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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: 308)

(1) PROPOSED SPIN-OFF AND SEPARATE LISTING OF THE HKM CULTURE AND TOURISM SHARES ON THE MAIN BOARD OF THE STOCK EXCHANGE BY WAY OF INTRODUCTION; (2) CONDITIONAL DECLARATION OF DISTRIBUTION IN SPECIE; (3) BOOK CLOSURE DATE AND RECORD DATE; (4) EXPECTED TIMETABLE OF THE LISTING BY WAY OF INTRODUCTION OF THE HKM CULTURE AND TOURISM SHARES; (5) EXPECTED ISSUE OF THE LISTING DOCUMENT OF HKM CULTURE AND TOURISM; (6) CREDIT OF THE HKM CULTURE AND TOURISM SHARES; (7) ARRANGEMENTS RELATING TO TRADING OF ODD LOTS OF THE HKM CULTURE AND TOURISM SHARES; (8) IMPORTANT INFORMATION ABOUT HKM CULTURE AND TOURISM UNDER USM REGIME; AND (9) CONTINUING CONNECTED TRANSACTIONS

References are made to the announcement of the Company dated 20 May 2026 in respect of the Proposed Spin-off and the announcement of the Company dated 13 October 2026 in respect of the date of board meeting in relation to declaration of a conditional special dividend.

CONDITIONAL DECLARATION OF DISTRIBUTION IN SPECIE

Subject to the approval of the Shareholders at the EGM pursuant to the articles of association of the Company, the Board approved and declared the Distribution to the Qualifying Shareholders on 26 October 2026. The Distribution will be satisfied wholly by way of a distribution-in-specie to the Qualifying Shareholders in proportion to their shareholding in the Company as at the Record Date. Pursuant to the Distribution, the Qualifying Shareholders will be entitled to one HKM Culture and Tourism Share for every four Shares held as at the Record Date.

The Distribution is conditional upon (i) the Listing Committee of the Stock Exchange granting approval for the listing by way of introduction of, and permission to deal in, the HKM Culture and Tourism Shares on the Main Board of the Stock Exchange and such approval not having been revoked prior to 8:00 a.m. (Hong Kong time) on the Listing Date; and (ii) the Proposed Spin-off and the Listing and all relevant resolutions having been approved by the Shareholders at the EGM. If such conditions are not satisfied, the Proposed Spin-off and the Listing will not take place.

EXPECTED ISSUE OF THE LISTING DOCUMENT OF HKM CULTURE AND TOURISM

The Listing Document in relation to the Proposed Spin-off expected to be issued by HKM Culture and Tourism on or around Friday, 30 October 2026 will be despatched to the Registered Shareholders who have elected to receive printed copies of the Company's corporate communications (as defined in the Listing Rules) subject to any legal restrictions under the applicable laws of the relevant jurisdictions where they are located or residing. It will also be available on the Stock Exchange's website at www.hkexnews.hk, on HKM Culture and Tourism's website at www.ctghkm.com and on the Company's website at www.irasia.com/listco/hk/ctii.

The listing of the HKM Culture and Tourism Shares pursuant to the Proposed Spin-off is subject to the approval by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the HKM Culture and Tourism Shares on the Main Board of the Stock Exchange and such approval not having been revoked prior to 8:00 a.m. (Hong Kong time) on the Listing Date. Accordingly, there is no assurance that the Proposed Spin-off will take place or as to when it may take place. If the Proposed Spin-off does not proceed for any reason, the Distribution will not be made. Shareholders and potential investors of the Company should therefore exercise caution when dealing in or investing in the securities of the Company.

1. INTRODUCTION

References are made to the announcement of the Company dated 20 May 2026 in respect of the Proposed Spin-off and the announcement of the Company dated 13 October 2026 in respect of the date of board meeting in relation to declaration of a conditional special dividend.

2. CONDITIONAL DECLARATION OF DISTRIBUTION IN SPECIE

Subject to the approval of the Shareholders at the EGM pursuant to the articles of association of the Company, the Board approved and declared the Distribution to the Qualifying Shareholders on 26 October 2026. The Distribution will be satisfied wholly by way of a distribution-in-specie to the Qualifying Shareholders in proportion to their shareholding in the Company as at the Record Date. Pursuant to the Distribution, the Qualifying Shareholders will be entitled to one HKM Culture and Tourism Share for every four Shares held as at the Record Date.

Conditions to the Distribution

The Distribution is conditional upon (i) the Listing Committee of the Stock Exchange granting approval for the listing by way of introduction of, and permission to deal in, the HKM Culture and Tourism Shares on the Main Board of the Stock Exchange and such approval not having been revoked prior to 8:00 a.m. (Hong Kong time) on the Listing Date; and (ii) the Proposed Spin-off and the Listing and all relevant resolutions having been approved by the Shareholders at the EGM. If such conditions are not satisfied, the Proposed Spin-off and the Listing will not take place.

Fractional entitlements

Fractional entitlements of Qualifying Shareholders to the HKM Culture and Tourism Shares under the Distribution will be disregarded and will be aggregated and sold in the market and the net proceed (after the deduction of expenses and taxes) will be retained for the benefit of the Company.

Non-Qualifying Shareholders

The distribution of the HKM Culture and Tourism Shares under the Distribution to certain Shareholders may be subject to laws of jurisdictions outside Hong Kong. The Shareholders whose addresses registered in the register of members of the Company are in, or who are located or residing in, jurisdictions other than Hong Kong should inform themselves about and observe all legal and regulatory requirements applicable to them. The Shareholders and the Beneficial Shareholders should consult their professional advisers if they are in any doubt as to the potential applicability of, or consequences under, any provision of law or regulation or judicial or regulatory decisions or interpretations in any jurisdiction, territory or locality therein or thereof and, in particular, whether there will be any restriction or prohibition on the receipt, acquisition, retention, disposal or otherwise with respect to the Shares, as the case may be. It is the responsibility of the Shareholders and the Beneficial Shareholders to satisfy themselves as to the full observance of the laws of the relevant jurisdictions applicable to them in connection with the Distribution, including obtaining any governmental, exchange control or other consents which may be required, or compliance with any other necessary formalities and payment of any issue, transfer or other taxes due in such jurisdiction. It is emphasized that none of the Company, HKM Culture and Tourism, the sponsor, any of their respective directors, officers, employees, agents or representatives or any other person involved in the Proposed Spin-off accepts any responsibility in relation to the above.

Non-Qualifying Shareholders are those Shareholders with registered addresses, as shown on the register of members of the Company on the Record Date, in Excluded Jurisdictions, and the Shareholders or the Beneficial Shareholders who are otherwise known by the Company to be located or residing in those jurisdictions as at the Record Date, whom the Board and the board of directors of HKM Culture and Tourism, based on enquiries made on their behalf and the legal advice received, consider it necessary or expedient to exclude from receiving the HKM Culture and Tourism Shares pursuant to the Distribution on account of the legal restrictions under the applicable laws of the relevant jurisdictions where such Shareholders or the Beneficial Shareholders are resident or located in and/or the requirements of the relevant regulatory bodies or stock exchanges

in those jurisdictions. The relevant Non-Qualifying Shareholders will not receive any HKM Culture and Tourism Shares, but will be paid the net proceeds of the sale of the HKM Culture and Tourism Shares which they would otherwise receive on a pro rata basis.

