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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

INTERIM RESULTS

The Board of Directors (the "**Board**") of China Travel International Investment Hong Kong Limited (the "**Company**") is pleased to present the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2025 together with the comparative figures.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2025 – unaudited

		Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Revenue	*5*	**1,973,653**	2,136,982
Cost of sales		**(1,440,325)**	(1,526,243)
Gross profit		**533,328**	610,739
Other income and gains, net	*6*	**52,770**	73,337
Changes in fair value of investment properties		**(123,328)**	(99,045)
Selling and distribution costs		**(101,422)**	(113,918)
Administrative expenses		**(405,180)**	(353,560)
Operating (loss)/profit	*7*	**(43,832)**	117,553
Finance income		**13,295**	25,691
Finance costs		**(6,088)**	(5,461)
Finance income, net	*8*	**7,207**	20,230
Share of profits and losses of joint ventures		**431**	34
Share of profits and losses of associates		**28,387**	27,413

	Notes	Six months ended 30 June **2025** **(Unaudited)** ***HK$'000***	 2024 (Unaudited) *HK$'000*
(Loss)/profit before taxation		**(7,807)**	165,230
Tax expense	*9*	**(66,953)**	(64,843)
(Loss)/profit for the period		**(74,760)**	100,387
Attributable to:			
Equity owners of the Company		**(86,853)**	63,230
Non-controlling interests		**12,093**	37,157
(Loss)/profit for the period		**(74,760)**	100,387
(Losses)/earnings per share (HK cents)	*11*		
Basic and diluted (losses)/earnings per share		**(1.57)**	1.14

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025 – unaudited

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
(Loss)/profit for the period	**(74,760)**	100,387
Other comprehensive income/(loss) for the period		
Items that will not be reclassified subsequently to profit or loss:		
Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling), net of tax	**(5,788)**	(6,799)
Exchange differences on translation of foreign operations attributable to non-controlling interests, net	**16,774**	–
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations, net	**227,708**	(95,522)
Other comprehensive income/(loss) for the period, net of tax	**238,694**	(102,321)
Total comprehensive income/(loss) for the period	**163,934**	(1,934)
Attributable to:		
Equity owners of the Company	**134,819**	(28,818)
Non-controlling interests	**29,115**	26,884
Total comprehensive income/(loss) for the period	**163,934**	(1,934)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025 – unaudited

	Note	**At 30 June 2025 (Unaudited)** ***HK$'000***	At 31 December 2024 (Audited) *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**9,633,337**	9,638,670
Investment properties		**3,129,387**	3,232,813
Prepaid land lease payments		**594,762**	444,477
Goodwill		**1,354,622**	1,354,468
Other intangible assets		**121,301**	121,301
Investments in associates		**1,368,142**	1,335,883
Investments in joint ventures		**79,607**	78,974
Other financial assets		**47,618**	54,101
Prepayments and other receivables		**51,913**	45,846
Deferred tax assets		**239,173**	249,230
Total non-current assets		**16,619,862**	16,555,763
Current assets			
Inventories		**146,388**	147,748
Properties under development		**4,107,842**	3,980,836
Completed properties held for sale		**401,475**	418,276
Trade receivables	*12*	**222,278**	193,463
Deposits, prepayments and other receivables		**577,426**	456,690
Amounts due from holding companies		**22,823**	22,588
Amounts due from fellow subsidiaries		**227,499**	306,619
Tax recoverable		**96**	950
Pledged and restricted deposits		**5,208**	4,811
Cash and bank balances		**2,853,580**	2,444,190
Total current assets		**8,564,615**	7,976,171
Total assets		**25,184,477**	24,531,934

	Note	At 30 June 2025 (Unaudited) *HK$'000*	At 31 December 2024 (Audited) *HK$'000*
Equity attributable to equity owners of the Company			
Share capital		**9,222,295**	9,222,295
Reserves		**7,007,923**	6,883,715
		16,230,218	16,106,010
Non-controlling interests		**2,181,447**	2,025,883
Total equity		**18,411,665**	18,131,893
LIABILITIES			
Non-current liabilities			
Deferred income		**574,061**	561,643
Loans from a fellow subsidiary		**246,724**	350,957
Lease liabilities		**263,218**	277,681
Bank and other borrowings		**792,750**	640,424
Deferred tax liabilities		**625,074**	624,304
Total non-current liabilities		**2,501,827**	2,455,009
Current liabilities			
Trade payables	*13*	**721,700**	763,042
Other payables and accruals		**2,195,083**	2,146,559
Loans from holding companies		**342,412**	337,202
Loans from a fellow subsidiary		**153,517**	86,389
Amounts due to holding companies		**5,895**	9,659
Amounts due to fellow subsidiaries		**50,477**	26,414
Lease liabilities		**70,188**	56,065
Tax payables		**153,058**	128,173
Bank and other borrowings		**578,655**	391,529
Total current liabilities		**4,270,985**	3,945,032
Total liabilities		**6,772,812**	6,400,041
Total equity and liabilities		**25,184,477**	24,531,934

NOTES TO THE CONDENSED CONSOLIDATED INTERIM 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 address of its registered office is 12th Floor, CTG House, 78-83 Connaught Road Central, Hong Kong.

