# CTG Hongkong and Macao Culture and Tourism Holding Limited
# 中旅港澳文旅控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*
Stock Code: 1821

# LISTING BY WAY OF INTRODUCTION ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED




Sole Sponsor

中國銀河國際
CHINA GALAXY INTERNATIONAL

# IMPORTANT

*If you are in any doubt about any of the contents of this listing document, you should obtain independent professional advice.*

# CTG Hongkong and Macao Culture and Tourism Holding Limited
# 中旅港澳文旅控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*
**Stock Code: 1821**

# LISTING BY WAY OF INTRODUCTION ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

**Sole Sponsor**

中國銀河國際
CHINA GALAXY INTERNATIONAL

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this listing document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this listing document.

This listing document is published in connection with the listing by way of introduction on the Main Board of The Stock Exchange of Hong Kong Limited of the Shares of CTG Hongkong and Macao Culture and Tourism Holding Limited. This listing document contains particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) for the purpose of giving information with regard to our Company and subsidiaries.

**This listing document does not constitute an offer of, nor is it calculated to invite offers for, Shares or other securities of our Company, nor have any such Shares or other securities been allotted with a view to any of them being offered for sale to or subscription by members of the public. No new Shares will be allotted to and issued in connection with, or pursuant to, this listing document.**

Neither the listing document nor any copy hereof may be released, forwarded or distributed, directly or indirectly, in or into the United States, the PRC or any other jurisdiction where such release or distribution might be unlawful.

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or securities laws of any state in the United States, and may not be offered or sold within the United States without registration under the U.S. Securities Act, except pursuant to an applicable exemption from, or in a transaction not subject to the registration requirements of the U.S. Securities Act and securities laws of any state in the United States. There will be no public offering of securities in the United States. Neither the U.S. Securities and Exchange Commission nor any other U.S. federal or state securities commission or regulatory authority has approved or disapproved of the Shares or passed an opinion on the adequacy of this listing document. Any representation to the contrary is a criminal offense in the United States.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this listing document, including the risk factors set out in "Risk Factors" in this listing document. Information regarding the proposed arrangements for the listing of, and dealings and settlement of dealings in, our Shares following the Spin-off is set out in "The Distribution and Spin-off" in this listing document.

October 30, 2026

# IMPORTANT

## SHARES TO BE DISTRIBUTED IN UNCERTIFICATED FORM

The Shares will be participating securities under the USM Rules from the Listing Date and will be distributed in uncertificated form and no physical share certificate(s) will be issued and dispatched.

Please refer to the section headed "Important information about our Company under USM Regime" in this listing document for further details about the changes and the impact to you including how to set up a USI profile.

Please refer to our website at **www.ctghkm.com** which contains information in relation to our Company's participating securities under the USM Rules.

| | |
|---|---|
| Last day of dealings in China Travel HK Shares on a cum entitlement basis | Tuesday, November 17, 2026 |
| First day of dealings in China Travel HK Shares on an ex-entitlement basis | Wednesday, November 18, 2026 |
| Latest date and time for lodging transfers of China Travel HK Shares to qualify for entitlement to the Distribution | 4:30 p.m. on Thursday, November 19, 2026 |
| Registers of holders of China Travel HK closes on | Friday, November 20, 2026 |
| Record Date | Friday, November 20, 2026 |
| Registers of holders of China Travel HK reopens on | Monday, November 23, 2026 |
| Credit of the Shares on[(2)] | Wednesday, November 25, 2026 |
| Dealings in the Shares on the Stock Exchange expected to commence at 9:00 a.m. on | Thursday, November 26, 2026 |

*Notes:*

(1) Unless otherwise expressly stated, all references in this listing document to times and dates are references to Hong Kong times and dates.

(2) The Shares are expected to be credited to the Qualifying China Travel HK Shareholders via the ASR's UNSRT system with their title becoming effective starting from 9:00 a.m. on Thursday, November 26, 2026, provided that the formal letter of approval for the Listing is obtained, and the Listing has become effective. In the event that the approval for the Listing is not obtained on or before Wednesday, November 25, 2026, dealings in the Shares on the Stock Exchange will not commence on Thursday, November 26, 2026. In such event, the Company will make an announcement of the above and of a revised timetable as soon as practicable. Investors who trade in the Shares prior to the time mentioned above do so entirely at their own risk.

# CONTENTS

**IMPORTANT NOTICE**

*You should rely only on the information contained in this listing document to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this listing document. Any information or representation not made in this listing document must not be relied on by you as having been authorized by us, our Directors, our Sole Sponsor, any of their respective directors or any other persons or parties involved in the Introduction.*


| | *Page* |
|---|---|
| **EXPECTED TIMETABLE** | i |
| **CONTENTS** | ii |
| **SUMMARY** | 1 |
| **DEFINITIONS** | 13 |
| **GLOSSARY** | 21 |
| **THE DISTRIBUTION AND SPIN-OFF** | 22 |
| **RESPONSIBILITY STATEMENT** | 27 |
| **FORWARD-LOOKING STATEMENTS** | 28 |
| **RISK FACTORS** | 30 |
| **INFORMATION ABOUT THIS LISTING DOCUMENT AND THE INTRODUCTION** | 54 |
| **IMPORTANT INFORMATION ABOUT OUR COMPANY UNDER USM REGIME** | 58 |
| **WAIVER FROM STRICT COMPLIANCE WITH THE LISTING RULES** | 60 |
| **DIRECTORS AND PARTIES INVOLVED IN THE INTRODUCTION** | 64 |
| **CORPORATE INFORMATION** | 67 |
| **INDUSTRY OVERVIEW** | 69 |
| **REGULATORY OVERVIEW** | 83 |
| **HISTORY AND DEVELOPMENT** | 97 |
| **BUSINESS** | 106 |
| **DIRECTORS AND SENIOR MANAGEMENT** | 166 |
| **RELATIONSHIP WITH CONTROLLING SHAREHOLDERS** | 177 |
| **CONTINUING CONNECTED TRANSACTIONS** | 190 |
| **SHARE CAPITAL** | 206 |

# CONTENTS


*Page*

**SUBSTANTIAL SHAREHOLDERS** . . . . . 209

**FINANCIAL INFORMATION** . . . . . 211

**APPENDIX I – ACCOUNTANTS' REPORT** . . . . . I-1

**APPENDIX II – UNAUDITED PRO FORMA FINANCIAL INFORMATION** . . II-1

**APPENDIX III – PROPERTY VALUATION REPORT** . . . . . III-1

**APPENDIX IV – SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND COMPANY LAW OF THE CAYMAN ISLANDS** . . . . . IV-1

**APPENDIX V – GENERAL INFORMATION** . . . . . V-1

**APPENDIX VI – DOCUMENTS AVAILABLE ON DISPLAY** . . . . . VI-1

*This summary aims to give you an overview of the information contained in this listing document. As this is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full text of this listing document. You should read the whole listing document including the appendices hereto, which constitute an integral part of this listing document.*

## OVERVIEW

Building on our subsidiary's service history dating back to 1954, we have grown into a travel services provider focusing on the Greater Bay Area. We operate a cross-boundary passenger transportation platform in the Greater Bay Area spanning maritime and road networks. Our cross-boundary transportation services are offered under two principal cross-boundary transportation brands: "TurboJET" and "CTS Bus." TurboJET operates Hong Kong-Macao ferry routes and had 22 licensed vessels as of April 30, 2026. CTS Bus primarily operates cross-boundary road passenger transportation services. Our fleet included 221 large coaches and 44 business vehicles as of April 30, 2026, providing route coverage across Hong Kong, Macao and nine other cities in the Greater Bay Area. In addition, we operate a portfolio of three hotel brands, Metropark（維景）, Kew Green（睿景）and Green Residence（柏景軒）, with differentiated positioning. As of the Latest Practicable Date, we operated six hotels under Metropark, one hotel under Kew Green, and one serviced apartment under Green Residence. Our hotels are located in major commercial districts and key tourism areas in Hong Kong, Macao and Beijing. These hotels are positioned as business-oriented and chain-style properties targeting mid- to upper-tier customers. We also provide travel-document administration services in Hong Kong as appointed by CTS (Holdings), with a view to enhancing public convenience.

## OUR BUSINESS MODEL

We offer a broad range of travel-related services, and operate through three business segments: (i) passenger transportation, (ii) hotel operations, and (iii) travel-document and related services.

### Passenger Transportation

As a cross-boundary mobility provider in the Greater Bay Area, we focus on high-speed ferry and bus services.

We provide cross-boundary ferry transportation under the "TurboJET" brand. Through scheduled high-speed ferry services operating on fixed routes and timetables, we connect major ports in Hong Kong, Macao and Shenzhen. Our ferry transportation services are supported by service offerings including ticketing, reservation and ancillary customer services across multiple sales channels.

We also operate cross-boundary bus transportation services connecting Hong Kong and Macao with Chinese Mainland cities in the Greater Bay Area, supplemented by local passenger transportation services in Hong Kong, Zhuhai and Shenzhen. These bus services are operated through designated routes and boarding points with advance ticketing and fixed schedules, and are designed to facilitate convenient and efficient travel for both individual travelers and organized tour groups.

We served approximately 6.1 million, 7.0 million, 7.2 million and 2.5 million passengers in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, providing essential mobility across the region for residents, commuters and tourists. Our passenger base primarily comprises leisure, business and frequent cross-boundary travelers, and we also serve governmental and institutional customers, such as the Hong Kong government, for which we provide large-scale charter services for events such as the National Games and tours to Chinese Mainland. According to Frost & Sullivan, we are an established cross-boundary ferry and bus passenger transportation operator in the Greater Bay Area, ranking second among such operators in terms of revenue in 2025, servicing the Hong Kong-Chinese Mainland, Macao-Chinese Mainland and Hong Kong-Macao routes. Our revenue from passenger transportation declined from HKD1,053.4 million in 2024 to HKD1,006.8 million in 2025, primarily as a result of a decline in passenger volume for our ferry transportation services as travelers shifted to land-based transportation and cross-boundary passenger traffic gradually normalized following initial post-pandemic recovery, partially offset by an increase in revenue from bus transportation. We recorded segment losses from our passenger transportation operations in 2024, 2025 and the four months ended April 30, 2026. Despite the significant revenue contribution from our passenger transportation business, our ferry transportation segment recorded gross losses in 2025 and the four months ended April 30, 2026. To improve the competitiveness and profitability of our ferry transportation business going forward, we plan to execute the following initiatives: (i) optimizing sailing capacity deployment by dynamically reallocating existing vessels to increase sailing frequencies between Hong Kong and the Macao Taipa Ferry Terminal, where traffic demand is higher, while reducing frequencies to the Macao Outer Harbour Ferry Terminal; (ii) expanding targeted overseas marketing with international travel agencies to capture international visitor demand; (iii) enhancing higher-value travel packages and marine tourism offerings to transition from basic transportation toward higher-margin travel services; and (iv) refreshing our brand positioning through IP-themed campaigns and digital marketing. For details, please refer to "Business—Our Business Model—Passenger Transportation—Ferry Transportation Services." While the decline in ferry transportation services reflects an ongoing shift in passenger preferences toward land-based transportation, we have proactively expanded our cross-boundary bus operations to capture this demand.

**Hotel Operations**

We operate eight accommodation properties, comprising seven hotels and one serviced apartment, across Hong Kong, Macao, and Beijing. Through our three brands, Metropark（維景）, Kew Green（睿景）and Green Residence（柏景軒）, we serve a broad customer base with offerings ranging from premium to more affordable accommodations, primarily targeting the mid- to high-end market. Our properties are strategically located in major city centers, serving business travelers and tourists seeking convenient access to key commercial, leisure, and transportation hubs. Since opening our first hotel in Hong Kong in 1988, we have developed extensive experience in hotel operations across Hong Kong, Macao, and Chinese Mainland, with a focus on providing guests with a comfortable stay.

We have been actively expanding our hotel portfolio, notably through the opening of Metropark Hung Hom and Wanchai Green Residence Serviced Apartment in May 2024, which have further strengthened our market presence and contributed to our revenue growth. As of December 31, 2023, 2024, 2025 and April 30, 2026, we operated six, eight, eight and eight hotels, respectively, with a total of 1,917, 2,563, 2,563 and 2,563 guest rooms, respectively.

**Travel-document and Related Services**

Our travel-document administration services primarily involve assisting individual applicants with cross-boundary travel documentation, including receiving travel permit applications and related materials, checking whether the required materials have been provided and submitting such materials for further processing.

We provide these services in Hong Kong under an arrangement with CTS (Holdings), under which we have been appointed as CTS (Holdings)' exclusive agent to provide travel-document administration services in Hong Kong until June 30, 2047. This right is governed by an agency agreement dated May 15, 2001 and a deed of novation dated June 1, 2020. Under this arrangement, we receive an agency fee from CTS (Holdings). For details, see "Continuing Connected Transactions—Non-Exempt Continuing Connected Transactions—1. Travel Permit Administration Services Agreements." This arrangement provides us with a stable, long-term platform for the provision of travel-document administration services.

In addition, we provide related services to relevant government agencies and institutional clients. We act as an authorized agent for the sale and distribution of identity document readers used to support cross-boundary customs clearance processes, as well as integrated circuit cards and related consumables required for the production of travel documents. Furthermore, our operations include the provision of travel-document software solutions, where we offer ongoing technical maintenance and support services for the software to ensure its stable operation.

Revenue from our travel-document and related services segment declined during the Track Record Period from HKD474.3 million in 2023 to HKD279.6 million in 2025, and decreased from HKD99.6 million for the four months ended April 30, 2025 to HKD81.2 million for the corresponding period in 2026. Such decline primarily reflects the normalization of application volumes following extraordinary post-pandemic demand, rather than a structural shift in our market position.

The table below sets out the breakdown of our revenue by business segment, in an absolute amount and as a percentage of total revenue, for the periods indicated:

| | Year ended December 31, | | | | | | Four months ended April 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(HKD in thousands, except percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Passenger transportation | 988,709 | 45.1 | 1,053,414 | 47.0 | 1,006,799 | 45.8 | 336,953 | 45.9 | 340,112 | 47.2 |
| Hotel operations | 694,585 | 31.7 | 820,624 | 36.6 | 887,547 | 40.4 | 288,700 | 39.3 | 291,557 | 40.4 |
| Travel-document and related services | 474,250 | 21.6 | 343,928 | 15.3 | 279,580 | 12.7 | 99,627 | 13.6 | 81,185 | 11.3 |
| Corporate and others | 33,589 | 1.6 | 23,974 | 1.1 | 23,910 | 1.1 | 8,986 | 1.2 | 8,027 | 1.1 |
| **Total** | **2,191,133** | **100.0** | **2,241,940** | **100.0** | **2,197,836** | **100.0** | **734,266** | **100.0** | **720,881** | **100.0** |

The following table sets forth a breakdown of our gross profit and gross profit margin by business segment for the periods indicated:

| | Year ended December 31, | | | | | | Four months ended April 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(HKD in thousands, except percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin |
| Passenger transportation operations | 114,772 | 11.6 | 80,965 | 7.7 | 35,215 | 3.5 | 24,740 | 7.3 | (14,296) | (4.2) |
| – ferry transportation | 50,995 | 7.5 | 9,661 | 1.5 | (45,246) | (8.3) | 1,334 | 0.7 | (38,665) | (21.4) |
| – bus transportation | 63,777 | 20.6 | 71,304 | 17.7 | 80,461 | 17.3 | 23,406 | 16.3 | 24,369 | 15.3 |
| Hotel operations | 305,339 | 44.0 | 377,041 | 45.9 | 379,840 | 42.8 | 125,157 | 43.4 | 122,420 | 42.0 |
| Travel-document and related services | 352,277 | 74.3 | 266,762 | 77.6 | 185,018 | 66.2 | 73,015 | 73.3 | 51,024 | 62.8 |
| Corporate and others[(1)] | 33,589 | 100.0 | 23,974 | 100.0 | 23,910 | 100.0 | 8,986 | 100.0 | 8,027 | 100.0 |
| **Total/Overall** | **805,977** | **36.8** | **748,742** | **33.4** | **623,983** | **28.4** | **231,898** | **31.6** | **167,175** | **23.2** |

*Note:*

(1) We recorded gross profit margin of 100.0% for corporate and others because no cost of sales was incurred in connection with the holding of investment properties.

## OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths are the key to our success and will continue to enable us to compete effectively and capitalize on future growth opportunities:

- A travel services provider with a strategic focus on the Greater Bay Area;
- An established cross-boundary business network that complements operational capabilities;
- A self-managed hotel portfolio that provides flexibility and control;
- Digital operations, centralized procurement and an efficient management platform drive operating efficiency; and
- Strong shareholder support, experienced leadership and high-caliber talent power sustainable growth.

## OUR STRATEGIES

We plan to further strengthen our market position by implementing the following strategies:

- Expanding customer reach across the Greater Bay Area through our cross-boundary transportation and related travel services;

- Strengthen the hotel business through location advantages, product upgrades and refined operations to enhance retention and stabilize our foundation;
- Develop local destination experiences by combining tourism with culture, sports and leisure activities in Hong Kong;
- Explore opportunities to establish a "One Customer" membership framework, strengthen cross-business collaboration and improve customer engagement and encourage repeat consumption across our services; and
- Enhance professional talent development and organizational capabilities to support long-term strategy execution.

## CUSTOMERS AND SUPPLIERS

Our customers primarily consist of government and public-sector entities, corporate customers as well as individual travelers. In 2023, 2024, 2025 and the four months ended April 30, 2026, our revenue generated from sales to our five largest customers in aggregate amounted to HKD548.4 million, HKD557.8 million, HKD587.2 million and HKD191.0 million, respectively, representing 25.2%, 24.9%, 26.8% and 26.5% of our total revenue in the corresponding periods. For the same periods, our revenue generated from sales to our largest customer amounted to HKD397.7 million, HKD302.4 million, HKD264.8 million and HKD101.3 million, respectively, representing 18.2%, 13.5%, 12.1% and 14.1% of our total revenue in the corresponding periods.

Our suppliers primarily consist of energy and petroleum suppliers, public utilities companies and other operational service providers. In 2023, 2024, 2025 and the four months ended April 30, 2026, our purchases from our five largest suppliers in aggregate amounted to HKD288.8 million, HKD315.6 million, HKD309.7 million and HKD99.2 million, respectively, representing 40.1%, 42.3%, 39.9% and 37.6% of our total purchases in the corresponding periods. For the same periods, our purchases from our largest supplier amounted to HKD218.3 million, HKD210.9 million, HKD220.0 million and HKD71.0 million, respectively, representing 30.3%, 28.3%, 28.3% and 26.9% of our total purchases in the corresponding periods.

For details, see "Business—Customers" and "Business—Suppliers."

## RISK FACTORS

Our business involves certain risks. Some of the major risks we face include, but are not limited to: (i) general declines or disruptions in the travel industry may adversely affect our business and results of operations; (ii) our business could be affected by changes in travel-related government policies; (iii) we may continue to rely on CTG Group in certain aspects of our operations, and any changes in such relationships could adversely affect our business, financial condition and results of operations; (iv) our ability to provide travel-document and related services depends on our arrangements with CTS (Holdings), and the termination or non-renewal of such arrangements could adversely affect our business; (v) failure to ensure and protect the confidentiality of the personal data of customers could subject us to penalties, negatively impact our reputation or deter consumers from using our services; and (vi) we face intense competition that could adversely affect our business, financial condition and results of operations, particularly in relation to our passenger transportation operations and hotel operations.

## SALES AND MARKETING

We employ a diversified sales and marketing model tailored to our core business segments, leveraging a combination of traditional institutional partnerships and innovative digital platforms to maximize market reach.

### Passenger Transportation

Our passenger transportation business uses a multi-channel ticketing system that integrates online and offline sales to make tickets easily accessible to passengers. For our ferry transportation services, tickets are available through physical outlets and authorized agents across Chinese Mainland, Hong Kong, and Macao. To further enhance the on-site experience, we operate self-service ticketing kiosks at designated ferry terminals, enabling quick purchases even shortly before departure. Beyond direct sales, we have established partnerships with local travel agencies to incorporate our ferry services into customized travel itineraries. We also leverage marketing synergies by collaborating with renowned local attractions and major hotels to offer bundled packages that combine ferry tickets with third-party accommodations and entertainment, thereby enhancing our overall value proposition to customers.

For our bus transportation services, passengers can access tickets through our own digital platforms, including mobile mini-programs and official online channels as well as ticketing counters and a network of authorized agents throughout the regions we serve. In addition to serving individual travelers, we cater to corporate and institutional clients by offering bulk booking arrangements and tailored transportation solutions.

### Hotel Operations

Our hotel sales strategy is built on a multi-channel distribution network designed to capture a wide range of traveler segments. We maintain a robust base of corporate and institutional clients, including government authorities and state-owned enterprises. To capture the individual travel market, we collaborate extensively with major online travel agencies (OTAs), such as Ctrip, Agoda, Klook, Meituan, Fliggy, Booking.com, and Expedia, while simultaneously driving direct sales through our own digital ecosystem, including our official website, mobile application, and WeChat mini-programs. We have also adopted social commerce strategies using platforms like Douyin and Xiaohongshu for live-streaming sessions and collaborating with key opinion leaders to enhance brand visibility and drive reservations. We also continue to leverage the networks of traditional travel agencies, to capture individual travelers and regional leisure travelers.

## COMPETITION

We operate in highly competitive markets across our principal segments of passenger transportation operations and hotel operations in Hong Kong, Macao and Chinese Mainland. Competition arises from state-owned, private and multinational enterprises, including international and local travel service providers and hotel operators. In the Greater Bay Area, we compete with other cross-boundary transportation services, including competing ferry and coach routes and substitutes such as rail and air travel. We also face competition from independent and chain hotels.

## THE DISTRIBUTION AND SPIN-OFF

The Spin-off will be effected through a listing of our Shares by way of introduction on the Main Board of the Stock Exchange and the Distribution, whereby the Qualifying China Travel HK Shareholders will be entitled to one Share for every four China Travel HK Shares held as at the Record Date. The Introduction does not involve any public offering of our Shares or any other securities of our Company for purchase or subscription.

We have applied to the Stock Exchange for the listing of, and permission to deal in, our Shares on the basis that, among other things, we satisfy the profit test under Rule 8.05(1) of the Listing Rules with reference to our profit attributable to shareholders for the year ended December 31, 2025 being not less than HKD35 million and our aggregate profit attributable to shareholders for the years ended December 31, 2023 and 2024 being not less than HKD45 million. The Spin-off and the Listing are conditional upon (i) the Listing Committee of the Stock Exchange granting its approval for the listing of, and permission to deal in, our Shares, and such approval not having been revoked prior to 8:00 a.m. (Hong Kong time) on the Listing Date; and (ii) the Spin-off and the Listing and all relevant resolutions having been approved by the China Travel HK Shareholders at the EGM. If such conditions are not satisfied, the Spin-off and the Listing will not take place.

On October 26, 2026, the China Travel HK Board declared the Distribution to the Qualifying China Travel HK Shareholders. The Distribution will be satisfied wholly by way of a distribution in specie of an aggregate of 1,384,158,427 Shares, representing the entire issued share capital of our Company, to the Qualifying China Travel HK Shareholders. Our Shares will be traded in board lots of 500 Shares each. Based on our expected market capitalization of approximately HKD3.46 billion based on the sum-of-the-parts valuation methodology taking reference to the trading multiples of our Company's business segments, we expect that the value of each board lot will be approximately HKD1,250, in compliance with the latest board lot value floor guidance of HKD1,000 as set out in the "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by the Stock Exchange (last updated in June 2026). For details, see "Information about this Listing Document and the Introduction."

In preparation for the Spin-off and the Listing, China Travel HK Group underwent the Spin-off Reorganization. Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on September 12, 2025. Prior to the Spin-off Reorganization, the subsidiaries holding the Spin-off Businesses were directly or indirectly owned by China Travel HK. Pursuant to a series of equity transfers and debt assignment arrangements, the equity interests in the companies comprising the Spin-off Businesses were transferred to our Company, certain intercompany indebtedness relating to the Spin-off Businesses was assigned to our Company. The Spin-off Reorganization was completed on May 13, 2026. Upon completion, the relevant subsidiaries and associated companies of China Travel HK became subsidiaries and associated companies of our Company, respectively, and our Company became the holding company of all operating subsidiaries of our Group. For details, see "History and Development—The Spin-off Reorganization."

## OUR CONTROLLING SHAREHOLDERS

As of the date of this listing document, our Company is a direct wholly-owned subsidiary of China Travel HK. As the Distribution will be effected by distributing the entire issued share capital of our Company to the Qualifying China Travel HK Shareholders in proportion to their shareholdings in China Travel HK on the Record Date, immediately after the Distribution, our Company will cease to be a subsidiary of China Travel HK, and the Controlling Shareholders of our Company will include CTG, CTS (Holdings), CTS Asset Management and Hongkong New Travel.

There is a clear delineation between the businesses of our Group and the CTG Group after the Spin-off and our Group is able to function and operate independently from our Controlling Shareholders. For details, see "Relationship with Controlling Shareholders."

## CONTINUING CONNECTED TRANSACTIONS

Our Group has entered into and will continue to engage in certain transactions in our ordinary and usual course of business with connected persons of our Company. For details, see "Continuing Connected Transactions."

## SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables present our historical financial information for the years or as of the dates indicated. This summary has been derived from our historical financial information set forth in the Accountants' Report in Appendix I to this listing document. The summary historical financial data set forth below should be read together with, and is qualified in its entirety by reference to, the historical financial information included in the Accountants' Report in Appendix I to this listing document, including the accompanying notes, and the information set forth in "Financial Information." Our historical financial information was prepared in accordance with HKFRS Accounting Standards.