The HKM Culture and Tourism Shares which the Non-Qualifying Shareholders would otherwise receive pursuant to the Distribution will be sold by the Company or transferred to and sold by a nominee selected by the Board on their behalf in the market as soon as reasonably practicable following the commencement of dealing in the HKM Culture and Tourism Shares on the Stock Exchange. The aggregate proceeds of such sale (net of expenses and taxes) will be paid to the relevant Non-Qualifying Shareholders (pro rata to their shareholdings in the Company as at the Record Date) in Hong Kong dollars in full satisfaction of the relevant HKM Culture and Tourism Shares which they would otherwise receive pursuant to the Distribution, provided that if the amount that a Non-Qualifying Shareholder would be entitled to receive is less than HKD100, such sum will be retained for the benefit of the Company. Such payment to the relevant Non-Qualifying Shareholders is expected to be made on or around 17 December 2026.

Please refer to the Listing Document for further details in respect of the Non-Qualifying Shareholders. The availability of the Listing Document is set out in the paragraph headed "Expected Issue of the Listing Document of HKM Culture and Tourism" below.

PRC Stock Connect Investors

According to the "Stock Connect Shareholding Search" available on the Stock Exchange's website, as at the last trading day immediately preceding the date of this announcement (i.e., 23 October 2026), China Clear held 301,897,829 Shares, representing approximately 5.44% of the total number of issued Shares. China Clear is a HKSCC Participant with HKSCC Nominees Limited.

The Board and the HKM Culture and Tourism Board have made the relevant enquiries and have been advised by the PRC legal advisor of HKM Culture and Tourism that the PRC southbound trading investors through Shanghai-Hong Kong Stock Connect (the "**Shanghai-HK Connect**") and/or Shenzhen-Hong Kong Stock Connect (the "**Shenzhen-HK Connect**") who hold the Shares through China Clear as nominee (the "**Stock Connect Investors**") may hold the HKM Culture and Tourism Shares distributed pursuant to the Distribution through China Clear. The PRC legal advisor of HKM Culture and Tourism also advises that pursuant to the Shanghai Stock Exchange Measures for the Implementation of Shanghai-Hong Kong Stock Connect (《上海證券交易所滬港通業務實施辦法》) and the Shenzhen Stock Exchange Measures for the Implementation of Shenzhen-Hong Kong Stock Connect (《深圳證券交易所深港通業務實施辦法》), the Stock Connect Investors (or the relevant China Clear participants, as the case may be) whose stock accounts in China Clear are credited with the HKM Culture and Tourism Shares may only sell them on the Stock Exchange under Shanghai Connect and Shenzhen Connect. The Stock Connect Investors should seek professional advice from their intermediaries (including brokers, custodians, nominees or China Clear participants) and/or other professional advisors for details of the logistical arrangements as required by China Clear.

3. RECORD DATE AND BOOK CLOSURE DATE

The register of members of the Company will be closed from Wednesday, 11 November 2026 to Monday, 16 November 2026 (both dates inclusive), for the purposes of ascertaining the Shareholders' entitlement to attend and vote at the EGM. In order to be eligible to attend and vote at the EGM of the Company, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 10 November 2026.

The Record Date for determining entitlements to the Distribution will be on Friday, 20 November 2026. For the purpose of determining entitlements to the Distribution, the register of members of the Company will be closed on Friday, 20 November 2026. All transfers of shares of the Company, accompanied by the relevant share certificates, must be lodged with the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Thursday, 19 November 2026 in order to qualify for the Distribution.

4. EXPECTED TIMETABLE FOR THE LISTING BY WAY OF INTRODUCTION OF HKM CULTURE AND TOURISM SHARES

As the Distribution was approved and declared by the Board on Monday, 26 October 2026, the current expected timetable for the Distribution and the Listing is as follows:

Event	**Date** [(1)]
Last day of dealings in HKM Culture and Tourism Shares on a cum entitlement basis	Tuesday, 17 November 2026
First day of dealings in HKM Culture and Tourism Shares on an ex entitlement basis	Wednesday, 18 November 2026
Latest time for lodging transfers of HKM Culture and Tourism Shares to qualify for entitlement to the Distribution	4:30 p.m. on Thursday, 19 November 2026
Register of members closes on	Friday, 20 November 2026
Record Date	Friday, 20 November 2026
Register of members re-opens on	Monday, 23 November 2026
Credit of the HKM Culture and Tourism Shares on [(2)]	Wednesday, 25 November 2026
Dealings in the HKM Culture and Tourism Shares on the Stock Exchange expected to commence at 9:00 a.m. on [(2)]	Thursday, 26 November 2026
Payment to the Non-Qualifying Shareholders of the net proceeds of the sale of the HKM Culture and Tourism Shares which they would otherwise receive pursuant to the Distribution on or around	Thursday, 17 December 2026

Notes:

(1) All dates and times refer to Hong Kong local time, unless otherwise stated.

(2) The HKM Culture and Tourism Shares are expected to be credited to the Qualifying Shareholders via the ASR's UNSRT system with their title becoming effective starting from 9:00 a.m. on Thursday, 26 November 2026, provided that the Distribution has become unconditional. If the Distribution does not become unconditional, the title to the HKM Culture and Tourism Shares will not become valid and dealings in the HKM Culture and Tourism Shares on the Stock Exchange will not commence on Thursday, 26 November 2026.

For further details in respect of the expected timetable for the Distribution, the Proposed Spin-off and the Listing, please refer to the Listing Document.

5. EXPECTED ISSUE OF THE LISTING DOCUMENT OF HKM CULTURE AND TOURISM

The Listing Document in relation to the Proposed Spin-off expected to be issued by HKM Culture and Tourism on or around Friday, 30 October 2026 will be despatched to the Registered Shareholders who have elected to receive printed copies of the Company's corporate communications (as defined in the Listing Rules), subject to any legal restrictions under the applicable laws of the relevant jurisdictions where they are located or residing. It will also be available on the Stock Exchange's website at www.hkexnews.hk, on HKM Culture and Tourism's website at www.ctghkm.com and on the Company's website at www.irasia.com/listco/hk/ctii.

6. CREDIT OF THE HKM CULTURE AND TOURISM SHARES

As the HKM Culture and Tourism Shares are participating securities to be distributed to the Qualifying Shareholders on 25 November 2026:

- If you are a Qualifying Shareholder holding the Shares through HKSCC Nominees Limited, the HKM Culture and Tourism Shares which you are entitled to receive will be registered in the name of HKSCC Nominees Limited and deposited directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf. No action by you is required.

- If you are a Qualifying Shareholder holding the Shares in your name, the HKM Culture and Tourism Shares which you are entitled to receive will be registered in your name. If you have a USI facility held with the ASR, you can view and transfer your HKM Culture and Tourism Shares via the ASR's UNSRT system. If you do not have a USI facility held with the ASR, you are recommended to set one up by contacting the ASR directly. If you do not have a USI facility held with the ASR and you are entitled to receive the HKM Culture and Tourism Shares, you will become a provisional system-member to receive the HKM Culture and Tourism Shares but will not be able to transfer title to the HKM Culture and Tourism Shares via the ASR's UNSRT system.

- We will not issue any document of title in respect of the HKM Culture and Tourism Shares to the Qualifying Shareholders.

- Title to HKM Culture and Tourism Shares which the Qualifying Shareholders are entitled to receive will be effective starting from 9:00 a.m. on 26 November 2026, provided that the Distribution has become unconditional.

