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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00308)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

INTERIM RESULTS

The Board (the “**Board**”) of Directors (the “**Director(s)**”) 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 2026 together with the comparative figures.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2026 – unaudited

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
			(Restated)
	Notes	HK\$'000	HK\$'000
Continuing operations			
Revenue	5	2,056,170	1,826,685
Cost of sales		(1,467,943)	(1,257,548)
Gross profit		588,227	569,137
Other income and gains, net	6	21,403	23,050
Changes in fair value of investment properties		(91,476)	(123,328)
Selling and distribution costs		(80,589)	(88,234)
Administrative expenses		(295,248)	(291,764)
Operating profit	7	142,317	88,861
Finance income		14,308	12,701
Finance costs		(34,212)	(17,200)
Finance costs, net	8	(19,904)	(4,499)
Share of profits and losses of joint ventures		5,280	431
Share of profits and losses of associates		47,233	45,245

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
			(Restated)
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit before taxation from continuing operations		174,926	130,038
Tax expense	9	<u>(72,567)</u>	<u>(67,405)</u>
Profit for the period from continuing operations		102,359	62,633
Discontinued operations			
Loss for the period from discontinued operations		<u>–</u>	<u>(137,393)</u>
Profit/(loss) for the period		<u>102,359</u>	<u>(74,760)</u>
Attributable to:			
Equity owners of the Company		112,046	(86,853)
Non-controlling interests		<u>(9,687)</u>	<u>12,093</u>
Profit/(loss) for the period		<u>102,359</u>	<u>(74,760)</u>
Earnings/(losses) per share (HK cents)	11		
Basic and diluted earnings/(losses) per share			
– For profit/(loss) for the period		2.02	(1.57)
– For profit from continuing operations		<u>2.02</u>	<u>0.86</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026 – unaudited

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	(Restated)	
	HK\$'000	HK\$'000
Profit/(loss) for the period	102,359	(74,760)
Other comprehensive income for the period		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling), net of tax	5,301	(5,788)
Exchange differences on translation of foreign operations attributable to non-controlling interests, net	49,077	16,774
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations, net	166,031	227,708
Other comprehensive income for the period, net of tax	220,409	238,694
Total comprehensive income for the period	322,768	163,934
Attributable to:		
Equity owners of the Company	280,476	134,819
Non-controlling interests	42,292	29,115
Total comprehensive income for the period	322,768	163,934

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 – unaudited

		At 30 June 2026 (Unaudited) HK\$'000	At 31 December 2025 (Audited) HK\$'000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		8,022,121	7,999,620
Investment properties		3,246,758	3,120,124
Prepaid land lease payments		550,941	540,379
Goodwill		1,359,241	1,357,413
Other intangible assets		121,301	121,301
Investments in associates		929,078	913,625
Investments in joint ventures		72,685	69,482
Other financial assets		58,809	52,602
Prepayments and other receivables		205,314	145,254
Deferred tax assets		241,510	252,256
Total non-current assets		14,807,758	14,572,056
Current assets			
Inventories		138,138	136,875
Trade receivables	12	202,754	231,022
Deposits, prepayments and other receivables		262,040	228,514
Amounts due from holding companies		13,715	13,960
Amounts due from fellow subsidiaries		158,433	150,092
Tax recoverable		36	27
Pledged and restricted deposits		1,206	1,086
Cash and bank balances		2,885,467	2,991,767
Total current assets		3,661,789	3,753,343
Total assets		18,469,547	18,325,399

		At 30 June 2026 (Unaudited) HK\$'000	At 31 December 2025 (Audited) HK\$'000
	<i>Note</i>		
Equity attributable to equity owners of the Company			
Share capital		722,295	722,295
Reserves		10,761,905	10,547,726
		11,484,200	11,270,021
Non-controlling interests		2,052,488	1,997,502
Total equity		13,536,688	13,267,523
LIABILITIES			
Non-current liabilities			
Deferred income		72,095	71,715
Lease liabilities		384,901	225,220
Bank and other borrowings		1,155,781	1,138,431
Deferred tax liabilities		427,217	448,618
Total non-current liabilities		2,039,994	1,883,984
Current liabilities			
Trade payables	13	214,638	235,146
Other payables and accruals		1,295,422	1,410,708
Loans from holding companies		321,719	309,369
Loans from a fellow subsidiary		28,784	27,679
Amounts due to holding companies		23,013	2,789
Amounts due to fellow subsidiaries		46,666	48,635
Lease liabilities		116,973	105,503
Tax payables		138,070	107,414
Bank and other borrowings		707,580	926,649
Total current liabilities		2,892,865	3,173,892
Total liabilities		4,932,859	5,057,876
Total equity and liabilities		18,469,547	18,325,399

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 interim condensed consolidated financial information is presented in Hong Kong dollars, unless otherwise stated. This interim condensed consolidated financial information was authorised for issue on 31 August 2026.

2 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with HKAS 34 *Interim Financial Reporting* (“**HKAS 34**”). 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 2025.

The financial information relating to the year ended 31 December 2025 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 2025 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 2025. 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 interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity Instruments</i>
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

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

- (a) Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.
- (b) Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.
- (c) *Annual Improvements to HKFRS Accounting Standards – Volume 11* set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. 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 (“**CODM**”) 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.

In prior period, the tourist attraction and related operations segment mainly included theme parks, natural and cultural scenic spots and property development and other tourism related facilities. During the second half of 2025, the Group underwent a reorganisation of its tourism property business held by CTG Wellness Retreat Holding Ltd. (the “**PrivateCo**”) which primarily comprised property development and ancillary resorts and other tourism related facilities. On 28 October 2025, the Company announced a proposed distribution in specie of the entire interests of the direct wholly-owned subsidiary, the PrivateCo which are principally engaged in the tourism property business in PRC through its subsidiaries (the “**PrivateCo Group**” or “**Discontinued Operations**”), to the shareholders of the Company. To comply with the Listing Rules, the Company provided a cash consideration of HK\$0.336 per share to the Shareholders of the Company opting not to receive the shares of the PrivateCo (the “**Cash Alternative**”) (collectively, the “**Distribution in Specie**”). On 14 November 2025, the Distribution in Specie was approved by the extraordinary general meeting. On 22 December 2025, the Company distributed the shares of the PrivateCo to the shareholders of the Company who elect to obtain the shares of the PrivateCo upon the completion of the Distribution in Specie. Upon completion of the Distribution in Specie, the PrivateCo Group ceased to be subsidiaries of the Company.