This condensed consolidated interim financial information is presented in Hong Kong dollars, unless otherwise stated. This condensed consolidated interim financial information was authorised for issue on 28 August 2025.

2 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

The financial information relating to the year ended 31 December 2024 that is included in the interim condensed consolidated statement of financial position as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on the financial statements for the year ended 31 December 2024. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

3 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21	*Lack of Exchangeability*

The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

4 OPERATING SEGMENT INFORMATION

Executive management 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 reporting 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, hotspring 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, result from disposal of property, plant and equipment and equity-settled share option expenses.

Six months ended 30 June 2025 (unaudited)

	Tourist attraction and related operations *HK$'000*	Travel document and related operations *HK$'000*	Hotel operations *HK$'000*	Passenger transportation operations *HK$'000*	Total of reportable segments *HK$'000*	Corporate and others *HK$'000*	Total *HK$'000*
Segment revenue:							
Sales to external customers	**870,753**	**147,168**	**429,179**	**513,397**	**1,960,497**	**13,156**	**1,973,653**
Inter-segment revenue	**65**	**10**	**175**	**92**	**342**	**–**	**342**
	870,818	**147,178**	**429,354**	**513,489**	**1,960,839**	**13,156**	**1,973,995**
Elimination of inter-segment revenue					**(342)**	**–**	**(342)**
Revenue					**1,960,497**	**13,156**	**1,973,653**
Segment results	**(112,016)**	**67,175**	**101,533**	**7,800**	**64,492**	**(50,560)**	**13,932**
Non-controlling interests							**19,258**
Segment operating results before non-controlling interests							**33,190**
Reversal of equity-settled share option expenses, net of tax							**8,860**
Changes in fair value of investment properties, net of tax							**(116,763)**
Net loss on disposal of property, plant and equipment, net of tax							**(47)**
Loss for the period							**(74,760)**

Six months ended 30 June 2024 (unaudited)

	Tourist attraction and related operations *HK$'000*	Travel document and related operations *HK$'000*	Hotel operations *HK$'000*	Passenger transportation operations *HK$'000*	Total of reportable segments *HK$'000*	Corporate and others *HK$'000*	Total *HK$'000*
Segment revenue:							
Sales to external customers	1,037,146	180,408	367,805	536,894	2,122,253	14,729	2,136,982
Inter-segment revenue	–	10	44	–	54	2,817	2,871
	1,037,146	180,418	367,849	536,894	2,122,307	17,546	2,139,853
Elimination of inter-segment revenue					(54)	(2,817)	(2,871)
Revenue					2,122,253	14,729	2,136,982
Segment results	26,433	94,360	82,222	5,656	208,671	(47,133)	161,538
Non-controlling interests							37,157
Segment operating results before non-controlling interests							198,695
Equity-settled share option expenses, net of tax							(5,534)
Changes in fair value of investment properties, net of tax							(93,051)
Net gain on disposal of property, plant and equipment, net of tax							277
Profit for the period							100,387

5 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 period.

(a) Disaggregation of revenue

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major service lines		
– Tourist attraction and related income	**781,179**	901,910
– Travel document and related income	**147,168**	180,408
– Hotel income	**417,760**	376,398
– Passenger transportation income	**513,397**	536,894
– Property sales income	**27,334**	69,110
– Consultancy and service income	**11,745**	11,641
	1,898,583	2,076,361
Revenue from other sources		
– Gross rental income from investment properties		
– Lease payments that are fixed or depend on an index or a rate	**75,070**	60,621
Total	**1,973,653**	2,136,982

(b) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date.

As at 30 June 2025, there were no aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts (2024: Nil).

The Group has applied practical expedient in paragraph 121 of HKFRS 15 to exempt the disclosure of revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date to its revenue from property sales as the performance obligation is part of a contract that has an original expected duration of one year or less.

