途屹控股

TU YI HOLDING COMPANY LIMITED
途屹控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 1701

2026
INTERIM REPORT

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive directors

Mr. Yu Dingxin *(chairman)*
Mr. Pan Wei
Mr. Xu Jiong
Mr. An Jiajin

Independent non-executive directors

Mr. Zhao Jianbo
Ms. Zhou Li
Mr. Ying Luming *(Lead Independent non-executive)*

COMPANY SECRETARY

Mr. Yip Ngai Hang, Henry, *FCPA, FCCA*

AUDITOR

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

LEGAL ADVISOR

As to Hong Kong laws
Jingtian & Gongcheng LLP
Suites 3203-3207
32/F, Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

PRINCIPAL BANKER

Shizuoka Bank (Yamanashi Branch)

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA ("THE PRC")

Room 813, 8/F., Block 4
Hai Chuang Technology Centre
No. 1288 Wenyi West Road
Cangqian Sub-district
Yuhang District
Hangzhou City
Zhejiang Province
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

27th Floor
157 Johnston Road, Wan Chai
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR & TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

WEBSITE

http://www.tuyigroup.com

STOCK CODE

1701

Tu Yi Holding Company Limited (the "**Company**") and its subsidiaries (the "**Group**") is a well-established comprehensive travel products and services provider in both the People's Republic of China (the "**PRC**") and Japan, focusing on the design, development and Sale of Japan outbound travel package tours and day tours and outbound free independent traveller products (the "**FIT Products**"); the provision of visa application processing services and other ancillary travel-related products and services; the operation of an online store retailer for Japanese-lifestyle-oriented products and its e-commerce business platform – the online cross-border duty-free shop business under its brand "Direct Courier from Shop Manager" (店長直郵) (the "**Duty-free Shop Business**"); the operation of self-owned Shuzenji Onsen Hotel Takitei (the "**Shizuoka Hotel**") and Hotel Comfact (the "**Tokyo Hotel**") in Japan (collectively, the "**Hotels Operation"**); and the provision of tour-related catering services in Japan. During the six months ended 30 June 2026, the Group continued to leverage on its well-established product capacities and networks in Japan, the strong demand in inbound travel to Japan and the growing overseas demand for curated Japan itineraries, and achieved increases in overall revenue and net profit attributable to equity shareholders of the Company by approximately 1.7% and approximately 14.9% respectively when comparing to the corresponding period of 2025. The sales of package tours and day tours business segment has been the Group's strategic focus and it contributed approximately 87.7% of the Group's revenue during the Period Under Review. The gross profit margin of sales of package tours and day tours increased by approximately 1.5 percentage points, from approximately 25.5% in the first half of 2025 to approximately 27.0% in the first half of 2026, which increased the overall gross profit margin by approximately 0.3 percentage point to approximately 30.5%. In view of retaining sufficient liquidity for future growth and expansion, the Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

BUSINESS REVIEW AND PROSPECTS

During the Period Under Review, the Group continued to advance its strategic directions of quality and efficiency enhancement, footprint expansion and experience optimisation across its integrated Japan travel ecosystem, and made solid progress across each of its business lines.

In its core package tours and day tours business, the Group deepened its cooperation with online travel platforms, increased the number of self-operated stores and continued to broaden its customer lead channels. The Group further expanded its self-owned vehicle fleet and tour-guide team, maintained the steady operation of its one-day tours, and accelerated the roll-out of two-day tours, customised tours and study tours, resulting in an increasingly diversified business structure. To increase buffer capacity and reduce reliance on outsourced transportation, the Group's newly-acquired Tokyo vehicle company joined the Group during the Period Under Review, with its service coverage extending across core metropolitan areas including Tokyo and Osaka, thereby strengthening the Group's reception capacity and service reliability.

In its Hotels Operation, through refined management and experience optimisation, the occupancy rates of the Group's core hotels, including the Shizuoka Hotel and the Tokyo Hotel, remained steady with an upward trend, and customer satisfaction continued to improve. In its Duty-free Shop Business, the recovery of global tourist flows drove a notable increase in store sales. In its newly-launched catering business, the Group's Kinfuji (金富士) restaurant in the Mount Fuji area achieved a steady growth in average daily customer rates, obtained seven wagyu-beef specialty authorisations and entered into long-term strategic cooperation with a number of international travel platforms, further enriching the Group's end-to-end customer experience.

Looking ahead to the second half of 2026, the Group will continue to pursue its three strategic directions of quality and efficiency enhancement, footprint expansion and experience optimisation, and will focus on the following key initiatives:

- commencing the second-phase expansion of its restaurant business and planning a new integrated complex project, with a view to creating a "dining plus shopping" integrated consumption scenario and realising greater synergies and commercial value;
- actively exploring new travel destinations, for which substantive preparatory work is already underway and which is expected to become a new growth driver for the Group; and
- acquiring additional vehicles to further expand its self-owned fleet in order to support the growing service demand and its regional expansion objectives.

Backed by an integrated value chain spanning transportation, hotels, catering and retail, a solid financial foundation, agile market strategies and a strengthening brand, the Group is well positioned to capture industry growth opportunities in the second half of 2026, deliver higher-quality development, and generate sustained, attractive returns for shareholders and investors.

