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途屹控股

TU YI HOLDING COMPANY LIMITED

途屹控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1701)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of Tu Yi Holding Company Limited (the “**Company**”) would like to announce the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024 (the “**Year Under Review**”).

RESULTS HIGHLIGHTS

	For the year ended 31 December		
	2024	2023	Year-on-year
	RMB'000	RMB'000	change (%)
Revenue	213,763	92,645	130.7
Gross profit	50,536	33,642	50.2
Net profit attributable to equity shareholders of the Company	9,890	8,921	10.9
Earnings per share – Basic (RMB cents)	0.99	0.89	11.2
Earnings per share – Diluted (RMB cents)	N/A	N/A	N/A
	As at 31 December 2024	As at 31 December 2023	Year-on-year change
Current ratio (%)	145.7	141.4	4.3
			percentage points
Gearing ratio (%)	25.1	24.2	0.9
			percentage points

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is a well-established and active outbound travel products and service provider in the PRC, focusing on the design, development and sale of Japan outbound travel package tours and day tours and outbound free independent traveller products (the “**FIT Products**”); the provision of visa application processing services and other ancillary travel-related products and services; and the operation of self-owned Shuzenji Onsen Hotel Takitei (the “**Shizuoka Hotel**”) and Hotel Comfact (the “**Tokyo Hotel**”) in Japan (collectively, the “**Hotels Operation**”). During the Year Under Review, the global tourism market expanded significantly, with inbound visitors to Japan showing robust increases and overall travel sentiment improving worldwide. The revenue of the Group doubled year-on-year, increasing by approximately 130.7% from approximately RMB92.6 million in 2023 to approximately RMB213.8 million in 2024, which was primarily due to strong market demand and effective execution of the Group’s strategies, leveraging on the well-established product capacities and networks in Japan and further extending the Group’s presence in overseas markets through collaborative efforts with international travel partners and multiple distribution channels. The Group’s overall gross profit margin declined by approximately 12.7%, from around 36.3% in 2023 to about 23.6% in 2024. This decrease was primarily attributable to temporary price concessions offered to capture market share and expand across certain platforms. Net profit attributable to equity shareholders of the Group was approximately RMB9.9 million, representing an increase of approximately 10.9% when comparing to 2023, primarily due to the increase in gross profit from approximately RMB33.6 million in 2023 to approximately RMB50.5 million in 2024. The Board will not recommend the payment of a final dividend for the year ended 31 December 2024.

BUSINESS REVIEW AND PROSPECTS

The Group’s Japan outbound travel business demonstrated robust growth in 2024. Revenue from sales of package tours to Japan increased by approximately 82.2% year-on-year to approximately RMB23.5 million, driven by the Group’s ongoing emphasis on overseas markets, which was achieved through partnerships with international travel agencies and the expansion of sales channels since 2023. In 2024, the Group further enhanced its travel capacity and customer experience by acquiring additional tour buses in Japan and diversifying its product mix with new itineraries and themed packages, while targeted marketing efforts significantly increased the number of tour customers. Similarly, revenue from sales of day tours to Japan surged by approximately 255.2% year-on-year to approximately RMB146.7 million in 2024, benefiting from the aforesaid well-established overseas expansion strategy, strengthened transportation capacity, and a broader product range that elevated the overall travel capacity and customer experience. Meanwhile, Hotels Operation revenue grew by approximately 10.6%, reaching approximately RMB21.9 million in 2024, with occupancy rates staying above 90% during the Year Under Review and in 2023. For the purpose of capturing higher-yield business and increasing customer experience and satisfaction, the Group has been investing in room renovations, digital check-in systems, and staff training in hospitality best practices. These upgrades supported higher average daily room rates and better guest reviews. By integrating hotel accommodations with tour packages, the Group secured a dependable stream of customers and created additional synergies across business lines. Hotel Operations provides a strategic advantage, enabling the Group to provide cost-effective lodging for its tours and to generate supplemental income from external guests. Revenue from the Duty-Free Shop

business decreased by approximately 58.2% in 2024 compared to 2023. This decline largely reflected a strategic shift in focus, as the Group concentrated on enhancing product offerings in partnership with renowned global brands and refining its brand positioning. Meanwhile, the Group strengthened online sales channels and optimized store layouts to improve the shopping experience, successfully attracting more international tourists. During the Year Under Review, efforts also centered on enhancing brand influence and global cooperation: promotional activities were intensified to boost global awareness of the “Gogoday” and “Lucky Day” brands, and new alliances were formed with leading travel platforms and online agencies to ensure more convenient, high-quality travel experiences for customers.