6 OTHER INCOME AND GAINS, NET

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Foreign exchange differences, net	**267**	53
Government grants	**19,812**	17,444
(Loss)/gain on disposal of property, plant and equipment, net	**(47)**	277
Other rental income, net	**11,149**	12,535
Reversal of provision for refund of membership fee	**34**	6,779
Others	**21,555**	36,249
	52,770	73,337

7 OPERATING (LOSS)/PROFIT

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

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Staff costs	**712,485**	729,875
Depreciation		
– owned property, plant and equipment	**240,949**	237,324
– right-of-use assets	**40,337**	29,712
	281,286	267,036
Amortisation of prepaid land lease payments	**11,716**	15,152
Direct operating expenses of investment properties	**3,898**	3,717
Cost of properties sold	**23,090**	51,145
Provision for/(reversal of) impairment of trade receivables and other receivables, net	**190**	(710)
Impairment losses on completed properties held for sale	**6,520**	–
Impairment losses on property, plant and equipment	**59,699**	–
Changes in fair value of investment properties	**123,328**	99,045

8 FINANCE INCOME, NET

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Finance income:		
Bank deposits	**13,295**	25,691
Finance costs:		
Interest on bank borrowings and other borrowings	**(27,087)**	(45,530)
Interest on lease liabilities	**(6,088)**	(5,461)
	(33,175)	(50,991)
Less: Interest expense capitalised into properties under development and property, plant and equipment	**27,087**	45,530
	(6,088)	(5,461)
Finance income, net	**7,207**	20,230

9 TAX EXPENSE

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings. Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the period.

The Group's operations in Mainland China are subject to PRC corporate income tax at applicable tax rate. In addition, withholding income tax is imposed on dividends relating to any profits earned and under the Provisional Regulations on Land Appreciation Tax ("LAT"), all gains arising from the transfer of real estate property in Mainland China are subjected 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, borrowing costs and all property development expenditures.

Taxation outside Hong Kong and Mainland China has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the jurisdictions in which the Group operates.

The amount of taxation charged/(credited) to the condensed consolidated income statement represents:

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Current taxation		
Hong Kong	**36,054**	37,105
Mainland China and other territories	**16,809**	34,921
	52,863	72,026
Deferred taxation	**14,090**	(7,183)
	66,953	64,843

The share of fair value changes in equity investments as other comprehensive income included in the condensed consolidated statement of comprehensive income comprised of related tax effect of HK$695,000 (2024: HK$842,000).

10 DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (2024: HK1.5 cents per share).

11 (LOSSES)/EARNINGS PER SHARE FOR (LOSS)/PROFIT ATTRIBUTABLE TO EQUITY OWNERS OF THE COMPANY

The calculations of the basic (losses)/earnings per share amounts are based on the (loss)/profit for the periods attributable to equity owners of the Company, and the weighted average number of ordinary shares of 5,536,633,709 (2024: 5,536,633,709) outstanding during the period.

No adjustment has been made to the basic losses per share amounts presented during the period ended 30 June 2025 in respect of dilution as the calculation of diluted losses per share during the period ended 30 June 2025 does not assume the exercise of the Group's share options since their assumed exercise would result in a decrease in losses per share. The share options granted by the Group had no dilutive effect during the period ended 30 June 2024.

The calculations of basic and diluted (losses)/earnings per share are based on:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
(Losses)/earnings		
(Loss)/profit attributable to equity owners of the Company, used in the basic and diluted (losses)/earnings per share calculation	**(86,853)**	63,230
Number of shares		
Shares		
Weighted average number of ordinary shares outstanding, used in the basic and diluted (losses)/earnings per share calculation	**5,536,633,709**	5,536,633,709

12 TRADE RECEIVABLES

The Group allows an average credit period ranging from 30 to 90 days to its trade debtors. The ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2025	31 December 2024
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Within 3 months	**137,690**	120,803
Over 3 months to 6 months	**40,654**	40,183
Over 6 months to 12 months	**32,614**	30,370
Over 1 year to 2 years	**10,107**	1,283
Over 2 years	**1,213**	824
	222,278	193,463

13 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:

	30 June 2025	31 December 2024
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Within 3 months	**325,506**	372,102
Over 3 months to 6 months	**37,599**	134,413
Over 6 months to 12 months	**182,375**	54,783
Over 1 year to 2 years	**82,369**	58,552
Over 2 years	**93,851**	143,192
	721,700	763,042

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OVERVIEW

In the first half of 2025, the tense geopolitical situations caused disruptions to international trade as well as uncertainty over interest rates and economic prospects, which cast a shadow over the physical market. In Hong Kong, the government stepped up its efforts to promote local mega events, with the number of inbound tourists recording an increase of 12%. However, there were some signs of a pullback in local outbound tourism. In the first half of 2025, the gross domestic product ("**GDP**") of the People's Republic of China ("**China**") grew by 5.3% year-on-year. The effects of the government's ongoing "Year of Promoting Consumption" policy and various macroeconomic policies led to a steady recovery in market confidence, reflecting the resilience of the Chinese economy. The Group remains committed to its corporate mission and objectives of improving efficiency, reducing costs, and further enhancing operating performance.