### Summary of Combined Income Statements

The following table sets forth a summary of our combined income statements for the periods indicated:

| | Year ended December 31, | | | | | | Four months ended April 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(HKD in thousands, except percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| **Revenue** | **2,191,133** | **100.0** | **2,241,940** | **100.0** | **2,197,836** | **100.0** | **734,266** | **100.0** | **720,881** | **100.0** |
| Cost of sales | (1,385,156) | (63.2) | (1,493,198) | (66.6) | (1,573,853) | (71.6) | (502,368) | (68.4) | (553,706) | (76.8) |
| **Gross profit** | **805,977** | **36.8** | **748,742** | **33.4** | **623,983** | **28.4** | **231,898** | **31.6** | **167,175** | **23.2** |
| Other income and gains, net | 85,307 | 3.9 | 83,871 | 3.7 | 74,497 | 3.4 | 22,944 | 3.1 | 24,808 | 3.4 |
| Fair value loss of investment properties | (21,500) | (1.0) | (206,701) | (9.2) | (182,270) | (8.3) | (121,187) | (16.5) | (56,450) | (7.8) |
| Selling and distribution costs | (64,096) | (2.9) | (67,901) | (3.0) | (67,949) | (3.1) | (21,182) | (2.9) | (21,231) | (2.9) |
| Administrative expenses | (256,409) | (11.7) | (259,563) | (11.6) | (273,480) | (12.4) | (81,029) | (11.0) | (91,634) | (12.7) |
| **Operating profit** | **549,279** | **25.1** | **298,448** | **13.3** | **174,781** | **8.0** | **31,444** | **4.3** | **22,668** | **3.1** |
| Finance income | 19,137 | 0.9 | 12,369 | 0.6 | 7,950 | 0.4 | 3,387 | 0.5 | 1,450 | 0.2 |
| Finance costs | (30,967) | (1.4) | (51,451) | (2.3) | (38,694) | (1.8) | (15,481) | (2.1) | (9,313) | (1.3) |
| Finance costs, net | (11,830) | (0.5) | (39,082) | (1.7) | (30,744) | (1.4) | (12,094) | (1.6) | (7,863) | (1.1) |
| Share of profits and losses of: | | | | | | | | | | |
| – associates | 33,916 | 1.5 | 46,664 | 2.1 | 48,137 | 2.2 | 17,756 | 2.4 | 20,893 | 2.9 |
| – joint ventures | (3,559) | (0.2) | (2,349) | (0.1) | 4,087 | 0.2 | 2,199 | 0.3 | 1,335 | 0.2 |
| **Profit before taxation** | **567,806** | **25.9** | **303,681** | **13.6** | **196,261** | **9.0** | **39,305** | **5.4** | **37,033** | **5.1** |
| Tax expense | (88,521) | (4.0) | (109,595) | (5.0) | (78,779) | (3.6) | (37,600) | (5.1) | (13,900) | (1.9) |
| **Profit for the year/period** | **479,285** | **21.9** | **194,086** | **8.6** | **117,482** | **5.4** | **1,705** | **0.2** | **23,133** | **3.2** |

Our profit for the year/period fluctuated during the Track Record Period primarily due to changes in the operating performance of our principal business segments and changes in fair value loss on investment properties. Our profit decreased from HKD479.3 million in 2023 to HKD194.1 million in 2024, primarily due to a decrease in gross profit and a significant increase in fair value loss on investment properties from HKD21.5 million to HKD206.7 million, mainly reflecting the changes in underlying market parameters, including movements in market rental rates, changes in capitalization rates and overall property market sentiment during the period. Our profit further decreased to HKD117.5 million in 2025, primarily due to a further decrease in gross profit, mainly reflecting the lower gross profit margins of our passenger transportation and travel-document and related services, and higher administrative expenses, partially offset by a decrease in fair value loss on investment properties. For the four months ended April 30, 2026, our profit increased to HKD23.1 million from HKD1.7 million for the same period in 2025, primarily due to a substantial decrease in fair value loss on investment properties, partially offset by a decrease in gross profit and an increase in administrative expenses.

See "Financial Information—Description of Selected Components of Combined Income Statements" and "Financial Information—Period to Period Comparison of Results of Operations" for detailed analysis.

**Summary of Combined Statements of Financial Position**

The following table sets forth selected information from our combined statements of financial position as of the dates indicated:

| | As of December 31, | | | As of April 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(HKD in thousands)* | | | |
| Total non-current assets | 10,180,959 | 9,899,192 | 9,577,765 | 9,478,894 |
| Total current assets | 1,029,915 | 967,805 | 959,223 | 994,037 |
| Total Assets | 11,210,874 | 10,866,997 | 10,536,988 | 10,472,931 |
| Total non-current liabilities | 1,145,867 | 1,083,546 | 748,944 | 735,565 |
| Total current liabilities | 3,204,088 | 2,744,564 | 5,370,804 | 5,286,047 |
| Total liabilities | 4,349,955 | 3,828,110 | 6,119,748 | 6,021,612 |
| Net current liabilities | 2,174,173 | 1,776,759 | 4,411,581 | 4,292,010 |
| Net assets | 6,860,919 | 7,038,887 | 4,417,240 | 4,451,319 |

As of December 31, 2023, 2024, 2025 and April 30, 2026, we recorded net current liabilities of HKD2,174.2 million, HKD1,776.8 million, HKD4,411.6 million and HKD4,292.0 million, respectively. Our net current liabilities position was primarily attributable to amounts due to holding companies and loans from a holding company. Amounts due to holding companies primarily represented trade-related balances, and other balances which were non-trade in nature, unsecured, interest-free and repayable on demand. The increase in our net current liabilities as of December 31, 2025 was mainly due to the increase in amounts due to holding companies as a result of the dividends declared by our subsidiaries to their shareholders, amounting to HKD2,625.0 million as of December 31, 2025. As part of the Spin-off Reorganization, non-trade amounts due to holding companies and loans from a holding company of HKD4,333.9 million as of April 30, 2026 were assigned to the Company on May 13, 2026, in consideration of which the Company allotted and issued a certain number of Shares to China Travel HK. Following the debt assignment and the share allotment, the amounts previously owed by us to China Travel HK were capitalized and extinguished.

Our net current liabilities decreased from HKD2,174.2 million as of December 31, 2023 to HKD1,776.8 million as of December 31, 2024, primarily due to (i) a decrease in amounts due to holding companies of HKD339.3 million arising from the intra-group funding arrangements; (ii) a decrease in current portion of bank and other borrowings of HKD94.5 million, primarily due to repayment of bank and other borrowings; (iii) a decrease in tax payables of HKD30.3 million, and (iv) a decrease in trade payables of HKD22.5 million, primarily due to the settlement of outstanding payables to our suppliers.

Our net current liabilities increased from HKD1,776.8 million as of December 31, 2024 to HKD4,411.6 million as of December 31, 2025, primarily due to an increase in amounts due to holding companies of HKD2,202.6 million as a result of the dividends declared by our subsidiaries to their shareholders.

Our net current liabilities decreased from HKD4,411.6 million as of December 31, 2025 to HKD4,292.0 million as of April 30, 2026, primarily due to (i) a decrease in amounts due to holding companies of HKD139.9 million; (ii) an increase in cash and bank balances of HKD38.7 million; and (iii) an increase in deposits, prepayments and other receivables of HKD11.1 million, mainly due to the increased prepayment arising from the purchase of vehicles, partially offset by an increase in other payables and accruals of HKD60.0 million, mainly attributable to the business expansion of our bus transportation and hotel operations.

Our net assets increased from HKD6,860.9 million as of December 31, 2023 to HKD7,038.9 million as of December 31, 2024, primarily attributable to profit for the year of HKD194.1 million in 2024, partially offset by net exchange differences on translation of foreign operations of HKD16.7 million.

Our net assets decreased from HKD7,038.9 million as of December 31, 2024 to HKD4,417.2 million as of December 31, 2025, primarily attributable to (i) dividends declared to the then shareholders of HKD2,625.0 million, and (ii) the dividends declared to non-controlling shareholders of HKD131.5 million, partially offset by profit for the year of HKD117.5 million in 2025 and net exchange differences on translation of foreign operations of HKD15.7 million.

Our net assets increased from HKD4,417.2 million as of December 31, 2025 to HKD 4,451.3 million as of April 30, 2026, primarily due to (i) profit for the period of HKD23.1 million for the four months ended April 30, 2026, and (ii) net exchange differences on translation of foreign operations of HKD10.6 million.

See "Financial Information—Discussion of Certain Selected Items from the Combined Statements of Financial Position" for detailed analysis.

**Summary of Combined Statements of Cash Flows**

The following table sets out our cash flows for the periods indicated:

| | For the Year ended December 31, | | | For the four months ended April 30, | |
|---|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2025** | **2026** |
| | *(HKD in thousands)* | | | | |
| | | | | *(unaudited)* | |
| Net cash flows from operating activities | 825,659 | 675,489 | 560,880 | 180,566 | 219,884 |
| Net cash flows used in investing activities | (1,589,673) | (147,754) | (39,004) | (28,806) | (626) |
| Net cash flows from/(used in) financing activities | 528,230 | (558,329) | (572,118) | (136,368) | (183,864) |
| Net (decrease)/increase in cash and cash equivalents | (235,784) | (30,594) | (50,242) | 15,392 | 35,394 |
| Cash and cash equivalents at beginning of year/period | 781,212 | 541,344 | 508,284 | 508,284 | 467,301 |
| Effect of foreign exchange rate changes, net | (4,084) | (2,466) | 9,259 | 7,407 | 3,342 |
| **Cash and cash equivalents at end of year/period** | **541,344** | **508,284** | **467,301** | **531,083** | **506,037** |

See "Financial Information—Liquidity and Capital Resources—Cash Flows" for detailed analysis.

## KEY FINANCIAL RATIOS

The table below sets forth the key financial ratios of our Group as of the dates indicated:

| | As of December 31, | | | As of April 30, |
|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2026** |
| Current ratio | 0.3 | 0.4 | 0.2 | 0.2 |
| Quick ratio | 0.3 | 0.3 | 0.2 | 0.2 |
| Gearing ratio | 17.6% | 15.4% | 23.0% | 22.3% |

See "Financial Information—Key Financial Ratios" for detailed calculation of the key financial ratios.

## DIVIDEND

In 2023, 2024, 2025 and for the four months ended April 30, 2026, no dividends were declared or distributed by our Company, and no dividends have been declared or distributed since April 30, 2026 up to the Latest Practicable Date.

Currently, we do not have a formal dividend policy or a fixed or predetermined dividend distribution ratio. In determining or recommending the frequency, amount and form of any dividend in any financial year, the Board shall consider factors including, but not limited to, our actual and expected financial performance of our Group, economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of our Group, our business strategies and operations, including future cash commitments and investment needs to sustain the long-term growth aspect of the business, the current and future liquidity position and capital requirements and any other factors that the Board deems appropriate. The dividend payout ratio will vary from year to year. There is no assurance that dividends will be paid in any particular amount for any given period. As we are a holding company incorporated under the laws of the Cayman Islands, the payment and amount of any future dividends will be subject to certain restrictions under Cayman Islands law, namely that our Company may only pay dividends either out of profits and/or share premium account, and provided always that in no circumstances may a dividend be paid out of share premium if this would result in our Company being unable to pay its debts as they fall due in the ordinary course of business. Our future declarations of dividends may or may not reflect our historical declarations of dividends.

## LISTING EXPENSES

The total listing expenses for the Listing are estimated to be approximately HKD54.3 million, including (i) professional fees of the professional parties for their services rendered in relation to the Listing, including sponsor fees, fees for legal advisors, reporting accountants, the internal control consultant and the independent industry consultant of approximately HKD46.8 million; and (ii) other fees and expenses of approximately HKD7.5 million. Listing expenses of HKD8.8 million were charged to our combined income statements for the four months ended April 30, 2026. We estimate that HKD45.5 million of listing expenses will be charged to our combined income statements for the year ending December 31, 2026.

## RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

### Recent Development

For the six months ended June 30, 2026, we recorded total revenue of HKD1,068.6 million and gross profit of HKD247.5 million, representing decreases of 4.0% and 29.4%, respectively, compared with the same period in 2025.

Our revenue decreased by 4.0% from HKD1,113.1 million for the six months ended June 30, 2025 to HKD1,068.6 million for the same period in 2026, primarily due to a decrease in revenue generated from travel-document and related services and ferry transportation.

- ***Passenger transportation.*** Our revenue generated from passenger transportation decreased by 2.4% from HKD513.5 million for the six months ended June 30, 2025 to HKD501.2 million for the same period in 2026, mainly due to a decrease in revenue from ferry transportation, partially offset by an increase in revenue

from bus transportation. Our revenue from ferry transportation decreased during the period mainly due to a decline in passenger volume for our ferry services from approximately 1.4 million for the six months ended June 30, 2025 to approximately 1.3 million for the same period in 2026. Our revenue from bus transportation increased during the period as we expanded our bus transportation operations, as evidenced by the increase in cross boundary passenger volume served by us from approximately 2.2 million for the six months ended June 30, 2025 to approximately 2.3 million for the same period in 2026, to meet growing demand for cross-boundary passenger transportation.

- ***Hotel operations.*** Our revenue generated from hotel operations remained stable for the six months ended June 30, 2025 and the same period in 2026.

- ***Travel-document and related services.*** Our revenue generated from travel-document and related services decreased by 13.2% from HKD147.2 million for the six months ended June 30, 2025 to HKD127.7 million for the same period in 2026, primarily due to decrease in our agency fee driven by (i) policy measures effective from July 2025 that waived application fees for first-time applicants for Taiwan Compatriot Pass; and (ii) lower application volume reflecting ordinary period-to-period fluctuations in the number of applications we handled.

Our gross profit decreased by 29.4% from HKD350.4 million for the six months ended June 30, 2025 to HKD247.5 million for the same period in 2026, and our gross margin decreased from 31.5% for the six months ended June 30, 2025 to 23.2% for the same period in 2026, primarily driven by lower gross profit margin for our ferry transportation and travel-document and related services. The decline in gross profit margin for our ferry transportation was primarily due to higher fuel purchase prices, reflecting fluctuations in international fuel prices and geopolitical factors. The decrease in gross profit margin for our travel-document and related services was primarily because revenue from this segment decreased while certain fixed costs, such as employee costs and depreciation expenses, did not decrease proportionately.

The financial data for the six months ended June 30, 2026 disclosed above were derived from our unaudited interim financial statements for the same period, which were prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and reviewed by our reporting accountants in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by HKICPA.

**No Material Adverse Change**

Our Directors confirm that up to the date of this listing document, there has been no material adverse change in our financial condition, business operations or prospects since April 30, 2026, being the latest balance sheet date of our combined financial statements as set out in the Accountants' Report included in Appendix I to this listing document. We expect a decrease in our profit for 2026 compared to 2025, primarily attributable to higher fuel costs and the recognition of listing expenses in connection with the Listing.

*In this listing document, unless the context otherwise requires, the following terms and expressions have the meanings set forth below. Certain other terms are explained in "Glossary" in this listing document.*

| | |
|---|---|
| "Accountants' Report" | the report of the Reporting Accountants dated October 30, 2026, the text of which is set out in Appendix I to this listing document |
| "affiliate(s)" | with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person |
| "All China Express" | All China Express Limited (跨境全日通有限公司), in which we hold 32.37% equity interest |
| "Articles" or "Articles of Association" | the articles of association of our Company with effect from the Listing Date, as amended from time to time, a summary of which is set out in Appendix IV to this listing document, and as amended from time to time |
| "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 November 16, 2026 and, with respect to our Company, refers to Tricor Investor Services Limited |
| "associate(s)" | has the meaning ascribed to it under the Listing Rules |
| "Audit Committee" | the audit committee of the Board |
| "Beneficial China Travel HK Shareholder(s)" | beneficial owner(s) of China Travel HK Shares held by any nominee, trustee, depositary or any other authorized custodian or third party whose name is entered in the register of holders of China Travel HK as the holder of the China Travel HK Shares |
| "Board" or "Board of Directors" | the board of directors of our Company |
| "Bridge Shuttle" | The Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Company Limited (港珠澳大橋穿梭巴士有限公司) |
| "business day" or "Business Day" | any day on which banks in Hong Kong are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong |
| "BVI" | The British Virgin Islands |
| "Cayman Islands Legal Advisor" | Ogier, our legal advisor as to the Cayman Islands laws |
| "CCASS" | the Central Clearing and Settlement System established and operated by HKSCC |

| | |
|---|---|
| "certificated form" | has the meaning ascribed to it in section 1AB(b) of Part 1 of Schedule 1 to the SFO |
| "China", "Chinese Mainland", or "the PRC" | the People's Republic of China, unless the context requires otherwise, excluding, for the purposes of this listing document only, the regions of Hong Kong, Macao and Taiwan of the People's Republic of China |
| "China Clear" | China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限公司) |
| "China Travel HK" | China Travel International Investment Hong Kong Limited (香港中旅國際投資有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 308), which directly owns the entire issued share capital of the Company immediately prior to the completion of the Spin-off |
| "China Travel HK Board" | the board of directors of China Travel HK |
| "China Travel HK Group" | China Travel HK and its subsidiaries |
| "China Travel HK Share(s)" | ordinary share(s) in the share capital of China Travel HK |
| "China Travel HK Shareholder(s)" | holder(s) of China Travel HK Share(s) |
| "close associate" | has the meaning ascribed to it under the Listing Rules |
| "Companies Act" or "Cayman Companies Act" | the Companies Act, Cap. 22 (Law No. 3 of 1961, as combined and revised) of the Cayman Islands, as amended or supplemented or otherwise modified from time to time |
| "Companies Ordinance" | the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| "Companies (Winding Up and Miscellaneous Provisions) Ordinance" | the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| "Company" or "our Company" | CTG Hongkong and Macao Culture and Tourism Holding Limited (中旅港澳文旅控股有限公司) |
| "Compliance Advisor" | Somerley Capital Limited |
| "connected person(s)" | has the meaning ascribed to it under the Listing Rules |
| "connected transaction(s)" | has the meaning ascribed to it under the Listing Rules |
| "continuing connected transactions(s)" | has the meaning ascribed to it under the Listing Rules |

| | |
|---|---|
| "Controlling Shareholder(s)" | has the meaning ascribed to it under the Listing Rules and, with respect to our Company, refers to CTG, CTS (Holdings), CTS Asset Management and Hongkong New Travel |
| "Corporate Governance Code" | the Corporate Governance Code set out in Appendix C1 to 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, and one of our Controlling Shareholders |
| "CTG Group" | CTG and its subsidiaries and associates, including the Retained Group, but excluding the Group for the purpose of this listing document |
| "CTS Asset Management" | CTS Asset Management (I) Limited, one of our Controlling Shareholders |
| "CTS (Holdings)" | China Travel Service (Holdings) Hong Kong Limited (香港中旅(集團)有限公司), one of our Controlling Shareholders |
| "Deed of Non-competition" | the deed of non-competition dated October 27, 2026 executed by CTG in favour of our Group |
| "Director(s)" or "our Director(s)" | director(s) of our Company |
| "Distribution" | the conditional special dividend declared by the China Travel HK Board on October 26, 2026 to be satisfied by way of a distribution in specie of such number of Shares held by China Travel HK to the Qualifying China Travel HK Shareholders, further details of which are set out in the section headed "The Distribution and Spin-off" in this listing document |
| "EGM" | the extraordinary general meeting of China Travel HK to be convened on November 16, 2026 at 2:30 p.m. by China Travel HK 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 China Travel HK Board and our Board have determined, after making relevant enquiries and based on legal advice received, that it is necessary or expedient not to distribute Shares to the China Travel HK Shareholders or the Beneficial China Travel HK Shareholders located or residing in those jurisdictions pursuant to the Distribution, on account of either the legal restrictions under the applicable laws of such jurisdiction(s) and/or the requirements of the relevant regulatory bodies or stock exchanges in such jurisdiction(s) |
| "Frost & Sullivan" | Frost & Sullivan Limited, our industry consultant |
| "Greater Bay Area" | Guangdong-Hong Kong-Macao Greater Bay Area, a city cluster comprising Hong Kong, Macao and nine municipalities in Guangdong Province of the PRC, namely Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing |
| "Group", "our Group", "we", "our", or "us" | our Company and, where appropriate, its subsidiaries or, in respect of the period before the Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors, as the case may be |
| "HKD" or "HK$" or "Hong Kong dollars" | Hong Kong dollars, the lawful currency of Hong Kong |
| "HKFRS Accounting Standards" | Hong Kong Financial Reporting Standards, which as collective term include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations as issued by the Hong Kong Institute of Certified Public Accountants |
| "HKSCC" | Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited |
| "HKSCC Participant" | a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant |
| "Hong Kong" or "HK" | the Hong Kong Special Administrative Region of the PRC |
| "Hong Kong Data Compliance Legal Advisor" | Mr. Dixon Y. T. Co, legal advisor to our Company as to data compliance laws in Hong Kong |
| "Hong Kong Legal Advisor" | Jingtian & Gongcheng LLP, our legal advisor as to Hong Kong laws |
| "Hong Kong Stock Exchange" or "Stock Exchange" | The Stock Exchange of Hong Kong Limited |

| | |
|---|---|
| "Hongkong New Travel" | Hongkong New Travel Investments Ltd. (香港新旅投資有限公司), one of our Controlling Shareholders |
| "Independent Third Party(ies)" | any person(s) or entity(ies) who, to the best of our Directors' knowledge, information and belief, is not a connected person of the Company within the meaning of the Listing Rules |
| "Introduction" | the proposed Listing of our Company by way of introduction on the Main Board of the Stock Exchange |
| "Latest Practicable Date" | October 20, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this listing document prior to its publication |
| "Listing" | the listing of the Shares on the Main Board of the Stock Exchange |
| "Listing Date" | the date, expected to be on or about November 26, 2026 on which the Shares are listed and from which dealings in the Shares are permitted to take place on the Stock Exchange |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time |
| "Macao" | the Macao Special Administrative Region of the PRC |
| "Macao Legal Advisor" | TH Lawyers & Private Notary, our legal advisor as to Macao laws |
| "Main Board" | the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange |
| "Memorandum of Association" | the memorandum of association of our Company with effect from the Listing Date, as amended from time to time, a summary of which is set out in Appendix IV to this listing document |
| "Nomination Committee" | the nomination committee of the Board |
| "Non-Qualifying China Travel HK Shareholder(s)" | the China Travel HK Shareholder(s) with registered address(es) (as shown on the register of holders of China Travel HK on the Record Date) in Excluded Jurisdiction(s), and the China Travel HK Shareholders or the Beneficial China Travel HK Shareholders who are otherwise known by China Travel HK 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 |

| | |
|---|---|
| "Pearl River Delta" | the region in the southern part of the PRC mainly comprising nine municipalities in Guangdong Province, namely Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing, which forms the delta of the Pearl River |
| "PRC Data Compliance Legal Advisor" | Jingtian & Gongcheng, legal advisor to our Company as to data compliance laws in the PRC |
| "PRC Legal Advisor" | Jingtian & Gongcheng, our legal advisor as to the PRC laws |
| "Property Valuer" | Jones Lang LaSalle Limited, an independent property valuer engaged by us |
| "Province" or "province" | each being a province or, where the context requires, a provincial level autonomous region or municipality under the direct supervision of the PRC central government |
| "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 China Travel HK Shareholder(s)" | China Travel HK Shareholder(s) whose name(s) appeared on the register of holders of China Travel HK as at the Record Date and not being Non-Qualifying China Travel HK Shareholders |
| "Record Date" | November 20, 2026, being the record date for determining entitlements to the Distribution |
| "Remuneration Committee" | the remuneration committee of the Board |
| "Renminbi" or "RMB" | Renminbi yuan, the lawful currency of the PRC |
| "Retained Group" | China Travel HK together with its subsidiaries, excluding our Group |
| "SCNPC" | the Standing Committee of the National People's Congress（全國人民代表大會常務委員會） |
| "SFC" | the Securities and Futures Commission of Hong Kong |
| "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) with a par value of HKD0.01 each in the share capital of our Company |
| "Shareholder(s)" | holder(s) of the Share(s) |

| | |
|---|---|
| "Sole Sponsor" | China Galaxy International Securities (Hong Kong) Co., Limited |
| "Spin-off" | the spin-off of our Group from the China Travel HK Group by way of the Distribution and the separate listing of our Shares on the Main Board of the Stock Exchange by way of introduction |
| "Spin-off Business" | the businesses of (i) passenger transportation operations; (ii) hotel operations; and (iii) travel-document and related services carried out by our Group primarily in Hong Kong and Macao |
| "Spin-off Reorganization" | a reorganization for the purpose of the Spin-off |
| "Sponsor Agreement" | the sponsor agreement, dated October 27, 2026, relating to the Introduction, entered into by the Sole Sponsor and our Company |
| "State Council" | the State Council of the PRC（中華人民共和國國務院） |
| "subsidiary(ies)" | has the meaning ascribed to it under the Listing Rules |
| "substantial shareholder(s)" | has the meaning ascribed to it under the Listing Rules |
| "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 |
| "Takeovers Code" | the Codes on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time |
| "Track Record Period" | the financial years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026 |
| "treasury shares" | has the meaning ascribed thereto under the Listing Rules |
| "uncertificated form" | has the meaning ascribed to it in section 1AB(a) of Part 1 of Schedule 1 to the SFO |
| "United States" or "U.S." | the United States of America |

| | |
|---|---|
| "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 |
| "USD", "U.S. dollars" or "US$" | United States dollars, the lawful currency of the United States |
| "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 |
| "USI identifier" | a unique number assigned to an individual, joint holder or corporate who has set up a USI profile on a particular USI facility via an ASR |
| "USI profile" | an electronic profile set up with an ASR by Shareholders to hold and manage their Shares in uncertificated form |
| "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 |
| "VAT" | value-added tax |
| "%" | per cent |

*In this listing document, the terms "associate," "close associate," "connected person," "core connected person," "connected transaction," "controlling shareholder" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.*

*Certain amounts and percentage figures included in this listing document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.*

*For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this listing document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language marked with "*" are provided for identification purposes only.*

*This glossary contains explanations of certain terms used in this listing document that relate to our business and the industry in which we operate. These terms and their meanings may not always correspond to standard industry meaning or usage of these terms.*

| | |
|---|---|
| "ADR" | average daily room rate, which means gross rooms revenue divided by the number of rooms occupied |
| "API" | application programming interface, a set of protocols, routines, and tools for building software and applications, which allows different software applications to communicate and interact with each other |
| "CAGR" | compound annual growth rate, which is the annual growth rate over a specified period of time longer than one year |
| "eVTOL" | electric vertical take-off and landing aircraft, a category of aircraft that uses electric power to hover, take off, and land vertically without the need for a traditional runway |
| "gross tonnage" | a non-linear measure of a vessel's overall internal volume, determined in accordance with the provisions of the International Convention on Tonnage Measurement of Ships 1969. It is used to calculate various ship-related costs, including dockage, pilotage, and harbor dues, as well as to determine the applicability of international maritime regulations |
| "high-speed vessel" | motor-driven vessel designed to operate at speeds significantly higher than traditional ships (typically exceeding 25-30 knots). This vessel-such as catamaran or hydrofoil-utilize specialized hull designs or lift technology to reduce water resistance |
| "occupancy rate" | the number of rooms in use divided by the number of available rooms for a given period |
| "RevPAR" | revenue per available room, calculated by room revenue during a period divided by the number of available rooms of such hotel during the same period |
| "sq.m." | square meter |
| "travel-document administration services" | the general administration services provided in Hong Kong for the application of travel permits for entry into the PRC by us to CTS (Holdings) |

## THE DISTRIBUTION

### Information on the Distribution

As approved and authorized by the China Travel HK Shareholders on October 23, 2026 pursuant to the articles of association of China Travel HK, the China Travel HK Board declared the Distribution to the Qualifying China Travel HK Shareholders on October 26, 2026. The Distribution will be satisfied wholly by way of a distribution-in-specie to the Qualifying China Travel HK Shareholders in proportion to their shareholding in China Travel HK as at the Record Date. Pursuant to the Distribution, the Qualifying China Travel HK Shareholders will be entitled to one Share for every four China Travel HK Shares held as at the Record Date.

Our Shares will be traded in board lots of 500 Shares each. As a result of the Distribution, Qualifying China Travel HK Shareholders may receive our Shares in odd lots. Our Company has appointed Phillip Securities (Hong Kong) Limited as its agent in providing matching service to our Shareholders to facilitate the acquisition of odd lots of our Shares to make up a full board lot or the disposal of any Shares which they may receive in odd lots. For details, please refer to the section headed "Information about this Listing Document and the Introduction—Odd lot arrangements" in this listing document.

As the Spin-off will be implemented by way of the Distribution and there will be no dilution of the indirect attributable interest of the Qualifying China Travel HK Shareholders in our Company, the Spin-off will not constitute a transaction of China Travel HK under Chapter 14 of the Listing Rules, and accordingly, China Travel HK will not be required to comply with the requirements under Chapter 14 of the Listing Rules for the Spin-off.

### 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, our 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 Spin-off and the Listing and all relevant resolutions having been approved by the China Travel HK Shareholders at the EGM. If such conditions are not satisfied, the Spin-off and the Listing will not take place.