During the six months ended 30 June 2026, the Company proposed to spin off CTG Hongkong and Macao Culture and Tourism Holding Limited (“**HKM Culture and Tourism**”), a wholly-owned subsidiary of the Company, by way of a distribution in specie and a separate listing of the ordinary shares of HKM Culture and Tourism on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) by way of introduction (the “**Proposed Spin-off**”). On 20 May 2026, HKM Culture and Tourism submitted a listing application to the Stock Exchange. HKM Culture and Tourism and its subsidiaries are principally engaged in travel document and related operations, hotel operations and passenger transportation operations carried out primarily in Hong Kong and Macao (the “**Relevant Businesses**”).

As at 30 June 2026, the Proposed Spin-off remained subject to, among other things, regulatory approvals and the satisfaction of other conditions precedent. Having considered the status of the listing application and the outstanding conditions required for completion of the Proposed Spin-off, the directors of the Company concluded that the Proposed Spin-off did not meet the “highly probable” criterion under HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* as at 30 June 2026. Accordingly, the Relevant Businesses were not classified as discontinued operations as at 30 June 2026 and continued to be presented as part of the Group's continuing operations.

As part of the change of internal management structure due to the Distribution in Specie, information reported to the CODM for the purposes of resource allocation and assessment of segment performance, focuses on the continuing business. The information reviewed by the CODM as at the end of the reporting period analyses the performance of the continuing operations. Accordingly, comparatives have been restated to conform with the current period's presentation.

After the completion of the Distribution in Specie, the Group has four continuing operating segments as follows:

- (a) the tourist attraction and related operations segment mainly includes theme parks and natural and cultural scenic spots in the Chinese mainland;
- (b) the travel document and related operations segment engages in the provision of travel document and related services in Hong Kong and the Chinese mainland;
- (c) the hotel operations segment engages in the provision of hotel accommodation, food and beverage services in Hong Kong, Macau and the Chinese mainland; and
- (d) the passenger transportation operations segment engages in the provision of cross-border transportation services to individuals travelling between Hong Kong, Macau and the Chinese mainland, vehicle and vessel rental and charter operations in Hong Kong, Macau and the Chinese mainland.

Management has determined the operating segments based on the information reviewed by the CODM 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 2026 (unaudited)

	Continuing operations						
	Tourist attraction and related operations <i>HK\$'000</i>	Travel document and related operations <i>HK\$'000</i>	Hotel operations <i>HK\$'000</i>	Passenger transportation operations <i>HK\$'000</i>	Total of reportable segments <i>HK\$'000</i>	Corporate and others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:							
Sales to external customers	988,518	127,701	426,022	501,159	2,043,400	12,770	2,056,170
Inter-segment revenue	61	10	942	12	1,025	720	1,745
	<u>988,579</u>	<u>127,711</u>	<u>426,964</u>	<u>501,171</u>	<u>2,044,425</u>	<u>13,490</u>	<u>2,057,915</u>
Elimination of inter-segment revenue					<u>(1,025)</u>	<u>(720)</u>	<u>(1,745)</u>
Revenue					<u>2,043,400</u>	<u>12,770</u>	<u>2,056,170</u>
Segment results	<u>107,997</u>	<u>47,818</u>	<u>104,451</u>	<u>(8,725)</u>	<u>251,541</u>	<u>(75,462)</u>	176,079
Non-controlling interests							<u>(6,870)</u>
Segment operating results before non-controlling interests							169,209
Reversal of equity-settled share option expenses, net of tax							9,019
Changes in fair value of investment properties, net of tax							(76,267)
Net gain on disposal of property, plant and equipment, net of tax							<u>398</u>
Profit for the period							<u>102,359</u>

Six months ended 30 June 2025 (unaudited)

	Continuing operations							Discontinued operations	
	Tourist attraction and related operations <i>HK\$'000</i>	Travel document and related operations <i>HK\$'000</i>	Hotel operations <i>HK\$'000</i>	Passenger transportation operations <i>HK\$'000</i>	Total of reportable segments <i>HK\$'000</i>	Corporate and others <i>HK\$'000</i>	Total <i>HK\$'000</i>	Tourist attraction and related operations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue:									
Sales to external customers	723,785	147,168	429,179	513,397	1,813,529	13,156	1,826,685	146,968	1,973,653
Inter-segment revenue	65	10	175	92	342	–	342	–	342
	<u>723,850</u>	<u>147,178</u>	<u>429,354</u>	<u>513,489</u>	<u>1,813,871</u>	<u>13,156</u>	<u>1,827,027</u>	<u>146,968</u>	<u>1,973,995</u>
Elimination of inter-segment revenue					(342)	–	(342)	–	(342)
Revenue					<u>1,813,529</u>	<u>13,156</u>	<u>1,826,685</u>	<u>146,968</u>	<u>1,973,653</u>
Segment results	<u>22,402</u>	<u>67,175</u>	<u>101,533</u>	<u>7,800</u>	<u>198,910</u>	<u>(50,560)</u>	<u>148,350</u>	<u>(134,418)</u>	<u>13,932</u>
Non-controlling interests							<u>22,233</u>	<u>(2,975)</u>	<u>19,258</u>
Segment operating results before non-controlling interests							170,583	(137,393)	33,190
Reversal of equity-settled share option expenses, net of tax							8,860	–	8,860
Changes in fair value of investment properties, net of tax							(116,763)	–	(116,763)
Net loss on disposal of property, plant and equipment, net of tax							<u>(47)</u>	<u>–</u>	<u>(47)</u>
Profit/(loss) for the period							<u>62,633</u>	<u>(137,393)</u>	<u>(74,760)</u>

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	
	2026	2025
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
		(restated)
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major service lines		
– Tourist attraction and related income	911,492	683,181
– Travel document and related income	127,701	147,168
– Hotel income	384,550	381,300
– Passenger transportation income	501,159	513,397
– Consultancy and service income	16,140	11,745
	<u>1,941,042</u>	<u>1,736,791</u>
Revenue from other sources		
– Gross rental income from investment properties		
– Lease payments that are fixed or depend on an index or a rate	115,128	89,894
	<u>115,128</u>	<u>89,894</u>
Total	<u>2,056,170</u>	<u>1,826,685</u>

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

As at 30 June 2026, there were no aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts (2025: 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	
	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
		(restated)
Foreign exchange differences, net	(22,533)	760
Government grants	10,895	427
Gain/(loss) on disposal of property, plant and equipment, net	398	(47)
Other rental income, net	8,324	8,105
Others	24,319	13,805
	<u>21,403</u>	<u>23,050</u>