In the first half of 2025, the Group's consolidated revenue was HK$1,974 million, representing an 8% decrease compared with the corresponding period of last year. Loss before taxation was HK$8 million, compared with a profit before taxation of HK$165 million for the corresponding period of last year. Loss attributable to shareholders was HK$87 million, compared with a profit attributable to shareholders of HK$63 million for the corresponding period of last year. Profit attributable to operation was HK$14 million, a 91% decrease compared with the corresponding period of last year. For the six months ended 30 June 2025, the turnaround of loss from profit was primarily attributable to the decline in the fair value of investment properties in line with market fluctuations, and the impairment provisions made by the Company's subsidiaries, China Travel Hong Kong (Zhuhai) Ocean Spring Co., Ltd. and CTS (Xianyang) Ocean Spring Resort Co., Ltd.

The Group's financial position remained stable and healthy, with adequate investment and financing capabilities. As of 30 June 2025, total assets were HK$25,184 million, a 3% increase compared with the end of last year. Equity attributable to shareholders was HK$16,230 million, a 1% increase compared with the end of last year. The aggregate of cash and bank balances and pledged and restricted deposits amounted to HK$2,859 million, representing a 17% increase compared with the end of last year. After deducting HK$2,114 million in loans from holding companies, loans from a fellow subsidiary, bank and other borrowings, net cash amounted to HK$745 million, representing a 16% increase compared with the end of last year.

DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (2024: HK1.5 cents 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 Scenic Spot**"), 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 (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**") 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 the first half of 2025, the scenic business was affected by factors such as consumption segmentation, lack of new products and activities, and climate change, resulting in a year-on-year decline in overall revenue and profit. In the first half of 2025, the Group's total revenue from tourist attractions and related operations was HK$871 million, representing a 16% decrease compared with the corresponding period of last year. Attributable loss was HK$112 million, compared with attributable profit of HK$26 million for the corresponding period of last year.

Theme parks

In the first half of 2025, revenue from theme parks amounted to HK$270 million, a 7% decrease compared with the corresponding period of last year. Attributable profit was HK$24 million, a 20% decrease compared with the corresponding period of last year.

In the first half of 2025, in collaboration with the Tourism Authority of Thailand, Window of the World has launched “Thai Cultural Festival”. During the May Day holiday, it included a music festival, and on 1 June, it used IPs such as Egg Party and Nailoong to create a Children’s Day event. Splendid China has meanwhile launched a “Splendid Market: A Dream of Splendor” themed area, a renewed “Dragon and Phoenix Dance of China”, and enriched its night event products with a “Black Myth: Wukong” IP-themed light installation and a firepot steel flower display.

Natural and cultural scenic spots

Revenue from natural and cultural scenic spots amounted to HK$441 million, representing a 13% decrease compared with the corresponding period of last year. Attributable profit amounted to HK$21 million, representing a 66% decrease compared with the corresponding period of last year.

Revenue from Shapotou Scenic Spot amounted to HK$139 million, representing a 1% decrease compared with the corresponding period of last year. Attributable profit amounted to HK$5 million, a 44% decrease compared with the corresponding period of last year. At Shapotou Scenic Spot, the first “Youthful Desert Starlight Music Festival” featured a “music+starry sky+desert” theme to create an immersive cultural tourism experience. The Detian Scenic Spot cancelled its ride activity, resulting in a 27% year-on-year decrease in revenue, and planned and implemented a series of distinctive marketing activities for 3 March, May Day and the summer holiday, all using an innovative integrated model of “scenario creation+distinctive experience+on-site sales”. Their deep integration of folk culture experience with product sales effectively promoted sales conversion. CTS Lugu Lake has been active in integrating 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 an increase in revenue compared with the corresponding period of last year. CTS Bairui launched a “one-stop vacation” activity project which includes customised hiking routes, local cultural characteristics and professional guide services to attract outdoor enthusiasts, extend tourists’ stay times and stimulate repeat consumption. Qiandao Lake Company is the unified operation and management entity of Qiandao Lake Scenic Spot. Its revenue decreased by 12% compared with the corresponding period of last year. Qiandao Lake Company has accelerated its project modification to strengthen the scenic area’s marketing and expansion and increase the number of group and individual tourists. Yunnan Company commenced to undertake all operation and maintenance work for the Dali Erhai ecological corridor, 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. In the first half of 2025, Yunnan Company launched a series of themed activities such as “Hello Dali 2025 Spring Festival Rhythm”, with revenue increasing by 36% compared with the corresponding period of last year. It will continue to expand its market and business forms, enrich the diversified commercial ecosystem of the Dali Erhai ecological corridor, and further enhance the region’s commercial value and influence.

Leisure resorts

Revenue from leisure resorts was HK$147 million, representing a 33% decrease compared with the corresponding period of last year. The attributable loss was HK$146 million, representing 115% increase compared with the corresponding period of last year. The increased loss was mainly attributable to the decline in the fair value of investment properties in line with market fluctuations, and the impairment provisions made by Zhuhai OSR and Xianyang OSR.