Looking ahead to 2025, the Group remains optimistic about sustaining its momentum amid rising inbound tourism to Japan. Key initiatives include continued hotel renovations to enhance guest experiences and appeal to upscale travelers, the advancement of digital platforms and analytics to boost marketing outreach and engage tech-savvy audiences, and the expansion of its tour bus fleet to accommodate larger groups. In addition, the Group plans to introduce niche thematic tours and explore emerging regional destinations to diversify its offerings. Building on the strategic successes of 2024, these measures will fortify the Group’s competitive advantage and enable it to capture a larger share of Japan’s booming tourism market.

Risk Management & Internal Controls

The Group upholds its risk management and strong internal controls to maintain operational efficiency and financial transparency. In 2024, we reinforced standardized policies and procedures across all business units – covering tour operations, hotel management, and retail activities. The Group appointed an external internal audit professional team to regularly review processes and report findings to senior management and the Audit Committee, and it ensures swift corrective measures are taken. The Group also emphasizes compliance with industry regulations by training staff on safety standards and data protection, and by closely monitoring suppliers – such as transportation providers and local tour vendors – to mitigate disruptions. These measures collectively safeguard the Group’s assets, ensure accurate financial reporting, and maintain stakeholder trust.

Key Market Factors Affecting 2024 Performance & Strategic Responses

In 2024, global tourism saw a robust post-pandemic rebound, led by the Asia-Pacific region. Japan emerged as a prime destination for outbound Chinese and overseas travelers, aided by a weaker yen and pent-up demand. However, this surge heightened competition, operational pressures, and evolving customer expectations. To stay ahead, the Group pursued strategic marketing – particularly on digital channels, secured additional capacity with local vendors and local partners, and leveraged its owned hotels and dedicated tour buses for a seamless customer experience. We also introduced niche itineraries to cater to shifting preferences and this tactic allowed us to capture a larger share of the market while enhancing brand reputation.

Key Risks & Mitigation Strategies

- **Regulatory Changes:** Close monitoring of policy updates, robust compliance programs, and the ability to pivot itineraries if restrictions arise.
- **Market Competition:** Differentiation through proprietary assets, specialized Japan tours, and active brand-building to retain customer loyalty.
- **Operational Disruptions:** Backup arrangements with multiple vendors, strict quality controls, comprehensive insurance, and an emergency response plan.
- **Economic & Currency Volatility:** Diverse tour offerings, hedging instruments, flexible pricing, and prudent cash management help the Group absorb economic shocks.

Competitive Positioning

Our Hotel Operations and tour bus fleets underpins the Group's unique value proposition by providing quality control, cost advantages, and guaranteed capacity. Our deep expertise in Japanese destinations, cultural nuances, and local networks enables the creation of curated itineraries, often supplemented by bilingual guides. This integrated approach – coupled with a proven record of high-quality service – positions the Group as a market leader, capable of rapidly adapting to changing demands and sustaining growth.

The management of the Group would like to take this opportunity to express its thanks to our shareholders, banks, customers and vendors for their supports and trusts as well as our management and all staffs for their hard workings and commitments during the year.

FINANCIAL REVIEW

Revenue and gross profit margin

The breakdown of revenue, average revenue per traveller (“ART”) and gross profit margin by revenue type during the Year Under Review with comparative figures for the year ended 31 December 2023 are set forth below:

	For the year ended 31 December 2024				For the year ended 31 December 2023			
	Revenue <i>RMB'000</i>	ART <i>RMB</i>	Percentage of revenue	Gross profit margin	Revenue <i>RMB'000</i>	ART <i>RMB</i>	Percentage of revenue	Gross profit margin
Sales of package tours								
– Japan	23,523	9,020	11.0%	15%	12,861	9,300	13.9%	4%
– Other than Japan	13,959	1,900	6.5%	4%	4,994	2,666	5.4%	3%
Sales of day tours – Japan	146,668	323	68.6%	19%	41,348	348	44.6%	30%
Margin income from sales of FIT products (net basis)								
– Japan	2,094	452	1.0%	100%	1,650	195	1.8%	100%
– Other than Japan	97	84	0.1%	100%	152	268	0.2%	100%
Margin income from the provision of visa application processing service (net basis)	3,234	60	1.5%	100%	6,372	82	6.9%	100%
Hotels Operation – Japan	21,857	300	10.2%	55%	19,760	387	21.3%	56%
Duty-free Shop business – Japan and the PRC	2,331	282	1.1%	15%	5,508	175	5.9%	25%
	<u>213,763</u>		<u>100%</u>		<u>92,645</u>		<u>100%</u>	

Sales of day tour and package tours, margin incomes from sales of FIT products and the provision of visa application processing services

The Group is a well-established and active outbound travel products and service provider in the PRC, focusing on the design, development and sale of Japan outbound travel package tours and day tours and outbound FIT products, the provision of visa application processing services and other ancillary travel-related products. During the Year Under Review, revenue from sales of package tours to Japan increased by approximately 82.2% year-on-year to around RMB23.5 million, primarily reflecting the Group's ongoing overseas expansion – realized through partnerships with international travel agencies and the broadening of sales channels since 2023. In parallel, revenue from sales of day tours to Japan surged by approximately 255.2% year-on-year to approximately RMB146.7 million, attributable to the same well-established expansion strategy, an enhanced transportation capacity achieved by acquiring additional tour buses, and a diversified product mix featuring new itineraries and themed packages. Targeted marketing efforts also contributed to these strong results by boosting the number of tour customers and further elevating the overall travel.