FINANCIAL REVIEW

Revenue and gross profit margin

The breakdown of revenue, average revenue per traveller ("**ART**") and gross profit margin by business segment during the periods under review is set forth below:

	For the six months ended 30 June 2026				For the six months ended 30 June 2025			
	Revenue RMB'000	**ART RMB RMB**	**% of revenue**	**Gross profit margin**	Revenue RMB'000	ART RMB	% of revenue	Gross profit margin
Sales of package tours and day tours	**142,482**	**325**	**87.7%**	**27.0%**	142,015	308	88.8%	25.5%
Margin income from sales of FIT products (net basis)	**1,574**	**339**	**1.0%**	**100%**	1,447	119	1.0%	100%
Margin income from the provision of visa application processing services (net basis)	**444**	**31**	**0.3%**	**100%**	1,193	32	0.7%	100%
Hotels Operation – Japan	**11,760**	**352**	**7.2%**	**63.4%**	13,280	365	8.3%	62.1%
Duty-free Shop business – Japan and the PRC	**1,041**	**715**	**0.6%**	**52.6%**	1,862	477	1.2%	61.1%
Provision of tour-related catering services	**5,193**	**66**	**3.2%**	**29.6%**	–	–	–	N/A
	162,494		**100%**	**30.5%**	159,797		100%	30.2%

Sales of package tours and day tours and margin income from sales of FIT Products and provision of visa application processing services (net basis)

The Group is a well-established and active outbound travel products and service provider in the PRC, focusing on the design, development and sale of Japan outbound travel package tours and day tours and outbound FIT Products, and the provision of visa application processing services and other ancillary travel-related products. The Group's package tours generally comprise flights, hotel accommodations, meals, transportation and sight-seeing activities as a bundled package and are accompanied by tour escorts from departure till return to the PRC, and they range from standardised package tours to tailor-made and customised tours for customers with specific requirements. The Group's day tour products generally consist of day tours ranging from one day to six days, which mainly target travellers who are neither package tours nor FIT Product customers and have purchased air tickets/hotel accommodations separately, but wish to participate in local day tours.

During the Period Under Review, revenue from sales of package tours and day tours increased by approximately 0.3% to approximately RMB142.5 million when comparing to the corresponding period of 2025, which was primarily due to the Group's continued expansion of its day tours business through cooperation with various overseas travel partners and the landing on various travel channels. The gross profit margin of this segment increased by approximately 1.5 percentage points to approximately 27.0% (six months ended 30 June 2025: approximately 25.5%), primarily due to the increase in buffer capacity and the greater use of the Group's self-owned transportation, hotel and catering resources, which lowered per-passenger costs and reduced reliance on outsourced services. Margin income from sales of FIT Products (net basis) increased by approximately 8.8% to approximately RMB1.6 million, while margin income from the provision of visa application processing services (net basis) decreased by approximately 62.8% to approximately RMB0.4 million.

Hotels Operation – Japan

The Group operates its self-owned Shizuoka Hotel and Tokyo Hotel. During the Period Under Review, revenue from the Hotels Operation amounted to approximately RMB11.8 million, representing a decrease of approximately 11.4% when comparing to the corresponding period of 2025. Notwithstanding the decrease in revenue, the gross profit margin of the Hotels Operation improved to approximately 63.4% (six months ended 30 June 2025: approximately 62.1%), primarily as a result of refined management and experience optimisation across the Group's core hotels.

Duty-free Shop Business – Japan and the PRC

The Group operates its Duty-free Shop Business in the premises of the Tokyo Hotel, together with its online Duty-free Shop Business under the name "Direct Courier from Shop Manager" (店長直郵). During the Period Under Review, revenue from the Duty-free Shop Business amounted to approximately RMB1.0 million, representing a decrease of approximately 44.1% when comparing to the corresponding period of 2025, and its gross profit margin was approximately 52.6% (six months ended 30 June 2025: approximately 61.1%). Notwithstanding the decrease in reported revenue, the recovery of global tourist flows and the systems upgrade of the online platform supported user engagement during the period.

Provision of tour-related catering services

During the Period Under Review, the Group commenced the provision of tour-related catering services through its self-operated Kinfuji (金富士) restaurant in the Mount Fuji area, which serves both tour guests and the general public. This new business segment contributed revenue of approximately RMB5.2 million with a gross profit margin of approximately 29.6% (six months ended 30 June 2025: not applicable), enriching the Group's end-to-end customer experience and supporting the growth of its day tours segment.

Selling and distribution expenses

Selling and distribution expenses decreased by approximately 40% to approximately RMB5.5 million for the Period Under Review (six months ended 30 June 2025: approximately RMB9.3 million), primarily reflecting the Group's more efficient marketing and channel management.

Administrative expenses

The Group's administrative expenses increased by approximately 10% for the Period Under Review as compared to that of the corresponding period of 2025. This increase was consistent with the continued expansion in the Group's business scale, including the establishment of the Tokyo vehicle company and the commencement of the catering business, and was primarily attributable to the reasons mentioned in the business review above.