Zhuhai OSR recorded revenue of HK$70 million, representing 19% decrease compared with the corresponding period of last year. This was mainly attributable to the decrease in revenue recognised from real estate. Zhuhai OSR has launched a health and wellness business, and has introduced over 20 DIY itinerary products and attracted large enterprise customers such as China Southern Power Grid and Sun Yat-sen University under the "Zhuhai OSR Six Wellness Systems". Revenue from Xianyang OSR decreased by 54% compared with the corresponding period of last year. Xianyang OSR launched a unique "hot spring+" composite product matrix, and with a focus on introducing products such as "ticket+hotel room" and enterprise cards, cooperated closely with a leading local marketing team. These increased average transaction values and market appeal, while exclusive prices for family and corporate team-building customer groups maximised satisfaction across different customer types. Anji Company's revenue decreased by 38% compared with the corresponding period of last year due to a significant drop in revenue from real estate. Anji Company introduced a "Cute Chicken Team" IP, implemented more than 10 fantasy scenes and amusement facilities, and created a new model of "IP+ecology+experience" integration for family-oriented cultural tourism. Zhuhai Evergrande Ocean Spring Land Co., Ltd, our associate, recorded an attributable loss of approximately HK$17 million.

Supplementary tourist attraction operations

Revenue from supplementary tourist attraction operations was HK$13 million, representing a 28% decrease compared with the corresponding period of last year. The attributable loss was HK$11 million, compared with attributable profit of HK$3 million in the corresponding period of last year.

CTS Scenery was engaged in management and consulting services, and recorded a 57% decrease in revenue compared with the corresponding period of last year. It will collaborate on cultural tourism projects with other industries across various Chinese provinces. 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 53% increase in revenue compared with the corresponding period of last 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 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, and development of other businesses also encountered obstacles. During the period, its revenue decreased by 87% compared with the corresponding period of last year. Heaven Creation Company plans to promote the "Kung Fu Legend: Southern Shaolin" performance project in Quanzhou.

(II) Travel document and related operations

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

In 2023, the relaxation of travel restrictions and socialisation measures related to COVID-19 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 the first half of 2025, the Group's revenue from travel document and related operations was HK$147 million, representing an 18% decrease compared with the corresponding period of last year. Attributable profit was HK$67 million, representing a 29% decrease compared with the corresponding period of last year. China Travel Hi-Tech Computer Hong Kong Ltd. provides system maintenance and data security services for the Group's travel document business. It continued to optimise the travel document business system and is cooperating with the Group in work related to 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**"); and

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 the 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 the first half of 2025, revenue from the Group's hotel operations was HK$429 million, representing a 17% increase compared with the corresponding period of last year. Attributable profit was HK$102 million, representing a 24% increase compared with the corresponding period of last year.

Key operating data

	First half of 2025	First half of 2024
Six hotels and one serviced apartment in Hong Kong and Macau *(Metropark Hotel Hung Hom and Green Residence Serviced Apartment opened in May 2024)*		
Average occupancy rate (%)	**95.15**	94.42
Average room rate (HK$)	**768.48**	693.66
Beijing Metropark Hotel		
Average occupancy rate (%)	**77.22**	76.17
Average room rate (RMB)	**703.87**	716.57

(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 the first half of 2025, revenue from passenger transportation operations was HK$513 million, representing a 4% decrease compared with the corresponding period of last year. Attributable profit was HK$8 million, representing a 33% increase compared with the corresponding period of last year.

Shun Tak-China Travel will seize on opportunities arising from the resumption of cross-border travel, the "Hong Kong people travelling north" trend and the opening of the Shenzhen-Zhongshan Link. It will develop the market by launching special bus routes after concerts held at Kai Tak Sports Park and special bus routes for concerts to quickly resume business growth. The revenue and profit from passenger transportation operations increased year-on-year. However, the vessel business was constrained by competitors' aggressive ticket giveaway strategies, resulting in a decrease in revenue.

BUSINESS DEVELOPMENT

Tourist attractions and related operations

Based on its strategic position of building a "first-class tourist destination investment and operation service provider", the Group focused on the two product lines of natural and cultural scenic spots and urban and leisure resort destinations via the major pathways of mainland scenic spot business and Hong Kong business. These bring its focus to enhancing its major capabilities of investment, products, digitisation and operation to build first-class national tourism destination projects with branding and influence. The Group will further promote "integrity management and quality service" and the deep integration of culture and tourism to create standardised products and operational systems. It will grasp mainstream industry trends, overcome the growth bottleneck, and prepare for the 15th Five-Year Plan.

The Company will focus on its core businesses of natural and cultural scenic spots, leisure resorts and theme parks while developing industry-leading benchmark products, accelerating the formation of clear and replicable development models, cultivating IP performances and digital performances, strengthening core capabilities such as innovation and creativity, and accelerating the expansion of scenic spot projects. It will drive innovative development and strive to introduce or incubate and implement 10 influential IP products and activities throughout the year, making IP productised, industrialised and value maximised.

