately HK\$5 million (31 December 2023: HK\$60 million) were pledged to banks to secure certain credit facilities granted by suppliers to the Group's subsidiaries, and certain bank guarantees given in lieu of utility and rental deposits and notes payable.

As of 31 December 2024, certain of the Group's land and buildings with net carrying amounts of HK\$551 million (31 December 2023: HK\$705 million) were pledged to secure bank guarantees given to suppliers in connection with credit facilities granted.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND SIGNIFICANT INVESTMENT

Save as disclosed in the "MANAGEMENT DISCUSSION AND ANALYSIS" section above, the Group did not engage in any material acquisitions and disposal of subsidiaries, associates and joint ventures or significant investments during the year ended 31 December 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the "MANAGEMENT DISCUSSION AND ANALYSIS" section above, the Group had no future plans for material investments or capital assets during the year ended 31 December 2024.

CONTINGENT LIABILITIES

As of 31 December 2024, the Group's performance bond given to a customer for due performance of a sale contract was HK\$0.3 million (31 December 2023: HK\$0.3 million).

PROSPECTS

In 2024, despite the escalating geopolitical tensions and the persistent inflationary pressures in certain countries, global inflation has eased significantly. In January 2025, the United Nations released the “World Economic Situation and Prospects 2025”, which forecasts global economic growth of 2.8% for 2025, largely unchanged from the level estimated for 2024. The report indicated that although the global economy has managed to sustain growth amidst compounding shocks, it remains inhibited by weak investment and sluggish productivity growth, resulting in a global economic growth that falls short of the 3.2% average level recorded prior to 2019. In January 2025, the International Monetary Fund (IMF) revised its forecasts for China’s economic growth and global economic growth for 2025 upwards by 0.1 percentage point from the projections made in October 2024 to 4.6% and 3.3%, respectively. In March 2025, the Chinese government’s work report outlined a gross domestic product (GDP) growth target of approximately 5% for 2025.

Looking to 2025, ongoing geopolitical tensions, rising interest rates and potentially escalating trade conflicts (especially between the USA and Mainland China) may give rise to uncertainties that could severely disrupt global trade and investment flows. However, the Chinese government has implemented targeted policies, including fiscal stimulus, monetary easing and support for strategic sectors such as the digital economy, to boost domestic demand and stabilize economic growth. Robust demand in Mainland China is expected to generate spillover effects, benefiting Hong Kong in the process. The Hong Kong economy maintained a steady recovery trend in 2024. According to the latest data from the Census and Statistics Department of the Hong Kong Government, the real GDP grew by 2.4% year-on-year in the fourth quarter of last year. The GDP posted moderate annual growth for two consecutive years following the COVID-19 pandemic, with a real growth rate of 2.5% in 2024, slightly slower than the 3.2% growth of the previous year.

On 30 July 2024, the Political Bureau of the Central Committee of the Communist Party of China met to study the current economic situation. The meeting was of the view that, since the beginning of this year, China’s economic operation had been generally stable, with progress amidst stability, and had continued in an upward trend, with the rapid cultivation of new momentum and advantages, and high-quality development was being steadily advanced. The meeting emphasised the general principle of seeking progress while maintaining stability, and of implementing the new development concept in a complete, accurate and comprehensive manner, accelerating the construction of a new development pattern, developing new quality productive forces in accordance with the local conditions, and promoting high-quality development, in order to enhance the sustained upturn and upward trend of the economy.

The Company expects the economies of Hong Kong and Mainland China to continue to recover steadily in 2025, although the outlook remains fraught with challenges due to the adverse impact of high long-term market interest rates on business activities and a variety of geopolitical conditions. Given the interest rate outlook, the risk appetite for corporate investment/business expansion is expected to remain conservative in the near-term. Notwithstanding the uncertainty over the timing and extent of interest rate cuts by the US Federal Reserve, market interest rates are expected to trend downwards, which will also ease the pressure on funding costs.

Overall, the favourable conditions for China's development outweigh the unfavourable, and the trend of stable long-term positive development remains unchanged.