7 OPERATING PROFIT

The Group's operating profit is arrived at after charging:

	Six months ended 30 June	
	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
		(restated)
Staff costs	669,791	631,372
Depreciation		
– owned property, plant and equipment	238,489	186,516
– right-of-use assets	48,656	38,485
	<u>287,145</u>	<u>225,001</u>
Amortisation of prepaid land lease payments	6,689	5,429
Direct operating expenses of investment properties	3,483	3,898
Provision for impairment of trade receivables and other receivables, net	426	197
Changes in fair value of investment properties	91,476	123,328

8 FINANCE COSTS, NET

	Six months ended 30 June	
	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited) (restated)
Finance income:		
Bank deposits	<u>14,308</u>	<u>12,701</u>
Finance costs:		
Interest on bank and other borrowings	(30,216)	(11,159)
Interest on lease liabilities	<u>(8,648)</u>	<u>(6,041)</u>
	(38,864)	(17,200)
Less: Interest expense capitalised into property, plant and equipment	<u>4,652</u>	<u>–</u>
	<u>(34,212)</u>	<u>(17,200)</u>
Finance costs, net	<u><u>(19,904)</u></u>	<u><u>(4,499)</u></u>

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% (2025: 16.5%) on the estimated assessable profits for the period.

The Group's operations in the Chinese mainland 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.

Taxation outside Hong Kong and the Chinese mainland 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	
	2026 <i>HK\$'000</i> (unaudited)	2025 <i>HK\$'000</i> (unaudited) (restated)
Current taxation		
Hong Kong	35,845	36,054
Chinese mainland and other territories	<u>37,465</u>	<u>17,261</u>
	73,310	53,315
Deferred taxation	<u>(743)</u>	<u>14,090</u>
	<u>72,567</u>	<u>67,405</u>

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\$906,000 (2025: HK\$695,000).

10 DIVIDENDS

For the six months ended 30 June 2026, the Board has declared an interim dividend of HK1 cent per ordinary share (2025: Nil), amounting to a total of approximately HK\$55,366,000 (2025: Nil).

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

The calculations of the basic earnings/(losses) per share amounts are based on the profit/(loss) for the periods attributable to equity owners of the Company, and the weighted average number of ordinary shares of 5,536,633,709 (2025: 5,536,633,709) outstanding during the period.

The share options granted by the Group had no dilutive effect during the period ended 30 June 2026. 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 calculations of basic and diluted earnings/(losses) per share are based on:

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Earning/(losses) per share		
Profit/(loss) attributable to equity owners of the Company, used in the basic and diluted earnings/(losses) per share calculation:		
From continuing operations	112,046	47,565
From discontinued operations	—	(134,418)
	112,046	(86,853)
Number of shares		
Shares		
Weighted average number of ordinary shares outstanding, used in the basic and diluted earnings/(losses) 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	31 December
	2026	2025
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Within 3 months	112,685	139,352
Over 3 months to 6 months	46,951	43,237
Over 6 months to 12 months	36,089	34,767
Over 1 year to 2 years	6,787	13,359
Over 2 years	242	307
	202,754	231,022

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 2026 HK\$'000 (unaudited)	31 December 2025 <i>HK\$'000</i> (audited)
Within 3 months	79,077	130,533
Over 3 months to 6 months	28,996	28,063
Over 6 months to 12 months	28,989	9,225
Over 1 year to 2 years	25,883	29,035
Over 2 years	51,693	38,290
	214,638	235,146

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OVERVIEW

In the first half of 2026, the global economy continued to navigate an increasingly complex and evolving landscape. Although major economies generally advanced along a gradual recovery path amid ongoing structural adjustments, geopolitical uncertainties and shifts in the external trade environment continued to present challenges to a balanced and sustainable global economic recovery. In the first half of 2026, the gross domestic product (GDP) of the People's Republic of China (the “**PRC**”) grew by 4.7% year-on-year. Overall economic performance remained within a reasonable range, with new quality productive forces continuing to be fostered and strengthened and high-quality development gaining further momentum. However, external instability and uncertainties persisted, while the structural imbalance between robust supply and relatively weak demand remained pronounced. As a result, the foundation underpinning a sustained economic recovery still needs to be further consolidated.

The year 2026 marks the first year of the Company's new five-year strategic plan following the completion of its business transformation and its full strategic focus on the core scenic spot business. It is also a pivotal year for delivering value and initiating a re-rating of the Company's valuation. In the first half of 2026, consolidated revenue of the Group from continuing operations was HK\$2,056 million, representing an increase of 13% compared with the corresponding period of last year. Profit before taxation from continuing operations was HK\$175 million, compared to a profit before taxation from continuing operations of HK\$130 million in the corresponding period of last year. Profit attributable to shareholders was HK\$112 million, compared with a loss attributable to shareholders of HK\$87 million for the corresponding period of last year. Profit attributable to operation from continuing operations was HK\$176 million. The turnaround from loss to profit for the six months ended 30 June 2026 was primarily attributable to (i) the Group's spin-off of its tourism property business on 22 December 2025 through the completion of a distribution-in-specie arrangement, thereby divesting loss-making entities; (ii) the Group's completion of the acquisition of Jilin Songhua Lake International Resorts Company Limited (“**Songhua Lake Company**”) and China Travel (Beijing) Ice and Snow Sports Development Co., Ltd. (“**CTS Snow Company**”) on 27 October 2025, which provided the Group with a new revenue growth driver; and (iii) the Company's effective implementation of its strategy, which contributed to a significant improvement in the Group's operating results.

The Group's financial position remained stable and healthy. As of 30 June 2026, total assets were HK\$18,470 million, representing an increase of 1% compared with the end of last year. Equity attributable to shareholders was HK\$11,484 million, representing an increase of 2% compared with the end of last year. The aggregate of cash and bank balances and pledged and restricted deposits amounted to HK\$2,887 million, representing a decrease of 4% compared with the end of last year. After deducting total loans of HK\$2,214 million (including loans from holding companies, loans from a fellow subsidiary, bank and other borrowings), net cash amounted to HK\$673 million, representing an increase of 14% compared with the end of last year.

DIVIDENDS

The Board declared an interim dividend of HK1 cent per share for the six months ended 30 June 2026 (2025: nil). The interim dividend is expected to be paid to shareholders on 20 October 2026. The dividend payout ratio is 49%.