Hotels Operation – Japan

The Group operates its self-owned Shizuoka Hotel and Tokyo Hotel. The revenue of the Hotels Operation increased by approximately 10.6%, reaching around RMB21.9 million for the year ended 31 December 2024, with occupancy rates remaining above 90% during the Year Under Review. This growth was largely attributable to the Group's focus on higher-yield business and enhanced customer satisfaction, achieved through continued investments in room renovations, digital check-in systems, and staff training in hospitality best practices. These efforts supported higher average daily room rates and improved guest reviews. By integrating hotel accommodations with the Group's tour packages, the Hotels Operation also secured a stable flow of customers and created additional synergies across business lines, enabling the Group to provide cost-effective lodging for its tour operations while capturing supplemental revenue from external guests.

Duty-free Shop Business

The Group operates its Duty-free Shop Business in the premise of the Tokyo Hotel, together with its online Duty-free Shop Business under the name “Direct Courier from Shop Manager” (“店長直郵”). During the Year Under Review, revenue from the Duty-Free Shop Business declined by approximately 58.2% year-on-year, mainly reflecting a strategic redirection, as the Group prioritized enhancing its product lineup in collaboration with renowned global brands and refining overall brand positioning. At the same time, online sales channels were strengthened and store layouts were optimized to heighten the shopping experience and capture more international tourist traffic.

Other income and other gains/(losses), net

Other income and other gains/(losses), net mainly consist of interest income from loans to third parties, changes in fair value of financial assets at fair value through profit or loss and changes in fair value of investment properties. Other income and other gains/(losses), net for the year ended 31 December 2024 mainly included the changes in fair value of financial assets at fair value through profit or loss of approximately gain of RMB1.4 million (2023: RMB2.0 million), interest income from loans to third parties of approximately RMB1.3 million (2023: RMB1.7 million) and an one-off income related to gain on loan modification of bank borrowings of RMB1.5 million (2023: one-off expense related to loss on loan modification of bank borrowings of RMB0.2 million).

Selling and distribution costs

Selling and distribution costs consist mainly of salaries and wages to sales team of RMB9.0 million (2023: RMB3.4 million) and commission paid out of RMB1.4 million (2023: RMB: 2.1 million).

Administrative expenses

Administrative expenses mainly consist of depreciation of RMB6.9 million (2023: RMB3.8 million), bank charges of RMB1.2 million (2023: RMB0.8 million), staff-related costs of RMB7.0 million (2023: RMB4.4 million), various local taxes, depreciation, operating lease rental expenses, audit fees, and miscellaneous expenses. These expenses increased was mianly due to increase in depreciation and increase in staff-related costs.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

		2024	2023
	Notes	RMB'000	RMB'000
Revenue	5	213,763	92,645
Cost of sales and services rendered		<u>(163,227)</u>	<u>(59,003)</u>
Gross profit		50,536	33,642
Other income and other gains/(losses), net	5	6,702	2,688
Selling and distribution expenses		(11,589)	(8,496)
Administrative expenses		(28,451)	(19,821)
(Allowance for)/reversal of expected credit losses (“ECL”) on trade and other receivables		(7,470)	5,172
Finance costs	6	<u>(1,161)</u>	<u>(1,238)</u>
Profit before tax	7	8,567	11,947
Income tax credit/(expense)	8	<u>1,372</u>	<u>(2,753)</u>
Profit for the year		<u>9,939</u>	<u>9,194</u>
Other comprehensive loss, net of tax:			
<i>Item that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operations		(2,406)	(2,443)
<i>Item that will not be reclassified to profit or loss in subsequent periods:</i>			
Fair value changes of financial assets at fair value through other comprehensive income		<u>(5)</u>	<u>(4)</u>
Other comprehensive loss for the year		<u>(2,411)</u>	<u>(2,447)</u>
Total comprehensive income for the year		<u>7,528</u>	<u>6,747</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the year ended 31 December 2024