7. ARRANGEMENTS RELATING TO TRADING OF ODD LOTS OF HKM CULTURE AND TOURISM SHARES

The HKM Culture and Tourism Shares will be traded in board lots of 500 HKM Culture and Tourism Shares each. As a result of the Distribution, Qualifying Shareholders may receive HKM Culture and Tourism Shares in odd lots. In order to facilitate the trading of odd lots (if any) in HKM Culture and Tourism Shares, Phillip Securities (Hong Kong) Limited ("**Phillip**") has been appointed to provide matching service, on a best efforts basis, to our Shareholders to facilitate the acquisition or disposal of odd lots of HKM Culture and Tourism Shares to make up a full board lot of HKM Culture and Tourism Shares, during the period from Thursday, 26 November 2026 to Thursday, 24 December 2026 (the "**Facilitation Period**"). Qualifying Shareholders who wish to take advantage of this service will need to open a securities trading account directly with Phillip, unless they already have an existing account with Phillip. Account opening is subject to Phillip's regular procedures. There is no guarantee of successful matching for the acquisition or disposal of odd lots of HKM Culture and Tourism Shares by Phillip during the Facilitation Period. Qualifying Shareholders who are in doubt about this service are recommended to consult their professional advisers.

8. IMPORTANT INFORMATION ABOUT HKM CULTURE AND TOURISM UNDER USM REGIME

The HKM Culture and Tourism Shares are participating securities and will be distributed to the Qualifying Shareholders in the Distribution in uncertificated form and no physical share certificate(s) will be issued and dispatched.

Pursuant to Rule 28(3) of the USM Rules, where HKM Culture and Tourism issues any subscription warrants or rights under a rights issue with regard to the HKM Culture and Tourism Shares, such warrants or rights will also be regarded as participating securities on or before the date of listing of such warrants or rights.

If you wish to hold and manage your uncertificated holdings in your own name, you are highly encouraged to supply your USI identifier, assigned to you by the ASR, during the Distribution process. While it is not mandatory to supply a USI identifier for such a purpose, if you are credited new shares in your name without a USI identifier, you will have the status of a provisional system-member only. Until you set up a USI facility, you will not be able to manage your HKM Culture and Tourism Shares or perform actions including a transfer of holdings or the submission of certain corporate action instructions.

Holders can refer to HKM Culture and Tourism's website at www.ctghkm.com for further information. Holders are suggested to visit the ASR's website of HKM Culture and Tourism at https://eshareholder.hk/ for information on how to set up a USI facility and for contact points for handling any enquiries.

9. CONTINUING CONNECTED TRANSACTIONS BETWEEN CTG GROUP AND HKM CULTURE AND TOURISM GROUP

A. ENTRUSTED PROCUREMENT AGENCY AND ANCILLARY SERVICES AGREEMENT

On 26 October 2026, HKM Culture and Tourism (for itself and on behalf of its subsidiaries) entered into an entrusted procurement agency and ancillary services framework agreement (the "**Entrusted Procurement Agency and Ancillary Services Agreement**") with CTS (Holdings) (for itself and on behalf of its subsidiaries), pursuant to which HKM Culture and Tourism or any of its subsidiaries have agreed to (i) provide procurement services in respect of integrated circuit cards being manufactured as and processed into finished products of Mainland Travel Permits for Hong Kong and Macao Residents (the "**Permit IC Cards**") (the "**Entrusted Procurement Services**") and (ii) other ancillary technical support services, such as server and software system development and maintenance services (the "**Ancillary Services**"), to CTS (Holdings) or its subsidiaries or associates, for a term commencing from the Listing Date to 31 December 2028 (both days inclusive). With respect to the Entrusted Procurement Services, the HKM Culture and Tourism Group acts as a procurement agent for CTS (Holdings), with responsibilities extending beyond mere oversight and quality control. In particular, the HKM Culture and Tourism Group provides the following services for and on behalf of CTS (Holdings): (i) entering into supply contracts as an agent with suppliers in accordance with the procurement demands from CTS (Holdings), (ii) liaising and handling matters relating to the procurement process, and accepting and signing off materials provided by the suppliers, (iii) overseeing the suppliers' production process to ensure that permits are supplied in a timely manner and in accordance with the quality, specification and quantity requirements of CTS (Holdings), and (iv) carrying out counting, inspection and acceptance, and producing acceptance report(s) upon delivery. Subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations, the Entrusted Procurement Agency and Ancillary Services Agreement may be renewed from time to time as the parties may mutually agree.

Pricing Basis

The service fees payable to HKM Culture and Tourism Group for the Entrusted Procurement Services are equivalent to an amount representing 12% of the actual purchase price of the Permit IC Cards payable by CTS (Holdings) to the suppliers. The service fees for the Entrusted Procurement Services shall be determined with reference to (a) the cost of the Permit IC Cards, which has a unique design for a highly specific regulatory purpose, and (b) the HKM Culture and Tourism Group's estimated operational costs comprising staff costs, together with a reasonable margin, which is determined with reference to the mark-up margin applied to identical services provided on comparable terms to China Travel Service (Macao) Ltd., being an independent third party, to ensure that the price and terms that the HKM Culture and Tourism Group offered to CTS (Holdings) are no less favourable than those offered to such customer. The directors of HKM Culture and Tourism consider this fee to be on normal commercial terms as it is calculated as a fixed percentage of the purchase price, which aligns the HKM Culture and Tourism Group's compensation with the value of services rendered.

The service fees for the Ancillary Services shall be determined by reference to the HKM Culture and Tourism Group's estimated operational costs, together with a reasonable margin. Such pricing terms were negotiated between the parties on arm's length basis and shall be conducted on normal commercial terms which are no less favorable to the HKM Culture and Tourism Group than such fees chargeable by the HKM Culture and Tourism Group to independent third parties for the provision of similar services. Given that the services are customised to the specific operational requirements of CTS (Holdings), the pricing was established through direct negotiation, taking into account the relevant procurement costs and a reasonable margin.

For the Entrusted Procurement Services, payment shall be made within 10 days after the completion of the delivery of Permit IC Cards on a monthly basis. For the Ancillary Services, payment is generally due within 30 days upon receipt of invoice, except for certain services which are settled on a prepayment basis.

Historical Transaction Amounts

For the years ended 31 December 2023, 2024 and 2025 and the four months ended 30 April 2026, the historical transaction amounts of the service fees of the Entrusted Procurement Services and Ancillary Services amounted to approximately HKD9.1 million, HKD7.8 million, HKD6.3 million and HKD1.1 million, respectively. The variation in the historical transaction amounts during the relevant period was primarily due to the fact that (i) part of the demand for Permit IC Cards had been satisfied by the bulk procured after the resumption of cross-border traffic after the relaxation of traveling restrictions related to the COVID-19 pandemic; and (ii) termination of the provision of the Ancillary Services to certain subsidiaries of CTS (Holdings) during the relevant period due to changes in operational needs.

Annual Caps

The proposed annual caps of the service fees contemplated under the Entrusted Procurement Services and Ancillary Services Agreement for each of the years ending 31 December 2026, 2027 and 2028 are HKD3.8 million, HKD4.3 million and HKD4.6 million, respectively.

In determining the annual caps, the following factors have been taken into account: (i) the historical transactions amounts, which were inflated by post-pandemic backlogs and one-off IT projects between 2023 and 2025, and subsequently deflated by the expiry of a major project-based Ancillary Service contract, namely the tourism management system contract with China Travel Service (Hong Kong) Limited, in 2026, following which no services in relation to such system have been provided to such customer; (ii) expected stable demand for the Ancillary Services due to the transition to routine maintenance and support services rather than one-off projects. Such transition has led to recurring maintenance and support contracts becoming the majority of its Ancillary Services following the expiry of the aforementioned project-based contract (which previously contributed an average annual revenue of approximately HKD3.5 million during the relevant period), resulting in a decline of approximately 90% in revenue derived from such project-based system contract for the four months ended 30 April 2026; (iii) expected overall growth in demand for the travel-document services and hence for Permit IC Cards supplies and the Entrusted Procurement Services; and (iv) anticipated increase in the operational and raw materials costs.