Financial resources

As at 30 June 2026, the Group had cash and cash equivalents of approximately RMB30.2 million (31 December 2025: approximately RMB39.6 million) and pledged short-term bank deposits of approximately RMB1.5 million (31 December 2025: approximately RMB1.5 million). The Group had interest-bearing bank borrowings of approximately RMB35.8 million as at 30 June 2026 (31 December 2025: approximately RMB41.7 million), of which approximately RMB15.8 million was repayable within one year. The Group's net current assets amounted to approximately RMB42.8 million (31 December 2025: approximately RMB34.8 million) and net assets amounted to approximately RMB164.4 million (31 December 2025: approximately RMB149.7 million).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	Six months ended 30 June	
		2026	2025
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	*4*	**162,494**	159,797
Cost of sales and services rendered		**(112,960)**	(111,614)
Gross profit		**49,534**	48,183
Other income	*5*	**5,118**	3,046
Other (losses)/gains, net	*5*	**(1,050)**	168
Selling and distribution expenses		**(5,548)**	(9,303)
Administrative expenses		**(23,895)**	(21,642)
(Allowance for)/reversal of expected credit loss ("ECL") on trade receivables		**(129)**	13
Share of results of an associate		**–**	(23)
Finance costs	*6*	**(604)**	(544)
Profit before tax	*7*	**23,426**	19,898
Income tax (expense)/credit	*8*	**(698)**	58
Profit for the period		**22,728**	19,956
Other comprehensive (loss)/income, net of tax:			
Item that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(8,020)**	6,776
Item that will not be reclassified to profit or loss in subsequent periods:			
Fair value changes of financial assets at fair value through other comprehensive income		**–**	1
Other comprehensive (loss)/income for the period, net of tax		**(8,020)**	6,777
Total comprehensive income for the period		**14,708**	26,733
Profit for the period attributable to:			
Equity shareholders of the Company		**22,900**	19,934
Non-controlling interests		**(172)**	22
		22,728	19,956
Total comprehensive income for the period attributable to:			
Equity shareholders of the Company		**14,885**	26,711
Non-controlling interests		**(177)**	22
		14,708	26,733
Earnings per share	*9*		
Basic (RMB cent)		**2.29**	1.99
Diluted (RMB cent)		**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	*11*	**83,917**	87,153
Investment properties		**17,785**	17,785
Right-of-use assets		**5,266**	10,381
Freehold land		**32,901**	34,979
Goodwill	*18*	**2,672**	–
Investment in an associate		**468**	468
Other intangible assets		**2,367**	214
Financial assets at fair value through other comprehensive income		**2**	2
Deferred tax assets		**5,159**	5,267
		150,537	156,249
Current assets			
Inventories	*12*	**667**	808
Trade receivables	*13*	**28,869**	23,000
Prepayments, deposits and other receivables		**21,201**	21,883
Financial assets at fair value through profit or loss		**2,724**	1,096
Pledged short-term bank deposits	*14*	**1,500**	1,500
Cash and cash equivalents	*14*	**30,158**	39,571
		85,119	87,858
Current liabilities			
Trade payables	*15*	**12,144**	24,164
Contract liabilities, other payables and accruals		**11,034**	12,008
Interest-bearing bank borrowings	*16*	**15,782**	13,171
Lease liabilities		**2,486**	3,359
Tax payable		**888**	375
		42,334	53,077
Net current assets		**42,785**	34,781
Total assets less current liabilities		**193,322**	191,030
Non-current liabilities			
Interest-bearing bank borrowings	*16*	**19,983**	28,491
Lease liabilities		**2,602**	6,959
Deferred tax liabilities		**6,317**	5,868
		28,902	41,318
NET ASSETS		**164,420**	149,712
Capital and reserves			
Share capital	*17*	**8,797**	8,797
Reserves		**153,393**	138,508
Equity attributable to equity shareholders of the Company		**162,190**	147,305
Non-controlling interests		**2,230**	2,407
TOTAL EQUITY		**164,420**	149,712

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to equity shareholders of the Company											
	Issued capital RMB'000 (Note 17)	Share premium* RMB'000	Capital reserve* RMB'000	Statutory surplus reserve* RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income* RMB'000	Revaluation reserve* RMB'000	Difference arising from acquisition of non-controlling interests* RMB'000	Foreign currency translation reserve* RMB'000	Accumulated losses* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2026 (Audited)	**8,797**	**91,120**	**88,967**	**6,482**	**(22)**	**1,579**	**(19)**	**(26,061)**	**(23,538)**	**147,305**	**2,407**	**149,712**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**22,900**	**22,900**	**(172)**	**22,728**
Other comprehensive income:												
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(8,015)**	**–**	**(8,015)**	**(5)**	**(8,020)**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(8,015)**	**22,900**	**14,885**	**(177)**	**14,708**
At 30 June 2026 (Unaudited)	**8,797**	**91,120**	**88,967**	**6,482**	**(22)**	**1,579**	**(19)**	**(34,076)**	**(638)**	**162,190**	**2,230**	**164,420**
At 1 January 2025 (Audited)	8,797	91,120	88,967	6,482	(23)	1,579	(19)	(24,523)	(32,076)	140,304	2,275	142,579
Profit for the period	–	–	–	–	–	–	–	–	19,934	19,934	22	19,956
Other comprehensive income:												
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	6,776	–	6,776	–	6,776
Fair value changes of financial assets at fair value through other comprehensive income	–	–	–	–	1	–	–	–	–	1	–	1
Total comprehensive income for the period	–	–	–	–	1	–	–	6,776	19,934	26,711	22	26,733
At 30 June 2025 (Unaudited)	8,797	91,120	88,967	6,482	(22)	1,579	(19)	(17,747)	(12,142)	167,015	2,297	169,312