### Non-Qualifying China Travel HK Shareholders

The distribution of our Shares under the Distribution to certain China Travel HK Shareholders may be subject to laws of jurisdictions outside Hong Kong. The China Travel HK Shareholders whose addresses registered in the register of holders of China Travel HK 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 China Travel HK Shareholders and the Beneficial China Travel HK 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 China Travel HK Shareholders and the Beneficial China Travel HK 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 China Travel HK, our Company, the Sole Sponsor, any of their respective directors, officers, employees, agents or representatives or any other person involved in the Spin-off accepts any responsibility in relation to the above.

Non-Qualifying China Travel HK Shareholders are those China Travel HK Shareholders with registered addresses, as shown on the register of holders of China Travel HK on the Record Date, in Excluded Jurisdictions, and the China Travel HK Shareholders or the Beneficial China Travel HK Shareholders who are otherwise known by China Travel HK to be located or residing in those jurisdictions as at the Record Date, whom the China Travel HK Board and our Board, based on enquiries made on their behalf and the legal advice received, consider it necessary or expedient to exclude from receiving our Shares pursuant to the Distribution on account of the legal restrictions under the applicable laws of the relevant jurisdictions where such China Travel HK Shareholders or the Beneficial China Travel HK 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 China Travel HK Shareholders will not receive any Shares, but will be paid the net proceeds of the sale of the Shares which they would otherwise receive on a pro rata basis.

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

To the best of our knowledge, as at the Latest Practicable Date, based on the information provided by China Travel HK, there were 19 China Travel HK Shareholders with registered addresses outside Hong Kong, comprising seven jurisdictions outside Hong Kong, namely Australia, the PRC, Macao, Singapore, Republic of Korea, the Philippines and the U.S.. In the event that there are China Travel HK Shareholders with registered addresses in any other jurisdictions outside Hong Kong which are not referred to above as at the Record Date, the Directors and the directors of China Travel HK will make further enquiries as to the legal restrictions under the laws of the relevant jurisdictions and consider whether it would be necessary or expedient to exclude them from receiving the Shares.

With respect to any Excluded Jurisdiction, China Travel HK will send a letter to HKSCC Participants to notify them that, in light of the applicable laws and regulations of the Excluded Jurisdictions (to the extent that they hold any China Travel HK Shares on behalf of any Beneficial China Travel HK Shareholder with an address located in any of the Excluded Jurisdictions), they should sell our Shares distributed to them pursuant to the Distribution on behalf of such Beneficial China Travel HK Shareholders and pay the net proceeds of such sale to such Beneficial China Travel HK Shareholders. None of China Travel HK, our Company or the Sole Sponsor takes any responsibility for the sale of such Shares or the payment of the net proceeds from the sale of such Shares to any such underlying Beneficial China Travel HK Shareholders.

China Travel HK and our Company reserve the rights in our absolute discretion to determine whether to allow the participation of any China Travel HK Shareholder or Beneficial China Travel HK Shareholders in the Distribution.

**Fractional entitlements**

Fractional entitlements of Qualifying China Travel HK Shareholders to the Shares under the Distribution will be disregarded and will be aggregated and sold in the market and the net proceeds (after deducting expenses and taxes) will be retained for the benefit of our Company.

**PRC Stock Connect Investors**

According to the "Stock Connect Shareholding Search" available on the Stock Exchange's website, as at the Latest Practicable Date, China Clear held 303,093,829 China Travel HK Shares, representing approximately 5.46% of the total number of issued China Travel HK Shares. China Clear is a HKSCC Participant with HKSCC Nominees Limited.

The China Travel HK Board and our Board have made the relevant enquiries and have been advised by our PRC Legal Advisor 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 China Travel HK Shares through China Clear as nominee (the "**China Travel HK Stock Connect Investors**") may hold our Shares distributed pursuant to the Distribution through China Clear. Our PRC Legal Advisor 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 China Travel HK Stock Connect Investors (or the relevant China Clear participants, as the case may be) whose stock accounts in China Clear are credited with our Shares may only sell them on the Stock Exchange under Shanghai Connect and Shenzhen Connect. The China Travel HK Stock Connect Investors should seek professional advice from their intermediaries (including brokers, custodian, nominees or China Clear participants) and/or other professional advisors for details of the logistical arrangements as required by China Clear.

**Information for China Travel HK Shareholders**

Neither our Shares nor this listing document has been or will be registered under the securities laws of any jurisdiction. Accordingly, unless otherwise disclosed above, our Shares may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any such jurisdiction, absent registration or qualification under the respective securities laws of such jurisdictions, or exemption from the registration or qualification requirements under applicable rules of such jurisdictions.

It is the responsibility of any person (including but not limited to any agent, custodian, nominee or trustee) outside Hong Kong wishing to receive or purchase, hold or dispose of, or deal in, our Shares or exercise any rights attaching to our Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including obtaining any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith.

China Travel HK Shareholders should note that they will not be required to complete any application form to receive our Shares or to pay or provide any consideration to China Travel HK or our Company for any Shares received pursuant to the Distribution. Receipt of our Shares by any person pursuant to the Distribution will be deemed to constitute a representation and warranty from such person to our Company that these local laws and requirements have been fully complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties above. Such persons should consult their professional advisers if in doubt.

**THE SPIN-OFF**

China Travel HK submitted a proposal of the Spin-off to the Stock Exchange pursuant to Practice Note 15 of the Listing Rules, and the Stock Exchange has confirmed that China Travel HK may proceed with the Spin-off.

If the Spin-off proceeds, it will be implemented in compliance with the Listing Rules. The Spin-off will be effected through a listing of our Shares by way of introduction and the Distribution whereby the Qualifying China Travel HK Shareholders will receive the relevant Shares. Other than to give effect to the Distribution, the Spin-off does not involve any offering of our Shares or any other securities of our Company for sale or subscription and no new proceeds will be raised in conjunction with the Spin-off.

**Reasons for and Benefits of the Spin-off**

China Travel HK considers the Spin-off to be in interests of China Travel HK, our Company and their respective shareholders as a whole and the Spin-off will position each of the Retained Group and our Group better for growth in their/our respective businesses and deliver clear benefits to both due to the following reasons:

(a) China Travel HK is a conglomerate with different business segments that are spread across different locations in Greater China. The Spin-off would enable investors to better value China Travel HK with its dedicated natural and cultural scenic spot and theme parks destinations businesses which are predominantly located in Chinese Mainland. Following the completion of the Spin-off, both the Retained Group and our Group will operate with clearly delineated business lines. This separation will enable each group to focus on its core competencies, thereby enhancing strategic clarity and operational efficiency. With distinct business scopes, their respective management teams will be better positioned to allocate resources in a targeted manner, formulate and execute tailored business plans, and implement performance evaluation frameworks that are more aligned with the specific objectives and operational characteristics of each entity. This improved focus is expected to foster greater accountability, agility in decision-making, and long-term value creation for their respective shareholders.

(b) The separate listing and spinning off of well-developed sectors by China Travel HK through the Spin-off will enable the China Travel HK Shareholders to realize the investment value in our Group under a separate platform for the businesses of our Group.

(c) A separate listing of our Company on the Stock Exchange will enable the Retained Group and our Group to have their own fundraising platforms for their respective businesses, and our Group will have direct and independent access to both equity and debt capital markets in the future should the need arise.

(d) Both China Travel HK and our Company consider that the Spin-off could better reflect the value of our Group on our own merits and increase our operational and financial transparency through which investors would be able to appraise and assess the performance and potential of our Group separately and distinctly from those of the Retained Group.

(e) As there are clear strategic and operational differences between the business focuses of our Group and those of the Retained Group, the Spin-off will provide investors with an enhanced choice as to which of the businesses they are interested in investing in.

(f) A separate listing on the Stock Exchange will enhance the profile of the Spin-off Business amongst our customers, suppliers and other business partners, as well as our ability to recruit quality talents available.

(g) The independent listing of our Company will lead to a more direct alignment of the respective management's responsibilities and accountability of the Retained Group and our Group with the respective operating and financial performance of the Retained Group and our Group. This is expected to result in enhanced management focus, which should in turn lead to improved decision-making processes, faster response time to market changes and increased operational efficiency. The management of the Retained Group and our Group will be under heightened scrutiny from the investor community and it will be possible to measure their performance against the stock market performance. It will also be possible to link management incentives to such performance, thereby increasing management motivation and commitment.

(h) Our Company and China Travel HK, both as a listed company following the Spin-off, if considered desirable and necessary, would be able to offer an equity-based incentive program (such as a share option scheme) that correlates directly to the performance of our respective businesses to our employees for the purpose of motivating our employees.

## DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS LISTING DOCUMENT

This listing document, for which our Directors (including any proposed director who is named as such in this listing document) collectively and individually accept full responsibility, includes particulars given in compliance with the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to our Group.

Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this listing document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this listing document misleading.

## RESTRICTIONS ON THE USE OF THIS LISTING DOCUMENT

This listing document is published solely in connection with the Spin-off for the exclusive use by China Travel HK Shareholders for the sole purpose of assessing the Distribution and should not be used other than in connection with such purpose. It may not be used for any other purpose and, in particular, no person is authorized to use or reproduce this listing document or any part thereof in connection with any offering of the Shares or other securities of our Company. Accordingly, this listing document does not constitute or form part of any offer or invitation in any jurisdiction to acquire, subscribe for or purchase any of the Shares or other securities of our Company nor is it calculated to invite any offer or invitation for any of the Shares or other securities of our Company or any entitlements to the Shares, or any solicitation or act in furtherance to a trade in any jurisdiction in which such an offer or solicitation or act is unlawful.

We have not authorized anyone to provide any information that is different from what is contained in this listing document or to make any representation not contained in this listing document. Any information or representation not contained in this listing document must not be relied on by you as having been authorized by us, China Travel HK, the Sole Sponsor, any of our or their respective directors, officers, employees, agents or representatives or any other person involved in the Spin-off. Neither the delivery of this listing document nor the distribution of Shares pursuant to the Distribution should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this listing document or imply that the information contained in this listing document is correct as at any date subsequent to the date of this listing document.

This listing document contains forward-looking statements and information that involve risks and uncertainties, including statements based on our current expectations, beliefs, assumptions, estimates and projections about us, our industries and the regulatory environment in which we and companies integral to our ecosystem operate. In some cases, these forward-looking statements can be identified by words or phrases such as "may," "will," "strive to," "seek," "expect," "target," "goal," "anticipate," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "projected," "is/are likely to" or other similar expressions. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change.

These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this listing document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The forward-looking statements included in this listing document relate to, among others:

- our business and operating strategies and the various measures we use to implement such strategies;
- business opportunities that we may pursue;
- our dividend distribution plans;
- our operations, business, financial conditions and prospects, including development plans for our business and future cash flows;
- changes or volatility in interest rates, foreign exchange rates and overall market changes;
- the future developments and competitive environment of the industry and markets in which we operate;
- the regulatory environment as well as the general industry outlook for the industry which we operate in;
- relationships with parties we contract and collaborate with to conduct our business;
- risks identified under the section headed "Risk Factors" in this listing document;
- general economic trends and business conditions; and
- other statements in this listing document that are not historical facts.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this listing document, whether as a result of new information, future events or otherwise. In light of the aforementioned and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this listing document might not occur in the way we expect or at all.

Accordingly, the forward-looking statements are not a guarantee of future performance and you should not place undue reliance on any forward-looking information. Moreover, the inclusion of forward-looking statements should not be regarded as representations by us that our plans and objectives will be achieved or realized. All forward-looking statements in this listing document are qualified by reference to the cautionary statements in this section.

In this listing document, statements of or references to our intentions or those of the Directors are made as of the date of this listing document. Any such information may change in light of future developments.

*An investment in our Shares involves significant risks. You should carefully consider all of the information in this listing document, including the risks and uncertainties described below, before making an investment in our Shares. The following is a description of what we consider to be our material risks. Any of the following risks should have a material adverse effect on our business, financial condition, results of operations and prospects. In any such case, the market price of our Shares could decline, and you may lose all or part of your investment.*

*These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the "Forward-looking Statements" in this listing document.*

## RISKS RELATING TO OUR BUSINESS

### General declines or disruptions in the travel industry may adversely affect our business and results of operations.

Our businesses, especially our passenger transportation and hotel operations, are significantly affected by the trends that occur in the travel industry in Hong Kong, Macao and Chinese Mainland. As the travel industry is highly sensitive to business and personal discretionary expenditure, demand for travel-related products and services tends to decline during periods of economic uncertainty or downturns. According to Frost & Sullivan, total tourism expenditure associated with inbound tourism in Hong Kong declined from approximately HKD256.2 billion in 2019 to HKD9.4 billion in 2022 amid the COVID-19 pandemic and adverse economic conditions, before recovering to HKD195.0 billion in 2024. Such fluctuations demonstrate the discretionary nature of travel-related spending and its sensitivity to changes in economic conditions, consumer confidence and other external events. In respect of our ferry services, passenger volume declined from approximately 3.2 million in 2024 to approximately 2.8 million in 2025, reflecting fluctuations in travel demand and highlighting the sensitivity of our passenger transportation business to changes in market conditions. Other trends or events that may reduce travel demand, and consequently adversely affect our revenues, include outbreaks of any other serious contagious diseases such as the COVID-19 pandemic; increased prices in the hotel, airfare, or other travel-related sectors; increased occurrence of travel-related accidents; political unrest; natural disasters; terrorist attacks or threats thereof, armed conflicts or wars; and the imposition of any travel restrictions or other security procedures in connection with major events in Hong Kong, Macao and Chinese Mainland.

We could be severely and adversely affected by declines or disruptions in the travel industry and, in many cases, have little or no control over the occurrence of such events. Such events could result in a decrease in demand for our services. This decrease in demand, depending on the scope and duration, could materially and adversely affect our business.

### Our business could be affected by changes in travel-related government policies.

Our business, to a certain extent, is stimulated by, and also affected by travel-related government policies. Change in regulations, such as travel restrictions, may directly impact our business operations and profitability. For example, according to Frost & Sullivan, the number of visitor arrivals to Hong Kong decreased from approximately 55.9 million in 2019 to approximately 0.4 million in 2020 and remained at historically low levels during the period when travel restrictions and border control measures were in place, before recovering to approximately 34.0 million in 2023 following the relaxation of such measures. In addition, shifts in government support for travel initiatives could affect our marketing efforts

and our access to incentives for growth. For example, we have received government fuel subsidies in connection with our ferry operations, which partially offset higher fuel costs caused by recent geopolitical uncertainties in the Middle East. However, the availability and scope of such subsidies are subject to government policies and decisions, and there can be no assurance that the subsidies will continue, that we will remain eligible to receive them, or that future subsidies will be provided on terms as favorable as those previously available to us. Accordingly, we may not be able to anticipate or respond in a timely or effective manner to such changes in the regulatory landscape, and any failure to adapt our development strategies, service offerings or operational processes could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, travel-related policies are subject to various political, economic, public health and regulatory considerations that are beyond our control. Changes in government priorities, regulatory approaches or administrative practices in relation to cross-boundary travel may affect the operating environment for our business. As we have limited ability to influence or predict such developments, any adverse changes in these policies could have a material adverse effect on our business, financial condition, results of operations and prospects.

**We may continue to rely on CTG Group in certain aspects of our operations, and any changes in such relationships could adversely affect our business, financial condition and results of operations.**

Following the Spin-off, we will maintain certain business, operational and commercial relationships with CTG Group. For example, we provide travel-document administration services as CTS (Holdings)'s agent and receive an agency fee from CTS (Holdings). See "Business—Travel-Document and Related Services" for details. During each period of the Track Record Period, CTG Group was one of our top five largest customers. Our sales to CTG Group amounted to HKD397.7 million, HKD302.4 million, HKD233.2 million and HKD68.1 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, representing 18.2%, 13.5%, 10.6% and 9.5%, respectively, of our total revenue. We also provide other services to the CTG Group and procure certain services from the CTG Group. See "Continuing Connected Transactions" for details. There can be no assurance that our business relationship with CTG Group will continue in the future. In addition, we may adopt an asset-light strategy and operate certain hotel properties owned by CTG Group. If CTG Group is unwilling or unable to provide such properties or support, our ability to expand or operate under this model may be adversely affected. We may also continue to rely on CTG Group in certain other respects, including but not limited to branding and customer referrals.

Therefore, if CTG Group reduces, modifies or ceases to provide such support or cooperation for commercial, strategic or other reasons, we may not be able to operate or sustain certain of our business activities on a timely or cost-effective basis, or at all. This may result in operational disruptions, the need to incur additional costs to replace or replicate such support, or the scaling back of certain activities. There can be no assurance that alternative arrangements could be secured on comparable terms, or within a reasonable timeframe. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

**Our ability to provide travel-document and related services depends on our arrangements with CTS (Holdings), and the termination or non-renewal of such arrangements could adversely affect our business.**

We provide travel-document and related services in Hong Kong as the exclusive agent of CTS (Holdings). Our exclusive agency arrangement with CTS (Holdings) is currently in effect until June 30, 2047. CTS (Holdings) has been entrusted by the Ministry of Public Security of the PRC to process applications in Hong Kong for travel permits and tourist visas for entry into the PRC. For details, see "Continuing Connected Transactions—Non-Exempt Continuing Connected Transactions—1. Travel Permit Administration Services Agreements" and "Relationship with Controlling Shareholders—Independence from Our Controlling Shareholders—Clear Delineation of Business—Travel-document Administration Services." Our ability to provide such services is therefore dependent on the continuation of these arrangements.

Although our current appointment extends to June 30, 2047, there can be no assurance that the arrangements will not be terminated prior to their expiry or that they will be renewed or extended upon expiry on terms acceptable to us. In 2023, 2024, and 2025 and the four months ended April 30, 2026, we recognized HKD375.7 million, HKD287.9 million, HKD214.8 million and HKD63.4 million, respectively, from provision of travel-document administration services pursuant to such arrangements, representing 17.1%, 12.8%, 9.8% and 8.8% of our total revenue for the respective periods. If such arrangements are terminated, expire without renewal or extension, or are otherwise materially amended in a manner adverse to us, we may cease to provide, or be required to scale back travel-document and related services in Hong Kong. This could result in a loss of revenue in an amount comparable to the historical revenue recognized from the provision of such services, adversely affect demand for our other services, and consequently have a material adverse effect on our business, financial condition, results of operations and prospects.

**Failure to ensure and protect the confidentiality of the personal data of customers could subject us to penalties, negatively impact our reputation or deter consumers from using our services.**

In the ordinary course of our business, we collect and process personal data of our customers, including names, contact details, identity or travel document numbers, and other information. We also share personal data with our business partners or third-party service providers as necessary for our business operations and to comply with legal requirements. We are required to comply with applicable data protection and privacy laws and regulations in jurisdictions where we operate our business. Such laws and regulations impose obligations on us regarding, among other things, the collection, use, retention, security and transfer of personal data, including requirements to obtain appropriate consents and to use and disclose personal data only for permitted purposes. Maintaining the confidentiality, integrity and security of personal data is critical to our business and to maintaining customer trust. See "Business—Privacy and Data Security" for details.

However, there is no assurance that our existing data protection measures or those of our partners and service providers will be sufficient or effectively implemented at all times, or that they will be enhanced in a timely manner in response to evolving regulatory requirements or cybersecurity threats. Any failure to maintain adequate data protection measures, whether due to third-party vulnerabilities, cyber-attacks, system failures, or human error, could result in unauthorized access to, disclosure, misuse, loss or destruction of personal data. Such incidents may expose us to legal claims, regulatory investigations, administrative penalties, litigation, reputational damage, loss of customer trust, and potential liability relating to, among other things, identity theft, fraud, unauthorized marketing activities or other misuse of personal data. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

**We face intense competition that could adversely affect our business, financial condition and results of operations, particularly in relation to our passenger transportation operations and hotel operations.**

We operate in a competitive and fragmented industry, facing rivals of similar grade and style within our markets. There is no assurance that new or existing brands will not enter with competitive services or pricing. Our success depends on our ability to compete in brand reputation, company image, service pricing and quality, and hotel location convenience. Competitors may offer more facilities or services at comparable or lower prices, potentially attracting customers and impacting our business.

We provide passenger transportation services in Hong Kong, Macao and Chinese Mainland and face intense competition. According to Frost & Sullivan, the cross-boundary ferry and bus passenger transportation services market in the Greater Bay Area is highly competitive and relatively concentrated. The five largest service providers collectively accounted for approximately 70% of the market share in 2025, indicating that the market was led by a limited number of well-established competitors with significant market presence and resources according to the same source. In addition, according to the same source, the ongoing construction and upgrading of transportation infrastructure in the Greater Bay Area, including cross-boundary transportation facilities and networks, as well as the growing availability of alternative means of cross-boundary transportation and travel initiatives such as the Northbound Travel for Hong Kong Vehicles scheme, may further intensify competition in the ferry, diverting passenger traffic to alternative modes of cross-boundary transportation, and bus passenger transportation services market by improving cross-boundary accessibility and enabling existing and new market participants to offer comparable cross-boundary travel services. We compete on route coverage, service frequency, brand recognition, reliability, boundary clearance convenience, ancillary facilities and ticketing system convenience. Competitors may offer more competitive fares, higher frequency, better boundary arrangements or superior services, affecting our passenger volume and market share. Changes in fare levels, alternative transport options and macroeconomic conditions may influence passenger preferences and demand.

In the hotel markets of Hong Kong, Macao and Chinese Mainland, we compete on location, room rates, brand recognition, accommodation, service quality, geographic coverage, guest amenities and reservation system convenience. According to Frost & Sullivan, the Hong Kong hotel service market is fragmented, with a large number of market participants. As of December 31, 2025, approximately 333 hotel operators collectively offered approximately 93,472 hotel rooms in Hong Kong. Furthermore, ongoing enhancements to transportation networks and cross-boundary connectivity within the Greater Bay Area may facilitate travel among cities in the region and enable travelers to access a broader range of accommodation options. Therefore, new or existing competitors may offer lower prices, better services or superior facilities, affecting occupancy and daily rates. Shifts in guest preferences and increased supply could further pressure pricing and margins.

**We may face potential competition from the CTG Group in our hotel and passenger transportation operations.**

The CTG Group engages in businesses that overlap with certain aspects of our operations. In particular, while we currently own and operate five hotels and one serviced apartment in Hong Kong, one hotel in Macao and one hotel in Beijing, the CTG Group also owns and/or operates hotels in the Chinese Mainland and Hong Kong. To further delineate the respective hotel businesses of our Group and the CTG Group, the two hotels in Hong Kong currently managed by the CTG Group will be managed exclusively by our Group, while our hotel in Beijing will be managed exclusively by an Independent Third Party upon Listing. In addition, we provide cross-boundary ferry and bus services in the Greater Bay Area and local passenger transportation services in Hong Kong, Shenzhen and Zhuhai, while the CTG Group is engaged in passenger transportation services including sightseeing train, vehicle and cruise operations in other regions of the Chinese Mainland, which are currently geographically delineated from our passenger transportation services. For further details, see "Relationship with Controlling Shareholders—Independence from Our Controlling Shareholders."

However, there can be no assurance that the existing business delineation, the Deed of Non-competition or our corporate governance measures will be sufficient to eliminate all actual or potential conflicts of interest or competitive situations between the CTG Group and our Group. Any expansion of the CTG Group's existing businesses or entry into new business areas may overlap with our operations and compete with us. If competition with the CTG Group arises, we may lose business opportunities, customers or market share, which could materially and adversely affect our business, financial condition, results of operations and prospects.

**Our cooperation with third-party agencies may adversely affect our margins and profitability.**

We engage various third-party agencies and intermediaries, including online travel agencies (OTAs), ticketing agents and other reservation intermediaries, to market our hotel rooms, facilitate ferry and bus ticket bookings and broaden our customer reach. For example, we engage major OTAs, such as Ctrip, Agoda, Klook, Meituan, Fliggy, Booking.com, and Expedia, and other reservation intermediaries to market and facilitate bookings of our hotel rooms, typically on a commission basis. In 2023, 2024, 2025 and the four months ended April 30, 2026, 242.6 thousand, 261.3 thousand, 262.9 thousand and 81.6 thousand room nights were booked through these OTAs, respectively. The corresponding commissions paid to these OTAs amounted to HKD16.1 million, HKD15.4 million, HKD14.3 million and HKD4.6 million, respectively. During the same periods, our revenue generated from hotel operations through such OTAs amounted to HKD195.7 million, HKD189.2 million, HKD192.3 million and HKD60.9 million, respectively. However, these third-party agencies and intermediaries also possess significant bargaining power due to their broad customer bases and marketing channels. As a result, they may from time to time seek higher commissions or more favorable commercial terms, including with respect to pricing, room availability or marketing arrangements.

Increased reliance on third-party agencies may make it more difficult for us to control customer acquisition costs and may reduce the proportion of direct bookings made through our own channels. Any increase in commission rates or shift in booking mix toward higher-cost channels could place pressure on our margins and adversely affect our profitability.

**We are subject to risks relating to our third-party suppliers and business partners.**

We rely on third-party suppliers and business partners in our operations. In 2023, 2024, 2025 and the four months ended April 30, 2026, our purchases from our largest supplier amounted to HKD218.3 million, HKD210.9 million, HKD220.0 million and HKD71.0 million, respectively, representing 30.3%, 28.3%, 28.3% and 26.9% of our total purchases in the corresponding periods. For example, we rely on third-party computer systems to host our websites and on licenses from third parties for some of the software that supports our technology platform. In addition, the restaurants we operate at some of our hotels depend on third-party suppliers for food ingredients, beverages, packaging materials and other consumables, as well as logistics service providers to ensure the timely delivery of such products. Any interruption in our ability to obtain these products or services, or any deterioration in their performance, such as server errors or outages, could impair the timing and quality of our services. If our suppliers fail to deliver quality services to us in an efficient manner, or breach applicable rules and regulations, our services may not meet customer expectations and our reputation and brand could be harmed. Furthermore, if any of our arrangements with these third parties are terminated, we may be unable to find alternative support quickly, on favorable terms, or at all.

**We are exposed to customer and supplier concentration risks.**

During the Track Record Period, a significant portion of our revenue was derived from a limited number of customers. For example, we derived HKD397.7 million of revenue from our largest customer in 2023, representing 18.2% of our total revenue in 2023. See "Business—Customers" for details. Our financial performance therefore depends in part on maintaining stable relationships with these major customers. Any reduction in demand from, or loss of, such customers could adversely affect our revenue. We also rely on a limited number of suppliers for energy and petroleum products, public utilities and other operational services. See "Business—Suppliers" for details. For example, we procured HKD218.3 million of fuel from our largest supplier in 2023, representing 30.3% of our total purchases in 2023. Any disruption in supply, deterioration in service quality, or changes in commercial terms may affect our operations and increase costs, and alternative suppliers may not be available on comparable terms in a timely manner.

If we are unable to maintain our relationships with major customers or suppliers, or to replace them on commercially reasonable terms, our business, financial condition and results of operations could be materially and adversely affected.

**Significant increases in, or volatility in, energy and fuel prices, including those resulting from geopolitical instability in the Middle East, could increase our operating costs and adversely affect our business, financial condition and results of operations.**

Our business relies on the stable supply of fuel, electricity and other energy resources at commercially reasonable prices. Our passenger transportation operations require significant quantities of fuel and energy for the operation of ferries, buses and related transportation facilities, while our hotel operations consume electricity, gas and other energy resources for guest rooms, food and beverage services, air-conditioning systems, lighting and other hotel facilities. Our fuel costs amounted to HKD250.7 million, HKD259.0 million, HKD236.4 million and HKD105.9 million in 2023, 2024 and 2025 and the four months ended April 30, 2026, respectively, representing 18.1%, 17.3%, 15.0% and 19.1% of our cost of sales during the same periods.