	<i>Note</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit for the year attributable to:			
Equity shareholders of the Company		9,890	8,921
Non-controlling interests		49	273
		9,939	9,194
Total comprehensive income for the year attributable to:			
Equity shareholders of the Company		7,479	6,474
Non-controlling interests		49	273
		7,528	6,747
Earnings per share	<i>9</i>		
Basic (RMB cents)		0.99	0.89
Diluted (RMB cents)		N/A	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

		2024	2023
	Notes	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment		87,258	88,741
Investment properties		13,753	15,000
Right-of-use assets		572	2,403
Freehold land		36,319	39,533
Investment in an associate		490	–
Other intangible assets		257	328
Financial assets at fair value through other comprehensive income		1	6
Deferred tax assets		7,854	4,902
		<u>146,504</u>	<u>150,913</u>
Current assets			
Inventories		846	1,266
Trade receivables	11	24,753	14,570
Prepayments, deposits and other receivables		24,413	12,264
Financial assets at fair value through profit or loss		–	3,640
Pledged short-term bank deposits		1,500	3,000
Cash and cash equivalents		40,065	38,093
		<u>91,577</u>	<u>72,833</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 December 2024

		2024	2023
	Notes	RMB'000	RMB'000
Current liabilities			
Trade payables	12	22,167	7,934
Contract liabilities, other payables and accruals		18,554	17,026
Interest-bearing bank borrowings	13	21,119	24,902
Lease liabilities		453	1,053
Tax payable		559	579
		<u>62,852</u>	<u>51,494</u>
Net current assets		<u>28,725</u>	<u>21,339</u>
Total assets less current liabilities		<u>175,229</u>	<u>172,252</u>
Non-current liabilities			
Interest-bearing bank borrowings	13	26,209	31,215
Lease liabilities		19	1,278
Deferred tax liabilities		6,422	4,708
		<u>32,650</u>	<u>37,201</u>
NET ASSETS		<u>142,579</u>	<u>135,051</u>
Capital and reserves			
Share capital	14	8,797	8,797
Reserves		131,507	124,028
Equity attributable to equity shareholders of the Company		140,304	132,825
Non-controlling interests		2,275	2,226
TOTAL EQUITY		<u>142,579</u>	<u>135,051</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 27 February 2018. The registered address of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business in Hong Kong is located at Room 02-03, 31/F, 118 Connaught Road West, Hong Kong. The principal place of business in Mainland China is located at Room 813, 8/F, Block 4, Hai Chuang Technology Centre, No. 1288 Wenyi West Road, Cangqian Sub-district, Yuhang District, Hangzhou City, Zhejiang Province, the People's Republic of China (the “**PRC**”). The shares of the Company (the “**Shares**”) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 28 June 2019 (the “**Listing Date**”).

The Company and its subsidiaries (collectively referred to as the “**Group**”) were principally involved in (i) sales of outbound travel package tours and day tours; (ii) sales of FIT products; (iii) provision of visa application processing services; (iv) hotels operation; and (v) duty-free shop business.

In the opinion of the directors of the Company, as at 31 December 2024, Mr. Yu Dingxin, Mr. Pan Wei and Mr. Xu Jiong (collectively referred to as the “**Controlling Shareholders**”) are collectively considered to be the ultimate controlling shareholders of the Company pursuant to the concert party agreement dated 13 April 2018 signed between the Controlling Shareholders, York Tu Co., Ltd and David Xu Co., Ltd (incorporated in the British Virgin Islands (the “**BVI**”) and directly and wholly owned by Mr. Yu Dingxin), King Pan Co., Ltd (incorporated in the BVI and directly and wholly owned by Mr. Pan Wei) and Jeffery Xu Co., Ltd (incorporated in the BVI and directly and wholly owned by Mr. Xu Jiong) are collectively considered to be the ultimate and immediate holding companies of the Company.

2 BASIS OF PRESENTATION AND PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). HKFRS Accounting Standards comprise all individual Hong Kong Financial Reporting Standard (“**HKFRS**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with the disclosure requirements of the Hong Kong Companies Ordinance.

The HKICPA has issued certain new and amendments to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

These consolidated financial statements have been prepared under the historical cost except for investment properties, financial assets at fair value through other comprehensive income (“**FVTOCI**”) and financial assets at fair value through profit or loss (“**FVTPL**”) which have been measured at fair value. These consolidated financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

3 ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

(a) Application of new and amendments to HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated 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>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>
Hong Kong Interpretation 5 (“ HK Int 5 ”) (Revised)	<i>Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause</i>

The application of the amendments to HKFRS Accounting Standards in the current year had no material impact on the Group’s consolidated financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(b) New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective for the financial year beginning 1 January 2024.