Window of the World and Splendid China will focus on reconstructing the core competitiveness of their IPs. By thoroughly exploring cultural connotations and precisely meeting market demands, they aim to create an IP matrix with high recognition and strong appeal. Using respective themes of national trend culture and world culture, a virtuous cycle of "IP empowering business forms and business forms feeding back to IP" will be formed, strengthening communication with local governments and other relevant parties to explore new paths for cooperative development.

The Company will encourage cooperation with well-known IPs such as Harry Potter, with opportunities presented by the renovation of Splendid China and Window of the World to leverage such global and top-tier Chinese IPs. The Company will further explore the establishment of an aviation theme park integrating science and technology, education and entertainment, and strive to create one or two domestic theme parks competitive with Disneyland and Universal Destinations & Experiences during the 15th Five-Year Plan period.

Shapotou Scenic Spot continued developing a new "scenic spot+characteristic hotel" vacation model to create a national-level tourist resort. Desert Star Hotel instituted lean management, while Diamond Hotel achieved differentiated revenues from different markets during the period by relying on its unique product innovation and precise market positioning. It will prepare for expanding and penetrating market channels to ensure a stable base of visitors. Detian Scenic Spot participated in the "China-Vietnam Cultural Exchange Year" event. In the first half of 2025, it received 12,000 cross-border tourists from China and Vietnam, representing an 89% year-on-year increase. People's Daily devoted a full page to the story of cultural and tourism cooperation in relation to Detian Transnational Waterfall. Its "CTG • China-Vietnam Detian (Ban Gioc) Transnational Waterfall Cross-Border Run and 2025 Daxin Half Marathon" enhanced the popularity and influence of the cooperation zone. To further ensure safe operation, Xiufeng Cable Car was closed for renovation and equipment upgrades during the period. Lanyue Hotel of CTS Lugu Lake commenced operations in September 2024. The hotel offers a variety of immersive local cultural experiences catering to high-net-worth vacationers, and has been awarded multiple accolades as a boutique resort hotel.

Zhuhai OSR transformed and upgraded its existing products and services with a view to enriching the "Ocean Spring" brand portfolio with differentiated products and exploring its cultural characteristics. Zhuhai OSR pursues opening up and cooperation with the outside world and has connected and negotiated with multiple potential external partners to explore development models such as "tourism+health and wellness" and "tourism+education". It is also examining strategies to drive business transformation and development. "Hot Spring World" in Xianyang OSR reopened ahead of schedule and resumed full operations in June 2025. Through precise market positioning, an upgraded product strategy, core strategies for building a livestreaming matrix and innovative marketing, and innovative operational systems, it has made thorough preparations for market reactivation. 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 and 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 26 August 2025, the Company entered into an equity transfer agreement with Changchun Vanke Real Estate Development Company Limited (a subsidiary of China Vanke Co., Ltd., "**Changchun Vanke**") and related parties, pursuant to which the Company agreed to acquire 75% of the equity interest in Jilin Songhua Lake International Resorts Company Limited. ("**Songhua Lake Company**") held by Changchun Vanke. On the same day, the Company entered into an equity transfer agreement with Vanke Hotel Management Co., Ltd. (萬科酒店管理有限公司) (a subsidiary of China Vanke Co., Ltd., "**Vanke Hotel Management**") and related parties, pursuant to which the Company agreed to acquire 75% of the equity interest in Beijing Wanbingxue Sports Co., Ltd. (北京萬冰雪體育有限公司) ("**Wanbingxue Company**") held by Vanke Hotel Management. Songhua Lake Company holds the Lake Songhua Resort in Jilin Province and operates the Lake Songhua Ski Resort, Seibu Prince Hotel, Zhanyun Salomon Hotel, Qingshan Apartment and a business town. Wanbingxue Company's core businesses comprise ski resort development and planning, construction consulting, operation management, marketing promotion, and skiing coaching. It manages a total of nine well-known ski resorts and possesses extensive mountain teaching cooperation resources, demonstrating strong capabilities for integrating the skiing industry. This project is in line with the Company's development strategy for urban and leisure resort products. It represents an important choice to seize historic opportunities, cultivate new quality growth poles, and expand into the snow economy. The project as a whole is of high strategic significance.

Management business

Through subsidiaries such as CTS Scenery, China Travel Zhiye and CTS Holiday, the Group delivers scenic spot, hotel and performance arts management services, including custom solutions and full operational services for tourist destinations. The Group now has 33 scenic spots under management, of which seven are 5A grade and thirteen are 4A grade.

Among these, CTS Scenery is a leading tourist destination operator in China, with development and consultation for cultural tourism projects, management, and resource integration being the main focus of the Group's scenic spot management business. The Company adheres to the core competitiveness construction of "strong IP", "strong digitalisation", "strong standardisation" and "strong resource integration", providing tailored solutions and full operational services to tourist destinations. It is a key force in the Group's light-asset business.