BUSINESS REVIEW

(1) Tourist attraction and related operations

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

1. Theme parks: Shenzhen The World Miniature Co., Ltd. ("**Window of the World**"), Shenzhen Splendid China Development Co., Ltd. ("**Splendid China**"), and CTS Southwest (Chongqing) Tourism Development Co., Ltd. ("**Chongqing Amusement Park**");
2. Natural and cultural scenic spots: CTS (Ningxia) Shapotou Tourist Spot Co., Ltd. and CTS (Ningxia) Shapotou Cable Car Co., Ltd. ("**Shapotou Scenic Spot**"), CTS Guangxi Detian Waterfall Tourism Development Co., Ltd. ("**Detian Scenic Spot**"), CTS Xinjiang Tourism Operation Management Co., Ltd. ("**CTS Xinjiang**"), CTS Bairui Xinjiang Tourism Development Co., Ltd. ("**CTS Bairui**"), CTS (Yunnan) Tourism Development Co., Ltd. ("**Yunnan Company**"), CTS (Mangya) Tourism Development Co., Ltd. ("**CTS Mangya**"), CTS Lugu Lake (Lijiang) Tourism Development Co., Ltd. ("**CTS Lugu Lake**"), Jiangxi Xing Zi Lu Shan Xiu Feng Passage Cable Car Co., Ltd. ("**Xiufeng Cable Car**"), CTS (Zhejiang) Qiandao Lake Tourism Development Co., Ltd. ("**Qiandao Lake Company**"), China Heaven International Performing Arts Production and Exchange Co., Ltd. ("**Heaven Creation Company**"), CTS Scenery (Beijing) Tourism Management Limited ("**CTS Scenery**"), and China Travel Zhiye Culture Development (Shenzhen) Co., Ltd. ("**China Travel Zhiye**").

Non-controlling investments in scenic spots: Huangshan Yuping Passenger Cable Car Company Ltd., Huangshan Taiping Cable Car Co., Ltd., Changsha Colorful World Co., Ltd., 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**"), and Handhuvaru Ocean Holidays Private Limited ("**HOH Company**").

3. Leisure resorts: Songhua Lake Company, CTS Snow Company, CTS (Hainan) Aerospace Tourism Development Co., Ltd. ("**CTS Hainan**"), and CTS Senbo (Shenzhen) Tourism Resort Co., Ltd. ("**Dapeng Senbo**").

In the first half of 2026, with the completion of both the Group's spin-off of its loss-making tourism property business through a distribution-in-specie arrangement in the second half of 2025, and its acquisition of Songhua Lake Company and CTS Snow Company, which provided the Group with a new revenue growth driver, overall revenue increased compared with the corresponding period of last year. In the first half of 2026, total revenue from tourist attraction and related operations of the Group's continuing operations was HK\$989 million, representing an increase of 37% compared with the corresponding period of last year. Attributable profit was HK\$108 million, compared with attributable profit of HK\$22 million for the corresponding period of last year.

Theme parks

Affected by factors such as intensified market competition and rainy weather, in the first half of 2026, revenue from theme parks amounted to HK\$253 million, representing a decrease of 7% compared with the corresponding period of last year. Attributable profit was HK\$18 million, representing a decrease of 20% compared with the corresponding period of last year.

In the first half of 2026, Window of the World presented the “Luo Tianyi Spring Galaxy Music Party”, precisely engaging the ACG community and attracting more than 10,000 ACG enthusiasts. During the New Year and Spring Festival holidays, it unveiled two new epic live productions “The Legend of Napoleon” and “Cleopatra”, respectively, while introducing multi-dimensional interactive viewing formats to deliver an innovative entertainment experience. During the period, Splendid China launched two new signature attractions, namely a Peking Opera Courtyard and “Green Lake Fantasy”, a large-scale live water spectacle themed around intangible cultural heritage. These additions enriched the destination's night-time cultural tourism offerings and created a distinctive night-time economy. Chongqing Amusement Park continued to advance project construction, product enhancement and investment promotion.

Natural and cultural scenic spots

Revenue from natural and cultural scenic spots amounted to HK\$517 million, representing an increase of 14% compared with the corresponding period of last year. Attributable profit amounted to HK\$46 million, representing an increase of 2,472% compared with the corresponding period of last year. Several scenic attractions achieved record-high operating results, while newly invested scenic attraction projects contributed additional revenue and profit.

Visitor flow and revenue of Shapotou Scenic Spot, Yunnan Company and Detian Scenic Spot all achieved double-digit growth. Revenue from Shapotou Scenic Spot amounted to HK\$164 million, representing an increase of 18% compared with the corresponding period of last year. Attributable profit amounted to HK\$7 million. Notably, a new scenic spot, Dadi Art Park, was opened to the public in the third quarter. In response to market competition, Shapotou Scenic Spot has developed a multi-tiered hotel cluster and enriched its themed activities as it strives to establish itself as a first-class desert tourism resort. Yunnan Company is undertaking the operation and maintenance of the Dali Erhai Ecological Corridor and proactively participating in the investment and operation of local tourism resources with a view to enhance the Company's brand influence in the southwest region. As a new flagship tourism destination strongly promoted by Dali Prefecture, the project has continued to introduce innovative tourism experiences, with growing market popularity further reinforcing its position as a premier summer cultural and tourism destination in western Yunnan. Yunnan Company generated revenue of HK\$87 million, representing an increase of 22% compared with the corresponding period of last year. Detian Scenic Spot remained committed to the coordinated advancement of product innovation, scenario enhancement and landscape upgrades, while delivering high-quality visitor services. It achieved a record high of 1.5 million visitors, representing a year-over-year increase of 41%, and its revenue amounted to HK\$171 million, representing an increase of 47% from the corresponding period of last year. Leveraging the scarce tourism resources of Xinjiang's 5A- and 4A-rated scenic attractions and core tourism destinations, CTS Bairui developed a series of "one-stop vacation" offerings. By introducing customized hiking routes, deeply integrating distinctive local cultural elements, focusing on outdoor enthusiasts and extending visitor length of stay, CTS Bairui successfully stimulated growth in secondary cultural tourism consumption. Revenue of CTS Bairui amounted to HK\$30 million, representing an increase of 29% compared with the corresponding period of last year.