* These reserve accounts comprise the consolidated reserves of approximately RMB153,393,000 (31 December 2025: RMB138,508,000) in the condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Net cash generated from operating activities	**10,060**	7,778
Cash flows from investing activities		
Purchases of property, plant and equipment	**(8,612)**	(14,993)
Purchases of other intangible assets	**(57)**	–
Proceeds from disposal of property, plant and equipment	**50**	–
Interest received from banks	**12**	69
Interest received from loans to third parties	**226**	516
Net cash outflow arising from acquisition of a subsidiary	**(4,014)**	–
Net cash used in investing activities	**(12,395)**	(14,408)
Cash flows from financing activities		
Repayment of bank borrowings	**(8,027)**	(2,053)
Bank borrowings raised	**4,000**	–
Principal portion of lease payments paid	**(1,768)**	(315)
Interest paid	**(604)**	(544)
Net cash used in financing activities	**(6,399)**	(2,912)
Net decrease in cash and cash equivalents	**(8,734)**	(9,542)
Effect of foreign exchange rate changes, net	**(679)**	1,230
Cash and cash equivalents at the beginning of the period	**39,571**	40,065
Cash and cash equivalents at the end of the period	**30,158**	31,753

1 CORPORATE INFORMATION

Tu Yi Holding Company Limited (the "**Company**") is a limited liability company incorporated in the Cayman Islands on 27 February 2018. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business in Hong Kong is located at 27/F, 157 Johnston Road, Wan Chai, Hong Kong. The principal place of business in Mainland China is located at Room 813, 8/F, Block 4, Hai Chuang Technology Centre, No. 1288 Wenyi West Road, Cangqian Sub-district, Yuhang District, Hangzhou City, Zhejiang Province, the People's Republic of China (the "**PRC**"). The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 28 June 2019.

The Company is an investment holding company. During the six months ended 30 June 2026, the Company's subsidiaries (together with the Company collectively referred to as the "**Group**") were principally involved in (i) sales of outbound travel package tours and day tours; (ii) sales of free independent traveller ("**FIT**") products; (iii) provision of visa application processing services; (iv) hotels operation; (v) duty-free shop business; and (vi) provision of tour-related catering services.

In the opinion of the directors of the Company, as at 30 June 2026, Mr. Yu Dingxin, Mr. Pan Wei and Mr. Xu Jiong (collectively referred to as the "**Controlling Shareholders**") are collectively considered to be the ultimate controlling shareholders of the Company pursuant to the concert party agreement dated 13 April 2018 signed between the Controlling Shareholders. York Yu Co., Ltd and David Xu Co., Ltd (incorporated in the British Virgin Islands (the "**BVI**") and directly and wholly owned by Mr. Yu Dingxin), King Pan Co., Ltd (incorporated in the BVI and directly and wholly owned by Mr. Pan Wei) and Jeffery Xu Co., Ltd (incorporated in the BVI and directly and wholly owned by Mr. Xu Jiong) are collectively considered to be the ultimate and immediate holding companies of the Company.

2 BASIS OF PREPARATION

The Group's unaudited condensed consolidated interim financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

The Group's unaudited condensed consolidated interim financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2025. The accounting policies adopted in the preparation of these unaudited condensed consolidated interim financial information are consistent with those applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2025 except for the amendments to HKFRS Accounting Standards and Interpretation issued by the HKICPA that were adopted for the first time in the current period.

2 BASIS OF PREPARATION (CONTINUED)

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the Group's financial year beginning on or after 1 January 2026:

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

The application of the amendments to HKFRS Accounting Standards had no material impact on the Group's consolidated financial performance and positions for the current and prior periods and/or on the disclosure set out in these unaudited condensed consolidated interim financial information.

These unaudited condensed consolidated interim financial information has been prepared under the historical cost except for investment properties, financial assets at fair value through other comprehensive income ("**FVTOCI**") and financial assets at fair value through profit or loss ("**FVTPL**") which have been measured at fair value.

The preparation of these unaudited condensed consolidated interim financial information in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the condensed consolidated interim financial information, are consistent with the disclosed in the Group's consolidated financial statements for the year ended 31 December 2025.

These unaudited condensed consolidated interim financial information is presented in Renminbi ("**RMB**") because the Group's principal operations are carried out in the PRC and all values are rounded to the nearest thousand except when otherwise indicated. The Group's unaudited condensed consolidated interim financial information has been reviewed by the audit committee of the Company.

3 FAIR VALUE MEASUREMENTS

As at 30 June 2026 (Unaudited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	**Significant observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**	**Total RMB'000**
Investment properties	**–**	**–**	**17,785**	**17,785**
Financial assets at FVTOCI	**2**	**–**	**–**	**2**
Financial assets at FVTPL	**2,724**	**–**	**–**	**2,724**
	2,726	**–**	**17,785**	**20,511**

As at 31 December 2025 (Audited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Investment properties	–	–	17,785	17,785
Financial assets at FVTOCI	2	–	–	2
Financial assets at FVTPL	1,096	–	–	1,096
	1,098	–	17,785	18,883

The Group did not have any financial liabilities measured at fair value during the six months ended 30 June 2026 (31 December 2025: Nil).

During the six months ended 30 June 2026, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2025: Nil).