Military conflicts and geopolitical tensions in the Middle East have contributed to increased volatility in global energy markets and fluctuations in oil and fuel prices. Such events may affect the global supply and transportation of crude oil and other energy products and create uncertainty in international energy markets. As a result, our fuel, electricity and other utility costs may increase significantly. For example, fuel costs for our ferry transportation operations for the four months ended April 30, 2026 increased significantly compared with the same period in 2025, primarily due to fluctuations in international fuel prices and geopolitical uncertainties, which placed pressure on the gross profit margin of our ferry transportation operations for the same period in 2026. See "Financial Information—Period to Period Comparison of Results of Operations—Four Months Ended April 30, 2026 Compared to Four Months Ended April 30, 2025" for details. We may not be able to fully pass on such increased costs to our customers in a timely manner or at all due to market competition, customer demand conditions or contractual arrangements. Any significant increase in energy or fuel prices, continued volatility in energy markets, or disruption in the supply of such resources, could adversely affect our business, financial condition and results of operations.

**Our passenger transportation operations may not be able to maintain or increase its volumes.**

We may be unable to maintain or grow passenger volumes in our passenger transportation operations. In 2023, 2024, 2025 and the four months ended April 30, 2026, we served approximately 6.1 million, 7.0 million, 7.2 million and 2.5 million passengers, respectively. Demand is sensitive to tourism flows, cross-boundary travel policies between Chinese Mainland, Hong Kong and Macao, visa and permit arrangements, airline and high-speed rail capacity, macroeconomic conditions, pandemics and public health measures, and geopolitical or security events. Volumes may also decline due to competition from alternative modes, including the Guangzhou-Shenzhen-Hong Kong high-speed rail link, the Hong Kong-Zhuhai-Macao Bridge road link, ride-hailing and private coaches, as well as route changes, infrastructure projects, adverse weather events such as typhoons, or shifts in traveler preferences and booking behavior. In particular, our cross-boundary ferry services may experience a sustained downturn as travelers shift to the Hong Kong-Zhuhai-Macao Bridge. According to Frost & Sullivan, the ferry segment's share of cross-boundary transportation is expected to further decline over the period from 2025 to 2030.

Our ability to sustain volumes depends on service reliability, schedule frequency, pricing and network connectivity. Regulatory factors, such as changes to route or berth allocations, licenses and concessions, safety and environmental standards, or fare controls, may limit capacity or require operational adjustments that reduce throughput. Cost pressures, including fuel and energy prices, labor availability and wage inflation, insurance, tolls and compliance costs, may constrain our ability to offer competitive fares or frequencies. Operational disruptions, accidents or safety incidents could depress demand and necessitate remedial measures that further reduce capacity. If we cannot offset these headwinds through pricing, marketing, partnerships or efficiency gains, our load factors and yields may fall, leading to lower revenues and margins and adversely affecting our results of operations and financial condition.

**Our passenger transportation business is subject to risks associated with the impaired performance of its equipment and infrastructure.**

We depend on the performance and reliability of our coach and bus fleets, vessels, equipment and other operating assets. As these assets age, they may become less efficient and more costly to maintain, adversely affecting our profitability. In 2023, 2024, 2025, and the four months ended April 30, 2026, our passenger transportation business incurred maintenance expenses of approximately HKD18.4 million, HKD23.8 million, HKD23.4 million and HKD7.4 million, respectively, in connection with maintaining our coach and bus fleets, vessels, equipment and other operating assets. Nevertheless, if we do not replace, maintain or repair our fleets, vehicles, equipment or infrastructure on a timely basis, we may face disruption of service, increased operating and maintenance expenses, lost revenue and potential asset impairments. Any shortfalls in asset upkeep could affect our service delivery and could adversely affect our business and financial performance.

**Significant increases in transportation costs may materially and adversely affect our business, financial condition and results of operations.**

Transportation costs are significantly affected by a variety of factors, including fuel prices, vehicle taxes and other factors, many of which are beyond our control.

We generally price our transportation services by reference to transportation costs. If we are unable to transfer any significant cost increases to our clients in a timely manner, our margins could contract and our business, financial condition and results of operations could be materially and adversely affected.

**Accidents or incidents in our passenger transportation operations may occur from time to time and could adversely affect our business.**

Due to the nature of our passenger transportation operations, including the operation of vehicles and vessels, accidents or other operational incidents may occur from time to time. Such incidents may result in personal injury, loss of life, damage to property or disruption to our services. During the Track Record Period, we did not experience any accidents or incidents in our passenger transportation operations which had a material adverse effect on our business, financial condition or results of operations. Our insurance policies may not be sufficient to cover all losses or liabilities arising from such incidents. In addition, insurance claims may be subject to deductibles, exclusions, limits or delays in settlement. We may also be exposed to reputational damage, increased regulatory scrutiny, administrative penalties and potential legal liabilities arising from such incidents. Any significant accident or incident, or a series of incidents, could disrupt our operations, result in increased costs, and adversely affect our reputation and customer confidence. As a result, our business, financial condition, results of operations and prospects could be materially and adversely affected.

**We are subject to risks related to joint ventures and associates.**

We have entered into, and may from time to time enter into, joint venture and other cooperative arrangements with third parties. We recorded a share of losses of joint ventures of HKD3.6 million and HKD2.3 million in 2023 and 2024, respectively, and a share of profits of joint ventures of HKD4.1 million, HKD2.2 million and HKD1.3 million, respectively in 2025 and the four months ended April 30, 2025 and 2026. During the same periods, we recorded a share of profits of associates of HKD33.9 million, HKD46.7 million, HKD48.1 million, HKD17.8 million and HKD20.9 million, respectively. Such arrangements may involve shared ownership and control or, in the case of associates, limited influence over management and operations. As a result, we may not be able to ensure that these joint ventures or associates operate in accordance with our business plans, strategies, operational standards or compliance policies.

The performance of our joint ventures and associates depends in part on the financial condition, operational capabilities, management expertise and continued cooperation of our partners. Differences in strategic objectives, commercial priorities or risk tolerance may give rise to disagreements or deadlocks, which could delay decision-making, disrupt operations or hinder the implementation of business initiatives. In addition, our partners may fail to fulfill their obligations, encounter financial or operational difficulties, or become subject to regulatory actions, any of which could adversely affect the performance and prospects of the relevant joint ventures or associates and, in turn, our business. Furthermore, our share of results from joint ventures and associates may fluctuate from period to period due to factors beyond our control, including changes in market conditions, operating performance or accounting adjustments. If the financial performance or prospects of these entities deteriorate, we may be required to recognize impairment losses on our investments, which could materially and adversely affect our financial condition and results of operations.

**Termination or non-renewal of our rental agreements with vehicle owners could have an adverse effect on our business.**

We rely on rental agreements with third-party vehicle owners and operators to provide part of our passenger transport capacity. If these rental agreements are terminated early, expire without renewal on acceptable terms, or are awarded to competitors on retender, we may face reduced fleet availability, service disruptions, higher replacement costs and weaker network coverage. Contract renewals are subject to pricing, performance, safety and regulatory compliance, and counterparties may exercise termination rights or be unable to perform due to financial stress, regulatory action or accidents. Replacing capacity at short notice may be difficult, particularly during peak periods or amid labor and equipment shortages, and may require us to accept higher hire rates or less favorable terms. Any

interruption in chartered capacity, deterioration in counterparty performance, or increase in charter costs could adversely affect service quality, volumes, revenues, margins and our results of operations and financial condition.

**Property revaluations may affect the profits from our investment properties.**

Valuations of our selected property interests as of July 31, 2026 prepared by Jones Lang LaSalle Limited, an independent property valuer, are set forth in the valuation report set out as Appendix III to this listing document. The aggregate appraised value of these property interests was HKD5,232.9 million as of the same date. The valuation was conducted based on certain assumptions and required a subjective determination of certain factors relating to the properties, such as their relative market position, financial and competitive strengths, location and physical condition. In addition, unforeseeable changes in general and local economic conditions or other factors beyond our control may affect the value of our properties. As a result, the valuation of our properties may differ materially from the price we could receive in an actual sale of the properties in the market.

Moreover, we measure our investment properties at fair value at each reporting date in accordance with HKFRS Accounting Standards, and any changes in fair value are recognized in our income statement. Consequently, any fluctuations in property valuations, whether arising from changes in underlying assumptions or market conditions, may directly affect our results of operations. There is no assurance that the fair value of our investment properties will not decline in the future, and any such decrease would result in fair value losses and reduce our profitability. Accordingly, our historical results should not be taken as indicative of our future performance.

**Our hotel operations are dependent on the levels of business and leisure travel, the demand for and the supply of hotel rooms and other factors.**

A number of factors, many of which are common to the hotel industry, could affect our hotel operations, including the following: adverse economic conditions; public health emergencies such as outbreaks of contagious diseases; dependence on business, commercial and leisure travelers and tourism; demand for business meetings and conferences; the impact of acts of war or increased tensions between certain countries, increased terrorism threats, terrorist events, impediments to means of transportation, including airline strikes, road closures and border closures; extreme weather conditions, natural disasters, disease outbreaks and health concerns; rising fuel costs or other factors that may affect travel patterns and reduce the number of business and leisure travelers; adverse effects of international market conditions, which may diminish the demand for business travel, as well as national, regional and local political, economic and market conditions in the countries or regions where our hotels operate or where their guests live; increased competition and periodic local oversupply of guest accommodation, which may adversely affect occupancy rates and room rates; increases in operating costs due to inflation and labor costs; increases in workers' compensation and healthcare-related costs and utility costs, including energy costs; increases in taxes and insurance costs, as well as unanticipated costs such as acts of nature and their consequences and other factors that may not be offset by increased room rates; seasonality in travel patterns; changes in interest rates and in the availability, cost and terms of debt financing; changes in governmental laws and regulations, including trade restrictions, fiscal policies; and zoning ordinances and the related costs of compliance.

These factors could materially and adversely affect our hotel operations, which could, as a consequence, materially and adversely affect our business, financial condition and results of operations.

**We may be adversely affected if the whole-building lease arrangements for certain hotels are not renewed upon expiration.**

Two of our hotels, namely Metropark Hung Hom and Metropark Causeway Bay, are leased on a whole-building basis. Revenue generated from these whole-building leases amounted to HKD83.0 million, HKD195.9 million, HKD264.8 million, and HKD101.3 million for the years ended December 31, 2023, 2024, and 2025, and the four months ended April 30, 2026, respectively, representing 3.8%, 8.7%, 12.1%, and 14.1% of our total revenue for the respective periods. The current leases will expire in March 2028 and do not contain any automatic renewal provision. There can be no assurance that either lease will be renewed upon expiration or that any renewal will be on commercially acceptable terms.

If either lease is not renewed, we may need to identify a replacement lessee or operate the hotel ourselves. We may incur additional costs or experience a period of reduced revenue during such transition, and there can be no assurance that we will be able to secure a replacement lessee on comparable terms, or if we operate the hotel ourselves, achieve comparable returns or sustain current occupancy levels. Accordingly, any non-renewal of these leases could adversely affect our business, financial condition, and results of operations.

**We are subject to risks relating to hotel renovations.**

From time to time, we renovate and upgrade our hotels to enhance their facilities, maintain service quality and remain competitive in the industry. These projects may require partial closures, reduced room inventory and disruption to guest areas, which could lower occupancy and average daily rate, reduce food and beverage and other ancillary revenues, and increase operating costs while works are underway. Renovation projects are subject to risks of delay and cost overruns arising from contractor performance, labor or materials shortages, inflation, design changes and required permits and inspections in Hong Kong, Macao and Chinese Mainland. If budgets prove insufficient or funding is constrained, we may have to scale back or defer works, or incur higher capital expenditure than planned, which could pressure cash flows, increase depreciation and amortization, and create asset impairment risk. Failure to complete works on time, within budget or to the expected standard could harm guest satisfaction and our brand, lead to cancelation penalties or lost bookings, and adversely affect our results of operations and financial condition.

**We may not be able to successfully identify, secure or operate additional hotel properties.**

We plan to operate more hotels to grow our business. We may not be able to identify, develop, manage or operate additional hotels in attractive locations on favorable terms, or at all. Our growth may be constrained because our competitors may already have a presence, or our competitors may secure sites before we do, including by accepting less favorable terms to block us. Even where we secure new sites, new hotels may not achieve the returns we anticipate. We also incur costs assessing opportunities and negotiating with owners for projects that we ultimately do not complete. If we cannot source or win suitable sites on acceptable terms, our expansion plans could be delayed or curtailed, and our business and prospects could be materially and adversely affected.

**The restaurants operated by our hotels face risks related to instances of food-borne illnesses and other food safety accidents.**

We operate restaurants serving food and beverage at some of our hotels. Restaurant operations carry food safety risks, and are also subject to regulatory scrutiny with respect to hygiene standards and food storage requirements. We also engage third-party suppliers for the supply of food and beverage, which increases the risk that issues outside our control could affect multiple locations at once. New pathogens may emerge, or illnesses with long

incubation periods may lead to claims raised after the fact. Media reports of food-borne illness can lead to fines and penalties, damage customer confidence, reduce restaurant sales and force temporary closures, which could also impact our hotel business. In addition, outbreaks of other diseases such as avian influenza or hand, foot and mouth disease, may disrupt the supply of certain food products and raise costs, adversely affecting the results of operations of the affected hotels.

**Accidents, injuries or prohibited activities in our hotels may adversely affect our reputation and subject us to liability.**

We face inherent risks of accidents, injuries and prohibited activities, occurring at our hotels. Any such incident could harm our safety reputation, damage our brand, reduce occupancy and require us to incur additional security and compliance costs. We may also be held liable for claims, damages, penalties or fines arising from these events. Our property and liability insurance may be insufficient or may exclude certain losses, and we may be unable to renew coverage or obtain new policies without higher premiums and deductibles or reduced limits, or at all.

**We are required to comply with certain requirements relating to the fire safety of our properties and may be subject to risks relating to fire safety.**

We are subject to various fire safety laws and regulations in the regions we operate, including those relating to the design, installation and maintenance of fire service systems and equipment. With respect to the accommodation properties we own in Hong Kong, we are required to engage registered contractors to perform annual inspections of the fire service installation or equipment installed at these properties to ensure that they are kept in efficient working order and in compliance with applicable statutory and regulatory requirements. We may be required to take corrective actions within a prescribed timeframe if any deficiencies are identified during such annual inspections. In addition, the Hong Kong Fire Services Department may serve on us, as owner of the premises, a fire safety direction directing us to comply with all or any of the requirements under the applicable ordinance and regulations. As of the Latest Practicable Date, one of our accommodation properties was subject to fire safety directions, for which relevant improvement works corresponding to the fire safety direction is underway within the prescribed timeframe. There can be no assurance that we will be able to timely rectify all such deficiencies or fully comply with all applicable requirements, and any failure to implement the required remedial measures within the specified period may result in fines, penalties, operational restrictions or other enforcement actions, which may adversely affect our business operations, reputation and financial performance.

**Our investment properties are affected by local, regional and international economic conditions and changes in market conditions.**

Our rental income from investment properties is affected by local, regional and international economic conditions including changes to monetary policy, fiscal policy, interest rates, stock market indices, exchange rates, taxation rates and inflation. It may also be affected by changes in market conditions and is exposed to economic cycles and market volatility.

Changes to these economic and financial market conditions may have an effect on the level of activity and demand for the leasing of our investment properties. This may result in us not being able to negotiate rental lease extensions with some existing tenants as lease terms expire, or replace expiring leases with leases on equivalent terms. The occurrence of such events may have an adverse effect on our revenue, the value of our property portfolio, and our financial performance and condition.

**Our business is subject to, and could be negatively affected by, seasonality.**

Our business, especially our passenger transportation and hotel operations, may be subject to seasonal fluctuations. Our hotel and passenger transportation operations typically experience higher demand during festive and holiday seasons, including the Chinese New Year, the Labor Day holiday, the Mid-Autumn Festival and the Golden Week in Chinese Mainland and Easter, Christmas and other public holidays in Hong Kong and Macao. As a result of seasonal fluctuations, the results of operations of our hotel and passenger transportation operations during one period may not be comparable to those of any other period of the year. In addition, there can be no assurance that we will have sufficient resources to capture business opportunities during peak seasons, or that we will be able to effectively respond to a decline in market demand during the slack season. Failure to do so may materially and adversely affect our business.

**We are required to obtain or renew certain approvals, licenses, permits and certificates for our operations. Failure to obtain or renew such approvals, licenses, permits or certificates may have a material and adverse effect on our business and operations.**

We are subject to various laws and regulations in Hong Kong, Macao and Chinese Mainland and are required to obtain certain approvals, licenses, permits and certificates from administrative authorities, including but not limited to the business registration license, shipping concession contract and ferry route operation approval for passenger transportation, hotel licenses, fire safety certificate and hygiene permit for hotel operations, and other special industry license. Each approval is dependent on the satisfaction of certain conditions and failure to obtain governmental approvals could have an adverse effect on our operations. We are also subject to inspections, examinations, inquiries and audits by governmental authorities as part of the process of maintaining or renewing our permits, licenses or certificates. There can be no assurance that we will be able to fulfill the pre-conditions necessary to obtain the required governmental approvals. There may be delays on the part of relevant administrative bodies in reviewing our applications and granting approvals.

In addition, some of these approvals, permits, licenses and certificates are subject to periodic renewal and/or reassessment by the relevant authorities, and the standards of such renewal and/or reassessment may change from time to time. We cannot assure you that we will be able to successfully maintain or renew existing permits, licenses or any other regulatory approvals or obtain permits, licenses or other approvals needed for the operation of our businesses in the future. Any failure by us to obtain the necessary renewals and/or reassessment and otherwise maintain all approvals, licenses, permits and certificates necessary to carry out our business at any time could severely disrupt our business and prevent us from continuing to carry out our business, which could have a material adverse effect on our business, financial condition and results of operations.

**Our businesses are subject to operational risks.**

We are exposed to various operational risks in connection with our business, including among others, operating limitations imposed by regulatory requirements; social, political and labor unrest; and environmental accidents. In addition, we may not have adequate insurance coverage on the above operational risks. Should any of these risks occur and we fail to take necessary responsive measures in a timely manner, our business may be temporarily interrupted or suspended, which could lead to increased labor costs, reputational damage and financial losses. Furthermore, any mismanagement, improper handling or violation of our operational procedure in the course of our service could result in accidents involving serious damage to our employees and property. During the Track Record Period, we did not experience any accidents involving serious injury to our employees or serious damage to our property which had a material adverse effect on our business, financial condition or results of operations. If we fail to exercise sufficient caution on safety matters, our business operations and financial positions will be materially and adversely affected.

**We are subject to certain property-related risks.**

As of the Latest Practicable Date, we had not registered or notarized certain of our lease agreements with the relevant government authorities. For example, pursuant to the Administration Measures for Commodity House Leasing of the PRC (《商品房屋租賃管理辦法》), lease agreements are required to be registered with the relevant authorities within 30 days from the date of execution. As advised by our PRC Legal Advisor, failure to complete such registration may result in fines ranging from RMB1,000 to RMB10,000 for each unregistered lease agreement. Any such penalties may have an adverse effect on our business, financial condition and results of operations.

**Compliance obligations and costs relating to our investment properties could have an adverse effect on our business.**

We hold certain investment properties in Hong Kong. The Hong Kong Buildings Department may issue building notices and/or building orders requesting the rectification of certain building works within a property or the common areas of a building. The works required to be done in respect of common areas of a building to comply with these building notices and/or building orders may involve costs to be shared among the owners of various flats or units within the building, including us. We cannot assure you that our properties held for investment or the common areas of the building in which such properties are situated will not be subject to any building notice or building order. In the event that any building notice or building order is issued against our properties or the common areas thereof, we may need to incur costs to complete the relevant rectification, which may in turn have a material adverse impact on our business, financial condition and results of operations.

**Our insurance coverage may not adequately cover the risks related to our business and operations.**

There can be no assurance that our insurance coverage will be sufficient in the event of major accidents or other significant losses. Certain risks, such as those relating to customer concentration, retention and attraction of personnel, as well as cost management, are generally not covered by insurance because they are uninsurable or not cost-justifiable. Insurance against losses arising from acts of war, terrorism or natural catastrophes may also be unavailable or prohibitively expensive. In particular, our passenger transportation operations expose us to risks of traffic accidents or other operational incidents involving our vehicles and vessels, which may result in personal injury, loss of life, damage to property or service disruptions. Similarly, our hotel operations are subject to operational risks such as fire incidents, equipment failures, food safety issues or guest-related incidents. Such events may give rise to significant liabilities, compensation claims, business interruptions or reputational damage. We may therefore be exposed to liabilities for which we are not, or cannot be, adequately insured. Any significant liability or loss arising from accidents, natural disasters or other events that are uninsured or under-insured could adversely affect our business and may result in litigation, employee compensation obligations, loss of assets or other economic harm. We cannot guarantee that our current insurance will cover all potential risks and losses, or that we will be able to renew existing policies on the same or acceptable terms. Severe unexpected losses, or losses exceeding applicable policy limits, could materially and adversely affect our business, financial position, results of operations and prospects.

**We are dependent on our key management team and qualified personnel.**

Our continued success is dependent to a large extent on our ability to retain the services of our key management personnel. The loss of their services without timely and suitable replacement could adversely affect our operations and as a result, our revenue and profit.

Our continued success and the implementation of our expansion plans depend largely on our ability to attract and retain high quality personnel, such as business development personnel, who have the necessary and required experience and expertise to conduct our business. If we are unable to attract and retain a sufficient number of suitably skilled and qualified specialists, our business, financial condition, results of operations and prospects could be materially and adversely affected.

**Labor shortages and disruptions may adversely affect our operations or result in increased labor costs that could reduce our profits.**

We depend on our ability to attract, retain, train, manage and engage a sufficient number of qualified and skilled employees across our operations on a timely basis and at a competitive cost. In particular, front-of-house, guest services and specialist operations staff are central to delivering premium services and conveying our distinctive service culture across our businesses, and any failure to recruit, train and retain an adequate number of such employees could diminish our appeal to customers and adversely affect guest satisfaction. The specialized nature of certain roles further constrains supply. For example, it may take up around a decade for a ferry crew member to develop the requisite skills and experience, and such qualified personnel are scarce in the market. In addition, experienced hotel chefs and housekeeping supervisors for our hotels, can also be difficult to recruit and retain. We may be unable to attract and retain sufficient personnel in Hong Kong, Macao and Chinese Mainland due to labor shortages. Tight labor markets, increases in statutory minimum wages and social insurance contributions, ongoing developments in labor laws and regulations in the Chinese Mainland and heightened competition for talent may increase our labor costs or expose us to potential labor disputes. For example, the Interpretation II on Legal Issues in the Trial of Labor Dispute Cases issued by the Supreme People's Court of the PRC (最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)) clarifies certain procedural and legal standards applicable to labor disputes. If we cannot secure and engage the necessary staff at the right time and in the right locations, our ability to operate our businesses and service our facilities effectively could be impaired, requiring us to reduce operating hours, limit capacity, delay openings or rely more on contractors, which may increase costs and operational risk and negatively affect customer experience and brand perception. A shortage of skilled labor may also drive wage inflation and increase our labor costs, and we may be unable to pass these increases on to customers without adversely affecting demand and occupancy, which could reduce our profitability.

**From time to time, we may be involved in legal proceedings and regulatory procedures arising out of our businesses.**

We operate in Hong Kong, Macao and Chinese Mainland, which exposes us to a broad range of civil, administrative and regulatory proceedings and regulatory procedures, including but not limited to contract and construction disputes, employment and labor claims, personal injury and public liability claims, consumer and advertising complaints, intellectual property disputes, environmental and public safety enforcement actions, taxation matters, licensing reviews and appeals, and investigations by sectoral regulators. Proceedings may be initiated by guests, customers, suppliers, contractors, employees, regulators, competitors or other stakeholders, and may include litigation, arbitration, mediation, administrative penalties, license suspensions or revocations, or orders to take remedial measures, any of which could result in fines, damages, injunctions, reputational harm, operational constraints or increased compliance costs. As of the Latest Practicable Date, we

had pending legal proceedings against one major customer that failed to settle its payment of outstanding rent and property management fees. See "Financial Information—Discussion of Certain Selected Items from the Combined Statements of Financial Position—Trade Receivables" for details. However, there can be no assurance that we will be successful in such legal proceedings or that we will be able to recover the outstanding amounts in full, or at all. Any failure to recover such amounts, or any delay in enforcement, may adversely affect our financial condition and results of operations.

Defending, settling or otherwise resolving legal or regulatory proceedings can be costly and time consuming, and outcomes are inherently uncertain; adverse determinations or settlements, or the mere existence of significant proceedings, could result in monetary liabilities, operational restrictions, increased insurance costs, higher compliance expenditures, reputational damage, or the loss, suspension or non-renewal of licenses and permits, any of which could materially and adversely affect our business, financial condition, results of operations and prospects.

**Our success depends on the continued effective execution of our business strategy and management of our growth, and our inability to do so may affect our financial condition and results of operations.**

Our strategy requires allocating capital in a disciplined manner across our business operations to improve operating efficiency, and expanding in priority markets in Hong Kong and Macao while maintaining service quality and safety standards. Effective execution depends on many interdependent factors within and outside our control. Additionally, in developing our business strategy, we make certain assumptions including, but not limited to, those related to competition landscape and the economy in Hong Kong and Macao and actual market, economic and other conditions may be different from our assumptions. If we fail to successfully implement our business strategy and effectively respond to changes in market dynamics, our future financial results will suffer. We may incur higher operating expenses as our business strategy evolves.

**If our IT capabilities and infrastructure fail to keep up with our growing business needs, industry trends or technological developments, our business, results of operations and financial condition may be materially and adversely affected.**

Our operations depend on the uninterrupted functioning of key technology systems, including property management, payment and reservation platforms, data networks, and back-office applications for reservations and ticketing, property and facility management, point-of-sale and payments, digital channels, and data and analytics. Disruptions from hardware or software failures, vendor outages, power or network interruptions, cybersecurity incidents, or unsuccessful upgrades can impair core processes such as bookings, payments, and customer service, resulting in lost revenue and reputational harm. We face sophisticated cyber threats in Hong Kong, Macao and Chinese Mainland, as well as complex and evolving data, cybersecurity and privacy regulations which may require costly compliance measures and complicate system architecture. Any significant outage, degraded performance, or data incident could trigger cancelations and incur remediation costs, which could materially harm our business, financial condition and reputation.

If our platforms do not scale with demand, keep pace with innovation or integrate well with partners, we may be unable to deliver consistent service, leading to lost revenue, lower customer satisfaction and higher costs. Delays in upgrading legacy systems, integrating new applications or migrating to modern architectures can create bottlenecks, reduce resilience and increase operational and cyber risk. Evolving regulations in Hong Kong, Macao and Chinese Mainland, particularly around data governance, cybersecurity and cross-boundary transfers, add complexity and may require costly reconfiguration, localisation or downtime. External constraints, including export controls and sanctions affecting hardware and software supply chains, can lengthen lead times, raise costs and force vendor transitions. Execution

also depends on specialized talent and disciplined project management; shortfalls can drive delays, overruns and instability during change. Any failure to modernize on time and at scale could impair bookings, ticketing and payments, increase incident risk and remediation costs, and result in cancelations and refunds, with material adverse effects on our business, financial condition and results of operations.