Looking ahead, the Group remains cautiously optimistic, while remaining attuned to global economic turbulence. Despite the challenges ahead, the Group will continue to undertake its corporate mission and objectives and pursue long-term business and profit growth. The Group will continue to explore diversified long-term value-added opportunities for its shareholders and will endeavour to enhance its overall financial position to create greater value. While being committed to achieving sustainable growth in recurring earnings, the Group will also exercise stringent and prudent financial, liquidity and cash flow management in order to maintain a sound financial position.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Ernst & Young, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on the preliminary announcement.

DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: HK1 cent per share).

CLOSURE OF REGISTER OF MEMBER

The Register of Members of the Company will be closed from Friday, 16 May 2025 to Wednesday, 21 May 2025 (both dates inclusive), for the purposes of ascertaining shareholders' entitlement to attend and vote at the annual general meeting. In order to be eligible to attend and vote at the forthcoming annual general meeting of the Company, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 15 May 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

CORPORATE GOVERNANCE

The Group is committed to maintain high standards of corporate governance to safeguard the interests of shareholders and other stakeholders and enhance shareholder value. The Board will continue to monitor and review the Company's corporate governance practices to ensure compliance.

The Company has complied with the code provisions (the “**Code Provision(s)**”) of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the year ended 31 December 2024, except for the following deviations:

- Code Provision C.2.7 specifies that the Chairman should at least annually hold meetings with the Independent Non-Executive Directors without the presence of other directors. During the year, the Chairman did not hold any meeting with the Independent Non-Executive Directors without the presence of other directors because the Independent Non-Executive Directors of the Company may express their views directly to the Chairman from time to time via other means including correspondences and emails and the Chairman is also generally available to meet with the Independent Non-Executive Director(s) in private at reasonable notice. The Company is of the view that there is efficient communication between the Chairman and Independent Non-Executive Directors.
- Code Provision C.3.3 specifies that the Company should have formal letters of appointment for Directors setting out the key terms and conditions of their appointment. The Company did not have formal letters of appointment for Mr. Tsang Wai Hung, Mr. Tao Xiaobin and Mr. Fan Zhishi. However, the said Directors are subject to retirement by rotation at least once every three years in accordance with the Company's articles of association (the “**Articles**”). The key terms and conditions of the appointment of the Directors are subject to the determination and review of the Board (at the recommendation of the relevant committees of the Board) from time to time, and are recorded in the relevant Board minutes/resolutions. In addition, the Directors are expected to refer to the guidelines set out in “A Guide on Directors' Duties” issued by the Companies Registry and “Guidelines for Directors” and “Guide for Independent Non-Executive Directors” (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors of the Company. Besides, the Directors are required to comply with the requirements under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.
- Code Provision F.2.2 specifies that the Chairman of the Board should attend the annual general meeting. The Chairman of the Board was unable to attend the Company's annual general meeting held on 20 May 2024 (the “**AGM**”) due to his other business commitments. Mr. Tse Cho Che Edward, an independent non-executive Director, took chair of the AGM. He, together with other members of the Board and committees of the Board who attended the AGM, were of sufficient calibre and knowledge for answering questions at the AGM, through which the Company maintained effective communication with its shareholders at the AGM.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules. In response to a specific enquiry by the Company, all Directors confirmed that they had complied with the required standard set out in the Model Code throughout the year ended 31 December 2024.

AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and practices adopted by the Company and discussed the auditing, risk management, internal controls and financial reporting matters including a review of the final results of the Company for the year ended 31 December 2024.

PUBLICATION OF 2024 FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the HKExnews website at www.hkexnews.hk and the Company website at www.irasia.com/listco/hk/ctii/. The 2024 Annual Report will be available on the HKExnews and the Company websites, and despatched to the shareholders of the Company in due course.

By Order of the Board
Wu Qiang
Chairman

Hong Kong, 26 March 2025

DIRECTORS

As at the date of this announcement, the Directors are:

Executive Directors:

Mr. Wu Qiang, Mr. Feng Gang and Mr. Li Pengyu.

Non-Executive Directors:

Mr. Tsang Wai Hung, Mr. Tao Xiaobin and Mr. Fan Zhishi.

Independent Non-Executive Directors:

Mr. Tse Cho Che Edward, Mr. Zhang Xiaoke, Mr. Huang Hui, Mr. Chen Johnny, Mr. Song Dawei and Ms. Fang Xuan.