Reasons for the Transactions

In view of its experience in delivering travel-document related administrative services, its past operational convenience and benefits brought to the HKM Culture and Tourism Group and the extended business relationships established between HKM Culture and Tourism Group and CTS (Holdings), such continuing cooperative relationships are expected to bring synergies to the parties. In addition, the directors of HKM Culture and Tourism believe that HKM Culture and Tourism Group will generate stable return with its Entrusted Procurement Services and Ancillary Services, which will benefit the HKM Culture and Tourism Group's cash flow position. Thus, the directors of HKM Culture and Tourism consider that the terms of the Entrusted Procurement Agency and Ancillary Services Agreement have been negotiated on an arm's length basis and are on normal commercial terms, and the transactions contemplated thereunder and the annual caps are fair and reasonable and in the interests of HKM Culture and Tourism and its shareholders as a whole.

Listing Rules Implications

CTS (Holdings) is a wholly-owned subsidiary of CTG and is one of the controlling shareholders of the Company and HKM Culture and Tourism and a substantial shareholder of HKM Culture and Tourism. As such, CTS (Holdings) is itself a connected person under Rule 14A.07(1) of the Listing Rules, and the associates of CTS (Holdings) are connected persons of the Company and HKM Culture and Tourism.

Since one or more of the applicable percentage ratios under Chapter 14A of the Listing Rules in respect of the annual caps under the Entrusted Procurement Agency and Ancillary Services Agreement is expected to be more than 0.1% but less than 5% on an annual basis, the transactions under the Entrusted Procurement Agency and Ancillary Services Agreement constitute continuing connected transactions for HKM Culture and Tourism upon Listing which will be subject to reporting, announcement and annual review requirements, but exempt from circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

B. VEHICLE RENTAL SERVICE AGREEMENT

On 26 October 2026, HKM Culture and Tourism (for itself and on behalf of its subsidiaries) entered into a vehicle rental service framework agreement (the "**Vehicle Rental Service Agreement**") with CTG (for itself and on behalf of its subsidiaries), pursuant to which HKM Culture and Tourism or any of its subsidiaries have agreed to provide vehicle rental services such as chartered bus services (the "**Vehicle Rental Services**") to CTG Group for a term commencing from the Listing Date to 31 December 2028 (both days inclusive). The Vehicle Rental Services are primarily provided within Hong Kong, and also cover cross-border routes between Hong Kong and the PRC where required by the CTG Group. Subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations, the Vehicle Rental Service Agreement may be renewed from time to time as the parties may mutually agree.

Pricing Basis

HKM Culture and Tourism or any of its subsidiaries shall enter into separate written agreements with CTG or any of its subsidiaries and associates regarding the Vehicle Rental Services. The service fees HKM Culture and Tourism charge for the Vehicle Rental Services under each engagement may vary and will be determined by reference to the internal fee schedules and any applicable discounts and additional charges. Such internal fee schedules refer to their agreed pricing list, with base rates for different vehicle types, rental durations and services, which is benchmarked against prevailing market rates. They are established by reference to the rates set out in quotations obtained from independent third party coach or vehicle rental service providers for services comparable to the Vehicle Rental Services, having regard to factors including the rental duration, number of passengers and route distance. The fees are negotiated on arm's length basis between the parties, and shall be no less favorable to the HKM Culture and Tourism Group than the service fees chargeable to independent third parties customers for the provision of similar services. The HKM Culture and Tourism Group generally uses the internal fee schedules as a benchmark, which is reviewed by the relevant department head to ensure it is within the range of prevailing market rates.

Payment is due within 20 days from the date of invoice upon completion of the service or in accordance with the specific terms of the underlying service order.

Historical Transaction Amounts

For the years ended 31 December 2023, 2024 and 2025 and the four months ended 30 April 2026, the historical transaction amounts of the service fees of the Vehicle Rental Services amounted to approximately HKD3.0 million, HKD3.1 million, HKD3.8 million and HKD0.2 million, respectively. The variation in the historical transaction amounts was primarily due to the increase in demand for the Vehicle Rental Services provided by HKM Culture and Tourism to one of the subsidiaries of the CTG Group during the relevant period.

Annual Caps

The proposed annual cap of the service fees contemplated under the Vehicle Rental Services Agreement for each of the years ending 31 December 2026, 2027 and 2028 is HKD4.9 million, HKD5.0 million and HKD5.1 million, respectively.

In determining the above annual caps, the directors of HKM Culture and Tourism have considered (i) the historical transaction amounts, taking into consideration the expected growth in service demand from CTG Group (including an assumed 15% growth in services provided to a subsidiary of the CTG Group, determined with reference to (i) the latest actual growth rate for 2026; and (ii) its projected expansion in the cross-border passenger transport operations such as services targeting at cross-border educational trips expected to be launched by the subsidiary of CTG Group in the fourth quarter of 2026, which is generally in line with the projected growth of the cross-boundary passenger transportation service market in the Greater Bay Area according to Frost & Sullivan Limited), and the projected cost inflation in respect of fuel expenses, labor costs and maintenance costs, with an overall annual growth rate ranging from 2% to 5% for overall business; (ii) the expected increase in demand and operation costs (such as fuel expenses and labor costs) in relation to the Vehicle Rental Services for the three years ending 31 December 2028; and (iii) a reasonable buffer of approximately 10% for any unexpected adjustment to the terms of services or operation costs which may increase the service fees chargeable.

Reasons for the Transactions

HKM Culture and Tourism believes that it has been consistently engaged by the CTG Group for the provision of the Vehicle Rental Services after a comprehensive assessment of factors such as its service quality and competitive pricing terms. The HKM Culture and Tourism Group has established a long-term business relationship with the CTG Group and it expects to continue generating a stable revenue and cashflow stream from the provision of the Vehicle Rental Services to the CTG Group. As such, the directors of HKM Culture and Tourism consider that the terms of the Vehicle Rental Services Agreement have been negotiated on an arm's length basis and are on normal commercial terms, and the transactions contemplated thereunder and the annual caps are fair and reasonable and in the interests of HKM Culture and Tourism and its shareholders as a whole.

Listing Rules Implications

CTG is a central state-owned enterprise under the direct supervision of the State-owned Assets Supervision and Administration Commission of the State Council and is one of the controlling shareholders of the Company and HKM Culture and Tourism. CTG Group includes CTG and its subsidiaries and associates (including CTS (Holdings) and the companies constituting the Retained Group) but excluding the HKM Culture and Tourism Group. The Retained Group is China Travel HK together with its subsidiaries, excluding the Group immediately following the completion of the Spin-off. The Company is a non-wholly-owned subsidiary of CTG, one of the controlling shareholders of HKM Culture and Tourism.