**We face risks associated with the misconduct of our employees, business partners and their employees and other related personnel.**

We rely on our employees to maintain and operate our business and have implemented an internal code of conduct to guide the actions of our employees. However, we do not have control over the actions of our employees, our business partners and their employees, and any misbehavior of our employees could materially and adversely affect our reputation and business. Despite the security measures we have implemented, we may be vulnerable to misconduct committed by our employees, our business partners and their employees and other related personnel. If an actual or perceived misconduct occurs, the market perception of the effectiveness of our services could be harmed, we may lose current and potential customers, and we may be exposed to legal claims and related costs, which in turn could adversely affect our business, reputation and results of operations.

**We may be adversely affected by any negative publicity concerning us, our business, shareholders, affiliates, Directors and senior management, other employees, business partners, other third parties as well as the industry in which we operate, regardless of accuracy, that could harm our reputation and business.**

Our ability to attract and retain customers depends on how people view our services, integrity and business practices. Negative perceptions or publicity concerning us, our stakeholders or our industry, even if arising from isolated events, can erode trust with existing and potential customers. As a result, demand for our offerings may decline, regulatory scrutiny may increase and our business may be materially and adversely affected. In Hong Kong, Macao and Chinese Mainland, social media and other online channels, such as instant-messaging apps and social networks, spread information quickly to large audiences. Negative publicity may include alleged misconduct by our Directors and senior management, employees, franchisees or business partners; false or malicious statements or rumors; customer complaints; data security breaches; employment-related claims and other claims. Information on social media and other online channels can spread almost immediately, often without giving us a chance to correct inaccuracies. Incorrect or misleading content can reach many people at any time. These risks cannot be fully eliminated and may materially harm our reputation, business, financial condition and results of operations.

In addition, our brand and business may also be adversely affected by aggressive marketing or communications by competitors or other third parties. We may face government or regulatory inquiries or third-party claims, which may require significant management attention and incur substantial costs. We may not be able to rebut allegations promptly, or at all. Anonymous online accusations may be posted without verification, and platforms may provide little time for us to reply. As a result, our reputation may be materially and adversely affected, and our ability to attract and retain customers, maintain market share and protect our financial condition may suffer.

**We may be liable for intellectual property infringement relating to intellectual properties of third parties, which may materially and adversely affect our business, financial condition and prospects.**

We cannot assure that other aspects of our operations do not or will not infringe upon or violate intellectual property rights, including but not limited to trademarks, patents, copyrights, know-how, or other rights owned or held by third parties. Any intellectual

property rights infringement claim could result in costly remedial measures and may adversely affect our business and financial condition. Liabilities for intellectual property infringement, or allegations of such infringement, may impose a burden on our management, cause penalties, lead to unfavorable media coverage and damage to our reputation, or even cause authorities to impose sanctions on us, including, in serious cases, suspending our operation, which may materially and adversely affect our business, financial condition and prospects.

**If we are unable to conduct sales and marketing activities cost-effectively, our business, financial condition and results of operations may be materially and adversely affected.**

We rely on our sales and marketing efforts to enlarge our customer base and drive the spending of our customers. Effective sales and marketing activities are crucial to the expansion and success of our business. In 2023, 2024, 2025 and for the four months ended April 30, 2025 and 2026, our selling and distribution costs amounted to HKD64.1 million, HKD67.9 million, HKD67.9 million, HKD21.2 million and HKD21.2 million. Our sales and marketing activities may not be well received by the market and may not result in the levels of sales that we anticipate. We also may not be able to retain or recruit enough experienced sales and marketing personnel, or to train newly hired sales and marketing personnel, which we believe is critical to implementing our sales and marketing strategies cost-effectively. Furthermore, sales and marketing approaches and tools in the hospitality industry of Chinese Mainland are evolving rapidly. This requires us to continually enhance the effectiveness and efficiency of our sales and marketing activities and experiment with new methods to keep pace with industry developments and customer preferences. Failure to engage in sales and marketing activities in a cost-effective manner may reduce our market share, cause our sales to decline, negatively impact our profitability, and materially harm our business, financial condition and results of operations.

**Increasing focus on environmental, social and governance matters may impose additional costs on us or expose us to additional risks.**

Our business is exposed to environmental and other ESG-related risks. In 2023, 2024 and 2025, our diesel fuel consumption amounted to 44,728,599.4 liters, 47,915,472.0 liters and 45,956,145.0 liters, respectively. During the same periods, our gasoline consumption amounted to 182,543.6 liters, 292,300.0 liters and 291,109.6 liters, respectively. The governments and public advocacy groups in Hong Kong, Macao and Chinese Mainland have been increasingly focused on ESG issues in recent years, making our business more sensitive to ESG issues and changes in governmental policies and laws and regulations associated with environment protection and other ESG-related matters. Investor advocacy groups, certain institutional investors, investment funds, and other influential investors are also increasingly focused on ESG practices and in recent years have placed increasing importance on the implications and social cost of their investments. Regardless of the industry, increased focus from investors and the Hong Kong, Macao and Chinese Mainland governments on ESG and similar matters may hinder access to capital, as investors may decide to reallocate capital or to not commit capital as a result of their assessment of a company's ESG practices. Any ESG concern or issue could increase our regulatory compliance costs. If we do not adapt to or comply with the evolving expectations and standards on ESG matters from investors and the Hong Kong, Macao and Chinese Mainland governments or are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, we may suffer from reputational damage and the business, financial condition. For more information about our ESG policies and practices, please see "Business—Environmental, Social and Corporate Governance."

**We are subject to risks relating to payment service providers.**

We accept payments via major online payment channels in Hong Kong, Macao and Chinese Mainland, as well as bank transfers and credit cards. This exposes us to risks such as fraud, data leakage, and other illegal activities. Our reliance on payment service providers means that any decline in their service quality or changes in usage patterns could harm our appeal. We are subject to various electronic funds transfer regulations, and failure to comply may result in fines, higher fees, or inability to accept online payments, adversely affecting our business and financial condition. Payment service providers also face risks including customer dissatisfaction, competition, regulatory changes, data breaches, service outages, increased costs, and fund mismanagement, which could impact their ability to process payments for us.

**Our financial performance may fluctuate notwithstanding our historical profitability.**

Although we recorded profits throughout the Track Record Period, our financial performance has fluctuated year-on-year. In particular, our profit for the year decreased from HKD479.3 million in 2023 to HKD194.1 million in 2024, and then decreased to HKD117.5 million in 2025, and our profit for the period increased from HKD1.7 million for the four months ended April 30, 2025 to HKD23.1 million for the same period in 2026. Our gross profit margin also decreased from 36.8% in 2023 to 33.4% in 2024 and 28.4% in 2025, and it decreased from 31.6% for the four months ended April 30, 2025 to 23.2% for the same period in 2026.

Our historical performance may not be indicative of our future performance. The sustainability of our profitability depends on a number of factors, many of which are beyond our control, including evolving consumer preferences and demand, competition, regulatory evolvement and changes in economic condition. There is no assurance that our historical levels of profitability or margins will be sustained. Any material deterioration in our financial performance could adversely affect our financial condition and the market price of our Shares.

**We are exposed to credit risks related to delays in payment or defaults by customers, which could adversely affect our liquidity and financial condition.**

We are subject to credit risk arising from payment delays and defaults by our customers or related parties. As of December 31, 2023, 2024 and 2025 and April 30, 2026, our trade receivables amounted to HKD105.1 million, HKD102.6 million, HKD129.7 million and HKD94.6 million, respectively. As of December 31, 2023, 2024 and 2025 and April 30, 2026, the loss allowance for trade receivables amounted to HKD2.4 million, HKD1.9 million, HKD7.2 million and HKD7.4 million, respectively. In 2023, 2024 and 2025 and the four months ended April 30, 2026, our trade receivables turnover days were 12 days, 17 days, 19 days and 19 days, respectively. See "Financial Information—Discussion of Certain Selected Items From the Combined Statements of Financial Position—Trade Receivables" and Note 39 to the Accountants' Report set out in Appendix I for details.

We may be unable to collect all of these trade receivables due to factors beyond our control, such as deterioration in the financial condition, liquidity or operating performance of our customers, adverse economic conditions, or delays in payment by their customers. If our customers delay or default on payments owed to us, we may experience delays in cash collection, incur additional costs in pursuing collection efforts, make additional impairment provisions or write off the relevant receivables, which could adversely affect on our liquidity and financial condition.

**We may be subject to inventory obsolescence risk.**

Our inventories primarily consist of food and beverages, fuel, spare parts and consumables, and general merchandise. As of December 31, 2023, 2024 and 2025 and April 30, 2026, our inventories amounted to HKD133.5 million, HKD129.6 million, HKD118.8 million and HKD122.3 million, respectively. In 2023, 2024 and 2025 and the four months ended April 30, 2026, our inventory turnover days were 36 days, 32 days, 29 days and 26 days, respectively.

Our inventory risk arises from fluctuations in passenger traffic and hotel occupancy rates, changes in fleet maintenance requirements, technological developments, and regulatory or safety requirements, which may affect the demand for, utilization of, or recoverability of our fuel, spare parts, consumables and food and beverage inventories. If we are unable to accurately estimate our inventory requirements, we may incur excess inventory holding costs or be required to make inventory write-downs or write-offs. Any significant inventory obsolescence, impairment, write-downs or write-offs could materially and adversely affect our business, results of operations and financial condition.

**We recorded net current liabilities during the Track Record Period, which may affect our liquidity.**

We recorded net current liabilities of HKD2,174.2 million, HKD1,776.8 million, HKD4,411.6 million and HKD4,292.0 million, respectively, as of December 31, 2023, 2024, 2025 and April 30, 2026. Such position may expose us to liquidity risks and constrain our ability to meet our short-term obligations as they fall due, particularly under adverse business or market conditions. Our ability to manage our liquidity depends on our operating cash flows, access to external financing and effective working capital management. There can be no assurance that we will be able to generate sufficient cash flows or obtain funding on acceptable terms, or at all, to meet our short-term needs. If we are unable to improve our working capital position, we may need to seek additional financing or adjust our operations, which may not be available on favorable terms or in a timely manner. Any deterioration in our liquidity position could have a material adverse effect on our business, financial condition and results of operations.

**We may suffer impairment losses for our goodwill.**

We have recognized a substantial amount of goodwill on our combined statements of financial position as a result of past acquisitions. As of April 30, 2026, our goodwill amounted to HKD1,292.9 million, which has been allocated primarily to our travel documents and related operations and passenger transportation business cash-generating units (the "**CGU**").

For travel document and related services CGU, we perform a sensitivity analysis based on the reasonably possible changes in assumptions underlying the revenue growth rate or the pre-tax discount rate. Had the estimated key assumptions been changed, the headroom would be changed. If the revenue growth rate during the projection period used in the calculation for the CGU had been 0.5% lower than management's estimates as of December 31, 2023, 2024 and 2025, the headroom as defined below would be decreased to HKD225.9 million, HKD47.1 million and HKD51.8 million, respectively. If the pre-tax discount rate used in the calculation for the CGU had been 1.0% higher than management's estimates as of December 31, 2023, 2024 and 2025, the headroom would be decreased to HKD143.3 million, HKD44.0 million and HKD0.3 million, respectively.

The recoverable amount of the passenger transportation operations CGU was determined based on fair value less cost of disposal calculation using replacement cost and market comparison approach performed by an independent external valuer. Key assumptions used in the replacement cost approach included replacement cost new ("**RCN**"), capitalization rate and functional and economic obsolescence. If the RCN used in the calculation for the CGU had been 5% lower than management's estimates as of December 31, 2023, 2024 and 2025, the headroom would be decreased to HKD209.3 million, HKD160.8 million and HKD175.4 million, respectively. If the capitalization rate used in the calculation for the CGU had been 1.0% higher than management's estimates as of December 31, 2023, 2024 and 2025, the headroom would be decreased to HKD151.5 million, HKD118.6 million and HKD132.5 million, respectively.

We assess goodwill for impairment on an annual basis. This requires estimating the recoverable amount of the CGU to which goodwill is allocated. Impairment assessments involve significant management judgment, including assumptions regarding future cash flows, discount rates and long-term growth prospects. The carrying amount of goodwill depends on a number of assumptions made by the management. If any of these assumptions do not materialize, or if the performance of our business is not consistent with such assumptions, we may be required to record a significant impairment loss, which could adversely affect our results of operations. Adverse changes in market conditions, regulatory environment, travel demand or competitive dynamics could result in impairment losses, which would be recognized in profit or loss and could materially and adversely affect our financial results.

## RISKS RELATING TO DOING BUSINESS IN THE REGIONS WHERE WE OPERATE

**Adverse changes in economic and political policies could have a material adverse effect on the overall economic growth of the regions where we operate, which could adversely affect our business.**

We operate primarily in Hong Kong and Macao, with selected Chinese Mainland entities supporting cross-boundary transportation and other Chinese Mainland-related activities. Our performance is closely tied to cross-boundary travel and lodging demand across the Greater Bay Area and is sensitive to Chinese Mainland macro conditions and policy settings. A sustained slowdown in Hong Kong, Macao and Chinese Mainland or changes to visa, group-tour, public-health or other mobility policies could lower arrivals and pressure occupancy, average daily rates, and ancillary revenues.

Our cross-boundary transport activities, through group-related transportation business with Hong Kong, Macao and Chinese Mainland entities, depend on stable regional policy, licensing and arrangements. Adverse macro or policy developments in Chinese Mainland, including changes to route permits, fare controls, or safety/operational standards, could reduce passenger volumes and associated ticketing revenues.

Our hotel business has scaled since the post-pandemic recovery, but demand is driven in part by travelers from Chinese Mainland, the events calendar, and policies relating to travel among Chinese Mainland and Hong Kong and Macao travel. Weaker Chinese Mainland consumer sentiment, anti-corruption or spending curbs, or tighter visa and travel permit quotas and tour approvals could reduce cross-boundary traffic and compress our revenue.

**Inflation may disrupt our business and have an adverse effect on our financial condition and results of operations.**

Our hotels are labor-intensive and incur significant energy and maintenance expenses. Our transportation operations and travel-document administration service centers also rely heavily on personnel, rental facilities, and technology infrastructure. Rising wages, utilities, and upkeep costs in Hong Kong, Macao and Chinese Mainland increase our operating cost base and can pressure margins, particularly where price increases cannot fully offset rising input costs. Increases in statutory wages, utility tariffs, insurance, and contractor rates would further raise fixed and semi-variable costs.

For our passenger transportation operations, any increases in fuel, vehicle and fleet maintenance and other costs could compress margins if fare adjustments lag inflation or are constrained by market conditions or policy.

We rely on a flexible room-rate strategy to sustain high occupancy; however, inflation that outpaces achievable rate increases, especially during off-peak periods, could erode profitability. Competitive dynamics and rate-parity obligations with online travel agencies may limit our ability to pass through higher costs.

**Uncertainties with respect to the legal systems where we operate could limit the legal protections available to us and our investors and have a material adverse effect on our business and results of operations.**

Our operations span Hong Kong, Macao and Chinese Mainland, and are subject to multiple regulatory regimes and licensing authorities, including tax, licensing, fire safety, building and construction, electrical and other departments. Changes in regulations, interpretations, approval processes, or enforcement priorities could increase compliance costs or delay approvals necessary for ongoing operations. Differences in administrative practice and discretion across regions may also make outcomes less predictable.

For activities connected to Chinese Mainland, evolving regulatory requirements and administrative processes may affect business planning, timelines and counterparties, which could in practice influence the timing and resolution of disputes. In addition, variations in documentation, notarisation or approval requirements may extend project and contracting cycles. The legal system of Chinese Mainland is a civil law system based primarily on written statutes. Unlike common law systems, prior court decisions may be referred to for guidance but do not constitute binding precedent. As the legal system of Chinese Mainland continues to develop, the interpretation and application of applicable laws, regulations and rules may vary across different authorities and regions. As a result, there may be differences in regulatory practices and enforcement approaches, which could affect the timing and outcome of certain matters.

**We may experience difficulties in effecting service of process, enforcing foreign judgments, or bringing original actions in Chinese Mainland.**

Certain of our subsidiaries and operations are located in Chinese Mainland, and any need to pursue or defend claims involving those entities may require proceedings in Chinese Mainland courts or administrative bodies. Conducting proceedings in the Chinese Mainland can entail different procedural requirements and timelines than in Hong Kong, which may increase the time and cost of enforcement and could affect outcomes.

Where judgments or orders obtained outside Chinese Mainland need to be recognized or enforced against Chinese Mainland-based assets or entities, recognition and enforcement would depend on local procedures and requirements, which could be uncertain and time-consuming, potentially limiting effective remedies. Practical challenges in service of process and evidence collection may further delay resolution.

## RISKS RELATING TO THE SPIN-OFF AND OUR SHARES

**The shareholding of our Shareholders may be diluted as a result of future equity fundraising.**

After the Spin-off and Listing, we may require additional equity financing to fund expansion, capital expenditure, technology upgrades, fleet renewal, hotel refurbishments or other strategic initiatives. If additional funds are raised through the issuance of new equity or equity-linked securities other than on a pro rata basis to our then Shareholders, the percentage ownership of individual Shareholders will be reduced. Such new securities may also have preferential rights or options that favor their holders over holders of our Shares, to the extent permitted by law, exchange rules and our constitutional documents.

**There is no existing public market for our Shares and their liquidity and market price may fluctuate.**

There is currently no public market for our Shares. Prior to the Spin-off and Listing, no established trading price existed. Although we have applied for the listing of, and permission to deal in, our Shares on the Stock Exchange, there is no assurance that an active or sufficiently liquid market for our Shares will develop or, if it develops, that it will be sustained after Listing. If an active market does not form, or if trading liquidity is limited, investors may be unable to sell their Shares at the time or price they wish.

The business and performance and the market price of the shares of other companies engaging in similar business may also affect the price and trading volume of our Shares. In addition to market and industry factors, the price and trading volume of our Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, relationships with our business partners, movements or activities of key personnel, actions taken by competitors or regulatory developments. Hong Kong's securities market has also experienced periods of substantial price and volume volatility that may be unrelated, or disproportionate, to the operating performance of individual issuers. Such market movements could affect the trading price of our Shares, and investors may experience volatility or a decline in the value of their investment regardless of our operating performance or prospects.

Future sales or perceived sales of a substantial number of our Shares in public markets could adversely affect the prevailing market price of our Shares and our ability to raise capital in the future.

The market price of our Shares may decline if a substantial number of Shares are sold, or if the market perceives that such sales may occur. Following the Spin-off and Listing, our Shareholders may decide to dispose of their holdings, including upon expiry of any applicable lock-up or disposal restrictions. Future equity offerings by us, or sales of Shares by existing Shareholders, could also increase the supply of Shares available in the market.

In addition, any indication that we or our major Shareholders intend to sell Shares, or that additional Shares or equity-linked securities may be issued, could adversely affect investor sentiment and the prevailing market price of our Shares. If the market price of our Shares weakens, our ability to raise capital through future equity issuances may be impaired, or such financing may only be available on terms less favorable to us. Any future issuance of Shares may also dilute the ownership interests of existing Shareholders.

**There can be no assurance that we will pay dividends.**

There is no assurance as to whether, when, or in what form dividends may be paid on our Shares after Listing. Any declaration of dividends is subject to the discretion of our Board and will depend on a number of factors, including our results of operations, financial position, cash flow, capital requirements, regulatory considerations, future business plans and prevailing market conditions. Even if our financial statements reflect profitability, we may not have sufficient distributable reserves or cash resources to declare or pay dividends. Our ability to pay dividends may also be affected by the performance of our subsidiaries, the level of dividends they are able to distribute to us, and any contractual, statutory or regulatory restrictions applicable to them. As a result, there can be no assurance that our Shareholders will receive any dividends in the future.

**Our Controlling Shareholders may have substantial control over our Company and their interests may not be aligned with the interests of other Shareholders.**

Immediately following the Spin-off and Listing, our Controlling Shareholders will continue to hold a controlling interest in our Company. As a result, they will be able to exercise significant influence over our affairs, including decisions relating to our management, business strategy, major transactions, mergers and acquisitions, expansion plans, the appointment and removal of Directors, and other material corporate actions that require Shareholders' approval. This concentration of ownership may discourage, delay or prevent a change in control that other Shareholders may view as beneficial, including transactions that could result in a premium being paid for our Shares.

The interests of our Controlling Shareholders may differ from, or conflict with, the interests of our other Shareholders. They may make decisions, or prevent us from taking actions, that serve their own interests but are not aligned with the interests of minority Shareholders. In addition, any existing or future arrangements between our Controlling Shareholders and our Group may give rise to potential conflicts of interest.

Although we believe we will retain financial, operational and management independence following the Spin-off, there is no assurance that our Controlling Shareholders will not seek to influence our Company in ways that could adversely affect our other Shareholders. Any such influence may materially and adversely affect our corporate governance, strategic flexibility, and the interests of our minority Shareholders.

**It may be difficult to enforce a Hong Kong judgment against us, our Directors and senior management based on Hong Kong securities laws claims or to serve process on our Directors and senior management.**

We are incorporated in the Cayman Islands and conduct our operations through subsidiaries in Hong Kong, Macao and Chinese Mainland. Some of our Directors and senior management reside outside Hong Kong, and some of our assets are located outside Hong Kong. As a result, it may be difficult for investors to effect service of process upon us or our Directors and senior management within Hong Kong, or to enforce against us or them a judgment obtained in Hong Kong courts, including judgments predicated on civil liability provisions of Hong Kong securities laws.

Although certain jurisdictions recognize and enforce foreign civil judgments subject to local procedures and conditions, there is no assurance that courts in the Cayman Islands, Macao, Chinese Mainland or any other jurisdiction where we or our Directors and senior management reside or hold assets will recognize or enforce a Hong Kong judgment. Local courts may refuse enforcement based on public policy grounds, differences in legal standards, lack of reciprocity or procedural requirements. Similarly, there is no assurance that a judgment obtained in a foreign court against us or our Directors and senior management will be recognized or enforced by Hong Kong courts.

In addition, service of process outside Hong Kong may require compliance with foreign judicial assistance procedures, which may be time-consuming or uncertain in outcome. These limitations may make it more difficult or costly for investors to pursue claims against us or our Directors and senior management and may limit the remedies available to Shareholders under Hong Kong laws.

**We cannot guarantee the accuracy of facts, forecasts and other statistics obtained from official government publications contained in this listing document.**

This listing document includes certain facts, forecasts and statistical data relating to the industries in which we operate that are derived from official government publications. While we believe these materials have been accurately extracted and we have no reason to believe that such information is false or misleading, we cannot guarantee the reliability of the underlying source materials. These materials have not been prepared or independently verified by us, Sole Sponsor or any of their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such statistics.

Official statistics may differ from market practice, use different measurement standards, or rely on collection methods that may be incomplete or subject to delay. As a result, such data may be inaccurate, may not be comparable across jurisdictions, or may not reflect current market conditions. Investors should consider carefully how much weight to place on such information when evaluating an investment in our Shares.

**The entire listing document should be read carefully and any information contained in press articles, media and/or research reports regarding our Company, our business, our industry or the Spin-off not contained in this listing document should not be relied upon.**

There may be press, media or research reports that discuss our Company, our business, our industry or the Spin-off. Such materials may contain financial information, projections, valuations, commentary or forward-looking statements. Any such information has not been prepared, sourced or authorized by us, and we make no representation as to the accuracy, completeness or reliability of any information contained in these publications. To the extent that press articles, media coverage or third-party research contain information that is inconsistent with, or conflicts with, the information in this listing document, we disclaim such information. You should not rely on any information, analysis or commentary contained in external publications when making an investment decision about our Shares. Accordingly, you should rely solely on the information contained in this listing document and should read the entire document carefully before making any investment decision.

## DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS LISTING DOCUMENT

This listing document, for which our Directors (including any proposed director who is named as such in this listing document) collectively and individually accept full responsibility, includes particulars given in compliance with the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this listing document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this listing document misleading.

## RESTRICTIONS ON THE USE OF THIS LISTING DOCUMENT

This listing document is published solely in connection with providing information on the Introduction. Unless expressly authorized, it may not be used for any other purpose and, in particular, no person is authorized to use or reproduce this listing document or any part thereof in connection with any offering of Shares or other securities of our Company. Accordingly, there is no, and will not be any, offer of or solicitation, or an invitation by or on behalf of our Company and/or the Sole Sponsor to subscribe for or purchase, any of the Shares or other securities of our Company. Neither this listing document nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Introduction may be used for the purpose of, and the delivery, distribution and availability of this listing document or such other document or information (or any part thereof) does not constitute, any offer of or solicitation or an invitation by or on behalf of our Company and/or the Sole Sponsor, to subscribe for or purchase any of the Shares or other securities of our Company.

## NO CHANGE IN THE NATURE OF OUR BUSINESS

No change in the nature of our business is contemplated immediately following the Introduction.

## INFORMATION AND REPRESENTATIONS

Our Company has not authorized anyone to provide any information or to make any representation not contained in this listing document. You should not rely on any information or representation not contained in this listing document as having been authorized by our Group, the Sole Sponsor, or any of our or its respective directors, officers or representatives or any other person involved in the Listing. The delivery of this listing document should not, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this listing document or imply that the information contained in this listing document is correct as at any date subsequent to the date of this listing document.

## APPLICATION FOR LISTING OF THE SHARES ON THE HONG KONG STOCK EXCHANGE

We have applied to the Stock Exchange for the listing of, and permission to deal in, our Shares by way of introduction as mentioned in this listing document. Please see the section headed "Share Capital" in this listing document for more details. No part of our Shares is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

The Introduction does not involve a public offering of Shares or any other securities of our Company for purchase or subscription and no money will be raised in conjunction with the Introduction.

## CONDITIONS OF THE INTRODUCTION

The Introduction is conditional on the Stock Exchange granting the listing of, and permission to deal in, the Shares on the Main Board of the Stock Exchange and such approval not having been revoked prior to the Introduction. If such conditions are not satisfied, the Introduction will not take place, in which case an announcement to that effect will be made.

## SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on the Hong Kong Stock Exchange and compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Hong Kong Stock Exchange or on any other date as determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS. Investors should seek the advice of their stockbrokers or other professional advisors for details of the settlement arrangements as such arrangements may affect their rights and interests.

## SHARE REGISTER AND STAMP DUTY

Our principal register of holders will be maintained by our principal registrar, Vistra (Cayman) Limited, in the Cayman Islands. Our Hong Kong register of holders will be maintained by the ASR, Tricor Investor Services Limited, in Hong Kong.

Dealings in the Shares registered on the register of holders of our Company in Hong Kong will be subject to Hong Kong stamp duty.

Unless determined otherwise by our Company, dividends payable in respect of our Shares will be paid to the Shareholders listed on the register of holders of our Company in Hong Kong, by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder of our Company.

## PROFESSIONAL TAX ADVICE RECOMMENDED

You should consult your professional advisors if you are in any doubt as to the taxation implications of receiving, purchasing, holding, disposing of and dealing in our Shares. It is emphasized that none of our Company, the Sole Sponsor, any member of our Group or the respective directors, officers or representatives of our Company, the Sole Sponsor and members of our Group or any other person involved in the Listing accepts responsibility for any tax effects or liabilities resulting from the receipt of, purchase, holding or disposing of, or dealing in, our Shares or your exercise of any rights attaching to our Shares.

## EXCHANGE RATE CONVERSION

Solely for your convenience, this listing document contains translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars.

Unless indicated otherwise, (i) the translations between Renminbi and U.S. dollars were made at the rate of RMB6.72 to US$1.00, and (ii) the translations between Hong Kong dollars and Renminbi were made at the rate of RMB0.85628 to HKD1.00.

No representation is made that the amounts denominated in one currency could actually be converted into the amounts denominated in another currency at the rates indicated or at all.

## COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in our Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Thursday, November 26, 2026, provided that the Distribution becomes unconditional. If the Distribution does not become unconditional, dealings in our Shares on the Stock Exchange will not commence on Thursday, November 26, 2026. Our Shares will be traded in board lots of 500 Shares each. The stock code of our Shares is 1821.

## CREDIT OF THE SHARES

As our Shares are participating securities to be distributed to Qualifying China Travel HK Shareholders in uncertificated form on Wednesday, November 25, 2026:

- If you are a Qualifying China Travel HK Shareholder holding China Travel HK Shares through HKSCC Nominees Limited, the 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 China Travel HK Shareholder holding China Travel HK Shares in your name, the 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 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 Shares, you will become a provisional system-member to receive the Shares but will not be able to transfer title to the Shares via the ASR's UNSRT system.

- We will not issue any document of title in respect of the Shares to the Qualifying China Travel HK Shareholders.

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

## ODD LOT ARRANGEMENTS

Our Shares will be traded in board lots of 500 Shares each. As a result of the Distribution, Qualifying China Travel HK Shareholders may receive our Shares in odd lots. In order to facilitate the trading of odd lots (if any) in our Shares, our Company has appointed Phillip Securities (Hong Kong) Limited ("**Phillip**") to provide matching service, on a best efforts basis, to our Shareholders to facilitate the acquisition or disposal of odd lots of our Shares to make up a full board lot of our Shares, during the period from Thursday, November 26, 2026 to Thursday, December 24, 2026 (the "**Facilitation Period**"). 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 our Shares by Phillip during the Facilitation Period. Shareholders who are in doubt about this service are recommended to consult their professional advisers.

## LANGUAGE

If there is any inconsistency between the English version of this listing document and its Chinese translation, the English version of this listing document shall prevail unless otherwise stated. For ease of reference, the names of the Chinese laws and regulations, government authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this listing document in both the Chinese and English languages. In the event of any inconsistency, the Chinese name shall prevail.

## ROUNDING

Certain amounts and percentage figures included in this listing document have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed in any table, chart or elsewhere in this listing document are due to rounding.

## IMPORTANT INFORMATION ABOUT OUR COMPANY UNDER USM REGIME

Our Shares are participating securities and will be distributed in uncertificated form and no physical share certificate(s) will be issued and dispatched.

Pursuant to Rule 28(3) of the USM Rules, where our Company issues any subscription warrants or rights under a rights issue with regard to our 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 Shares or perform actions including a transfer of holdings or the submission of certain corporate action instructions.

Holders can refer to our website at **www.ctghkm.com** for further information on USM matters. Holders are suggested to visit our ASR's website at **https://eshareholder.hk/** for information on how to set up an USI facility and for contact points for handling any enquiries.

## HOW TO SET UP AN USI FACILITY

1. Visit the ASR's USI registration webpage at **https://eshareholder.hk/** and click on "Create USI Profile" or "Register as a New User".

2. Enter your personal details, including your full legal name and Hong Kong Identity Card number (or passport number for overseas shareholders).

3. Choose a secure login password and set up two-factor authentication (2FA) for added security.

4. Verify your identity: you may be required to upload a copy of your identity document and proof of address (e.g., a utility bill dated within the last 3 months).

5. Submit your application. The ASR will review and activate your USI Profile. You will receive a confirmation via email or post once your profile is activated.

6. Log in to your USI Profile to confirm that your share balance is correctly reflected. If there are any discrepancies, contact the ASR immediately.

7. It takes 5 business days to process the setup of USI facility.

## DOCUMENT AND INFORMATION NEEDED

| Document/Information | Details |
|---|---|
| **Government-issued ID** | Hong Kong Identity Card; or passport (for overseas shareholders) |
| **Proof of Address** | Utility bill, bank statement or official letter dated within 3 months of registration |
| **Share Certificate Details** | Certificate number(s) and number of shares per certificate (found on your physical certificate) |

| Document/Information | Details |
|---|---|
| **Email Address** | A valid email address to receive confirmation and future communications |
| **Contact Number** | Mobile number for two-factor authentication (2FA) |

*Note:* If you are registering on behalf of a corporation or a trust, additional documentation may be required. Please contact the ASR directly for guidance.

**Contact detail of Approved Securities Registrar (ASR)**

**Tricor Investor Services Limited**
Address: 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Telephone: (852) 2980 1333
Email: is-enquiries@vistra.com
USI Registration Page: https://eshareholder.hk/

In preparation for the Spin-off and the Listing, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

## WAIVER IN RELATION TO CONTINUING CONNECTED TRANSACTIONS

We have entered into, and expect to continue after the Listing, certain transactions which will constitute continuing connected transactions under Chapter 14A of the Listing Rules upon Listing. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the announcement requirement and, if applicable, circular and independent shareholders' approval requirement under Rule 14A.105 of the Listing Rules in relation to partially-exempt or non-exempt continuing connected transactions between us and our connected persons. For further details of such continuing connected transactions and the waiver, please refer to the section headed "Continuing Connected Transactions" in this listing document.

## WAIVER IN RELATION TO POST-TRACK RECORD PERIOD ACQUISITION

Pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules, the Accountants' Report to be included in a listing document must include the income statements and balance sheets of any subsidiary or business acquired, agreed to be acquired or proposed to be acquired since the date to which its latest audited accounts have been made up in respect of each of the three financial years immediately preceding the issue of the listing document.

Pursuant to Note 4 to Rule 4.04 of the Listing Rules, the Stock Exchange may consider granting a waiver of the requirements under Rules 4.04(2) and 4.04(4) on a case-by-case basis and having regard to all relevant facts and circumstances and subject to certain conditions set out thereunder.

To enable our Group to develop local Hong Kong heritage, enrich our maritime sightseeing and cultural tourism offerings and enhance cross-selling opportunities with our existing transportation, hotel and travel services businesses, on April 24, 2026, Shun Tak-China Travel Ship Management Limited, a non-wholly-owned subsidiary of our Company, entered into a transfer agreement with Dukling Limited (the "**Transferor**"), a limited company incorporated in Hong Kong principally engaged in providing cruises in Hong Kong (including regular Victoria Harbour sightseeing cruises covering Tsim Sha Tsui, Central and Causeway Bay and customised charter cruise services), advertising sails, vessel chartering services for leisure and commercial uses, sightseeing and ancillary businesses including sale of souvenirs (the "**Target Business**"), in relation to the acquisition of the Target Business operated by the Transferor (including key assets comprising (i) the vessel named "DUK LING" used for operating the Target Business, and (ii) the business-related intellectual properties, digital accounts and records), at a consideration of HKD10.0 million (the "**Acquisition**"), which was satisfied by our Group's own source of funds in full. The consideration was determined with reference to the latest valuation, goodwill, market position, historical performance and growth prospects of the Target Business. The appraised value of the Target Business as of October 31, 2025 was approximately HKD14.9 million. The net profits attributable to the Target Business (equivalent to the net profits of the Transferor) for the years ended December 31, 2024 and 2025 are approximately HKD1.3 million (audited) and HKD3.8 million (unaudited), respectively. The Acquisition was completed in June 2026.

Our Directors believe that by leveraging the iconic vessel of the Target Business in maritime sightseeing, in addition to preserving the rich heritage of the vessel, the Acquisition will complement our businesses by broadening our portfolio of tourism products and supporting our "Tourism+" initiative, strengthening our image and market position as a leading travel services provider in Hong Kong. Accordingly, our Directors believe that the

Acquisition is fair and reasonable and in the interests of our Company and the Shareholders as a whole. To the best of the knowledge of our Directors, the Transferor and its ultimate beneficial owners are Independent Third Parties.

**Conditions for granting the waiver and its scope in respect of the Acquisition**

We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules in respect of the Acquisition on the following grounds:

***The percentage ratios of the Acquisition are less than 5% by reference to the most recent audited financial year of our Company's Track Record Period***

The relevant percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules for the Acquisition are all less than 5% by reference to the most recent audited financial year of the Track Record Period.

Accordingly, we do not expect the Acquisition to result in any significant changes to our financial position since December 31, 2025, and all information that is reasonably necessary for potential investors to make an informed assessment of our activities or financial position has been included in this listing document. As such, we consider that a waiver from compliance with the requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would not prejudice the interests of the investors.

***It would be unduly burdensome to obtain or prepare the historical financial information of the Target Business for inclusion in this listing document***

As (i) the Acquisition is a business acquisition involving a transfer of key assets used in the operation of the Target Business, (ii) the financial records of the Target Business remain the property of the Transferor, and (iii) we do not exercise control over the Transferor at the board or shareholders' level, we and our reporting accountants do not have full access to such supporting documents to the extent required for preparing the historical financial information of the Target Business for inclusion in the Accountants' Report in Appendix I to this listing document. Further, the Acquisition was only completed in June 2026 and it would require considerable time and resources for our Company and our reporting accountants to fully familiarize ourselves with the accounting system and management accounting policies applicable to the Target Business and compile the necessary financial information and supporting documents in conformity with our accounting policies and reporting standards for disclosure in this listing document. As such, and having considered the immateriality of the Acquisition, our Company believes that it would not be meaningful and would be impractical and unduly burdensome for our Company to disclose the full historical audited financial information of the Target Business as required under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules.

***Alternative disclosure of the Acquisition has been provided in this listing document***

We have disclosed alternative information about the Acquisition in this listing document. Such information includes those which would be required for a discloseable transaction under Chapter 14 of the Listing Rules that our Directors consider to be material, including, for example, descriptions of the nature of the transaction, business being acquired, the Target Business' principal business activities, the consideration and the basis of its determination, reasons for entering into the transaction and the relationship with the Transferor and its ultimate beneficial owner(s). We have, however, excluded disclosure of the name of the ultimate beneficial owners of the Transferor in connection with the Acquisition as we have not obtained their consent to such disclosure.

Since the relevant percentage ratios of the Acquisition are all less than 5% by reference to the most recent audited financial year of our Company's Track Record Period, we believe the current disclosure is adequate for potential investors to form an informed assessment of our Company.

## WAIVER IN RELATION TO SHARE ISSUE RESTRICTION

Rule 10.08 of the Listing Rules provides that no further shares or securities convertible into equity securities of a listed issuer may be issued or form the subject of any agreement to such an issue within six months from the date on which securities of the listed issuer first commence dealing on the Stock Exchange (the "**First Six-Month Period**") (whether or not such issue of shares or securities will be completed within six months from the commencement of dealing), except for certain exceptions as stated under Rule 10.08 of the Listing Rules.

Our Company has applied to the Stock Exchange for a waiver from strict compliance with the restrictions on the further issue of Shares (or convertible securities) within the First Six-Month Period under Rule 10.08 of the Listing Rules based on the reasons, *inter alia*, as follows:

(a) by pursuing the Spin-off and Listing, we expect to benefit from operating as a standalone listed group separated from the China Travel HK Group with our own fundraising platform to support our business plans and financial needs following our Listing, and hence, while our Company currently does not have any concrete plans to raise funds in the short term, taking into account that we are actively considering opportunities to expand our portfolio of tourism products and market share in line with the strategies set out in "Business—Our Strategies" through conducting acquisitions which may involve additional capital support, and we plan to continue actively capturing growth opportunities and pursuing acquisitions should suitable targets emerge after Listing (including within the First Six-Month Period), it is essential for us to have the flexibility to raise funds by issuing new Shares (or convertible securities) to the capital markets (including on the Stock Exchange), enter into further acquisitions or establish joint venture(s) using Share (or convertible securities) consideration should an appropriate opportunity arise. Further, any issue of new Shares (or convertible securities) by our Company will enhance the Shareholder base and increase the trading liquidity of the Shares, and the interests of the existing Shareholders, the Qualifying China Travel HK Shareholders and prospective investors would be prejudiced if our Company could not raise funds for its business development or expansion due to the restrictions under Rule 10.08 of the Listing Rules;

(b) the Spin-off and Listing are planned to be implemented by way of a distribution in specie to the Qualifying China Travel HK Shareholders only. As no offering will be made by our Company, the Listing would not result in any dilution of the interests of the Qualifying China Travel HK Shareholders; and

(c) the interests of the Shareholders are well protected since any further issue of the Shares (or convertible securities) by us would be subject to Rule 13.36 of the Listing Rules, where prior consent of shareholders in a general meeting should be obtained for allotting, issuing and granting of any shares or convertible securities, unless a general mandate has by ordinary resolution in a general meeting been given to the directors to, among other things, allot any shares or convertible securities not exceeding 20% of the number of issued shares as at the date of the resolution granting the general mandate.

Accordingly, the Stock Exchange has granted us a waiver from strict compliance with Rule 10.08 of the Listing Rules, on the following conditions:

(a) any further issue of new Shares or convertible securities or the entering into of an agreement in this regard will be (i) made under a general mandate or (ii) subject to the Shareholders' approval as required under Rule 13.36 of the Listing Rules with the total number of Shares or convertible securities that are issued or may be issued not exceeding 20% of the total number of Shares in issue as at the Listing Date. Upon completion of any issuance(s) within six months after Listing, our Controlling Shareholders would hold no less than 51.28% of the total issued share capital of our Company;

(b) the dilution of the Controlling Shareholders' interests resulting from any issue of new Shares or convertible securities or the entering into of an agreement in this regard will not result in the Controlling Shareholders ceasing to be controlling shareholders of our Company within 12 months after the Listing Date in compliance with Rule 10.07(1) of the Listing Rules; and

(c) any issue of new Shares or convertible securities by our Company or the entering into of an agreement in this regard within the First Six-Month Period must be for cash to fund the acquisition of assets, establishment of joint venture(s) or expansion of business that will contribute to the growth of our Group's operation or for full or partial settlement of the consideration for such acquisition.

## DIRECTORS

| Name | Address | Nationality |
|---|---|---|
| **Executive Directors** | | |
| Mr. TAO Xiaobin（陶曉斌） | Flat C, 32/F, Block 1<br>The Summa<br>23 Hing Hon Road<br>Hong Kong | Chinese |
| Mr. ZHANG Daorong<br>（張道榮） | Flat 603<br>CTS Court<br>363 Portland Street<br>Prince Edward, Kowloon<br>Hong Kong | Chinese |
| **Non-executive Directors** | | |
| Mr. HA Yufeng（哈玉峰） | Flat 17D<br>Lee Fung Building<br>315 Queen's Road Central<br>Sheung Wan<br>Hong Kong | Chinese |
| Mr. TUEN Chun Leung<br>（段振亮） | Unit 1204, Block B<br>Wah Hoi Mansion<br>254-280 Electric Road<br>North Point<br>Hong Kong | Chinese |
| **Independent Non-executive Directors** | | |
| Mr. FOK Kai Kong Kenneth,<br>BBS, JP（霍啟剛） | 33 Sassoon Road<br>Pokfulam<br>Hong Kong | Chinese |
| Ms. LU Qiannan（陸倩南） | Unit D, 65/F<br>Tower 2, Sorrento<br>1 Austin Road West<br>Tsim Sha Tsui<br>Kowloon<br>Hong Kong | Chinese |
| Ms. LIU Xinxin（劉欣欣） | 205, Lane 1500<br>Sizhuan South Road<br>Dongjing Town<br>Songjiang District<br>Shanghai<br>PRC | Chinese |
| Dr. LI Baolin（李寶林） | B2-2-302<br>West District, Guo'ao Village<br>Chaoyang District<br>Beijing<br>PRC | Chinese |

For further details on our Directors, see the section headed "Directors and Senior Management."

## PARTIES INVOLVED IN THE INTRODUCTION

| | |
|---|---|
| **Sole Sponsor** | **China Galaxy International Securities (Hong Kong) Co., Limited**<br>20/F, Wing On Centre<br>111 Connaught Road Central<br>Hong Kong |
| **Legal Advisors to the Company** | *as to Hong Kong law:*<br>**Jingtian & Gongcheng LLP**<br>Suites 3203-3209, 32/F, Edinburgh Tower<br>The Landmark<br>15 Queen's Road Central<br>Hong Kong<br><br>*as to Hong Kong data compliance law:*<br>**Mr. Dixon Y. T. Co**<br>Room 1406<br>China Insurance Group Building<br>141 Des Voeux Road Central<br>Hong Kong<br><br>*as to PRC law:*<br>**Jingtian & Gongcheng**<br>34/F, Tower 3<br>China Central Place<br>77 Jianguo Road<br>Chaoyang District<br>Beijing<br>PRC<br><br>*as to Cayman Islands law:*<br>**Ogier**<br>11/F, Central Tower<br>28 Queen's Road Central<br>Hong Kong<br><br>*as to Macao law:*<br>**TH Lawyers & Private Notary**<br>Unit H, 5th Floor<br>Cheng Feng Commercial Centre<br>322-362 Alameda Dr. Carlos d'Assumpção<br>Macao |

| | |
|---|---|
| **Legal Advisers to the Sole Sponsor** | *as to Hong Kong law:*<br>**Herbert Smith Freehills Kramer**<br>23/F, Gloucester Tower<br>15 Queen's Road Central<br>Hong Kong<br><br>*as to PRC law:*<br>**Haiwen & Partners**<br>20/F, Fortune Financial Centre<br>5 Dong San Huan Central Road<br>Chaoyang District<br>Beijing<br>PRC |
| **Reporting Accountants and Auditor** | **Ernst & Young**<br>*Certified Public Accountants*<br>*Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Ordinance*<br>27/F, One Taikoo Place<br>979 King's Road<br>Quarry Bay<br>Hong Kong |
| **Industry Consultant** | **Frost & Sullivan Limited**<br>Unit 3006, 30/F<br>Two Exchange Square<br>8 Connaught Place<br>Central<br>Hong Kong |
| **Property Valuer** | **Jones Lang LaSalle Limited**<br>7/F, One Taikoo Place<br>979 King's Road<br>Hong Kong |

| | |
|---|---|
| **Registered Office** | P. O. Box 31119 Grand Pavilion<br>Hibiscus Way, 802 West Bay Road<br>Grand Cayman, KY1-1205<br>Cayman Islands |
| **Principal Place of Business in Hong Kong** | 12th Floor, CTG House<br>78-83 Connaught Road Central<br>Hong Kong |
| **Company Secretary** | **Ms. CHAN Hei**（陳曦）*(ACG HKACG)*<br>Room 1920, 19/F<br>Lee Garden One<br>33 Hysan Avenue<br>Causeway Bay<br>Hong Kong |
| **Authorized Representatives** | **Mr. TAO Xiaobin**（陶曉斌）<br>Flat C, 32/F, Block 1<br>The Summa<br>23 Hing Hon Road<br>Hong Kong<br><br>**Mr. ZHANG Daorong**（張道榮）<br>Flat 603<br>CTS Court<br>363 Portland Street<br>Prince Edward, Kowloon<br>Hong Kong |
| **Audit Committee** | Ms. LU Qiannan *(Chairperson)*<br>Ms. LIU Xinxin<br>Dr. LI Baolin |
| **Remuneration Committee** | Dr. LI Baolin *(Chairperson)*<br>Mr. ZHANG Daorong<br>Ms. LU Qiannan |
| **Nomination Committee** | Mr. TAO Xiaobin *(Chairperson)*<br>Mr. FOK Kai Kong Kenneth, BBS, JP<br>Ms. LIU Xinxin |
| **Compliance Advisor** | **Somerley Capital Limited**<br>20/F, China Building<br>29 Queen's Road Central<br>Hong Kong |
| **Approved Securities Registrar** | **Tricor Investor Services Limited**<br>17/F, Far East Finance Centre<br>16 Harcourt Road<br>Hong Kong |

| | |
|---|---|
| **Principal Bank** | **Bank of China (Hong Kong) Limited**<br>Bank of China Tower<br>1 Garden Road<br>Hong Kong |
| **Company's Website** | www.ctghkm.com<br>*(information contained on our website does not form part of this listing document)* |

*The information and statistics presented in this section and other sections of this listing document, unless otherwise indicated, were extracted from different official government publications and other publications, and from the industry report prepared by Frost & Sullivan, an independent market research and consulting company that was commissioned by us, in connection with this Listing. The information from official government sources has not been independently verified by us, the Sole Sponsor, any of their respective directors and advisers, or any other persons or parties involved in the Listing, and no representation is given as to its accuracy.*

## SOURCES OF INFORMATION

We engaged Frost & Sullivan, an independent market research consultant, to conduct an analysis of, and to prepare a report on Hong Kong and Macao hotel service market and the Greater Bay Area ferry and bus passenger transportation service market for the use in this listing document, which was commissioned by us for a fee of HKD550,000. In compiling and preparing the F&S Report, Frost & Sullivan adopted the following assumptions: (i) the social, economic and political conditions globally currently discussed will remain stable during the forecast period, (ii) government policies on Hong Kong and Macao hotel service market and the Greater Bay Area ferry and bus passenger transportation service market will remain consistent during the forecast period, (iii) Hong Kong and Macao hotel service market and the Greater Bay Area ferry and bus passenger transportation service market will be driven by the factors which are stated in the report in the forecast period. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the F&S Report. The F&S Report has been prepared by Frost & Sullivan independently without any influence from us or other interested parties.

## ANALYSIS OF HONG KONG AND MACAO HOTEL SERVICE MARKET

### Definition and Classification of Hotel Service Market

Hotel service refers to a comprehensive service activity with accommodation as the core, providing services around travelers' living, catering and related supporting needs during their trips, usually including room service, catering service, leisure and entertainment, and retail.

Hotels in Hong Kong can be divided into three tiers, namely economy hotels, mid-tier hotels and high-end hotels. Comparison between the three hotel tiers in terms of ADR and RevPAR is set out below.

**Comparison Between Different Tiers of Hotels in Hong Kong**

| Hotel Type | ADR | RevPAR |
|---|---|---|
| **Economy Hotels** | Below HKD650 | Below HKD600 |
| **Mid-tier Hotels** | HKD650 – HKD1,500 | HKD600 – HKD1,500 |
| **High-end Hotels** | Above HKD1,500 | Above HKD1,500 |

*Source: Frost & Sullivan*

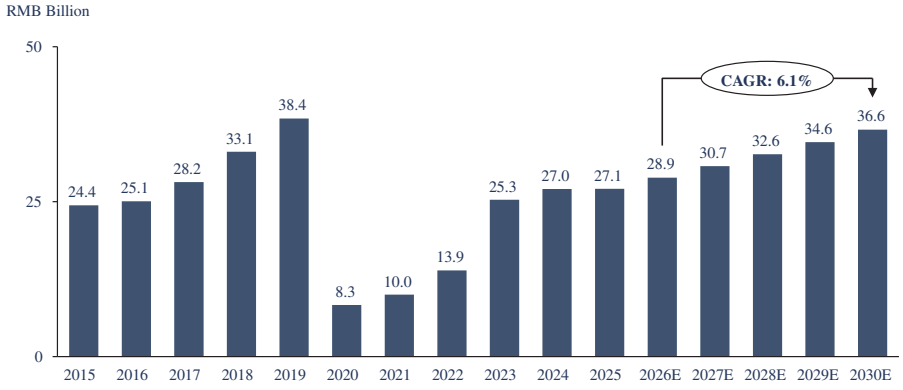
## Market Size of Hong Kong and Macao Hotel Service Market

The Hong Kong hotel service market registered an overall rising trend with obvious fluctuations within the period. From 2015 to 2025, the market size increased from RMB24.4 billion to RMB27.1 billion. Affected by pandemic travel restrictions, the market experienced a significant downturn starting in 2020. Following the full relaxation of relevant controls in 2023, rebounding cross-border and tourist flow drove market recovery, supported by consumption upgrading, optimized hotel operations, improved digital services, and growing demand for business and mid-to-high-end accommodation.

This market fluctuation is further reflected in Hong Kong's inbound tourism expenditure. Hong Kong's inbound tourism expenditure recorded notable swings amid the pandemic and changing economic conditions, falling from approximately HKD256.2 billion in 2019 to HKD9.4 billion in 2022 and recovering to HKD217.5 billion in 2025.

Looking ahead to 2026 to 2030, underpinned by recovering inbound visitor traffic, improved cross-boundary connectivity in the Greater Bay Area and gradual restoration of MICE and business activities, the market size of Hong Kong's hotel service market is expected to grow steadily, with a CAGR of 6.1%.

**Market Size of Hotel Service Market* (by operating revenue), Hong Kong, 2015-2030E**




*Source: Frost & Sullivan*

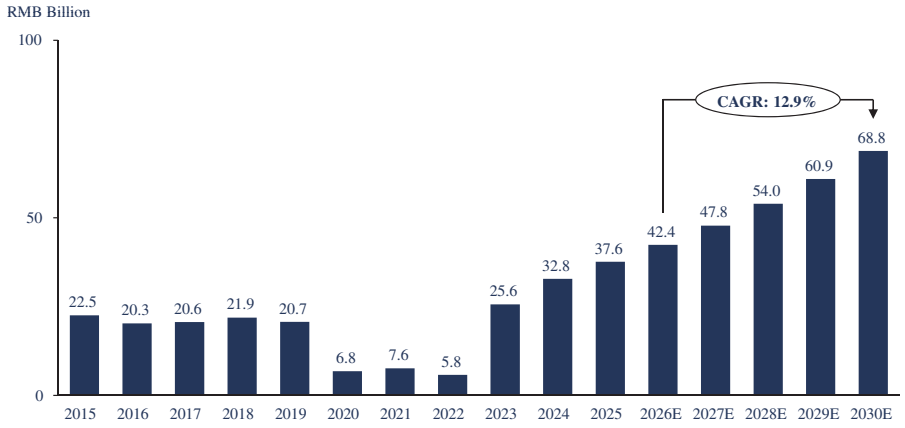
**Note:* Hong Kong's hotel service market includes the room service, as well as the self-operated catering, leisure and entertainment, and retail services provided by hotels in Hong Kong.

The Macao hotel service market achieved overall expansion, which faced temporary setbacks due to the pandemic. From 2015 to 2025, the market size increased from RMB22.5 billion to RMB37.6 billion. Pandemic controls since 2020 suppressed market performance, while the full resumption of cross-border travel in 2023 drove industry recovery. Driven by consumption upgrading, optimized operational and digital services, and rising mid-to-high-end accommodation demand, the market maintained healthy development.

Macao's total spending of visitors also recorded marked volatility against the backdrop of pandemic disruptions and shifting economic conditions, declining from approximately MOP64.1 billion in 2019 to MOP4.8 billion in 2022 and rebounding to MOP80.1 billion in 2025.

Looking ahead to 2026 to 2030, supported by the recovery of inbound visitor spending, diversified development of non-gaming tourism offerings and growing MICE-related demand, the scale of Macao's hotel service market is expected to grow steadily, with a CAGR of 12.9%.

**Market Size of Hotel Service Market* (by operating revenue), Macao, 2015-2030E**




*Source: Frost & Sullivan*

**Note:* Macao's hotel service market includes the room service, as well as the self-operated catering, leisure and entertainment, and retail services provided by hotels in Macao.

## Market Drivers of Hong Kong and Macao Hotel Service Market

- ***Continuous Growth of Tourism and Business Travel Demand in Hong Kong and Macao.*** Before the full resumption of cross-boundary customs clearance, the scale of cross-border travel between Mainland China, Hong Kong and Macao remained constrained. As cross-border travel policies have become increasingly streamlined, such as nationwide endorsement services allowing Mainland residents to apply for Hong Kong-Macao travel permits irrespective of their place of household registration, and wider roll-out of automated clearance channels at key ports to improve cross-border travel efficiency, cross-regional transportation links have been further optimized amid the development of experiential tourism consumption has gained momentum. For example, in 2021, Macao recorded 6.6 million hotel overnight guests, of which Mainland visitors stood at 5.4 million. Driven by the rebound of international tourist arrivals after the pandemic, the overall volume of hotel overnight guests expanded significantly. In 2025, Macao recorded 14.6 million hotel overnight guests, of which Mainland visitors stood at 10.7 million. The number of mainland visitors travelling to Hong Kong and Macao has risen continuously. The sustained growth of inbound tourist arrivals has directly driven the overall demand for hotel accommodation in Hong Kong and Macao.