On 26 March 2026, CTS Scenery Resort Investment Company Ltd. and CTS (Ningxia) Shapotou Tourist Spot Co., Ltd., both subsidiaries of the Company, entered into an investment agreement and a shareholders' agreement with Mangya Tourism Investment & Development Co., Ltd. (茫崖旅投旅遊開發有限責任公司) and Mangya Guoqing Tourism & Culture Development Co., Ltd. (茫崖國青旅遊文化開發有限公司) for the establishment of CTS Mangya, with a view to develop the Heidushan Scenic Spot in Qinghai Province and investing in the construction of additional tourism experience projects. CTS Mangya has a registered capital of RMB200 million. CTS Scenery Resort Investment Company Ltd. has committed to contribute RMB84 million, representing 42% of equity interest of CTS Mangya, while CTS (Ningxia) Shapotou Tourist Spot Co., Ltd. has committed to contribute RMB18 million, representing 9% of equity interest. Centering on a distinctive product portfolio featuring "Geological Wonders + Deep Space Exploration", the project is strategically located at a key node along the Qinghai-Gansu Grand Loop tourism route. It represents the Group's latest significant strategic investment in Northwest China following the Shapotou Scenic Spot project in Ningxia. The project is expected to strengthen the Group's presence along the northwest tourism circuit, further enhance its destination network and increase its market share and influence in the region. The Heidushan Scenic Spot has commenced operations. During its first three months of operation in the first half of 2026, it generated revenue of approximately HK\$21 million and achieved profitability.

Leisure resorts

Revenue from leisure resorts was HK\$219 million. Attributable profit amounted to HK\$44 million. Among them, Songhua Lake Company and CTS Snow Company generated revenue of HK\$163 million and HK\$45 million, respectively. The leisure resort business will implement the ski tourism enhancement plan, accelerate the construction of a new ski equipment hall, and make thorough preparations for the upcoming snow season.

(2) Travel documents and related operations

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

Benefiting from the relaxation of pandemic-related travel restrictions and social measures in Hong Kong and the Chinese mainland, demand for travel document services grew significantly in 2023. In 2024, as the majority of travel documents expired during the pandemic had been renewed in 2023, demand for travel document services returned to normal levels. The National Immigration Service of China implemented a policy on concessionary document fees targeting Taiwanese residents applying for a Mainland Travel Permit for the first time, effective from 1 July 2025. In the first half of 2026, revenue from the Group's travel document and related services amounted to HK\$128 million, representing a decrease of 13% compared with the corresponding period of last year. Attributable profit was HK\$48 million, representing a decrease of 29% 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 continuously optimizes travel document business systems and supports the Group in advancing its digital transformation initiatives.

(3) 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 Limited.

In the first half of 2026, the hotel sector in Hong Kong maintained steady growth, primarily by the continued return of international visitors, resilient demand for luxury travel, and strong support from major events organized by the Hong Kong Government. Against this backdrop, the Group's hotels in Hong Kong recorded revenue growth, while revenue generated by Beijing Metropark Hotel declined year-over-year. In the first half of 2026, revenue from the Group's hotel operations amounted to HK\$427 million, representing a decrease of 1% compared with the corresponding period of last year. Attributable profit was HK\$104 million, representing a decrease of 3% compared with the corresponding period of last year.

Key operating data

	First half of 2026	First half of 2025
Six hotels and one serviced apartment in Hong Kong and Macau		
Average occupancy rate (%)	95.21	95.15
Average room rate (HK\$)	762.82	768.48
Beijing Metropark Hotel		
Average occupancy rate (%)	76.30	77.22
Average room rate (RMB)	660.82	703.87

(4) 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 2026, revenue from passenger transportation operations was HK\$501 million, representing a decrease of 2% compared with the corresponding period of last year. Attributable loss was HK\$9 million, while attributable profit was HK\$8 million for the corresponding period of last year. Revenue from bus transportation operations increased by 11% compared with the corresponding period of last year, whilst attributable profit rose by 18% compared with the corresponding period of last year.

The bus transportation operations benefited from the 2026 New Year holiday and the continued strong demand among Hong Kong residents for northbound travel, resulting in year-over-year growth in both passenger volume and operating income. However, rising fuel expenses and vehicle rental costs led to an increase in overall operating costs. The bus transportation operations will continue to optimize its product route portfolio in response to market trends and passenger feedback, with flexible adjustments and stop arrangements. These measures are intended to strengthen customer retention, stabilize the passenger base and mitigate the risk of customer attrition.

The vessel transportation operations recorded a decline in overall revenue due to a number of factors such as the growing trend of Hong Kong residents travelling northbound for consumption, traffic diversion to cross-border land transport services, and an uncertain economic outlook amid a sharp increase in global oil prices. The vessel transportation operations continued to invest in and expand integrated transportation network of the Greater Bay Area. During the period, it commenced a new ferry service between Macau and Shenzhen Airport, facilitating greater connectivity between the Greater Bay Area and international destinations and further strengthening Shun Tak-China Travel's position in the regional multimodal transportation market. In addition, the passenger ferry company continued to expand its sales network through partnerships with agents of leading online platforms, market partners and integrated tourism and leisure resort hotels in Macau, thereby increasing the product diversity and broadening sales channels. We have also optimized our sales system, enabling the provision of one-stop travel products and an improved customer experience. Meanwhile, a variety of marketing initiatives and promotional campaigns were launched to enrich our integrated "car + ferry" product offerings.

BUSINESS DEVELOPMENT

Tourist attraction and related operations

The Group will further deepen the implementation of its strategies and reinforce the certainty of its growth drivers. Adhering to its strategic positioning as a “world-class investment and operational service provider for tourist spots”, the Group will continue to pursue its corporate mission of “appreciating the beauty of nature and enjoying the essence of culture” through two principal business lines, namely mainland scenic spot operations and Hong Kong-based operations. Driven by IP operation and product innovation, the Group will focus on three core segments: theme parks, leisure resorts, and natural and cultural scenic spots. It will advance the transformation and upgrading of its core parks in Shenzhen to achieve breakthrough development, while expanding into the incremental market of aerospace-themed parks in first-tier cities. In addition, the Group will promote the extension of its ski business towards four-season operations and enhance the internationalization and quality of its vacation products.

The theme park business will further refine its development objectives and industry positioning, and will concentrate resources on the development of flagship projects to strengthen brand equity and enhance product capabilities. Splendid China positions itself as a “premier destination for Chinese cultural IP experiences”, advancing a younger and more contemporary brand image while creating an immersive cultural experience destination. Positioned around “international culture and world-class immersive experiences featuring leading global IPs”, Window of the World will continue to enrich its product offerings to enhance its attractiveness and competitiveness. The Company will capitalize on the opportunities arising from the upgrading and transformation of its existing scenic spots such as Splendid China and Window of the World. Through a combination of self-developed projects, international partnerships, and mergers and acquisitions, it will cultivate and expand a second growth curve and reinforce the long-term competitiveness of its theme park segment. At the same time, it will accelerate the construction of the Chongqing Amusement Park, with a target of commencing construction by the end of 2026 and opening Phase I by the end of 2027.