Since one or more of the applicable percentage ratios under Chapter 14A of the Listing Rules in respect of the annual caps under the Vehicle Rental Service Agreement is expected to be more than 0.1% but less than 5% on an annual basis, the transactions under the Vehicle Rental Service Agreement constitute continuing connected transactions for HKM Culture and Tourism upon Listing which will be subject to reporting, announcement and annual review requirements, but exempt from circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

C. RENTAL-RELATED AGREEMENT

On 26 October 2026, HKM Culture and Tourism (for itself and on behalf of its subsidiaries) entered into a rental-related service framework agreement (the "**Rental-related Agreement**") with CTG (for itself and on behalf of its subsidiaries and associates), pursuant to which HKM Culture and Tourism or any of its subsidiaries have agreed to lease commercial premises, such as office and shop properties, owned by HKM Culture and Tourism and provide related property management services (collectively, the "**Rental-related Services**") to CTG Group, and to receive relevant rental income and management fee for a term commencing from the Listing Date to 31 December 2028 (both days inclusive). The Rental-related Services cover properties located in Hong Kong and Beijing. HKM Culture and Tourism does not contemplate any leasing of shop properties owned by HKM Culture and Tourism at the Beijing Guang'anmen Grand Metropark Hotel to CTG Group under the Rental-related Agreement in the foreseeable future. Subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations, the Rental-related Agreement may be renewed from time to time as the parties may mutually agree.

Pricing Basis

HKM Culture and Tourism or any of its subsidiaries shall enter into separate written agreements with CTG or any of its subsidiaries and associates regarding the Rental-related Services for each property. The rental income from the Rental-related Agreement will be determined through a pricing mechanism with reference to the location, size, nature, usage and conditions of the property and the prevailing market rates of comparable properties of similar specifications, size and nature in the vicinity of the property concerned. The HKM Culture and Tourism Group's property management team will refer to publicly available sources, including market data in relation to the property name, address, saleable area and unit rate of saleable area, for comparable properties in the vicinity to ensure that the rent charged is at prevailing market rates. The management fee from the Rental-related Agreement will be determined after arm's length negotiations taking into account the location, size, conditions of the property, and expected operation costs with reference to market rates for similar services.

The relevant transactions shall be fair and reasonable and shall be on terms no less favorable to the HKM Culture and Tourism Group than those offered to independent third parties. Rent and management fees are payable in advance, either monthly, quarterly, or semi-annually, depending on the terms stipulated in the respective tenancy agreements.

Historical Transaction Amounts

For the years ended 31 December 2023, 2024 and 2025 and the four months ended 30 April 2026, the historical transaction amounts of the rental income and management fee from the Rental-related Agreement amounted to approximately HKD11.1 million, HKD8.3 million, HKD6.0 million and HKD2.3 million, respectively. The variation in the historical transaction amounts during the relevant period was primarily due to the non-renewal of leases at certain premises by the CTG Group during the relevant period.

Annual Caps

The proposed annual caps of the rental income from the Rental-related Agreement for each of the years ending 31 December 2026, 2027 and 2028 are HKD7.1 million, HKD7.1 million and HKD7.1 million, respectively.

In determining the above proposed annual caps, the directors of HKM Culture and Tourism have considered (i) the historical transaction amounts, noting the rebound in the transaction amount from the declining trend from 2023 to 2025 as observed from the transaction amount for the four months ended 30 April 2026 (annualized to approximately HKD6.9 million) due to lease renewals with increased management fee rate for certain properties during this period; (ii) the terms of existing agreements, including the fixed rental rates stipulated in current leases for active premises; and (iii) expected stable demand for the Rental-related Services from the CTG Group with reasonable buffer for increase in transaction amounts, indicating a recovery towards the proposed cap of HKD7.1 million when taking into account the above as a whole.

Reasons for the Transactions

Based on its long-term and close business relationship with the CTG Group, HKM Culture and Tourism and the CTG Group support each other's operations through, among others, the supply of suitable premises and Rental-related Services in return for stable flow of rental income and management fee. Considering the CTG Group's scale of operations and reputable corporate profile, and that the transactions are conducted during the ordinary course of business and are on normal commercial terms, and the transactions contemplated thereunder and the annual caps are fair and reasonable, the directors of HKM Culture and Tourism are of the view that the provision of the Rental-related Services to the CTG Group is in the interests of HKM Culture and Tourism and its shareholders as a whole.

Listing Rules Implications

CTG is one of the controlling shareholders of the Company and HKM Culture and Tourism. Since one or more of the applicable percentage ratios under Chapter 14A of the Listing Rules in respect of the annual caps under the Rental-related Agreement is expected to be more than 0.1% but less than 5% on an annual basis, the transactions under the Rental-related Agreement constitute continuing connected transactions for HKM Culture and Tourism upon Listing which will be subject to reporting, announcement and annual review requirements, but exempt from circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

D. FINANCIAL SERVICES AGREEMENT

Reference is made to the announcement of the Company dated 31 March 2026 in relation to the continuing connected transactions contemplated under the 2026 Financial Services Framework Agreement entered into between the Company and CTG Finance.

On 26 October 2026, HKM Culture and Tourism (for itself and on behalf of its subsidiaries) entered into a financial services framework agreement (the "**Financial Services Agreement**") with CTG Finance Company Limited ("**CTG Finance**"), a subsidiary of CTG established in the PRC, pursuant to which HKM Culture and Tourism or any of its subsidiaries (mainly those in the PRC) may utilize a comprehensive portfolio of the financial services provided by CTG Finance (including deposit services which cover time and demand deposits, credit line services which cover loan services, bill discounting and issuance of acceptance bills within a comprehensive credit limit, entrustment loan services where CTG Finance acts as an agent in relation to entrustment loans among group members and cross-border cash pooling services which facilitate cross-border RMB fund transfers within CTG Group) (the "**Financial Services**") for a term commencing from the Listing Date to 31 December 2028 (both days inclusive). Under the credit line services, (i) loan services refer to direct lending by CTG Finance to the HKM Culture and Tourism Group; (ii) bill discounting refers to CTG Finance purchasing, at a discount, bills held by the HKM Culture and Tourism Group before their maturity date; and (iii) issuance of acceptance bills refers to CTG Finance issuing acceptance bills on behalf of the HKM Culture and Tourism Group as a form of payment guarantee. Subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations, the Financial Services Agreement may be renewed from time to time as the parties may mutually agree.

Pricing Basis

The deposit interest rates to be offered by CTG Finance to the HKM Culture and Tourism Group are determined with reference to the level of deposit amounts and the prevailing market interest rates and shall not be lower than the benchmark deposit interest rates promulgated by the central bank for the same period and the deposit interest rates offered by at least two mainstream financial institutions for deposits of similar nature and term. The interest rates on the loan and credit line services to be offered by CTG Finance to the HKM Culture and Tourism Group are determined with reference to the prevailing market rates and shall not be higher than the benchmark lending rates of the central bank for the same period and the loan interest rates offered by at least two other mainstream financial institutions for loans of similar nature and term. The handling fees charged by CTG Finance for entrustment loan services shall not be higher than those charged by at least two other financial institutions for similar services. The HKM Culture and Tourism Group will obtain at least two quotations of similar nature and, if applicable, of similar term offered by at least two independent mainstream financial institutions and, if applicable, make reference to the loan prime rate or the benchmark rates promulgated by the People's Bank of China ("**PBOC**") before entering into any transaction under the Financial Services Agreement. HKM Culture and Tourism's finance department will review and approve the deposit interest rates offered to the HKM Culture and Tourism Group before placing any deposit with CTG Finance. The HKM Culture and Tourism Group will only enter into transactions in respect of the Financial Services if the deposit interest rates offered by CTG Finance are not lower, or the rates for the loan and credit line services are not higher, than the benchmark rates promulgated by the PBOC (if any), and the terms are no less favorable to the HKM Culture and Tourism Group than those offered by independent mainstream financial institutions among the quotations obtained.