China Travel Zhiye is a fully integrated platform enterprise under the Group whose fundamental businesses comprise 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 and operation of boutique resort destinations by providing whole-cycle implementable custom solutions and full operational services. 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 is dedicated to providing unparalleled holiday experiences to a wide range of customers.

Digital transformation

Adhering to the leadership of scientific and technological innovation and the integration of digital and real economies, the Company drives business upgrades with digital technologies and scientific and technological innovation to cultivate new quality productive forces. In the first half of 2025, the Company used its digital platform to continue the online and integrated operation of its subsidiaries' businesses and provide tourists with a seamless travel experience. Through digital initiatives such as deepening destination operation, unifying business systems, strengthening member operation collaboration and new media marketing, the Company aims to achieve continuous and steady growth in platform transaction volume and new media channel revenue, thereby facilitating its business development. The Company has applied artificial intelligence (AI) to create immersive experiences, and explored new scenarios and business models such as low-altitude tourism. Based on large models such as DeepSeek, it has developed online applications such as "Destination AI Tourism" and "AI Employee Assistant" for multiple scenic spots under its management. These provide intelligent personalised services for tourists while improving the efficiency of employees. Detian Scenic Spot and Splendid China have both launched XR immersive projects to provide tourists with virtual and real interactive experiences. The Company has also signed a "Low-Altitude Economy Cooperation Framework Agreement" with China Telecom Shenzhen Branch.

In the second half of the year, the Company will continue to drive technological innovation, conduct in-depth customer insights and demand mining, and build a big data analysis and forecast system. The digital platform has been upgraded to a smart tourism platform of destinations, and will continue to empower ecological construction of destinations. The Company will coordinate the construction of a new media marketing system and special marketing activities to enhance overall brand influence and drive sales growth, and will increase the application and promotion of smart agents such as "Destination AI Tourism" to improve service quality and tourist satisfaction. The Company will advance low-altitude tourism pilot cooperation and the construction of a low-altitude economy full-scenario centre, and develop combo products of "ticket+low-altitude tour". Finally, it will introduce more high-quality XR immersive products.

Passenger transportation operations

The "Hong Kong people travelling north" market trend and availability of the Shenzhen-Zhongshan Link has led the Company to adjust its Zhongshan operations line to provide users with a faster touring experience. In line with the Hong Kong Government's carbon emissions reduction policy, the Company has accelerated procurement of electric vehicles to save on 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 to expand brand influence and realise the ambition of being "the largest cross-border passenger transportation platform in the Guangdong-Hong Kong-Macao Greater Bay Area".

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 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 distinctive high-quality island resort. Further, the corporate governance system of HOH Company 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 is capable of generating stable and competitive revenue for the Company.

In 2024, the Group entered into a strategic cooperation agreement and service contract with a subsidiary of Sun Hung Kai Properties Limited, in relation to which it will provide consulting and operational support services for the cultural tourism project at Ma Wan Park Phase II. In the first half of 2025, the Group continued to advance Phase II of Ma Wan Park, including visitor attractions, event organisation and promotional activities. As of now, a project promotional video has been produced, an October art exhibition has been curated, and a flash mob event has been planned. The Group has also collaborated with China Travel Service Hong Kong to gradually attract visitors.

INTERNAL MANAGEMENT

Besides deepening operational control and management to enhance value creation, the Company is optimising the assessment of corporate performance, refining assessment indicators, strengthening the weighting of key indicators, and enhancing the leading and exemplary role of its subsidiaries. It takes a value-oriented approach to the implementation of its strategies. It is strengthening its brand marketing, increasing brand promotion efforts, enhancing marketing conversion rates, and facilitating mutual empowerment between brand and business.

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 continued to optimise its governance mechanism and system, maintained a high standard of corporate governance, continuously improved its internal control management, and strengthened its system construction. The Company has enhanced its overall risk prevention and control capability and strengthened the management of operating cashflow and the control of asset-liability ratio. The Company will continue to strengthen the governance of loss-making enterprises, reduce low-efficiency enterprises, and manage both receivables and inventories.

PROSPECTS

In the first half of 2025, against the complex and volatile international landscape, the US tariff policy was adjusted frequently and drastically, severely disrupting the global economic and trade order and increasing instability and uncertainty. The sluggish recovery of the world economy and the uncertainty of the external environment – especially regarding US tariff policy – have exerted pressure on the stable operation of China's economy. In its World Economic Outlook released in July 2025, the International Monetary Fund (IMF) projected that the global economic growth rate would increase by 3.0% in 2025 and 3.1% in 2026. Benefiting from stronger-than-expected economic activities in China in the first half of the year, the IMF revised upward its growth forecast for China, raising its 2025 growth projection to 4.8%. It is expected that China's economic growth would remain resilient.