The natural and cultural spot business will focus on deepening its presence across four key loop-line routes, namely the Qinghai-Gansu-Ningxia, the Xinjiang Tianshan Corridor, Greater Western Yunnan and the China-Vietnam Border area in Guangxi. At the same time, it will continue to develop benchmark projects such as Shapotou in Ningxia, Erhai Lake in Dali, Yunnan, the Detian Transnational Waterfall in Guangxi and Heidushan in Qinghai, with a view to creating a diversified portfolio of high-quality destination models. The business will also systematically review and consolidate the proven experience-based products and consumption offerings of established scenic spots, with the aim of establishing replicable and scalable product modules and operational models that can be deployed across projects.

The Company operates a management business for scenic areas and alternative accommodation, providing tourist spots with practical customized solutions and end-to-end operational services. Its subsidiaries, including China Travel Zhiye, possess comprehensive capabilities for integrated management outsourcing across the entire industry chain. The Company currently runs 30 management outsourcing projects comprising six 5A-rated and six 4A-rated attractions. During the 15th Five-Year Plan period, the Company will focus on strategic mergers and acquisitions, platform development and capacity building, streamlining standardized processes for scenic spot management, and establishing a replicable management outsourcing model.

The leisure resorts destination business will seek to build strong brand loyalty and sustainable competitive advantages by gaining a deep understanding of the evolving needs of families at different life stages and continuously creating long-term value through the delivery of tailored vacation experiences. Dapeng Senbo will strive to establish itself as a benchmark one-stop family vacation destination in the Greater Bay Area, and will accelerate the development of the Longqi Bay Resort project in Dapeng New District, targeting the commencement of beach campsite operations in 2026 and the full operation of the resort in 2028. Positioned around the core concept of “high-frequency operations + light-content offerings + social scenarios”, the project will introduce competitive bundled packages and membership products, together with refined age-segmented and distinctive offerings, to achieve differentiated market positioning. Songhua Lake Company and CTS Snow Company will seize the opportunity arising from the development of ski economy. Building on the heavy-asset Songhua Lake project and light-asset CTS Snow platform, they will continue to expand the Group’s ski business footprint through a balanced heavy-asset and light-asset approach, with the goal of becoming a leading player in China’s ski tourism industry. The leisure resorts destination business aims to set a new benchmark for resort vacations in the Greater Bay Area during the “15th Five-Year Plan” period and develop a replicable portfolio of high-frequency vacation products.

Digital transformation

The Company continued to deepen the integration of artificial intelligence (AI) with cultural and tourism scenarios, accelerate the empowerment and upgrading of its digital platforms, and expedite the transformation of technological innovations into tangible business outcomes. In the first half of 2026, the centralized empowerment provided by the digital platforms delivered significant results. The digital platform of tourism destinations provided an integrated digital infrastructure for newly opened attractions/projects such as the Songhua Lake Resort, the Ruijin Project, the Heidushan Scenic Spot and Zhouqu County, enabling the rapid digitalization and online migration of business operations. Gross merchandise volume (GMV) generated through the platform for the first half of the year reached RMB361 million, representing a year-over-year increase of 61%, while newly acquired members totaled 1.94 million, representing a year-on-year increase of 288%. The application of AI technologies continued to deepen. The Group launched its self-developed enterprise-grade intelligent agent platform, “Xinghe Agent Space”, enabling the rapid deployment and deep integration of AI capabilities across business scenarios such as operational analysis, financial reporting and human resources management, thereby significantly improving management efficiency. Leveraging AI-assisted development, the Company independently developed and deployed a range of systems and applications, including the CTS Scenery Resort Management Dashboard, the Task Supervision and Management System, the Construction Project Progress Management System, and AI Digital Employees. These solutions not only shortened development cycles but also precisely addressed business pain points. The Company’s “Multi-Scenario Tourism Service Applications for the Cultural Tourism Industry” was successfully selected as one of the High-Value Strategic AI Application Scenario for Central Enterprises under the “100 Industry Smart Scenarios” initiative of the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council. This national-level recognition of the Group’s AI application capabilities represents a significant milestone and provides strong support for its long-term development. The Group also systematically advanced the planning and deployment of the “15th Five-Year Plan” for digitalization, intelligent transformation and scientific and technological innovation. Guided by its vision of “building an industry-leading ecosystem for immersive smart tourism experiences”, the Group

established a “3+2+N+X” framework comprising three foundational platforms, two transformation pathways, N application scenarios and X smart scenic spot integrations, laying a solid foundation for the commercialization and practical application of technological achievements. The Group developed and rolled out its smart tour guide system, focusing on core visitor scenarios within scenic areas and addressing challenges associated with fragmented information access and delayed service delivery. By integrating functions such as audio guides, performance schedule inquiries and real-time vehicle location tracking, the smart guide has been deployed in scenic areas including Window of the World in Shenzhen and the Erhai Lake corridor in Dali. Through location-based service (LBS) triggered interactive audio guidance, it lays the groundwork for a comprehensive one-stop smart tourism service system covering the entire visitor journey. The Group also continued to expand its immersive digital experience offerings. We have signed a contract with Space S for the mixed reality (MR) project of “Legend of Sword and Fairy”, which has been launched and commenced operations at Erhai Lake in Dali, further enriching the Group’s immersive content ecosystem.

In the second half of the year, the Company will continue to deepen its integration of AI with operational management, business operations and visitor service scenarios. We will further improve the capabilities of the enterprise intelligent agent platform and promote the replication and promotion of digital employees and mature AI applications across its subsidiaries. We will continue to advance the functional upgrades and information capability development of the digital platform, while exploring pathways for its commercial operation. Development of innovative projects such as GEO and the travel photography platform will be accelerated, along with the expansion of digital immersive experience projects under Space S. The Company will also continue to enrich digital technology applications in new scenarios and business models within the cultural tourism sector, using technological innovation to empower operational efficiency and business growth.