Historical Deposit Amounts

For the years ended 31 December 2023 and 2024, the historical maximum daily deposit amounts (including interest income) in respect of the Deposit Services provided by CTG Finance to the HKM Culture and Tourism Group under the Deposit Agreement amounted to approximately RMB22.5 million and RMB48.3 million, respectively. During the relevant period and as at the date of this announcement, the HKM Culture and Tourism Group did not utilize the credit line services, entrustment loan services and cross-border cash pooling services under the Financial Services Agreement. Accordingly, no historical transaction amounts were recorded in respect of these services. HKM Culture and Tourism had only negligible deposit amounts for the year ended 31 December 2025 due to the Company's management decision to prioritize the provision of deposit services by CTG Finance to subsidiaries in the Retained Group in light of the reduced maximum daily deposit amounts available to the Group, primarily because the Retained Group consists mainly of PRC-based entities with larger Renminbi cash flows and a greater operational need for domestic deposit services from CTG Finance, a licensed PRC financial institution.

Annual Caps

In respect of the depositary services, the proposed maximum daily outstanding balance of deposits (including interest income) under the Financial Services Agreement for each of the years ending 31 December 2026, 2027 and 2028 are RMB50.0 million, RMB50.0 million and RMB50.0 million, respectively. The proposed maximum annual interest receivable under the Financial Services Agreement for each of the years ending 31 December 2026, 2027 and 2028 is RMB0.7 million, RMB0.9 million and RMB0.9 million, respectively. As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the handling fees in connection with the entrustment loan services and the cross-border cash pooling services are expected to be less than 0.1% on an annual basis, the entrustment loan services and the cross-border cash pooling services are fully exempt from the requirements under Chapter 14A of the Listing Rules. Accordingly, no annual caps have to be set for such services.

In arriving at the above proposed maximum daily outstanding balance of deposits and maximum annual interest receivable, the directors of HKM Culture and Tourism have taken into account (i) the funding requirements and treasury policy of the HKM Culture and Tourism Group; (ii) the amounts of deposits historically placed by the HKM Culture and Tourism Group with CTG Finance and other independent commercial banks; (iii) the historical maximum daily deposit amounts (including interest income) placed by the HKM Culture and Tourism Group with CTG Finance under the prior financial services framework agreement; and (iv) the fact that, following the HKM Culture and Tourism Group's restructuring and the reduction of the maximum daily deposit amount available to HKM Culture and Tourism under the Financial Services Agreement, the HKM Culture and Tourism Group maintained only negligible deposit balances with CTG Finance. The HKM Culture and Tourism Group utilizes the services of CTG Finance on a voluntary and non-exclusive basis and may engage financial services from other financial institutions when the HKM Culture and Tourism Group considers appropriate. Having regard to the stable estimated funding requirements in 2026 to 2028, HKM Culture and Tourism has decided to successively apply its past practice with reference to the amounts of deposits historically placed by the HKM Culture and Tourism Group with other independent commercial banks and those with CTG Finance. In setting the proposed maximum annual interest receivable, the Directors of HKM Culture and Tourism have also taken into account that the maximum annual interest receivable is calculated based on the prevailing deposit rate of 1.8% offered by CTG Finance to the HKM Culture and Tourism Group, and that a discount has been applied to reflect that the daily deposit balance may not reach the full cap throughout the year and to allow for a possible increase in interest rates in subsequent years.

Reasons for the Transactions

CTG Finance is a licensed non-bank financial institution authorized to conduct operation approved by the National Administration of Financial Regulation and is authorized to provide various kinds of financial services to CTG and its member companies, including the HKM Culture and Tourism Group. HKM Culture and Tourism expect to benefit from CTG Finance's capability of providing a wide range of financial services as and when the needs for such services for our operations arise, and its understanding of the HKM Culture and Tourism Group's operations which should render more expedient and efficient services than other commercial banks, and to earn a more favorable interest income from CTG Finance, compared with any independent third party financial institution for providing services of similar nature and of similar term, thereby optimizing the use of HKM Culture and Tourism's idle funds. In particular, the credit line services, which include bill discounting and issuance of acceptance bills in addition to conventional loan services, are part of a suite of long-standing financial services made available by CTG Finance to the Group to support its capital needs. The variety of such comprehensive credit line services will equip HKM Culture and Tourism with flexible and efficient options of liquidity and cash flow management tools which may be utilized handily and concurrently to accommodate HKM Culture and Tourism's future financial needs in serving different customers including corporate customers and settling payments where bills may be used. The directors of HKM Culture and Tourism consider that the terms were negotiated on an arm's length basis and entered into in the ordinary and usual course of the business of the HKM Culture and Tourism Group and on normal commercial terms, and the transactions contemplated thereunder (including the maximum daily outstanding balance of deposits) are fair and reasonable and in the interests of HKM Culture and Tourism and its shareholders as a whole.

Listing Rules Implications

CTG is one of the controlling shareholders of the Company and HKM Culture and Tourism. Since one or more of the applicable percentage ratios under Chapter 14A of the Listing Rules in respect of the annual caps under the Financial Services Agreement is expected to be more than 0.1% but less than 5% on an annual basis, the transactions under the Financial Services Agreement constitute continuing connected transactions for HKM Culture and Tourism upon Listing which will be subject to reporting, announcement, and annual review requirements, but exempt from circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Under the Financial Services Agreement, interest rates of the loan and credit line services to be offered by CTG Finance to the HKM Culture and Tourism Group are determined with reference to the prevailing market rates and shall not be higher than the benchmark lending rates of the central bank for the same period and the interest rates offered by at least two other mainstream financial institutions for loans and credit line services of similar nature and term. Further, the loan and credit line services will be provided on an unsecured basis. As such services amount to financial assistance by a connected person for the benefit of the HKM Culture and Tourism Group, which are on normal commercial terms or better, and such loan and credit line services are not secured by the assets of the HKM Culture and Tourism Group, they are fully exempt from reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.90 of the Listing Rules.

E. HOTEL MANAGEMENT ENTRUSTMENT AGREEMENTS

On 26 October 2026, the HKM Culture and Tourism Group entered into two sets of hotel management entrustment agreements (the "**Hotel Management Entrustment Agreements**") with the CTG Group, pursuant to which the CTG Group entrusted the exclusive management of two hotels in Hong Kong, namely The Kimberley Hotel and Kew Green Hotel Mongkok (the "**Hong Kong Hotels**") to the HKM Culture and Tourism Group, for a term commencing from the Listing Date to 31 December 2028 (both days inclusive) as a measure to mitigate the potential competition of HKM Culture and Tourism's hotel operations business with that of the CTG Group. The terms and conditions of the Hotel Management Entrustment Agreements are identical in all material respects. Pursuant to the Hotel Management Entrustment Agreements, the managing party is primarily responsible for formulating business plans and management strategies, directing daily operations and deploying financial resources of the relevant hotels, whereas the entrusting party is primarily responsible for paying service fees and approving annual budgets proposed by the managing party. Subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations, the Hotel Management Entrustment Agreements may be renewed from time to time as the parties may mutually agree.

Pricing Basis

The service fees payable to the HKM Culture and Tourism Group by the CTG Group for the operation and management of the Hong Kong Hotels consist of (i) a basic management fee payable on a monthly basis equivalent to an amount representing 1.5% of the total revenue of the relevant month; and (ii) an incentive management fee payable on a yearly basis equivalent to an amount representing 5% of the operating gross profit of the relevant year. The service fees were determined through a pricing mechanism with reference to prevailing market rates for similar services and the local market benchmarks for hotel management services in Hong Kong. Such pricing terms were negotiated between the parties on arm's length basis and shall be conducted on normal commercial terms which are no less favorable to prevailing market rates chargeable by independent third parties for the provision of similar services.