4 REVENUE AND SEGMENT INFORMATION

For management purpose, the Group's businesses include (i) sales of package tours and day tours; (ii) hotels operation; (iii) sales of FIT products; (iv) provision of visa application processing services; (v) duty-free shop business; and (vi) provision of tour-related catering services. Revenue recognised during the six months ended 30 June 2026 is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of package tours and day tours	**142,482**	142,015
Hotels operation income	**11,760**	13,280
Margin income from sales of FIT products	**1,574**	1,447
Margin income from the provision of visa application processing services	**444**	1,193
Income from duty-free shop business	**1,041**	1,862
Provision of tour-related catering services	**5,193**	–
Total	**162,494**	159,797

Disaggregation of revenue from contracts with customers within the scope of HKFRS 15

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major products and services lines:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
Over time		
– Sales of package tours and day tours	**142,482**	142,015
– Hotels operation income	**11,760**	13,280
	154,242	155,295
At a point in time		
– Margin income from the sales of FIT products	**1,574**	1,447
– Margin income from the provision of visa application processing services	**444**	1,193
– Income from duty-free shop business	**1,041**	1,862
– Provision of tour-related catering services	**5,193**	–
	8,252	4,502
Total	**162,494**	159,797

4 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Performance obligations

At 30 June 2026 and 31 December 2025, the remaining performance obligations (unsatisfied or partially unsatisfied) were expected to be recognised within one year. As permitted under HKFRS 15, the transaction prices allocated to these unsatisfied contracts are not disclosed.

Segment information

The Group's chief operating decision makers (the "**CODM**") have been identified as the executive directors of the Company. The information reported to the CODM, for the purpose of resource allocation and assessment of performance, does not contain discrete operating segment financial information and the CODM reviewed the financial results of the Group as a whole. Accordingly, no segment information is presented.

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
The PRC*	**144,500**	144,655
Japan#	**17,994**	15,142
Total	**162,494**	159,797

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

\# From hotels operation, duty-free shop business and provision of tour-related catering services.

(b) Information about major customers

During the six months ended 30 June 2026 and 2025, no individual customer contributed 10% or more of the total revenue of the Group.

4 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(c) Non-current assets

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Japan	**117,058**	123,996
The PRC	**28,318**	26,984
Total	**145,376**	150,980

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

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

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Other income		
Bank interest income	**12**	69
Government grants *(note)*	**64**	42
Rental income from investment properties under operating leases:		
– Lease payments, including fixed payments less direct outgoings of RMB48,000 (six months ended 30 June 2025: RMB48,000)	**956**	956
Interest income from loans to third parties	**226**	516
Rental income from motor vehicles	**3,767**	1,281
Others	**93**	182
	5,118	3,046
Other (losses)/gains, net		
Gain on early termination of lease	**13**	–
Gain on loan modification of bank borrowings	**60**	–
Loss on disposal of property, plant and equipment	**(20)**	–
Foreign exchange (losses)/gains, net	**(307)**	22
Changes in fair value of financial assets at FVTPL	**(796)**	146
	(1,050)	168

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

6 FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank borrowings	**533**	544
Interest on lease liabilities	**71**	–
	604	544

7 PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of services rendered	**112,467**	110,890
Cost of inventories sold	**493**	724
Depreciation of property, plant and equipment	**6,855**	4,687
Depreciation of right-of-use assets	**1,291**	289
Amortisation of other intangible assets	**58**	19
Employee benefit expense (excluding directors' remuneration):		
Wages and salaries	**7,674**	9,837
Payments to defined contribution plans	**769**	838
Staff welfare expenses	**354**	621
	8,797	11,296

8 INCOME TAX EXPENSES/(CREDIT)

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which the subsidiaries of the Company are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

Pursuant to the rules and regulations of Japan, the subsidiaries incorporated in Japan are subject mainly to corporate tax, inhabitant tax and enterprise tax, and the effective statutory tax rate for these taxes was 33.6% (six months ended 30 June 2025: 33.6%).

8 INCOME TAX EXPENSES/(CREDIT) (CONTINUED)

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the six months ended 30 June 2026 and 2025.

During the six months ended 30 June 2026, except for certain subsidiaries of the Group which were entitled to a preferential income tax rate of 20% (six months ended 30 June 2025: 20%) for small and micro enterprises with the first RMB1.0 million (six months ended 30 June 2025: RMB1.0 million) of annual taxable income, eligible for a 75% (six months ended 30 June 2025: 75%) reduction and the annual taxable income between RMB1.0 million and RMB3.0 million (six months ended 30 June 2025: RMB1.0 million and RMB3.0 million) eligible for a 50% (six months ended 30 June 2025: 50%) reduction, the provision for the Mainland China current income tax is based on the statutory rate of 25% (six months ended 30 June 2025: 25%) of the assessable profits of the subsidiaries in Mainland China as determined in accordance with the Corporate Income Tax Law.

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

	Six months ended 30 June	
	2026 **RMB'000** **(Unaudited)**	2025 RMB'000 (Unaudited)
Current tax – Japan	**698**	–
Deferred tax	**–**	(58)
Total tax charge/(credit) for the period	**698**	(58)

9 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of the basic earnings per share is based on the profit for the period attributable to equity shareholders of the Company of approximately RMB22,900,000 (six months ended 30 June 2025: RMB19,934,000), and the weighted average number of 1,000,000,000 ordinary shares (six months ended 30 June 2025: 1,000,000,000) in issue during the six months ended 30 June 2026.

(b) Diluted earnings per share

No diluted earnings per share has been presented as there were no potential dilutive shares outstanding for the six months ended 30 June 2026 and 2025.

10 DIVIDENDS

The Board did not recommend the payment of any dividend for the six months ended 30 June 2026, nor has any dividend been proposed since the end of the reporting period (six months ended 30 June 2025: Nil).

11 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired assets with cost of approximately RMB8,612,000 (six months ended 30 June 2025: RMB14,993,000) for additions to property, plant and equipment. Items of property, plant and equipment with a net book value of RMB70,000 were disposed by the Group during the six months ended 30 June 2026 (six months ended 30 June 2025: Nil), resulting in a loss on disposal of RMB20,000 (six months ended 30 June 2025: Nil).