Passenger transportation operations

In response to the growing trend of “northbound travel among Hong Kong residents” and the opening of the “Shenzhen-Zhongshan Link”, the bus business has optimized its route network to provide passengers with faster travel experiences. It also continued to deepen the application of AI technologies throughout the passenger service process, iterating service scenarios such as customer inquiries, business inquiries and after-sales support with a view to further comprehensively optimizing the passenger service experience and customer satisfaction. At the same time, the Company has accelerated development of an AI-powered automated order processing system to effectively reduce manual operating costs, improve order processing efficiency and data accuracy, and deliver efficient, convenient and reliable cross-border transportation services. The vessel business will continue to implement effective cost control measures, dispose of idle assets, strategically optimize route schedules and service deployment, and increase its market share in cross-border maritime passenger transportation market.

Shun Tak-China Travel plans to explore the development of low-altitude cross-border passenger transport routes and high-value-added travel products connecting Hong Kong, Macau, Shenzhen, Zhuhai, Guangzhou and other cities within the Greater Bay Area. The proposed premium travel offerings are expected to integrate helicopter services with passenger-carrying electric vertical take-off and landing (eVTOL) aircraft operations. The company has recently engaged in discussions with cultural tourism, civil aviation and transportation and logistics authorities to explore the feasibility of conducting flight trials at renowned parks and tourist attractions. It aims to advance and refine its integrated passenger transportation network, selectively develop new mobility services, create new drivers of sustainable growth, and strives to become the “largest cross-border passenger transportation platform in the Guangdong-Hong Kong-Macao Greater Bay Area”.

Hong Kong and overseas operations

The Group adheres to the strategy of “establishing a foothold in Hong Kong, deepening our presence in Hainan, expanding into the Chinese mainland, and refining our overseas operations”, and is exploring overseas market positioning. In the first half of 2026, the Group continued to deepen its role as operations consultant for “Ma Wan 1868”, Hong Kong’s island art community. During the period, the Group completed a series of initiatives ranging from market research and reports, the production and release of brand promotion videos, marketing campaigns for island vacation accommodation, the introductions of tour groups, the organization of the Rob Pepper Art Salon, and the development of co-branded cultural and creative products in collaboration with Ma Wan 1868. At the same time, the Group continued to collaborate with China Travel Service (Hong Kong) and other partners to further enhance both online and offline marketing and promotional efforts, with a view to increase brand awareness and visitor reach across the Greater Bay Area. Looking ahead, the Group will leverage its integrated tourism industry chain capabilities to continue supporting the project’s promotion and the implementation of content-driven events. The Group remains committed to establish the island art community of “Ma Wan 1868” as a new landmark destination for waterfront and island tourism in Hong Kong.

In order to further develop the local cultural heritage resources of Hong Kong, enrich the Group’s maritime sightseeing and cultural tourism offerings, and enhance cross-selling opportunities with its existing transportation, hotel and tourism service businesses, Shun Tak-China Travel Ship Management Limited, a non-wholly-owned subsidiary of the Company, entered into a transfer agreement with Dukling Limited (“**Dukling**”, a company incorporated in Hong Kong with limited liability) on 24 April 2026 to acquire the target business operated by Dukling (the “**Acquisition**”) for a consideration of HK\$10 million to expand the Group’s maritime cultural tourism business and preserve Hong Kong’s maritime culture and development history. Dukling is principally engaged in providing cruises in Hong Kong (including regular Victoria Harbour sightseeing cruises covering Tsim Sha Tsui, Central and Causeway Bay and customised charter cruise services), advertising sails, vessel chartering services for leisure and commercial uses, sightseeing and ancillary businesses including sale of souvenirs (collectively, the “**Target Business**”) in Hong Kong. The principal assets of the Target Business comprise: (i) a vessel named “DUK LING”, which is used in the operation of the Target Business; and (ii) the intellectual property rights, digital accounts and records related to the business. The Acquisition was completed in June 2026.

The Company achieved a significant breakthrough in its capital operations, effectively unlocking the pathway for value realization. It plans to spin off CTG Hongkong and Macao Culture and Tourism Holding Limited (中旅港澳文旅控股有限公司) (“**HKM Culture and Tourism**”, a wholly-owned subsidiary of the Company) by way of a distribution in specie and separate listing of the shares of HKM Culture and Tourism by way of introduction on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Proposed Spin-off**”). The Company has submitted a spin-off proposal to the Stock Exchange pursuant to PN15 of the Listing Rules in relation to the Proposed Spin-off, and the Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off. On 20 May 2026, a listing application was submitted to the Stock Exchange by HKM Culture and Tourism for the listing of, and permission to deal in, the shares of HKM Culture and Tourism by way of introduction on the Main Board of the Stock Exchange. The principal businesses of HKM Culture and Tourism and its subsidiaries include passenger transportation operations, hotel operations, and travel documents and related services. Upon completion of the Proposed Spin-off, the Group will retain its tourist attraction and related operations and supplementary tourist attraction operations. The Proposed Spin-off would enable investors to better value the Company with its dedicated natural and cultural scenic spot and theme parks destinations businesses which are predominantly located in the Chinese mainland. Following the Proposed Spin-off, both the Group and HKM Culture and Tourism will operate with clearly delineated business lines. This separation will enable each entity to focus on its core competencies, thereby enhancing strategic clarity, strengthening management’s focus on its respective business operations, improving the decision-making process, enabling a more agile response to market changes and increasing operational efficiency. For further details, please refer to the announcement of the Company dated 20 May 2026.

INTERNAL MANAGEMENT

The Company has deepened operational control to enhance the level of value creation. It has continuously optimized and improved corporate performance evaluation systems by refining assessment metrics and increasing the weighting of key indicators, strengthened its leading and exemplary role over subsidiary enterprises, and adhered to value creation orientation to facilitate a steady implementation of its overall strategy. The Company will continue to strengthen brand marketing, intensify brand promotion efforts, effectively improve marketing conversion rates, and achieve mutual empowerment and synergistic enhancement between brand value and business development.

Whilst focusing on day-to-day operational management and striving to achieve expected performance targets, the Company will prioritize strengthening its four core competencies of investment capability, product capability, digital capability and operational capability to propel its development to a new level. It will fortify the safety production baseline, improve safety management structures and strengthen the dual-prevention system, as well as safety training and emergency drills for frontline staff, comprehensively solidifying the foundation for safe operations.