The HKM Culture and Tourism Group evaluated whether the fee rates and the resulting gross profit margin are fair and reasonable by benchmarking the basic management fee and incentive management fee against standard fee schedules for comparable 4 to 5 star urban hotels in Hong Kong. As confirmed by Frost & Sullivan Limited, for the Hong Kong market, standard basic management fees typically range from 1% to 2% of total revenue and incentive fees from 4% to 5% of operating gross profit. Accordingly, the fee rates adopted by the Hong Kong Hotels fall within the relevant industry benchmarks.

Historical Transaction Amounts

Historically, the HKM Culture and Tourism Group did not have transactions of such nature in respect of the Hong Kong Hotels. Had the Hotel Management Entrustment Agreements been in effect, the notional service fees would have been calculated by applying the agreed pricing formula based on the above pricing basis to the historical revenue and operating gross profit of the relevant hotels. As such, the aggregate notional service fees receivable by the HKM Culture and Tourism Group from the CTG Group for the management of the Hong Kong Hotels would have been approximately HKD5.65 million, HKD7.60 million, HKD8.35 million and HKD3.37 million for the years ended 31 December 2023, 2024 and 2025 and the four months ended 30 April 2026, respectively.

Annual Caps

The proposed annual caps of the service fees chargeable by the HKM Culture and Tourism Group to CTG Group as contemplated under the Hotel Management Entrustment Agreements for each of the period from the Listing Date to 31 December 2026 and the years ending 31 December 2027 and 2028 are HKD1.5 million, HKD10.5 million and HKD10.5 million, respectively.

In arriving at the above proposed annual caps, the directors of HKM Culture and Tourism have taken into account (i) the historical amounts of revenue and operating gross profit of each of the Hong Kong Hotels, by applying the agreed fee rates to the historical figures to derive a baseline projection; (ii) the expected growth in the financial performance of each of the Hong Kong Hotels based on the general industry growth and planned upgrades of hotel hardwares, which serves as qualitative benchmark that the level of the proposed annual cap remains adequate over the term; and (iii) a reasonable buffer of approximately 5% to 20% for the increase in demand for hotel rooms at the Hong Kong Hotels. Notwithstanding the anticipated growth, the proposed annual caps are expected to remain unchanged as they have been set as the fixed maximum upper limits by applying the agreed fee rates to the historical figures and further taking reference to the cumulative growth over the three-year term based on the aforementioned growth rate.

Reasons for the Transactions

The entering into of the Hotel Management Entrustment Agreements serves to align the economic interest of the HKM Culture and Tourism Group and the CTG Group, both of which currently have hotel operations business in Hong Kong, and mitigate any potential competition between them. The directors of HKM Culture and Tourism consider that the terms of the Hotel Management Entrustment Agreements were negotiated on an arm's length basis and entered into in the ordinary and usual course of the business of the HKM Culture and Tourism Group and on normal commercial terms, and the transactions contemplated thereunder (including the proposed annual caps) are fair and reasonable and in the interests of HKM Culture and Tourism and its shareholders as a whole.

Listing Rules Implications

CTG is one of the controlling shareholders of the Company and HKM Culture and Tourism. Since one or more of the applicable percentage ratios under Chapter 14A of the Listing Rules in respect of the annual caps under the Hotel Management Entrustment Agreements in aggregate is expected to be more than 0.1% but less than 5% on an annual basis, the transactions under the Hotel Management Entrustment Agreements constitute continuing connected transactions for HKM Culture and Tourism upon Listing which will be subject to reporting, announcement, and annual review requirements, but exempt from circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

F. INFORMATION OF THE PARTIES

HKM Culture and Tourism is a company incorporated in the Cayman Islands with limited liability. The principal business activities of the HKM Culture and Tourism Group include a broad range of travel-related services, namely (i) passenger transportation, (ii) hotel operations, and (iii) travel-document and related services.

The CTG Group is principally engaged in businesses such as travel business and real estate development. CTG, the ultimate controlling shareholder of CTS (Holdings) and the Company, is a central state-owned enterprise under the direct supervision of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC. CTS (Holdings) is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of CTG, a controlling shareholder of the Company.

CTG Finance is a company established in the PRC with limited liability and a subsidiary of and is ultimately controlled by CTG, a controlling shareholder of the Company. CTG Finance is a licensed non-bank financial institution authorized to conduct operations approved by the National Administration of Financial Regulation (國家金融監督管理總局).

G. INTERNAL CONTROL MEASURE FOR CONTINUING CONNECTED TRANSACTIONS

To safeguard the interests of HKM Culture and Tourism and its shareholders as a whole, including its minority shareholders, we will put in place certain internal approval and monitoring procedures relating to the proposed connected transactions contemplated under the agreements mentioned above, which include the following:

(i) HKM Culture and Tourism will report the continuing connected transactions described above to its independent non-executive directors during each of the audit committee meetings (if necessary) according to the audit committee meeting agenda. HKM Culture and Tourism shall ensure that such kind of reporting shall be conducted not less than two times in a year;

(ii) the finance department of HKM Culture and Tourism will review the transactions with its connected persons to identify any continuing connected transaction that may be at risk of exceeding the annual caps, and any measures to be taken in respect of such connected transaction. The HKM Culture and Tourism Group has established a series of measures and policies to ensure that the continuing connected transactions will be conducted in accordance with the terms of the agreements of the continuing connected transactions described above. The HKM Culture and Tourism Group's business department will conduct random internal checks on a quarterly basis to ensure that the internal control measures in respect of the continuing connected transactions remain complete and effective and the requirements under the Listing Rules are being complied with;

(iii) the HKM Culture and Tourism Group will monitor the payment from its connected persons on a monthly basis to ensure that the payment and the timing of payment are in line with the pricing basis and payment terms set out in the agreements of the continuing connected transactions described above;

(iv) connected persons of the HKM Culture and Tourism Group shall provide such assistance as necessary to them so as to allow the HKM Culture and Tourism Group to comply with its internal control procedures and the requirements under the Listing Rules, including but not limited to providing financial and other data and/or documents within a reasonable timeframe, giving written or verbal explanations to queries raised by the HKM Culture and Tourism Group and issue explanatory notes for certain facts or circumstances;

(v) the continuing connected transactions described above will be reviewed by its independent non-executive directors every year and reported in the annual report of HKM Culture and Tourism which provides a check and balance to ensure that the continuing connected transactions described above were conducted in accordance with the terms of the agreements of the continuing connected transactions described above, on normal commercial terms, fair and reasonable and in the interests of its shareholders as a whole, and the internal control procedures put in place by HKM Culture and Tourism are adequate and effective to ensure that such continuing connected transactions are conducted in accordance with the pricing policy set out in the agreements of the continuing connected transactions described above; and

(vi) the auditors of HKM Culture and Tourism will conduct annual review on the pricing and the annual caps of the transactions contemplated under the agreements of the continuing connected transactions described above.

H. CONFIRMATION FROM THE DIRECTORS OF HKM CULTURE AND TOURISM

The directors of HKM Culture and Tourism are of the view that (i) all the continuing connected transactions described above have been and will be entered into in the ordinary and usual course of the business of HKM Culture and Tourism and on normal commercial terms or better and are fair and reasonable and in the interests of HKM Culture and Tourism and the shareholders of HKM Culture and Tourism as a whole; and (ii) the proposed annual caps under the continuing connected transactions described above are fair and reasonable and in the interests of HKM Culture and Tourism and the shareholders of HKM Culture and Tourism as a whole.