12 INVENTORIES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Merchandise for sales	**667**	808

13 TRADE RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	**29,178**	23,176
Less: loss allowance for ECLs	**(309)**	(176)
	28,869	23,000

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
1 to 30 days	**28,424**	22,547
31 to 90 days	**113**	275
91 to 180 days	**168**	90
181 to 360 days	**164**	88
	28,869	23,000

14 CASH AND CASH EQUIVALENTS AND PLEDGED SHORT-TERM BANK DEPOSITS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Cash and bank balances	**30,158**	39,571
Pledged short-term bank deposits, pledged for services quality (note)	**1,500**	1,500
	31,658	41,071
Less: Pledged short-term bank deposits	**(1,500)**	(1,500)
Cash and cash equivalents	**30,158**	39,571

Note: The pledged short-term bank deposits are the guarantee deposits for the Group's tourism operation as required by the PRC government.

15 TRADE PAYABLES

An 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 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
1 to 30 days	**11,416**	23,336
31 to 90 days	**156**	516
91 to 180 days	**226**	100
181 to 360 days	**116**	45
Over 360 days	**230**	167
	12,144	24,164

16 INTEREST-BEARING BANK BORROWINGS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Secured bank loans	**35,765**	41,662

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
The analysis of the repayment schedule of the bank loans repayable is as follows:		
– Within one year or on demand	**15,782**	13,171
– Within a period of more than one year but not exceeding two years	**3,773**	5,160
– Within a period of more than two years but not exceeding five years	**11,267**	15,408
– More than five years	**4,943**	7,923
	35,765	41,662

Note: The Group's bank borrowings are secured by:

(i) mortgages over the Group's buildings situated in Japan and mortgages over the Group's leasehold land and buildings situated in Mainland China;

(ii) mortgages over the Group's investment properties situated in Mainland China; and

(iii) mortgages over the Group's freehold land situated in Japan.

17 SHARE CAPITAL

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Authorised:		
1,500,000,000 ordinary shares of HK$0.01 each	**15,000**	15,000

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Issued and fully paid:		
1,000,000,000 ordinary shares of HK$0.01 each	**8,797**	8,797

18 ACQUISITION OF A SUBSIDIARY

On 6 March 2026, the Group acquired the entire equity interests in Nikko Kotsu Co., Ltd. pursuant to a share purchase agreement for a consideration of JPY89,500,000 (equivalent to approximately HKD4,600,000), subject to price adjustments. Following the price adjustments, the cash consideration amounted to approximately JPY95,304,000 (equivalent to approximately RMB4,161,000).

Nikko Kotsu Co., Ltd is principally engaged in the provision of tour bus transportation services in Japan. The acquisition is part of the Group's strategy to enable the Group to increase its tour bus transportation capacity to accommodate larger tour groups and enhance customer experiences.

18 ACQUISITION OF A SUBSIDIARY (CONTINUED)

The fair values of the identifiable assets and liabilities assumed at the acquisition date were as follows:

Net assets acquired:

	RMB'000
Bank balances	**147**
Intangible assets	**2,154**
Trade receivables	**701**
Prepayments, deposits and other receivables	**803**
Property, plant and equipment	**3,353**
Trade payables	**(28)**
Other payables and accruals	**(5,036)**
Deferred tax liabilities arising from fair value adjustments on acquisition	**(605)**
	1,489
Goodwill	**2,672**
Satisfied by:	
Cash	**4,161**

An analysis of the net cash outflow in respect of the acquisition is as follows:

	RMB'000
Cash consideration paid	**(4,161)**
Cash and cash equivalents acquired	**147**
Net cash outflow on acquisition	**(4,014)**

Nikko Kotsu Co., Ltd contributed revenue of approximately RMB3,087,000 and loss of approximately RMB1,133,000 in the period between the date of acquisition and the end of the reporting period. Had the acquisition taken place on 1 January 2026, Nikko Kotsu Co., Ltd would have contributed revenue of approximately RMB4,240,000 and a loss of approximately RMB1,605,000 for the six months ended 30 June 2026. On that basis, the unaudited consolidated revenue and profit of the Group would have been approximately RMB163,647,000 and RMB22,256,000 respectively. The pro forma information is provided for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2026, nor is intended to be a projection of future results.

The assessments of the fair values of the identifiable assets and liabilities of the above entity is still in progress and the information of the fair values of the identifiable assets and liabilities is provisional. The finalised information will be disclosed in the consolidated financial statements of the Group for the year ending 31 December 2026.

19 RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in these unaudited condensed consolidated interim financial information, the Group entered into the following transactions with related parties during the six months ended 30 June 2026 and 2025.

Compensation of key management personnel of the Group

Compensation of key management personnel of the Group, being the executive directors of the Company and other key management of the Group, is presented as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries, allowances and benefits in kind	**1,888**	1,596
Pension scheme contributions	**54**	61
Total compensation paid to key management personnel	**1,942**	1,657

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the date of this report and so far as the directors of the Company (the "**Directors**") are aware, the interests and short positions of the Directors of the Company in the share capital and underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Hong Kong Securities and Futures Ordinance (the "**SFO**"), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to the Model Code for the Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Rules Governing the Listing of Securities of the Stock Exchange (the "**Listing Rules**"), were as follows:

Long positions in the shares of the Company

Name	Nature of interest	Number of Shares	Approximate percentage of shareholding
Mr. Yu Dingxin (1)	Interest in controlled corporation	702,312,000	70.23%
Mr. Pan Wei (2)	Interest in controlled corporation	702,312,000	70.23%
Mr. Xu Jiong (3)	Interest in controlled corporation	702,312,000	70.23%

Notes:

(1) York Yu Co., Ltd and David Xu Co., Ltd hold 418,725,000 shares of the Company (the "**Shares**") and 50,025,000 Shares, respectively. Each of York Yu Co., Ltd and David Xu Co., Ltd is directly and wholly owned by Mr. Yu Dingxin, who is therefore deemed to be interested in all the Shares held by each of York Yu Co., Ltd and David Xu Co., Ltd. Mr. Yu Dingxin, Mr. Pan Wei and Mr. Xu Jiong entered into a concert party agreement on 13 April 2018, and are therefore deemed to be interested in the interests of each other.