- ***Upgrading of Residents' Consumption Drives the Growth of Mid-to-High-End Accommodation Demand.*** With growing household income of Chinese Mainland residents and shifting consumption mindsets, Chinese Mainland tourists travelling to Hong Kong and Macao place greater emphasis on accommodation quality and personalised experience, and are ready to pay extra premium for high-standard hospitality services. The average occupancy rate of five-star hotels in Macao reached approximately 50% in 2021, and reached approximately 92% in 2025. As visitors increasingly opt for mid-to-high-end, boutique and resort hotels, their overall tourism spending on hotel stays in Hong Kong and Macao has climbed continuously. This trend also fuels rising market demand for such high-tier lodging products and accelerates the quality-focused upgrade of the local hotel industry.

- ***Optimized Consumption Experience via Membership System and Service Upgrade.*** Major hotel groups improve their membership systems and enrich benefits to enhance customer stickiness. At the same time, they upgrade supporting services such as catering and intelligent check-in, promote online-offline integration, and improve customer satisfaction and repurchase rate. These operational enhancements help local hotel operators attract more inbound visitors and fuel the overall development of the regional hotel market in Hong Kong and Macao.

**Development Trends of Hong Kong and Macao Hotel Service Market**

- ***Continuous Improvement of Branding and Chain Operation.*** Intensified industry competition is driving resource integration, where branding contributes to better service quality and chain operation improves operational efficiency, reduces costs and expands market coverage, emerging as a key direction for the high-quality development of the Hong Kong and Macao hotel industry. A growing number of hotels are joining mature brand systems, propelling the industry towards standardized and efficient development.

- ***Accelerated Application of Digital and Intelligent Services.*** The in-depth integration of digital technology with the accommodation sector has become a crucial driver for hotels to enhance core competitiveness. Tools such as online booking and intelligent check-in are widely adopted, while big data and intelligent management systems enable hotels to achieve refined operation, striking a balance between efficiency improvement and cost control.

- ***Accelerated Development of Sustainable and Green Hotels.*** Against the backdrop of rising global environmental awareness and growing consumer demand for low-carbon travel, green hotel certifications, energy-saving and carbon-reduction facilities, and eco-friendly operational models have become new industry focuses. A growing number of hotels are adopting renewable energy, reducing single-use items, and implementing water recycling systems to support carbon neutrality goals, while enhancing brand image and long-term competitiveness.

## ANALYSIS OF THE GREATER BAY AREA FERRY AND BUS PASSENGER TRANSPORTATION SERVICE MARKET

**Definition and Classification of Passenger Transportation Service Market**

Passenger transportation service refers to activities that provide transportation for individuals and groups through air, rail, road, and waterway modes, along with related support services. Among them, bus and ferry services are the primary modes of passenger transportation by land and water, respectively. Cross-boundary ferries and buses stand apart from high-speed railways and scheduled flights in respect of terminal-related features, scheduling arrangements and fare ranges, so as to accommodate varied travel demands of passengers.

**Comparison between Major Transportation Modes in the Greater Bay Area**

| Mode | Typical Route Examples | Passenger Capacity | One-Way Travel Time | Cost (HKD) |
|---|---|---|---|---|
| **HZMB Shuttle Bus** | HK Port – Zhuhai Port | 45–55 passengers per bus | 90-120 mins | HKD65-HKD70 |
| **Cross – Boundary Coach/ Through-Bus** | HK city (Tsim Sha Tsui/Wan Chai/New Terr.) – Shenzhen (Futian/Luohu/Huanggang) | 45–60 passengers per coach | 60–90 mins (HK-Shenzhen) | HKD40–HKD120 |
| **Railway – Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL)** | HK West Kowloon – Futian /Shenzhen North station | 579–613 passengers per 8-car train | 45–60 mins | HKD68–HKD75 |
| **High-Speed Ferry (TurboJET/ Cotai Water Jet)** | HK – Macao Outer Harbour; HK–Zhuhai Jiuzhou | 200–400 passengers per ferry | 70–90 mins (HK-Macao) 80–100 mins (HK-Zhuhai) | HKD170–HKD260 |
| **Scheduled Air** | Hong Kong International Airport – Zhuhai Airport | 150–300 passengers per narrow-body aircraft | 180–270 mins | Typically HKD800–HKD2000 |

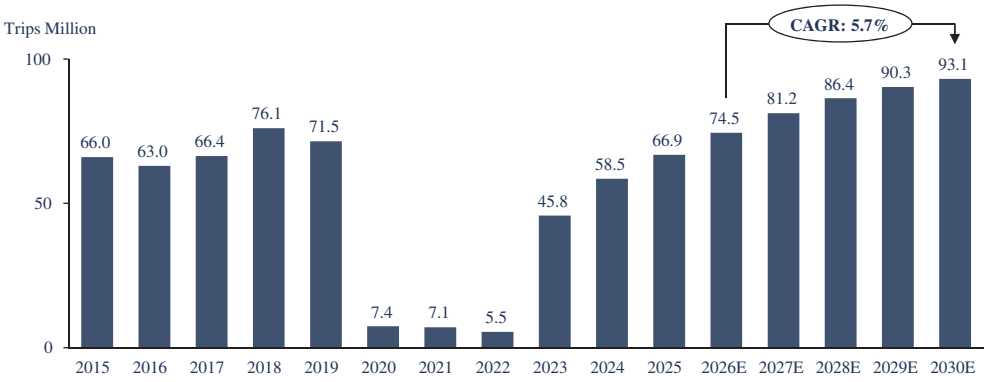
*Source: Frost & Sullivan*

**Note:* Costs are indicative adult one-way fares as of June 2026 and may fluctuate during promotional periods and peak travel seasons. Fares for all travel modes refer to those for standard seating class. Travel time excludes pre-departure waiting time.

## Market Size of the Greater Bay Area Cross-boundary Passenger Transportation Service Market

By the pandemic and strict cross-border travel restrictions, total mainland cross-boundary visitor arrivals to Hong Kong and Macao recorded a sharp slump from 2015 to 2021. The annual arrivals dropped from 66.0 million in 2015 to 7.4 million in 2020. Driven by the full resumption of cross-boundary travel and a continuous rebound in consumer confidence, the cross-boundary tourism market staged a strong recovery, with the total mainland cross-border visitor arrivals rebounding to 66.9 million in 2025. Looking ahead, supported by the deepening implementation of cross-boundary facilitation policies and steady regional economic recovery, the market is projected to maintain stable expansion. By 2030, total mainland cross-boundary visitor arrivals to Hong Kong and Macao are expected to reach 93.1 million.

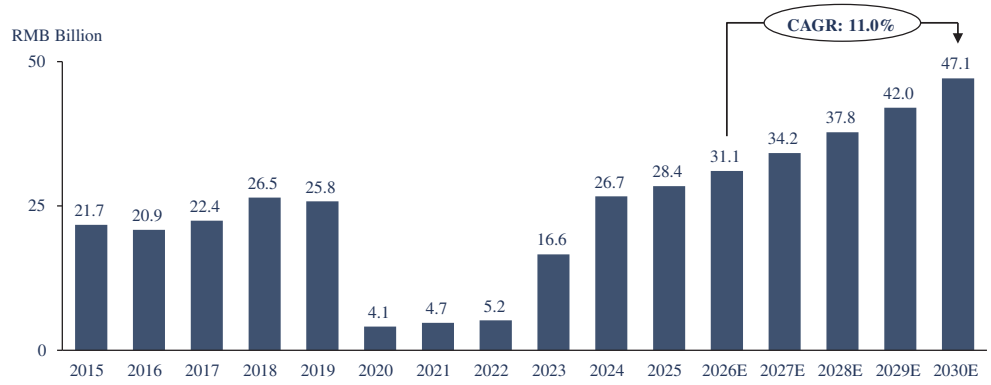
**Total Mainland Cross-boundary Visitor Arrivals to Hong Kong and Macao, 2015-2030E**




*Source: Frost & Sullivan*

The overall cross-boundary passenger transportation service market recorded a market size of RMB21.7 billion in 2015 and maintained steady growth up until the onset of the pandemic. Starting in 2020, the market saw drastic fluctuations stemming from pandemic border closures and travel curbs that drastically cut cross-border passenger volumes. As cross-boundary passenger transport is closely tied to tourism and cross-regional mobility, market performance is susceptible to public-health measures and external environment changes. After pandemic restrictions were eased, market demand rebounded continuously, driving the market scale to RMB28.4 billion in 2025. Ongoing policy initiatives promoting interconnectivity and transportation integration within the Greater Bay Area, together with the gradual recovery of tourism and leisure travel demand, have collectively provided new growth momentum and supported the steady development of the overall market. It is estimated that from 2026 to 2030, driven by optimized border clearance procedures, unleashed demand for private cross-regional visits and increased inter-city commuting activities, the Greater Bay Area cross-boundary passenger transportation service market will grow at a CAGR of 11.0% and reach RMB47.1 billion by 2030.

**Market Size of Cross-boundary Passenger Transportation Service Market* (by revenue), the Greater Bay Area, 2015-2030E**

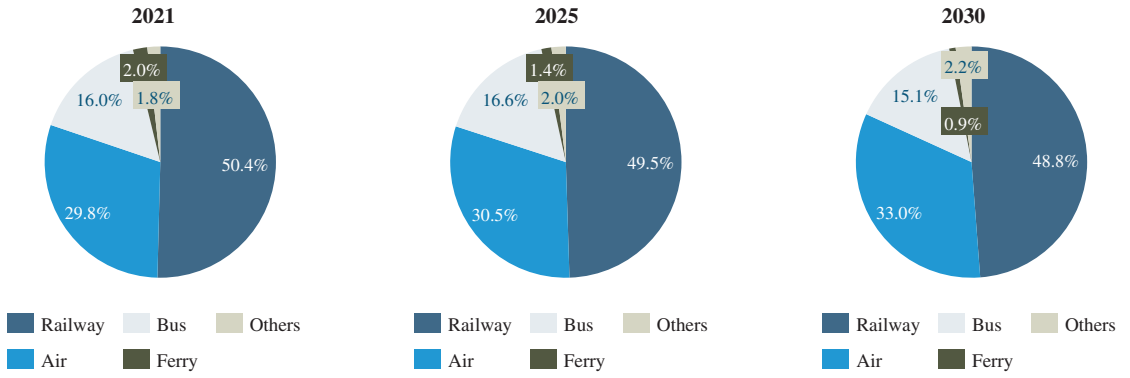



*Source: Frost & Sullivan*

**Note:* The Greater Bay Area cross-boundary passenger transportation service market includes all passenger travel services between Hong Kong and Macao, Guangdong and Macao, and Guangdong and Hong Kong in the Greater Bay Area.

When broken down by transportation mode, railway accounted for an estimated 50.4% of the Greater Bay Area cross-boundary passenger transportation market in terms of revenue in 2021, while air travel, bus and ferry accounted for 29.8%, 16.0% and 2.0%, respectively. In 2025, railway remained the largest segment at 49.5%, with air travel, bus and ferry accounting for 30.5%, 16.6% and 1.4%, respectively. By 2030, the shares of railway and air travel are projected to reach 48.8% and 33.0%, respectively.

**Proportions of Transportation Modes in the Cross-boundary Passenger Transportation Service Market (by revenue), the Greater Bay Area, 2021, 2025 and 2030**




*Source: Frost & Sullivan*

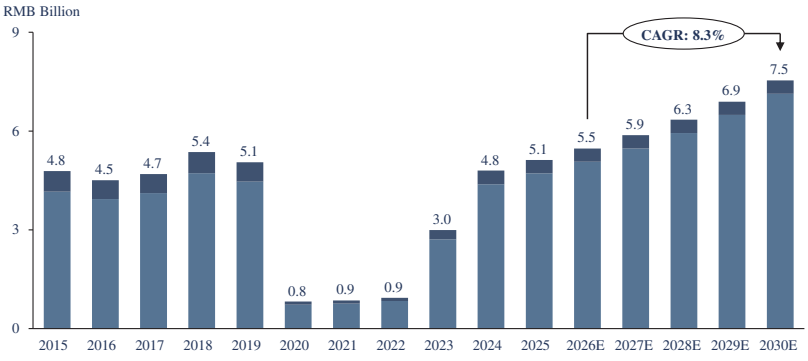
**Note:* The "Others" category mainly includes cross-boundary taxi services.

The cross-boundary ferry and bus passenger transportation service market in the Greater Bay Area maintained steady growth from 2015 until the onset of the pandemic, supported by regional economic expansion and improved cross-border transport connectivity. In 2020, pandemic-induced border closures and travel restrictions triggered a marked decline in cross-boundary passenger volumes, which led to substantial market volatility. With the gradual easing of pandemic restrictions, the market entered a recovery phase with mounting recovery momentum. Ongoing policy initiatives promoting interconnectivity and transportation integration within the area, together with the gradual recovery of tourism and leisure travel demand, have collectively provided new growth momentum and supported the steady development of the overall market. It is estimated that from 2026 to 2030, supported by optimized ferry and bus service schedules, growing preference for short-haul cross-border trips and higher utilization of cross-bay transport corridors, the Greater Bay Area cross-boundary ferry and bus passenger transportation service market will grow at a CAGR of 8.3% and reach RMB7.5 billion by 2030.

The cross-boundary ferry segment saw a reduction in market size from 2015 to 2025, which decreased from RMB0.6 billion to RMB0.4 billion. The segment was affected by cross-border mobility restrictions during the pandemic, as well as changing cross-border travel preferences. The segment has later returned to recovery supported by the gradual restoration of cross-border inter-city travel demand. Looking ahead to 2026 to 2030, bolstered by niche demand for water-borne travel, fine-tuning of existing ferry routes and modest growth in cultural-tourism short-trip activities, the cross-boundary ferry market is projected to grow at a CAGR of 0.3%.

The cross-boundary bus segment registered overall expansion with fluctuations within the period. From 2015 to 2025, the market size increased from RMB4.2 billion to RMB4.7 billion. Affected by pandemic-related travel restrictions, the segment saw business contraction and has achieved gradual recovery alongside rebounding cross-border passenger flows. Looking ahead to 2026 to 2030, supported by demand for point-to-point cross-border trips, revival of group-based cross-border visits and improved supporting facilities at bus termini, the cross-boundary bus market is expected to grow at a CAGR of 8.9%.

**Market Size of Cross-boundary Ferry and Bus Passenger Transportation Service Market* (by revenue), the Greater Bay Area, 2015-2030E**




| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E | 2028E | 2029E | 2030E | CAGR 15-25 | CAGR 26E-30E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ferry | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.1 | 0.1 | 0.1 | 0.3 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | NA | 0.3% |
| Bus | 4.2 | 3.9 | 4.1 | 4.7 | 4.5 | 0.7 | 0.8 | 0.8 | 2.7 | 4.4 | 4.7 | 5.1 | 5.5 | 5.9 | 6.5 | 7.1 | NA | 8.9% |

*Source: Frost & Sullivan*

**Note:* The Greater Bay Area cross-boundary ferry and bus passenger transportation service market includes ferry and bus passenger travel services between Hong Kong and Macao, Guangdong and Macao, and Guangdong and Hong Kong in the Greater Bay Area.

## Market Drivers of the Greater Bay Area Ferry and Bus Passenger Transportation Service Market

- ***Upgrading of Tourism Consumption and Continuous Growth in Demand.*** Per capita disposable income in Chinese Mainland rose from RMB35,128 in 2021 to RMB43,377 in 2025, representing a CAGR of 5.4%. With a CAGR of 4.7%, it is projected to reach RMB54,575 in 2030. With rising household disposable income among Chinese Mainland residents and heightened consumer propensity to spend, leisure travel and business-travel activities have maintained sustained growth. As residents become more affluent, they are increasingly willing to allocate higher spending toward quality-oriented travel experiences during holidays. This has driven growing demand for Hong Kong hotel accommodation and lifted overall hotel-related expenditure by inbound Mainland visitors. Growing overall tourism market demand has driven the steady expansion of cross-boundary ferry and bus services, boosting revenue growth of relevant operators and improving overall transport capacity. In 2023, the Zhuhai Port of the Hong Kong-Zhuhai-Macao Bridge recorded over 16.3 million cross-boundary passenger trips, and over 31.3 million in 2025, reflecting robust recovery and sustained growth in cross-border passenger flow within the Greater Bay Area.

- ***Urban Cluster and Regional Integration Boosting Transportation Demand.*** The development of urban clusters and regional economic integration has strengthened connectivity among cities and regions, driving growth in cross-city commuting, tourism and business travel demand. Deepening regional integration continues to generate sustained demand for diversified passenger transportation services and supports the enhancement of industry service capabilities.

- ***Ongoing Investment in Transportation Infrastructure and Network Expansion.*** Ongoing construction and upgrading of transportation infrastructure, including expressways, cross-sea bridges and ports, have improved network connectivity and accessibility. The enhancement of transportation networks reduces travel time and improves service reliability, creating favorable conditions for industry growth and operational efficiency improvement. In 2023, cross-boundary vehicle trips at the Hong Kong-Zhuhai-Macao Bridge reached 3.3 million, and reached 6.8 million in 2025, demonstrating the continuous improvement of cross-border traffic accessibility. While such infrastructure upgrades allow multi-modal cross-border transport service providers to lower the transfer costs of their cross-border travel services and realize certain synergistic benefits, improved accessibility may also intensify competition in the ferry and bus passenger transportation service markets. A growing number of operators may launch comparable cross-border travel offerings, which could bring margin pressure to market participants, including leading enterprises with comprehensive service layouts.

**Development Trends of the Greater Bay Area Ferry and Bus Passenger Transportation Service Market**

- ***Acceleration of Integrated and Multimodal Transportation Services.*** Passenger transportation services are increasingly evolving toward integrated networks combining aviation, rail, road and waterway transportation. Multimodal solutions, such as coordinated scheduling and through-ticketing, enhance travel convenience and optimize the overall utilization efficiency of transportation networks.

- ***Widespread Adoption of Digital Ticketing and Smart Mobility Services.*** The industry is increasingly adopting online booking, mobile ticketing, electronic verification and smart mobility management platforms. Digital technologies improve operational efficiency, reduce passenger waiting time, and provide real-time information, thereby enhancing travel experience and service reliability.

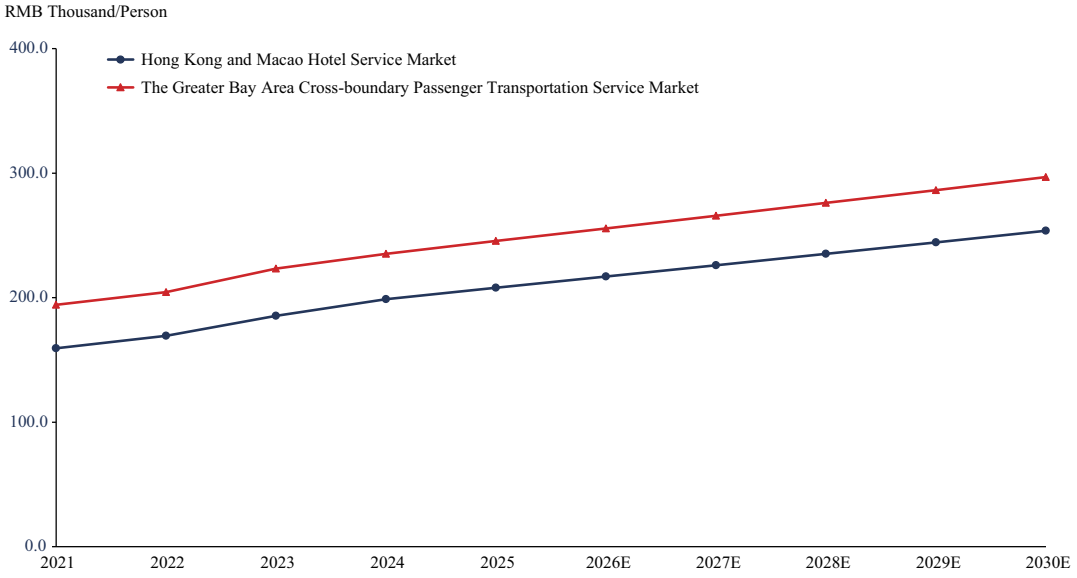
- ***Growing Focus on Service Quality and Operational Efficiency.*** Operators are placing greater emphasis on punctuality, safety, passenger comfort and resource allocation efficiency. Through continued investment in fleet management, staff training and process standardization, companies are improving customer satisfaction while enhancing operational efficiency and cost effectiveness.

- ***Growing Demand for Local Sightseeing Ferry and Bus Services.*** Increasing demand for sightseeing ferry and bus services in the Greater Bay Area is encouraging operators to expand their offerings in this segment. By introducing more sightseeing routes and themed experiences connecting major attractions, operators are catering to diverse leisure and tourism needs while broadening their service portfolios and capturing additional business opportunities.

## COST ANALYSIS

Annual labour cost per person for both the Hong Kong hotel service market and the Greater Bay Area cross-boundary passenger transportation service market has maintained an upward trend. Annual labour cost per person in the Hong Kong hotel service market increased from RMB159.4 thousand in 2021 to RMB208.0 thousand in 2025, driven by post-pandemic industry recovery, tight local labour supply and rising salary expectations of industry practitioners. For the Greater Bay Area cross-boundary passenger transportation service market, annual labour cost per employee grew from RMB194.3 thousand in 2021 to RMB245.6 thousand in 2025 under the same unit basis, supported by higher compensation for front-line drivers, crews and on-site service staff as well as increasing manpower spending related to cross-border compliance requirements. Subject to prevailing labour-market conditions, annual labour cost per person for the two markets is expected to record further growth, reaching RMB253.8 thousand and RMB321.9 thousand respectively by 2030.

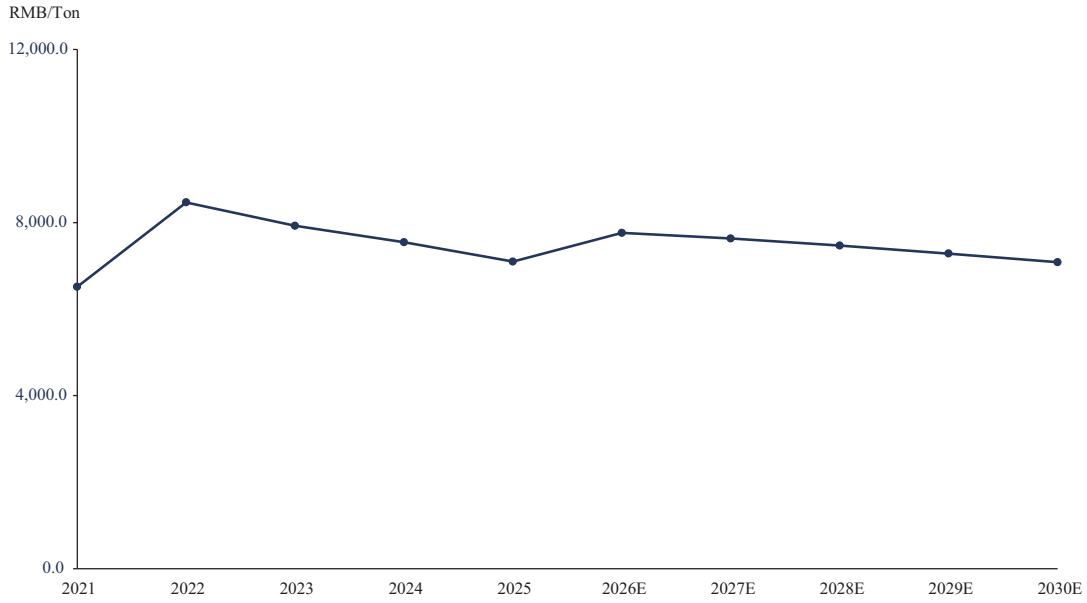
**Annual Labour Cost of Hong Kong Hotel Service Market and the Greater Bay Area Cross-boundary Passenger Transportation Service Market, 2021-2030E**




*Source: Frost & Sullivan*

The annual average price of 0# diesel for Greater Bay Area cross-boundary passenger transportation rose in 2022 due to post-pandemic demand recovery coupled with the Russia-Ukraine conflict. Since 2023, it has declined amid falling international crude oil prices, domestic refining overcapacity, and accelerating electrification of heavy-duty trucks. The price is projected to edge up in 2026, mainly attributable to tighter global crude supply and seasonal demand fluctuations. Starting from 2027, it will resume a mild downward trend over the subsequent years, driven by sustained heavy-duty truck electrification and improved domestic refining efficiency, and is expected to reach RMB7,082.1 per ton by 2030.

**Annual average price of 0# diesel in the Guangdong-Hong Kong-Macao Greater Bay Area Cross-boundary Passenger Transportation Service Market, 2021-2030E**




*Source: Frost & Sullivan*

## COMPETITIVE ANALYSIS

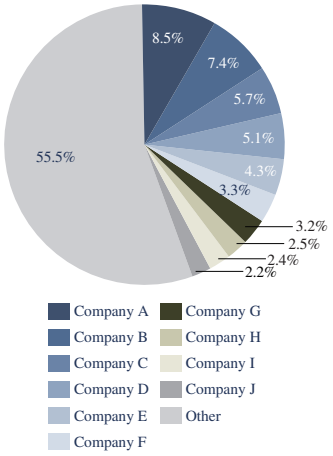
### Competitive Landscape of Hong Kong Hotel Service Market

The Hong Kong hotel service market participants can be divided into two categories: operators with self-owned properties and those without self-owned properties. Operators with self-owned properties enjoy stable operating foundations and superior anti-risk capabilities, while operators without self-owned properties mainly carry out hotel operation through leased facilities.

### Ranking of Hong Kong Hotel Service Providers

Among all hotel service providers in Hong Kong whether owning self-owned properties or not, in terms of operating revenue in 2025, the top ten hotel service providers jointly capture a market share of 44.5%. By 2025 operating revenue, the Company ranks 13th among Hong Kong hotel service providers, generating operating revenue of RMB549 million and achieving a market share of 2.0%.

## Ranking of Hotel Service Providers (by operating revenue), Hong Kong, 2025




| Rank | Company Name | Operating Revenue (Million RMB) | Market Share |
|---|---|---|---|
| 1 | Company A | 2,315 | 8.5% |
| 2 | Company B | 2,009 | 7.4% |
| 3 | Company C | 1,550 | 5.7% |
| 4 | Company D | 1,378 | 5.1% |
| 5 | Company E | 1,176 | 4.3% |
| 6 | Company F | 888 | 3.3% |
| 7 | Company G | 855 | 3.2% |
| 8 | Company H | 665 | 2.5% |
| 9 | Company I | 637 | 2.4% |
| 10 | Company J | 586 | 2.2% |
| | Other | 15,025 | 55.5% |
| | **Total** | **27,083** | **100%** |

*Source: Frost & Sullivan*

**Note:* Company A is a company headquartered in Hong Kong, China, and listed on the Hong Kong Stock Exchange. It was established in 1971 and primarily specializes in hotel ownership, operation and management, as well as related property investment.

Company B is a company headquartered in Hong Kong, China, and listed on the Hong Kong Stock Exchange. It was established in 1996 and primarily specializes in property development, investment and hotel operations.