The Company undertook a comprehensive organizational restructuring and established a specialized operational model. In formulating the development blueprint for the “15th Five-Year Plan” period, the Company realigned its organizational structure around its business portfolio and established three business units (BU), namely— theme parks, leisure resorts/ski business, and natural and cultural scenic spots, each assuming primary responsibility for its respective business operations. The headquarters was repositioned to improve its “strategic oversight and operational improvement”, accompanied by the streamlining of its organizational structure and staffing establishment. At the same time, the Company advanced the development of its IP companies to enhance their professional empowerment capabilities. In parallel, the Company continues to improve its functional support framework in accordance with the principle of aligning authorities, responsibilities and interests. Through clarifying authorities and responsibilities, optimizing the management mechanism and strengthening cross-functional coordination, the Company has progressively established a management system characterized by clear accountability, well-defined divisions of responsibilities and coordinated and orderly collaboration, thereby providing an organizational foundation for the effective implementation of its strategic initiatives.

The Company fully complies with the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”) and regulatory requirements. We will continue to optimize governance mechanisms and systems, maintain high standards of corporate governance, improve internal control management and strengthen institutional frameworks, enhance overall risk prevention and control capabilities, reinforce the management of operating cash flow and control of the debt-to-equity ratio, strengthen the governance of loss-making enterprises, relieve pressure on low-efficiency enterprises, and better control the management of the “two types of funds”.

PROSPECTS

In the first half of 2026, recurring geopolitical conflicts in the Middle East and a slower-than-expected pace of interest rate cuts by the U.S. Federal Reserve added uncertainty to the global economic recovery. As China entered the inaugural year of its “15th Five-Year Plan” period, domestic fiscal, monetary, industrial and consumer policies continued to work in tandem, balancing deeper supply-side structural reform with the expansion of domestic demand to steadily advance high-quality economic development. China’s tourism market has demonstrated strong vitality and resilience. According to data from the National Immigration Administration, the number of inbound and outbound passenger trips nationwide reached a record high of 369 million during the period. In particular, the continued expansion of visa-free policies, together with enhanced payment services and streamlined customs clearance procedures, significantly boosted inbound tourism. The number of foreign visitors entering China under visa-free arrangements reached 17.815 million, while domestic demand for leisure travel also recorded notable growth. In June 2026, the President and CEO of the World Travel & Tourism Council released the latest *China Economic Impact Report* in Beijing, highlighting that China’s tourism industry is expanding at a pace well above the global average and is on track to become the world’s largest tourism economy.

According to the Hong Kong Tourism Board, Hong Kong recorded approximately 26.71 million visitor arrivals in the first half of 2026, representing a year-on-year increase of 13%. Among these, arrivals from the Chinese mainland reached 20.56 million, up 16% year-on-year, while arrivals from non-Mainland markets totaled 6.16 million, representing a year-on-year increase of 5%. Hong Kong has continued to strengthen its position as “Asia’s Events Capital”, attracting visitors through a diversified calendar of international events and activities. In addition, the appreciation of Renminbi has provided further support for travel demand from the Chinese mainland. During the first half of 2026, more than 100 major MICE events were held in Hong Kong. It is expected that the second half of the year will see even more international conferences and exhibitions covering sectors such as healthcare, innovation and technology, financial services, insurance and sports. It is hoped that this will attract a greater number of high-yield overnight tourists and accompanying family members and boost tourism consumption.

Looking ahead to the second half of 2026, the Chinese economy will continue to face both internal and external uncertainties, with challenges and opportunities coexisting. Overall, favorable conditions for China’s development outweigh adverse factors, and the trend of steady and positive development in the medium- to long-term will remain unchanged.

Going forward, geopolitical risks and trade tensions remain the primary variables affecting the global economic outlook. Hong Kong’s recovery is progressing steadily. With financial markets rebounding and sentiment improving, a more favorable business environment is expected to emerge. The long-term trend of consumption upgrading in China’s cultural tourism sector is intact, while the scarcity value of high-quality resort destinations continues to become more prominent. The Company is cautiously optimistic about its business prospects, while maintaining vigilance in response to ongoing global economic volatility. The Company will continue to execute its strategic initiatives and, through solid operating performance and clear value creation, strive to deliver greater long-term returns for all shareholders.

EMPLOYEES AND REMUNERATION

As of 30 June 2026, the Group employed 5,574 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 2026, the Group’s cash and bank balances and pledged and restricted deposits amounted to HK\$2,887 million, while bank and other borrowings, loans from a fellow subsidiary and loans from the holding companies amounted to HK\$2,214 million. The debt-to-capital ratio was 32%. 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 2026, 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 section headed "MANAGEMENT DISCUSSION AND ANALYSIS" 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 section headed "MANAGEMENT DISCUSSION AND ANALYSIS" above, the Group had no future plans for material investments or capital assets during the reporting period.

CONTINGENT LIABILITIES

As of 30 June 2026, the Group's performance bond given to a customer for due performance of a sale contract was HK\$0.3 million (31 December 2025: HK\$0.3 million).

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 (including sale of treasury shares (as defined under the Listing Rules)) during the period. The Company did not hold any treasury shares of the Company as at 30 June 2026.

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 2026, 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 and Mr. Fan Zhishi. However, the said Directors are subject to retirement by rotation at least once every three years in accordance with the Company's articles of association (the "**Articles**"). The key terms and conditions of the appointment of the Directors are subject to the determination and review of the Board (at the recommendation of the relevant committees of the Board) from time to time, and are recorded in the relevant Board minutes/resolutions. In addition, the Directors are expected to refer to the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry and "Guidelines for Directors" and "Guide for Independent Non-Executive Directors" (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors of the Company. Besides, the Directors are required to comply with the requirements under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.
- Code Provision F.1.3 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 28 May 2026 (the "**AGM**") due to his other commitment. Ms. Fang Xuan, an Independent Non-executive Director, took chair of the AGM. She, 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 2026.

DIVIDENDS

The Board recommends the payment of an interim dividend of HK1 cent per share for the six months ended 30 June 2026 (2025: Nil), which is expected to be paid to shareholders on 20 October 2026.

CLOSURE OF REGISTER OF MEMBER

For the purposes of ascertaining shareholders' entitlement to the interim dividend, the Register of Members of the Company will be closed from Monday, 21 September 2026 to Wednesday, 23 September 2026 (both dates inclusive). In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's 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 Friday, 18 September 2026.

REVIEW OF INTERIM FINANCIAL RESULTS

The unaudited condensed consolidated interim financial results of the Group for the six months ended 30 June 2026 have been reviewed by the Audit Committee of the Company. The condensed consolidated interim financial results for the six months ended 30 June 2026 are 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 2026 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 2026 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, 31 August 2026

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