None of the directors of HKM Culture and Tourism has material interest in the transactions above and accordingly, none of them was required to abstain from voting on the board resolutions of HKM Culture and Tourism approving the same.

10. GENERAL

The listing of the HKM Culture and Tourism Shares pursuant to the Proposed Spin-off is subject to the approval by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the HKM Culture and Tourism Shares on the Main Board of the Stock Exchange and such approval not having been revoked prior to 8:00 a.m. (Hong Kong time) on the Listing Date. Accordingly, there is no assurance that the Proposed Spin-off will take place or as to when it may take place. If the Proposed Spin-off does not proceed for any reason, the Distribution will not be made. Shareholders and potential investors of the Company should therefore exercise caution when dealing in or investing in the securities of the Company. Further announcement(s), if necessary, will be made by the Company in relation to the Proposed Spin-off as and when appropriate.

11. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

"ASR" or "approved securities registrar"	an approved securities registrar, that is a person approved by the SFC to provide securities registrar services under the new section 101AAG of the SFO introduced under section 7 of the Securities and Futures and Companies Legislation (Amendment) Ordinance 2021 which will come into operation on 16 November 2026 and, with respect to HKM Culture and Tourism, refers to Tricor Investor Services Limited
"Beneficial Shareholder(s)"	beneficial owner(s) of Shares held by any nominee, trustee, depositary or any other authorized custodian or third party whose name is entered in the register of members of the Company as the holder of the Shares
"Board"	the board of Directors
"Book Closure Date"	Friday, 20 November 2026, being the date on which the register of members of the Company will be closed for registration of transfer of Shares for the purposes of determining the entitlement of the Shareholders to the Distribution
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC

"China Clear"	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限公司)
"Company"	China Travel International Investment Hong Kong Limited (香港中旅國際投資有限公司), a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 308)
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"CTG"	China Tourism Group Corporation Limited (中國旅遊集團有限公司), a central state-owned enterprise under the direct supervision of the State-owned Assets Supervision and Administration Commission of the State Council
"CTG Group"	CTG and its subsidiaries and associates, including the Retained Group, but excluding the HKM Culture and Tourism Group for the purpose of this announcement
"CTS (Holdings)"	China Travel Service (Holdings) Hong Kong Limited (香港中旅(集團)有限公司)
"Directors"	the director(s) of the Company
"Distribution"	the conditional distribution in specie of the HKM Culture and Tourism Shares by the Company to the Qualifying Shareholders as a special dividend, in proportion to their respective shareholding in the Company as at the Record Date subject to the satisfaction of certain conditions
"EGM"	the extraordinary general meeting of the Company to be convened on 16 November 2026 at 2:30 p.m. by the Company for the purposes of approving, among other matters, the Distribution and related matters, or any adjournment thereto

"Excluded Jurisdiction(s)"	the jurisdiction(s) outside Hong Kong in respect of which the Board and the board of HKM Culture and Tourism have determined after making relevant enquiries and based on legal advice received that it is necessary or expedient not to distribute HKM Culture and Tourism Shares to the Shareholders or the Beneficial Shareholders located or residing in those jurisdictions pursuant to the Distribution, on account of either the legal restrictions under the applicable laws of such jurisdictions and/or the requirements of the relevant regulatory bodies or stock exchanges in such jurisdictions
"Group"	the Company and its subsidiaries
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"HKM Culture and Tourism" or "SpinCo"	CTG Hongkong and Macao Culture and Tourism Holding Limited (中旅港澳文旅控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability
"HKM Culture and Tourism Group"	HKM Culture and Tourism and its subsidiaries
"HKM Culture and Tourism Shares"	ordinary shares with a par value of HKD0.01 each in the share capital of HKM Culture and Tourism
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKSCC Participant"	a person admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing"	the listing of the HKM Culture and Tourism Shares on the Main Board of the Stock Exchange
"Listing Committee"	the Listing Committee of the Stock Exchange
"Listing Date"	the date expected to be on or about Thursday, 26 November 2026 on which the HKM Culture and Tourism Shares are first listed and from which dealings in the HKM Culture and Tourism Shares are permitted to commence on the Main Board of the Stock Exchange

"Listing Document"	the listing document in relation to the Proposed Spin-off to be issued by HKM Culture and Tourism, expected to be on or around Friday, 30 October 2026
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Non-Qualifying Shareholder(s)"	the Shareholder(s) with registered address(es) (as shown on the register of members of the Company on the Record Date) in the Excluded Jurisdiction(s), and the Shareholder(s) or the Beneficial Shareholders who are otherwise known by the Company to be located or residing in those jurisdictions, who will not receive the Shares pursuant to the Distribution
"participating securities"	has the meaning ascribed to it under the Listing Rules and Rule 4 of the USM Rules
"PRC"	The People's Republic of China and, except where the context otherwise requires and only for the purpose of this announcement, references in this announcement to the PRC exclude Hong Kong, the Macao Special Administrative Region and Taiwan
"PRC Stock Connect Investor(s)"	the PRC southbound trading investor(s) through Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect who hold the Shares of the Company through China Clear as nominee
"Proposed Spin-off"	the proposed spin-off and separate listing of the HKM Culture and Tourism Shares on the Main Board of the Stock Exchange
"provisional system-member"	a registered holder of prescribed securities in respect of whom an ASR has set up a temporary or provisional USI facility to enable such holder to hold (but not otherwise manage) the securities electronically through a UNSRT system operated by that ASR
"Qualifying Shareholder(s)"	Shareholder(s) whose name(s) appeared on the register of members of the Company as at the Record Date and not being Non-Qualifying Shareholder(s)
"Record Date"	Friday, 20 November 2026, being the record date for ascertaining the Shareholders who shall be entitled to the Distribution

"Retained Group"	the Group, excluding the HKM Culture and Tourism Group
"Registered Shareholder(s)"	in respect of Beneficial Shareholder(s), any nominee(s), trustee(s), depository(ies) or any other authorised custodian(s) or third-party(ies) whose name(s) is/are entered in the register of members of the Company as the holder(s) of the Shares in which the Beneficial Shareholder(s) is/are beneficially interested
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"system member"	in relation to a UNSRT system operated by an approved securities registrar, (a) a person who, having completed the registrar's procedures for using the system, is permitted by the registrar to use the system for evidencing and transferring title to prescribed securities held, or to be held, by the person without an instrument; or (b) two or more such persons who are so permitted in respect of prescribed securities held, or to be held, by them jointly
"uncertificated form"	has the meaning ascribed to it in the new section 1AB(a) of Part 1 of Schedule 1 to the SFO introduced by section 27 of the Securities and Futures and Companies Legislation (Amendment) Ordinance 2021 which will come into operation on 16 November 2026
"UNSRT system"	an uncertificated securities registration and transfer system which, in relation to any prescribed securities, is a computer-based system, together with procedures and other facilities, that (a) enables title to the securities to be evidenced and transferred without an instrument; and (b) facilitates supplementary and incidental matters

"USI facility"	an electronic facility set up with an ASR for the purposes of holding legal title to prescribed securities without title instruments, effecting transfers of legal title to prescribed securities without instruments of transfer, and effecting other transactions and communications relating to prescribed securities electronically
"USM Rules"	the Securities and Futures (Uncertificated Securities Market) Rules (Chapter 571AS of the Laws of Hong Kong), as in force from time to time and any amendments thereto or re-enactments thereof for the time being in force and include every other rules or subsidiary legislation incorporated therewith or substituted therefor

By Order of the Board
China Travel International Investment Hong Kong Limited
Wu Qiang
Chairman

Hong Kong, 26 October 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.