	Effective accounting periods beginning on or after
Amendments to HKAS 21 and HKFRS 1 – Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 – Contracts Referencing Nature-dependent Electricity	1 January 2026
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 – Subsidiaries without Public Accountability: Disclosure	1 January 2027
Amendments to HK Int 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The directors of the Company anticipate that the application of the above new and amendments to HKFRS Accounting Standards will not have material impact on the consolidated financial statements in the foreseeable future, except for HKFRS 18, which is detailed as follows:

3 ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (CONTINUED)

(b) New and amendments to HKFRS Accounting Standards in issue but not yet effective (Continued)

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

4 SEGMENT INFORMATION

For management purpose, the Group’s businesses include (i) sales of package tours and day tours; (ii) hotels operation; (iii) sales of FIT products; (iv) provision of visa application processing services; and (v) duty-free shop business. Revenue recognised during the year is as follows:

	2024 RMB’000	2023 RMB’000
Sales of package tours and day tours	184,150	59,203
Hotels operation income	21,857	19,760
Margin income from sales of FIT products	2,191	1,802
Margin income from the provision of visa application processing services	3,234	6,372
Income from duty-free shop business	2,331	5,508
Total	<u>213,763</u>	<u>92,645</u>

Geographical information

(a) Revenue from external customers

	2024 RMB’000	2023 RMB’000
The PRC*	189,575	72,275
Japan [#]	24,188	20,370
Total	<u>213,763</u>	<u>92,645</u>

* From sales of package tours and day tours, sales of FIT products and provision of visa application processing services.

[#] From hotels operation and duty-free shop business.

4 SEGMENT INFORMATION (CONTINUED)

(b) Information about major customers

During the years ended 31 December 2024 and 2023, no customers individually contributing over 10% of the total revenue of the Group.

(c) Non-current assets

	2024 RMB'000	2023 RMB'000
Japan	108,161	115,752
The PRC	30,488	30,253
Total	138,649	146,005

The non-current assets disclosed above are based on the locations of assets and excludes financial assets at FVTOCI and deferred tax assets.

5 REVENUE AND OTHER INCOME AND OTHER GAINS/(LOSSES), NET

	2024 RMB'000	2023 RMB'000
Revenue from contracts with customers within the scope of HKFRS15	213,763	92,645
Other income		
Bank interest income	93	47
Government grants (Note)	243	360
Net rental income from investment properties under operating leases:		
– Lease payments, including fixed payments less direct outgoings of RMB45,000 (2023: RMB41,000)	920	924
Rentail income from motor vehicles	423	–
Interest income from loans to third parties	1,332	1,701
Others	183	77
	3,194	3,109
Other gains/(losses), net		
Changes in fair value of financial assets at FVTPL	1,427	1,980
Loss on early termination of lease	(1)	(2)
Gain/(loss) on loan modification of bank borrowings	1,503	(164)
Reversal of impairment loss on property, plant and equipment	1,796	–
Impairment loss on property, plant and equipment	–	(558)
Changes in fair value of investment properties	(1,247)	(1,824)
Foreign exchange gains, net	30	147
	3,508	(421)
	6,702	2,688

Note: Government grants mainly represented financial support funds from government in Japan and the PRC. There are no unfulfilled conditions or other contingencies attached to these grants and recognised as income when the Group received.

6 FINANCE COSTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on bank borrowings	1,152	1,212
Interest on lease liabilities	9	26
	<u>1,161</u>	<u>1,238</u>

7 PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Cost of services rendered	161,249	54,850
Cost of inventories sold	1,978	4,153
Depreciation of property, plant and equipment	6,888	3,814
Depreciation of right-of-use assets	669	1,066
Amortisation of other intangible assets	46	80
Expenses related to short-term leases	835	114
Auditor's remuneration		
– Audit services	912	901
– Non-audit services	–	–
Allowance for/(reversal of) ECL on loan receivables, deposits and other receivables, net	1,353	(623)
Allowance for/(reversal of) ECL on trade receivables, net	6,117	(4,549)
(Reversal of impairment loss)/impairment loss of property, plant and equipment (included in other gains/(losses), net)	(1,796)	558
Employee benefit expense (excluding directors' remuneration)	16,020	7,776
	<u>16,020</u>	<u>7,776</u>

8 INCOME TAX (CREDIT)/EXPENSE

The income tax (credit)/expense of the Group is analysed as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Deferred tax	(1,372)	2,753
Total tax (credit)/charge for the year	<u>(1,372)</u>	<u>2,753</u>

9 EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit for the year attributable to equity shareholders of the Company of approximately RMB9,890,000 (2023: RMB8,921,000), and the weighted average number of 1,000,000,000 ordinary shares (2023: 1,000,000,000) in issue during the year.

No diluted earnings per share has been presented as there were no potential dilutive shares outstanding for the years ended 31 December 2024 and 2023.

10 FINAL DIVIDENDS

At the meetings of the directors of the Company held on 28 March 2025, the directors of the Company did not recommend any payment of any dividend for the year (2023: Nil).