China has adhered to the general principle of seeking progress while maintaining stability. It has fully, accurately and comprehensively implemented a new development philosophy, accelerated the construction of a new development pattern, and maintained overall stable and improving economic operations. This year, in the face of changes and pressures in the external environment, the Chinese government has taken proactive measures which place greater emphasis on strengthening the domestic economic cycle and intensifying efforts to implement more proactive macroeconomic policies to expand domestic demand and boost consumption. According to data released by the National Bureau of Statistics, China's gross domestic product (GDP) for the first half of 2025 was RMB66,053.6 billion, representing a year-on-year increase of 5.3%. On a quarterly basis, GDP grew by 5.4% and 5.2% year-on-year in the first and second quarters, respectively.

On 30 July 2025, the Political Bureau of the Central Committee of the Communist Party of China convened a meeting to analyse the current economic situation and economic work. They concluded that since the beginning of this year, China's economy has maintained steady progress and achieved new results in high-quality development, with major economic indicators performing well, new quality productive forces developing, reform and opening-up continuously deepening, and the economy demonstrating strong vitality and resilience. It was further pointed out at the meeting that China's economy still faces many risks and challenges. It is necessary to correctly assess the situation, enhance a sense of crisis, adhere to a bottom-line mentality, make good use of development opportunities, potential and advantages, and consolidate and expand the upward momentum of the economy.

In Hong Kong, the stock market has regained its upward momentum with the support of continued inflow of funds, indicating the rejuvenation of the financial industry. If the Hong Kong Dollar can maintain its competitive edge and Hong Kong interbank offered rates remain low, it is expected to drive a broader economic development momentum and boost consumer sentiment. Although retail rents may face pressure due to challenges in the business environment, the recovery of consumption and financial markets, coupled with government support measures, is expected to help stabilise the operational environment. The government has intensified efforts to promote local mega events. The number of inbound tourists has continued to grow, recording a 12% increase. There are also signs of a rebound in outbound tourism.

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

Looking ahead to the second half of the year, the Group remains cautiously optimistic while remaining vigilant to global economic turbulence. Despite the challenges ahead, the Group will continue in 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 endeavour to enhance its overall financial position to create greater value. While committed to achieving sustainable growth in recurring earnings, the Group will exercise stringent and prudent financial, liquidity and cashflow management to maintain a sound financial position.

EMPLOYEES AND REMUNERATION

As of 30 June 2025, the Group employed 6,750 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 30 June 2025, the Group's cash and bank balances and pledged and restricted deposits amounted to HK$2,859 million, while bank and other borrowings, loans from a fellow subsidiary and loans from the holding companies amounted to HK$2,114 million. The debt-to-capital ratio was 33%. The debt includes bank and other borrowings, lease liabilities, 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 30 June 2025, certain of the Group's bank deposits and land and buildings 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 have any material acquisitions and disposal of subsidiaries, associates and joint ventures or significant investment during the reporting period.

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 reporting period.

CONTINGENT LIABILITIES

As of 30 June 2025, the Group's performance bond given to a customer for due performance of a sale contract was HK$0.3 million (31 December 2024: HK$0.3 million).

On 14 May 2025, a subsidiary of the Group received a notice from the local tax bureau, requesting it to repay, on behalf of its associate, the taxes and late payment penalties owed by the associate to the tax bureau. The total amount involved was approximately HK$160 million. The Company is actively communicating and negotiating with the local tax bureau and believes that it is not necessary to make any provision for this matter at present.

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 period.

CORPORATE GOVERNANCE

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

For the six months ended 30 June 2025, the Company has adopted and complied with the code provisions (the "**Code Provision(s)**") of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, except for the following deviations:

– 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**"). 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 21 May 2025 (the "**AGM**") due to his other business commitments. Mr. Feng Gang, the General Manager and an 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 Group has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules. Having made specific enquiry of all Directors, the Directors confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 June 2025.

DIVIDENDS

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2025 (2024: HK1.5 cents per share).

REVIEW OF INTERIM FINANCIAL RESULTS

The unaudited condensed consolidated interim financial results of the Group and this announcement for the six months ended 30 June 2025 have been reviewed by the Audit Committee of the Company. The condensed consolidated interim financial results for the six months ended 30 June 2025 is unaudited, but have been reviewed by the Company's external auditors, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF 2025 INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the HKExnews website of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") at www.hkexnews.hk and the Company's website at www.irasia.com/listco/hk/ctii/. The 2025 Interim Report will be available on the websites of the Stock Exchange and the Company, and despatched to the shareholders of the Company in due course.

By order of the Board
Wu Qiang
Chairman

Hong Kong, 28 August 2025

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Wu Qiang, Mr. Feng Gang and Mr. Li Pengyu; three non-executive Directors, namely Mr. Tsang Wai Hung, Mr. Zheng Jiang and Mr. Fan Zhishi; and three independent non-executive Directors, namely Mr. Song Dawei, Ms. Fang Xuan and Mr. Qian Jiannong.