(2) King Pan Co., Ltd holds 121,062,000 Shares. King Pan Co., Ltd is directly and wholly owned by Mr. Pan Wei, who is therefore deemed to be interested in all the Shares held by King Pan Co., Ltd. Mr. Yu Dingxin, Mr. Pan Wei and Mr. Xu Jiong entered into a concert party agreement on 13 April 2018, and are therefore deemed to be interested in the interests of each other.

(3) Jeffery Xu Co., Ltd holds 112,500,000 Shares. Jeffery Xu Co., Ltd is directly and wholly owned by Mr. Xu Jiong, who is therefore deemed to be interested in all the Shares held by Jeffery Xu Co., Ltd. Mr. Yu Dingxin, Mr. Pan Wei and Mr. Xu Jiong entered into a concert party agreement on 13 April 2018, and therefore deemed to be interested in the interests of each other.

Save as disclosed above, as at the date of this report, none of the Directors nor chief executive of the Company had registered an interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been recorded in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the paragraph headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above, at no time during the Period Under Review were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company be granted to any Director or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries being a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at the date of this report and so far as the Directors are aware, the following persons had, or were deemed to have, interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in the shares of the Company:

Name	Nature of interest	Number of Shares	Approximate percentage of shareholding
York Yu Co., Ltd (1)	Beneficial owner	418,725,000	41.87%
David Xu Co., Ltd (1)	Beneficial owner	50,025,000	5.00%
King Pan Co., Ltd (2)	Beneficial owner	121,062,000	12.11%
Jeffery Xu Co., Ltd (3)	Beneficial owner	112,500,000	11.25%
Mr. Yu Dingxin (1)	Interest in controlled corporation	702,312,000	70.23%
Mr. Pan Wei (2)	Interest in controlled corporation	702,312,000	70.23%
Mr. Xu Jiong (3)	Interest in controlled corporation	702,312,000	70.23%

Notes:

(1) York Yu Co., Ltd and David Xu Co., Ltd hold 418,725,000 Shares and 50,025,000 Shares, respectively. Each of York Yu Co., Ltd and David Xu Co., Ltd is directly and wholly owned by Mr. Yu Dingxin, who is therefore deemed to be interested in all the Shares held by each of York Yu Co., Ltd and David Xu Co., Ltd. Mr. Yu Dingxin, Mr. Pan Wei and Mr. Xu Jiong entered into a concert party agreement on 13 April 2018, and are therefore deemed to be interested in the interests of each other.

(2) King Pan Co., Ltd holds 121,062,000 Shares. King Pan Co., Ltd is directly and wholly owned by Mr. Pan Wei, who is therefore deemed to be interested in all the Shares held by King Pan Co., Ltd. Mr. Yu Dingxin, Mr. Pan Wei and Mr. Xu Jiong entered into a concert party agreement on 13 April 2018, and are therefore deemed to be interested in the interests of each other.

(3) Jeffery Xu Co., Ltd holds 112,500,000 Shares. Jeffery Xu Co., Ltd is directly and wholly owned by Mr. Xu Jiong, who is therefore deemed to be interested in all the Shares held by Jeffery Xu Co., Ltd. Mr. Yu Dingxin, Mr. Pan Wei and Mr. Xu Jiong entered into a concert party agreement on 13 April 2018, and therefore deemed to be interested in the interests of each other.

Save as disclosed above, as at the date of this report, the Company had not been notified by any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "**Share Option Scheme**") on 1 March 2019. Details of the Share Option Scheme are set out in Appendix V to the prospectus of the Company dated 18 June 2019 (the "**Prospectus**"). The number of options available for grant under the Share Option Scheme as at the beginning and end of the Period Under Review was 100,000,000. During the Period Under Review, no share option has been granted, exercised, lapsed or cancelled under the Share Option Scheme since its adoption. Accordingly, the number of Shares that may be issued in respect of options granted under the Share Option Scheme during the Period Under Review divided by the weighted average number of Shares in issue is nil.

EVENTS AFTER THE REPORTING PERIOD

There were no material events affecting the Group occurred subsequent to 30 June 2026 and up to the date of this report.

CONTINGENT LIABILITIES

As at 30 June 2026 and 31 December 2025, the Group did not have any significant contingent liabilities.

FOREIGN CURRENCY EXCHANGE RISK

The Group mainly operates in the PRC and Japan and its functional currency is RMB and Japanese Yen ("**JPY**") respectively. However, the Group is exposed to foreign currency exchange risks as costs for some of the travel products, such as hotel accommodations and fees paid to land operators, are settled in foreign currencies including JPY, Australian dollars and New Zealand dollars. At present, the Group does not intend to hedge its exposure to foreign currency exchange fluctuations. However, the board of directors of the Company constantly monitors the economic situation and the Group's foreign exchange risk profile and will consider appropriate hedging measures in the future should the need arise.