11 TRADE RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables	24,916	18,525
Less: loss allowance for ECLs	(163)	(3,955)
	<u>24,753</u>	<u>14,570</u>

The credit terms granted by the Group generally ranged up to one month, extending up to three months for certain customers. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that 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 or other credit enhancement over its trade receivable balances. Trade receivables are non-interest bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the transaction date and net of loss allowance, is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
1 to 30 days	24,203	11,554
31 to 90 days	184	1,949
91 to 180 days	212	769
181 to 360 days	154	298
	<u>24,753</u>	<u>14,570</u>

11 TRADE RECEIVABLES (CONTINUED)

The movement in the loss allowance for expected credit loss of trade receivables is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
At the beginning of the year	3,955	13,622
Allowance for the ECL provided for the year	6,117	–
Reversal of allowance for the ECL for the year	–	(4,549)
Write-off	<u>(9,909)</u>	<u>(5,118)</u>
At the end of the year	<u>163</u>	<u>3,955</u>

12 TRADE PAYABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
1 to 30 days	21,451	5,965
31 to 90 days	466	1,599
91 to 180 days	45	77
181 to 360 days	160	10
Over 360 days	<u>45</u>	<u>283</u>
	<u>22,167</u>	<u>7,934</u>

Trade payables are non-interest-bearing and are normally settled on 30-day terms.

13 INTEREST-BEARING BANK BORROWINGS

Current	Effective interest rate per annum %	2024 RMB'000	2023 RMB'000
RMB8,000,000 (2023: RMB10,000,000) secured bank loan	3.2-3.8	8,000	10,000
JPY204,812,000 (2023: JPY241,812,000) secured bank loan	1.88	11,411	12,012
JPYNil (2023: JPY1,552,000) secured bank loan	1.88	–	78
JPY51,624,000 (2023: JPY51,624,000) current portion of long-term secured bank loan	1.88	1,708	2,812
		21,119	24,902

Non-current	Effective interest rate per annum %	2024 RMB'000	2023 RMB'000
JPY585,121,000 (2023: JPY585,121,000) secured bank loan	1.88	26,209	31,215
		26,209	31,215

	2024 RMB'000	2023 RMB'000
Analysed into:		
<i>Bank loans repayable</i>		
– Within one year or on demand	21,119	24,902
– Within a period of more than one year but not exceeding two years	2,453	2,592
– Within a period of more than two year but not exceeding five years	7,132	8,563
– More than five years	16,624	20,060
	47,328	56,117

14 SHARE CAPITAL

	2024 HK\$'000	2023 HK\$'000
Authorised:		
1,500,000,000 ordinary shares of HK\$0.01 each	15,000	15,000
	2024 RMB'000	2023 RMB'000
Issued and fully paid:		
1,000,000,000 ordinary shares of HK\$0.01 each	8,797	8,797

OTHER INFORMATION

UPDATE ON USE OF PROCEEDS IN RELATION TO THE INITIAL PUBLIC OFFERING OF SHARES

References are made to the Company's prospectus dated 18 June 2019 (the “**Prospectus**”), the annual report for the year ended 31 December 2023 and the announcement of the Company dated 3 June 2024 regarding the change of use of proceeds.

The information of use of net proceeds of the Company (the “**Net Proceeds**”) was disclosed as follows:

Description	Intended use of Net Proceeds as disclosed in the 2023 Annual Report <i>HK\$'000</i>	Utilised Net Proceeds as at 31 December 2023 <i>HK\$'000</i>	Original allocation of Unutilised Net Proceeds as at 31 December 2023 <i>HK\$'000</i>	Revised allocation of Net Proceeds as at the date of the announcement of the Company dated 3 June 2024 <i>HK\$'000</i>	Utilised Net Proceeds as at 31 December 2024 <i>HK\$'000</i>
(i) Enhancing the Group's product portfolio by developing new products and services	1,760	(1,760)	–	–	(1,760)
(ii) Purchasing tour buses and engaging third party tour bus operators	11,440	(11,440)	–	–	(11,440)
(iii) Acquiring hospitality asset in Kyoto, Japan	17,600	–	17,600	–	–
(iv) Increasing the tour bus transportation capacity in Japan	–	–	–	17,600	(17,600)
(v) Investing in enhancing the Group's marketing approaches together with its IT platform	17,600	(17,600)	–	–	(17,600)
(vi) Engaging more personnel in Japan	13,200	(13,200)	–	–	(13,200)
(vii) General working capital	26,400	(26,400)	–	–	(26,400)
Total	<u>88,000</u>	<u>(70,400)</u>	<u>17,600</u>	<u>17,600</u>	<u>(88,000)</u>

During the Year Under Review, the Net Proceeds from the initial public offer of shares of the Company were used according to the intentions as disclosed above.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisitions or disposals during the Year Under Review. As at 31 December 2024, there were no significant investments held by the Group or any future plans for significant investments or capital assets.

EVENTS AFTER THE REPORTING PERIOD

There was no material events affecting the Group that occurred after 31 December 2024 and up to the date of this announcement.

CONTINGENT LIABILITIES

As at 31 December 2024 and 31 December 2023, the Group did not have any significant contingent liabilities.

FOREIGN CURRENCY EXCHANGE RISK

The Group mainly operates in the PRC and Japan. The functional currency of subsidiaries incorporated in Japan use JPY as their functional currencies. The functional currency of the subsidiaries established in Mainland China is RMB. However, the Group is exposed to foreign currency exchange risks as costs for some of the travel products, such as hotel accommodations and fees paid to land operators, are settled in foreign currencies including JPY. At present, the Group does not intend to hedge its exposure to foreign currency exchange fluctuations. However, the Board constantly monitors the economic situation and the Group's foreign exchange risk profile and will consider appropriate hedging measures in the future should the need arise.

INTEREST RATE RISK

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank borrowings. The Group's policy is to manage interest cost using mainly fixed rate debts.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2024, the Group employed a total of 144 full time employees. The Group's employee benefits include salary and discretionary bonuses based on the Group's results and individual performance, medical and retirement benefits schemes. The remuneration committee of the Board (the "**Remuneration Committee**") reviews such packages annually, or when the occasion requires. The executive Directors, who are also employees of the Company, receive remuneration in the form of salaries, bonuses and other allowances.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Group did not have any material capital expenditure commitment during the Year Under Review.

The Group operates primarily through cash generated from operating activities and bank and other borrowings.

The Group's gearing ratio was maintained at a similar level during the Year Under Review (31 December 2024: 25.1%; 31 December 2023: 24.2%). The Group adopts conservative treasury policies in cash and financial management. The Group's cash is generally placed as current deposits which are mostly denominated in RMB. The Group's liquidity and financing requirements are reviewed regularly.

The trade receivables turnover days maintained in a similar level during the Year Under Review (31 December 2024: 42 days; 31 December 2023: 57 days).

The trade payables turnover days maintained in a similar level during the Year Under Review (31 December 2024: 50 days; 31 December 2023: 49 days).

DIVIDEND

The Board did not recommend the declaration of dividend for the year ended 31 December 2024 (2023: Nil).

CORPORATE GOVERNANCE

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all shareholders of the Company. During the Year Under Review, the Company has complied with all the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, except for code provision C.2.1 of the CG Code as explained below.

Code Provision C.2.1

Under code provision C.2.1 of the Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The Company does not have any officer with the title of "chief executive officer" which is deviated from the code provision C.2.1 of the CG Code.

Mr. Yu Dingxin, who acts as the chairman and an executive Director of the Company since 27 February 2018, is also responsible for overseeing the general operations of the Group. The Board will meet regularly to consider major matters affecting the operations of the Group. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group. The roles of the respective executive directors and senior management, who are in charge of different functions, complement the role of the chairman and chief executive officer. The Board believes that this structure is conducive to strong and consistent leadership enabling the Group to operate efficiently.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code for securities transactions by Directors and senior management. Having made specific enquiries with all the Directors, all the Directors confirmed that they have complied with the Model Code during the Year Under Review.

AUDIT COMMITTEE

The audit committee of the Board (the “**Audit Committee**”) consists of three members, namely Mr. Zhao Jianbo, Ms. Zhou Li and Mr. Ying Luming, all of whom are independent non-executive Directors. The chairman of the Audit Committee is Mr. Ying Luming. The primary responsibilities of the Audit Committee include, among others, reviewing and supervising the financial reporting process and internal control system of the Group, nominating and monitoring external auditors and providing advice and comments to the Board.

The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2024, including the accounting principles and practices adopted by the Group, and the Group’s internal control functions.

On 24 August 2021, the auditor of the Company changed from Ernst & Young to McMillan Woods (Hong Kong) CPA Limited.

REMUNERATION COMMITTEE

The Remuneration Committee consists of three members, namely Mr. Yu Dingxin, Mr. Zhao Jianbo and Ms. Zhou Li of whom Mr. Zhao Jianbo and Ms. Zhou Li are independent non-executive Directors and Mr. Yu Dingxin is the Chairman of the Board and an executive Director. The chairman of the Remuneration Committee is Ms. Zhou Li. The primary responsibilities of the Remuneration Committee include, among others, evaluating the performance and making recommendation on the remuneration package of the Directors and senior management, and evaluating and making recommendation on the share award plan of the Company.