INTEREST RATE RISK

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

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2026, the Group employed a total of 205 full time employees. The Group's employee benefits included salary and discretionary bonuses based on the Group's results and individual performance, medical and retirement benefits schemes. The remuneration committee of the Company (the "**Remuneration Committee**") reviews such packages annually, or when the occasion requires. The executive Directors, who are also employees of the Company, receive remuneration in the form of salaries, bonuses and other allowances. The employees of the Company's subsidiaries which operated in Japan are required to participate in a central pension scheme operated by a government affiliated corporation (the "**National Pension Scheme**"), which is considered as a defined contribution plan and these subsidiaries are required to contribute certain percentage of employees' salaries to the National Pension Scheme. The Group has no further payment obligations once the contributions have been paid. On the other hand, the employees of the Company's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government (the "**Central Pension Scheme**"), which is also considered as a defined contribution plan and these subsidiaries are required to contribute certain percentage of employees' salaries to the Central Pension Scheme. The Group has no further payment obligations once the contributions have been paid. All contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees and when they fall due under the relevant regulations. For both the National Pension Scheme and Central Pension Scheme, no forfeited contributions could be used by employer to reduce the existing level of contributions.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Group operates primarily through cash generated from operating activities, net proceeds received from the initial public offering of the Company in June 2019 and bank and other borrowings.

The Group's gearing, expressed as a percentage of net debt divided by total capital plus net debt remained at a similar level during the Period Under Review (30 June 2026: 16.6%; 31 December 2025: 24.2%). The Group adopts conservative treasury policies in cash and financial management. The Group's cash is generally placed as current deposits which are mostly denominated in RMB and Hong Kong dollars. The Group's liquidity and financing requirements are reviewed regularly.

Please refer to notes 14 and 16 to the condensed consolidated interim financial information for details of cash and cash equivalents and interest-bearing bank borrowings.

The trade receivables turnover days maintained in a similar level during the Period Under Review (30 June 2026: 31 days; 31 December 2025: 26 days).

The trade payables turnover days maintained in a similar level during the Period Under Review (30 June 2026: 19 days; 31 December 2025: 35 days).

PLEDGE OF ASSETS FOR TOURISM OPERATION

As at 30 June 2026, the Group's pledged short-term bank deposits of approximately RMB1.5 million (31 December 2025: RMB1.5 million) were pledged to banks as a guarantee deposit for the Group's tourism operation as required by the PRC government.

INTERIM DIVIDEND

The Board resolved not to recommend the payment of any interim dividend for the six months ended 30 June 2026 (2025: nil).

SIGNIFICANT INVESTMENT HELD, ACQUISITION AND DISPOSAL

As at 30 June 2026, there were no significant investments held by the Group or future plans for material investments or capital assets.

Save as disclosed in the acquisition of Tokyo vehicle company, the Company did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures for the six months ended 30 June 2026.

CORPORATE GOVERNANCE

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all Shareholders. During the Period Under Review, except for code provision C.2.1 of the Corporate Governance Code, the Company has complied with all the applicable code provisions as set out in the Corporate Governance Code (the "**Corporate Governance Code**") in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

Pursuant to code provision C.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate chairman and chief executive officer and Mr. Yu Dingxin currently performs these two roles concurrently. The Board believes that vesting the roles of both the chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group for more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority within the Group will not be impaired by the present arrangement and the current structure will enable the Company to make and implement decisions more promptly and effectively. The Board will from time to time review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company to ensure appropriate and timely arrangements are in place to meet changing circumstances.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code for securities transactions by Directors and senior management. Having made specific enquiries with all the Directors, all the Directors confirmed that they have complied with the Model Code throughout the six months ended 30 June 2026 and up to the date of this report.

AUDIT COMMITTEE

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

The Audit Committee has reviewed the interim results of the Group for the six months ended 30 June 2026, including the accounting principles and practices adopted by the Group, and the Group's internal control functions.

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

During the Period Under Review, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained the prescribed percentage of public float under the Listing Rules.

CONTRACTUAL ARRANGEMENTS

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

1. Japan is the most popular destination of the Group's package tours and FIT Products and any material adverse change in the economic, political or social conditions relating to Japan, deterioration of diplomatic relationships between the PRC and Japan, negative developments related to the Japan tourism market, or natural or other disasters occurring in Japan may materially and adversely affect our business and operating results;

2. The Group's business and revenue may be adversely affected by any future changes to the respective visa application policies of the PRC government and the Japanese government;

3. Changes in the foreign exchange rate for JPY would impact our operating performance and our financial condition;

4. The Group derives material portion of our revenue from customers in the PRC and any downturn in the PRC economy could have a material adverse effect on our business and operating results;

5. The Group faced increased market competition from competing agents, hotel or flight providers, online travel platforms and alternative travel booking media;

6. Natural disasters, acts or threats of terrorism, wars, travel-related accidents, outbreak of contagious diseases or other catastrophic events which affect consumer demand for travel activities or a general apprehension of such events may significantly and adversely impact on the Group's business and operating results; and

7. The PRC government may determine that the Contractual Arrangements are not in compliance with applicable PRC laws, rules, regulations or policies and may take actions against us or our operation.

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

PUBLICATION OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE AND THE COMPANY

The Company's interim report for the six months ended 30 June 2026 will be dispatched to the shareholders of the Company and the Company's interim report for the six months ended 30 June 2026 will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.tuyigroup.com) in due course.