NOMINATION COMMITTEE

The nomination committee of the Board (the “**Nomination Committee**”) consists of three members, namely Mr. Yu Dingxin, Mr. Zhao Jianbo and Ms. Zhou Li, of whom Mr. Zhao Jianbo and Ms. Zhou Li are independent non-executive Directors and Mr. Yu Dingxin is the Chairman of the Board and an executive Director. The chairman of the Nomination Committee is Mr. Yu Dingxin. The primary responsibilities of the Nomination Committee include, among others, considering and recommending to the Board suitably qualified persons to become the member of the Board and reviewing the structure, size, diversity and composition of the Board on a regular basis and as required.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the Year Under Review.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the public float of not less than 25% of the issued Shares as required under the Listing Rules as at the date of this announcement.

CONTRACTUAL ARRANGEMENTS

The Group is primarily engaged in the provision of outbound travel products and services (the “**Outbound Travel Business**”) through 途益集團有限公司 (Tu Yi Group Company Limited) and 杭州谷歌旅行社有限公司 (Hangzhou Guge Travel Company Limited) (collectively, the “**Operating Entities**”). Pursuant to the relevant provisions of the Regulations on Travel Agencies (Revision 2017 and Revision 2020 () 《旅行社條例》) promulgated by the State Council of the PRC, the Group’s Outbound Travel Business is prohibited from foreign ownership. Accordingly, the Group cannot acquire equity interest in our Operating Entities, which hold, or in the course of application for, Travel Agency Business License 旅行社業務經營許可證) with the scope to conduct outbound travel business for the operation of our Outbound Travel Business. As a result the Group conducts all its operations in the PRC and exerts management control over the operations of and enjoy the economic benefits derived from the Operating Entities through entering into the contractual arrangements (the “**Contractual Arrangements**”) with the Operating Entities. Please refer to the section headed “Contractual Arrangements” in the Prospectus for further details.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's business is subject to business risks. Any of the following developments may have a material and adverse effect on the Group's business, financial condition, results of operations and prospects:

1. Japan is the most popular destination of the Group's package tours and FIT Products and any material adverse change in the economic, political or social conditions relating to Japan, deterioration of diplomatic relationships between the PRC and Japan, negative developments related to the Japan tourism market, or natural or other disasters occurring in Japan may materially and adversely affect our business and operating results.
2. The Group's business and revenue may be adversely affected by any future changes to the respective visa application policies of the PRC government and the Japanese government.
3. Changes in the foreign exchange rate for JPY would impact our operating performance and our financial condition.
4. The Group derives material portion of our revenue from customers in the PRC and any downturn in the PRC economy could have a material adverse effect on our business and operating results.
5. The Group faced increased market competition from competing agents, hotel or flight providers, online travel platforms and alternative travel booking media.
6. Natural disasters, acts or threats of terrorism, wars, travel-related accidents, outbreak of contagious diseases or other catastrophic events which affect consumer demand for travel activities or a general apprehension of such events may significantly and adversely impact on the Group's business and operating results.
7. The PRC government may determine that the contractual arrangements are not in compliance with applicable PRC laws, rules, regulations or policies and may take actions against us or our operation.

For details of the risk factors, please refer to the section headed "Risk Factors" in the Prospectus.

FORWARD LOOKING STATEMENTS

This announcement contains forward looking statements with respect to the financial conditions, results of operations and business of the Group. These forward looking statements represent the Company's expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

SCOPE OF WORK OF MCMILLAN WOODS (HONG KONG) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Group's auditors, McMillan Woods (Hong Kong) CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by McMillan Woods (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by McMillan Woods (Hong Kong) CPA Limited on this announcement.

ANNUAL GENERAL MEETING

The forthcoming 2024 annual general meeting (the "AGM") of the Company will be held on Monday, 26 May 2025. Notice of the AGM will be published and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 21 May 2025 to Monday, 26 May 2025, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM. In order to qualify for the right to attend and vote at the forthcoming AGM, all transfers documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 20 May 2025.

PUBLICATION OF ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.tuyigroup.com). The Company's annual report for year ended 31 December 2024 containing all information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

ACKNOWLEDGEMENT

On behalf of the Board, the Chairman would like to take this opportunity to express his thanks to all staffs as well as our shareholders, banks, customers and vendors for their supports and trusts.

By order of the Board
Tu Yi Holding Company Limited
Yu Dingxin
Chairman and executive Director

The PRC, 28 March 2025

As at the date of this announcement, the Board comprises four executive Directors: Mr. Yu Dingxin, Mr. Pan Wei, Mr. Xu Jiong and Mr. An Jiajin and three independent non-executive Directors: Mr. Zhao Jianbo, Ms. Zhou Li and Mr. Ying Luming.

In this announcement, if there is any inconsistency between the Chinese names of certain items and their English translations, the Chinese names shall prevail.