Company C is a company headquartered in Hong Kong, China, and listed on the Hong Kong Stock Exchange. It was established in 1979 and primarily specializes in hotel ownership, operation and related hospitality services.

Company D is a company headquartered in Hong Kong, China, and listed on the Hong Kong Stock Exchange. It was established in 2013 and primarily specializes in the ownership and operation of premium hotels in Asia and globally.

Company E is a company headquartered in Hong Kong, China, and listed on the Hong Kong Stock Exchange. It was established in 1866 and primarily specializes in diversified business operations including property development and hotel investment.

Company F is a company headquartered in Hong Kong, China, and a subsidiary of an enterprise listed on the Hong Kong Stock Exchange. It was established in 1997 and primarily specializes in property development, investment and hotel operations in Hong Kong and Chinese Mainland.

Company G is headquartered in the United States, and listed on the Nasdaq Stock Market. It was established in 1927 and primarily specializes in hotel operation, brand licensing and hospitality asset management.

Company H is a company headquartered in Hong Kong, China, and listed on the Hong Kong Stock Exchange. It was established in 1971 and primarily specializes in the ownership and management of luxury hotels and residences worldwide.

Company I is headquartered in the United Kingdom, and listed on the London Stock Exchange. It was established in 1777 and primarily specializes in hotel ownership, franchise operation and hotel brand management.

Company J is headquartered in the United States, and listed on the New York Stock Exchange. It was established in 1919 and primarily specializes in hotel management, franchise licensing and global hospitality brand operation.

## Competitive Landscape of Cross-boundary Passenger Transportation Service Market in the Greater Bay Area

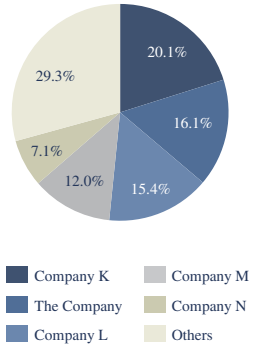
Market participants in the Greater Bay Area cross-boundary ferry and bus passenger transportation service market fall into two categories: companies focusing on a single transportation segment and those operating multiple cross-boundary transportation modes. The sector is confronted with growing headwinds, including intensifying competition brought by alternative cross-boundary transport options, diversion of passenger flows driven by the Northbound Travel for Hong Kong Vehicles scheme, potential cyclical volatility in cross-border travel demand amid macro-economic fluctuations, rising compliance and labour-related operating expenses, rising fuel costs as well as competition from hotels within the Greater Bay Area driven by improving regional transportation networks. Operators with multi-service layouts may integrate passenger resources and optimise service networks, which could support relatively higher operational flexibility and market competitiveness compared with companies focusing on a single transportation segment.

## Ranking of Cross-boundary Ferry and Bus Passenger Transportation Service Providers in the Greater Bay Area

In 2025, the market size of the cross-boundary ferry and bus passenger transportation service market in the Greater Bay Area was RMB5,119 million, with the top five service providers collectively accounting for 70.7% of the market share.

In terms of revenue in 2025, the Company ranked second among cross-boundary ferry and bus passenger transportation service providers in the Greater Bay Area, generating revenue of RMB823 million and achieving a market share of 16.1%.

**Ranking of Cross-boundary Ferry and Bus Passenger Transportation Service Providers (by revenue), the Greater Bay Area, 2025**




| Rank | Company Name | Revenue (Million RMB) | Market Share |
|---|---|---|---|
| 1 | Company K | 1,031 | 20.1% |
| **2** | **The Company** | **823** | **16.1%** |
| 3 | Company L | 790 | 15.4% |
| 4 | Company M | 616 | 12.0% |
| 5 | Company N | 363 | 7.1% |
| | Others | 1,495 | 29.3% |
| | **Total** | **5,119** | **100.0%** |

*Source: Frost & Sullivan*

**Note:* Company K is a company headquartered in Guangdong Province, China, established in 2017 and primarily specializes in operating cross-boundary shuttle bus services in the Greater Bay Area.

Company L is a company headquartered in Hong Kong, China, and listed on the Hong Kong Stock Exchange. It was established in 1948 and primarily specializes in operating cross-boundary and local bus services in Hong Kong.

Company M is a company headquartered in Hong Kong, China, established in 1992 and primarily specializes in operating cross-boundary direct bus services between Hong Kong and Chinese Mainland.

Company N is a company headquartered in Hong Kong, China, established in 1980 and primarily specializes in operating cross-boundary shuttle bus services between Hong Kong and Chinese Mainland.

**Entry Barriers**

- ***Regulatory and Compliance Barriers.*** In the passenger transportation market, operators are required to meet licensing, safety and operational compliance requirements. These requirements not only restrict market entry but also ensure service standards.

- ***Brand Barriers.*** In the passenger transportation sector, established operators benefit from their reputation, reliability and long-standing service track records, enabling them to attract customers and achieve higher load factors. Similarly, in the hotel service market, well-known hotel brands are more readily recognized by consumers due to their consistent service quality and strong brand reputation.

- ***Resource Barriers.*** In the passenger transportation market, key resources such as fleet size, terminal slots and access to transportation infrastructure are critical factors influencing market participation and operational scale. In the hotel service market, core resources include premium property locations, professional management teams and stable supply chain support. The difficulty in acquiring these resources also creates barriers for new entrants.

- ***Capital Barriers.*** The passenger transportation sector requires significant capital expenditure for vehicle procurement, access to infrastructure and operational setup, thereby creating financial barriers to entry. In the hotel service market, new entrants are also required to bear high costs related to property investment, renovation and refurbishment, brand licensing, and pre-opening operations.

## OVERVIEW

This section sets out a summary of certain aspects of the laws and regulations which are relevant to our Group's operations and business in Hong Kong and Macao. Information contained in this section should not construed as a comprehensive summary of the laws and regulations applicable to our Group.

Regarding our operation of cross-boundary and local transportation services, as advised by our Hong Kong Legal Advisor, Macao Legal Advisor and PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had complied with the relevant laws and regulations in all material respects.

## HONG KONG LAWS AND REGULATIONS

### Laws and Regulations on Passenger Transportation Operations

#### *Road Traffic (Traffic Control) Regulations*

The Road Traffic (Traffic Control) Regulations (Chapter 374G of the Laws of Hong Kong) ("**RTTCR**"), which is under the Road Traffic Ordinance (Chapter 374 of the Laws of Hong Kong) ("**RTO**"), stipulates specific, approved routes and boundary crossings in Hong Kong. It also governs the quota and permit systems applicable to cross-boundary buses, including those operated by our Company.

In particular, cross-boundary vehicles must obtain a valid Closed Road Permit ("**CRP**") from the Transport Department ("**TD**"), which has a maximum validity period of 60 months. In this regard, applicants of cross-boundary schemes must submit to the TD, *inter alia*, original copies of Valid Electronic Approval Notice issued by the Guangdong Provincial Public Security, certified copies of company particulars, and copies of business registration certificates.

Under section 52(3) of the RTO, it is an offense for a cross-boundary vehicle to be driven or used for the carriage of passengers for hire or reward, unless it complies with the relevant conditions, including the obtaining of a license.

Regarding local transportation services, the operation of vehicles under the passenger service license ("**PSL**") system (i.e. non-franchised public buses, private buses, public light buses and school private light buses) is regulated through the PSLs issued under the RTO. The PSLs authorize the licensees to operate vehicles. The licensee is required to comply with the licensing conditions stipulated in the PSL.

Under section 30 of the RTO, if the Commissioner for Transport has reasons to believe that a vehicle has been or is being used otherwise than for the purposed of the service authorized by the license or any condition of the license or any provision of the RTO has not been or is not being complied with, a public officer may be appointed to hold an inquiry. The Commissioner for Transport has the power to cancel, suspend or vary a PSL after an inquiry has been conducted.

***Merchant Shipping (Local Vessels) Ordinance***

The Merchant Shipping (Local Vessels) Ordinance (Chapter 548 of the Laws of Hong Kong) ("**MSLVO**") formulates requirements for certification and licensing of local vessels, safety navigation and compulsory third party risks insurance. All local vessels must be certificated and licensed except laid-up vessel with a written permission. A licensed vessel may only carry any passenger when the conditions of its operating license permit the carriage of passengers. The number of passengers and crew carried in a licensed vessel must not exceed that lawfully permitted under the conditions of its operating license. The owner of the local vessel, his agent and the coxswain of the vessel which fails to be certificated or licensed are liable on conviction to a fine at HKD25,000 and to imprisonment for one year.

***Shipping and Port Control Ordinance***

The Shipping and Port Control Ordinance (Chapter 313 of the Laws of Hong Kong) ("**SPCO**") regulates Hong Kong's port areas, all vessels within its waters and related activities to ensure safety and prevent pollution. Port facilities must be used for the purpose for which it is provided. A vessel shall not proceed to sea unless a valid port clearance in writing is obtained in the prescribed manner. The Director of Marine may exempt any vessel, class of vessels, or person from any specific provision or operational restriction (e.g. port clearance and entry control waivers under the Multiple Entry and Clearance Scheme) mandated under subsidiary regulations of SPCO. When an application for alternative compliance parameters is officially approved, the vessel is issued a formal Certificate of Exemption from Regulations.

***Merchant Shipping (Prevention of Oil Pollution) Regulations***

The Merchant Shipping (Prevention of Oil Pollution) Regulations (Chapter 413A of the Laws of Hong Kong) regulate and prevent oil pollution from ships in Hong Kong waters. Any Hong Kong ships other than an oil tanker having a gross tonnage (GT) of 400 and above engaged in non-international voyages must carry and maintain valid International Oil Pollution Prevention Certificate or Hong Kong Oil Pollution Prevention Certificate.

**Laws and Regulations on Hotel Operations**

***Hotel and Guesthouse Accommodation Ordinance***

The Hotel and Guesthouse Accommodation Ordinance (Chapter 349 of the Laws of Hong Kong) ("**HGAO**") establishes a licensing regime that regulates the operations of hotels and guesthouses in Hong Kong, ensuring their compliance with building and fire safety standards. Under this licensing system, hotel and guesthouse proprietors must, before commencing operations, obtain a license from the Hotel and Guesthouse Accommodation Authority, which is valid for 12 to 84 months and subject to renewal upon their expiration. Besides, they must submit their license renewal applications between three to six months before the expiry of their licenses. To ensure they satisfy the licensing requirements under Division 4 of HGAO, proprietors must, *inter alia*, ensure their hotels and guesthouses comply with the corresponding deeds of mutual covenant and the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong).

According to section 5 of the HGAO, a person operating a hotel or guesthouse without a license is liable on conviction upon indictment to a fine of HKD500,000 and to imprisonment for three years and, in the case of a continuing offense, to a further fine of HKD20,000 for every day during which the offense continues; and on summary conviction to a fine of HKD200,000 and to imprisonment for two years and, in the case of a continuing offense, to a further fine of HKD20,000 for every day during which the offense continues.

***Product Eco-responsibility Ordinance***

The Product Eco-responsibility Ordinance (Chapter 603 of the Laws of Hong Kong) ("**PERO**") outlines measures that minimize the environmental impact of, *inter alia*, plastic products, and to provide for related matters. In particular, section 81 of the PERO requires licensees of licensed hotels and guesthouses to charge guests for their use of specified disposable plastic products provided on their premises, including but not limited to shower caps, combs, nail files, and plastic-bottled water. Licensees must also charge such guests at or before the end of the guests' lodging period, as well as issue these guests a receipt showing the amount charged. They shall not provide these specified plastic products for free, nor can they offer any rebates or discounts.

A licensee that fails to perform the above actions commits an offense under section 82 of the PERO, and is liable upon conviction a fine at level 6 (currently at HKD100,000).

***Hotel Accommodation Tax Ordinance***

The Hotel Accommodation Tax Ordinance (Chapter 348 of the Laws of Hong Kong) ("**HATO**") imposes a tax on hotel and guesthouse accommodation charges, with the current hotel accommodation tax ("**HAT**") rate being 3% of the hotel/guesthouse room rate. The HAT was once levied at the rate of 0%, with effect from July 1, 2008, and has resumed at the current rate of 3%, with effect from January 1, 2025. Under the HATO, HAT is levied quarterly, and hotel and guesthouse proprietors must, within 14 days after each quarter-end, pay HAT to, and file an HAT return with, the Collector of Stamp Revenue. A hotel or guesthouse proprietor who fails to pay HAT to the Collector of Stamp Revenue in the manner described above is liable on summary conviction to a fine at level 4 (currently at HKD25,000).

***Food Business Regulation—General Restaurant License***

The Food Business Regulation (Chapter 132X of the Laws of Hong Kong) ("**FBR**") is a subsidiary legislation of the Public Health and Municipal Services Ordinance (Chapter 132 of the Laws of Hong Kong) ("**PHMSO**").

Any person operating a restaurant in Hong Kong is required to obtain a general restaurant license from the Food and Environmental Hygiene Department ("**FEHD**") under the PHMSO and the FBR before commencing the restaurant business. It is provided under section 31(1) of the FBR that no person shall carry on or cause, permit, or suffer to be carried on any restaurant business except with a general restaurant license granted under the FBR. FEHD will consider whether certain requirements in respect of health, hygiene, ventilation, gas safety, building structure and means of escape are met before issuing a license. The FEHD will also consult the Buildings Department and the Fire Services Department in assessing the suitability of premises for use as a restaurant, where the fulfillment of the Buildings Department's structural standard and the fulfillment of the Fire Services Department's fire safety requirement are considered. The FEHD may grant provisional restaurant licenses to new applicants who have fulfilled the basic requirements in accordance with the FBR, pending completion of all outstanding requirements for the issue of a full restaurant license.

A provisional restaurant license is valid for a period of six months or a lesser period, and a full general restaurant license is generally valid for a period of one year, both subject to payment of the prescribed license fees and continuous compliance with the requirements under the relevant legislation and regulations. A provisional restaurant license is renewable on one occasion, and a full restaurant license is renewable annually.

Under section 35 of the FBR, any person who is guilty of an offense for carrying on a restaurant business without a valid license shall be liable on summary conviction to a maximum fine at level 5 (currently at HKD50,000) and imprisonment for six months and, where the offense is a continuing offense, to an additional fine of HKD900 for each day during which it is proved to the satisfaction of the court that the offense has continued.

***Dutiable Commodities (Liquor) Regulations***

The Dutiable Commodities (Liquor) Regulations (Chapter 109B of the Laws of Hong Kong) ("**DCR**"), a subsidiary legislation of the Dutiable Commodities Ordinance (Chapter 109 of the Laws of Hong Kong) ("**DCO**"), regulates the licensing, sale, and distribution of liquor in Hong Kong.

Under the DCO and the DCR, a person must obtain a liquor license from the Liquor Licensing Board (the "**LLB**") before commencing the sale of liquor for consumption on their premises. Section 17(3B) of the DCO states that, where regulations prohibit the sale or supply of any liquor except with a liquor license, no person shall sell, or advertise or expose for sale, or supply, or possess for sale or supply, liquor except with a liquor license. Regulation 25A of the DCR prohibits the sale of liquor at any premises for consumption on those premises or at a place of public entertainment or a public occasion for consumption at the place or occasion except with a liquor license.

The LLB will consider the fitness of the applicant to hold the license, the suitability of the premises to which the application relates in supplying intoxicating liquor, and the public interest before granting the liquor license. A liquor license will only be issued when the relevant premises have also been issued with a full or provisional restaurant license. A liquor license will only be valid if the relevant premises remain licensed as a restaurant. All applications for liquor licenses are referred to the Commissioner of Police and the District Office concerned for comments. A liquor license is granted only if the applicant can devote sufficient time and attention to the proper management of the liquor-licensed premises. Therefore, all licenses are granted to our employees at the relevant locations.

Under regulation 20 of the DCR, a liquor license is valid for a period of two years or a lesser period, subject to the continuous compliance with the requirements under the relevant legislation and regulations.

According to section 46 and Schedule 2 of the DCO, who contravenes section 17 of the DCO commits an offense and is liable upon conviction to affine of HKD1,000,000 and to imprisonment for two years.

***Water Pollution Control Ordinance and the Water Pollution Control (General) Regulations***

The Water Pollution Control (General) Regulations (Chapter 358D of the Laws of Hong Kong) ("**WPCGR**") is a subsidiary legislation under the Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong) ("**WPCO**"). The WPCGR establishes a mandatory licensing system for wastewater discharge, by industrial and commercial, and institutional organization in Hong Kong, into Water Control Zones ("**WCZs**"). The Environmental Protection Department ("**EPD**") is responsible for the issuance of these licenses.

Under sections 8(1) and (2) of the WPCO, a person who discharges (i) any waste or polluting matters into waters of Hong Kong in a WCZ or (ii) any matter into any inland waters in a WCZ which tends (either directly or in combination with other matter which has entered those waters) to impede the proper flow of the water in a manner leading or likely to lead to substantial aggravation of pollution, commits and offense; and where any such matter is discharged from any premises, the occupier of the premises also commits and offense. Under sections 9(1) and 9(2) of the WPCO, a person who discharges any matter into a communal sewer or communal drain into a water control zone commits an offense and where such matter is discharged into a communal sewer or communal drain in a WCZ from any premises, the occupier of the premises also commits an offense.

A water pollution control license is granted with terms and conditions specifying requirements relevant to the discharge, such as the discharge location, provision of wastewater treatment facilities, maximum allowable quantity, effluent standards, self-monitoring requirements, and keeping records.

A water pollution control license may be granted for a period of not less than two years and general five years, subject to the payment of the prescribed license fees and continuous compliance with the requirements under the relevant legislation and regulations. Besides, under Regulation 8(2) of the WPCGR, applications for license renewals shall be made no earlier than four months and not later than two months before the date of expiry of license.

Under section 11 of the WPCO, a person who commits an offense under section 8(1), 8(2), 9(1) or 9(2) is liable to imprisonment for six months and (i) for a first offense, a fine of HKD200,000; (ii) for a second or subsequent offense, a fine of HKD400,000, and in addition, if the offense is a continuing offense, to a fine of HKD10,000 for each day during which it is proved to the satisfaction of the court that the offense has continued.

**Laws and Regulations on Labor and Social Security**

Set out below are certain Hong Kong laws and regulations on labor and social security relevant to all segments of our operations in Hong Kong, including passenger transportation, hotel operations, and travel document and related services.

***Employment Ordinance***

The Employment Ordinance (Chapter 57 of the Laws of Hong Kong) ("**EO**") regulates the general conditions of employment and matters connected therewith in Hong Kong. It provides for various employment-related benefits and entitlements to employees. All employees covered by the EO, irrespective of their hours of work, are entitled to protection including payment of wages, restrictions on deduction from wages and the granting of statutory holidays. Employees who are employed under a continuous contract are further entitled to such benefits as rest days, paid annual leave, sickness allowance, severance payment and long service payment. It is noted that, from January 18, 2026 onwards, an employee is regarded as being employed under a continuous contract if he has been employed continuously by the same employer for four weeks or more, and has either worked for at least 17 hours weekly, or (if worked for less than 17 hours in any week) worked for the same employer for at least 68 hours in that week and the three weeks immediately preceding it.

***Employees' Compensation Ordinance***

The Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) ("**ECO**") establishes a no-fault and non-contributory employee compensation system for work injuries and lays down the rights and obligations of employers and employees in respect of injuries or deaths caused by accidents arising out of and in the course of employment, or by prescribed occupational diseases. Under the ECO, if an employee sustains an injury or dies as a result of an accident arising out of and in the course of his employment, his employer is in general liable to pay compensation even if the employee might have committed acts of faults or negligence when the accident occurred. Similarly, an employee who suffers incapacity or dies arising from an occupational disease is entitled to receive the same compensation as that payable to employees injured in occupational accidents.

According to section 40 of the ECO, all employers are required to take out insurance policy to cover their liabilities both under the ECO and at common law for injuries at work in respect of all employees (including full-time and part-time employees) for an amount not less than the applicable amount specified under the ECO. An employer who fails to comply with the ECO to secure an insurance cover is liable on conviction upon indictment to a fine at level 6 (currently at HKD100,000) and to imprisonment for two years, and on summary conviction to a fine at level 6 (currently at HKD100,000) and to imprisonment for one year.

***Minimum Wage Ordinance***

The Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong) ("**MWO**") provides for a prescribed minimum hourly wage rate (currently set at HKD42.1 per hour) during the wage period for every employee engaged under a contract of employment under the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) (except those circumstances specified under section 7 of the MWO). A provision of a contract of employment that purports to extinguish or reduce any right, benefit or protection conferred on the employee by the MWO is void.

***Mandatory Provident Fund Schemes Ordinance***

The Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) ("**MPFSO**") provides for, inter alia, the establishment of a system of privately managed, employment related mandatory provident fund schemes for members of the workforce to accrue financial benefits for retirement. Subject to the minimum and maximum relevant income levels, it is mandatory for both employers and their employees to contribute 5% of the employee's relevant income to the mandatory provident fund scheme. Currently, the minimum and maximum relevant income levels for employees who are paid monthly are HKD7,100 and HKD30,000 respectively. Further, employers are obliged to enroll their employees aged 18 to 65 to a Mandatory Provident Fund Scheme within 60 days of his or her employment. An employer who contravenes these requirements commits an offense and is liable upon conviction to a fine and imprisonment.

**Other Relevant Laws and Regulations**

Set out below are certain other Hong Kong laws and regulations relevant to all segments of our operations in Hong Kong, including passenger transportation, hotel operations, and travel document and related services.

***Business Registration Ordinance***

The Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong) requires every entity which carries on a business in Hong Kong to apply for a business registration certificate from the Inland Revenue Department within one month from the date of commence of the business, and to display a valid business registration certificate at the place of business. A business registration does not serve to regulate business activities, and it is not a license to trade but serves to notify the Inland Revenue Department of the establishment of a business in Hong Kong. Business registration certificates will be issued on submission of the necessary document(s) together with payment of the relevant fees.

A business registration certificate is renewable every year or every three years (if business operators elect for issuance of business registration certificate that is valid for three years). Any person who fails to apply for a business registration certificate shall be guilty of an offense and shall be liable to a fine at level 2 (currently at HKD5,000) and to imprisonment for one year.

***Inland Revenue Ordinance***

The Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) ("**IRO**") imposes taxes on property, earnings and profits in Hong Kong. The IRO provides, *inter alia*, that persons (which in addition to individuals include corporations, partnerships, trustees and bodies of persons) carrying on any trade, profession or business in Hong Kong are chargeable to tax on all profits (excluding profits arising from the sale of capital assets) arising in or derived from Hong Kong from such trade, profession or business. Under the IRO, an employer who employs someone who is or is likely to be charged with salaries tax or any married person shall give notice in writing to the Commissioner of Inland Revenue not later than three months after the date of commencement of such employment, stating his/her full name and address, date of commencement and terms of employment. Further, where the employment ceases, the employer shall give notice thereof in writing to the commissioner not later than one month before the employee ceases to be employed in Hong Kong, stating the name and address and the expected date of cessation.

***Personal Data (Privacy) Ordinance***

The Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) applies to a data user, being any person or entity who, either alone or jointly or in common with other persons, controls the collection, handling, and use of personal data. It prescribes six Data Protection Principles ("**DPPs**") (as well as corresponding compliance measures) that data users must comply with, namely: (i) DPP1—purpose and manner of collection of personal data; (ii) DPP2—accuracy and duration of retention of personal data; (iii) DPP3—use of personal data; (iv) DPP4—security of personal data; (v) DPP5—openness and transparency of personal data; and (vi) DPP6—access to and correction of personal data. In this regard, data users must report data breaches to the Office of the Privacy Commissioner for Personal Data (the "**Privacy Commissioner**") and affected data subjects.

Non-compliance with the DPPs and the PDPO may result in a complaint being lodged with the Privacy Commissioner, who may serve a written enforcement notice that directs a data user to take steps to remedy the breach. Contravention with the above notice is an offense and the offender is liable on (i) first conviction to a fine HKD50,000 and to imprisonment for two years, and if the offense continues after the conviction, to a daily penalty of HKD1,000; and (ii) second or subsequent conviction to a fine at HKD100,000 and to imprisonment for two years, and if the offense continues after the conviction, to a daily penalty of HKD2,000.

The PDPO further criminalizes, including but not limited to, the misuse or inappropriate use of personal data in direct marketing activities, non-compliance with a data access request and the unauthorized disclosure of personal data obtained without the relevant data user's consent. Also, an individual who suffers damage, including injured feelings, by reason of a contravention of the PDPO in relation to his or her personal data may seek compensation from the data user concerned.

## MACAO LAWS AND REGULATIONS

### Laws and Regulations on Cross-Border Passenger Transportation Operations

***Regulations on Cross-Border Land Passenger Transportation***

Under Administrative Regulation No. 4/2004, as amended by Administrative Regulation No. 32/2017 ("**RA4/2004**"), the provision of cross-border land passenger transport services between Macao and other regions of the PRC requires prior permission from the relevant Macao and PRC authorities and must comply with the operating conditions agreed upon between Macao and other regions of the PRC based on the safety and management needs of cross-border land passenger transport. Only entities granted a cross-border land passenger

transport business license by the Macao Transport Bureau may engage in cross-border land passenger transport business in Macao. The license is valid for three years from the date of issuance and may be renewed for the same period. Under section 23 of RA4/2004, entities that operate cross-border land passenger transport services without a license is liable upon conviction to a fine between MOP10,000.00 and MOP50,000.00 for natural persons and between MOP30,000.00 and MOP150,000.00 for legal persons.

***Regulations on Maritime Passenger Transportation***

Under Administrative Regulation No. 34/2009, as amended by Administrative Regulation No. 16/2021 ("**RA34/2009**"), maritime passenger transport services with Macao as the departure point, transit point, or destination may only be operated by entities that have been granted the relevant license in advance by the Macao Marine and Water Bureau. The license is valid for ten years from the date of issuance and may be renewed for the same period. Under section 23.1(1) of RA34/2009, entities that operate maritime passenger transport services without a license is liable upon conviction to a fine between MOP200,000.00 and MOP500,000.00.

Law No. 3/90/M ("**L3/90**") establishes the general principles to be followed in awarding public works and public services by the Macao government to concessionaires. The concession for public works and public services is awarded for fixed term, which may be extended by agreement between the Macao government and the concessionaire before its expiration. The Macao government may grant concessionaires the powers, rights and privileges that it deems essential to the execution of public works or the operation of public services, in particular the use of public infrastructure free of charge.

Under section 2.1(3) of Law No. 13/2019 ("**L13/2019**"), "critical infrastructure" refers to assets, information networks, and computer systems that are essential to the normal functioning of society and whose disruption, damage, data leakage, cessation of operation or significant reduction in effectiveness could seriously endanger social welfare, public safety, public order or other particularly important public interests. Private operators of critical infrastructure are required to fulfill the following obligations as stipulated in sections 10 to 13 of L13/2019: (i) organic obligations; (ii) procedural, preventive and reactive obligations; (iii) self-assessment and reporting obligations; and (iv) collaboration obligation. Under section 15 of L13/2019, a fine of MOP50,000.00 to MOP5,000,000.00 upon conviction shall be imposed for any breach of the obligations above-mentioned.

**Laws and Regulations on Hotel Operations**

***Hotel Premises, Restaurants, Casual dining establishments, Food Court Stalls, Bars and Dance Halls***

The Hotel Premises Business Law (Law No. 8/2021) ("**L8/2021**") governs *inter alia* the licensing and operation of hotel premises, as well as restaurants, casual dining establishments, food court stalls, bars and dance halls located within urban real estate designated for hotel use. Under section 55 of L8/2021, hotel premises, as well as restaurants, casual dining establishments, food court stalls, bars and dance halls located within urban real estate designated for hotel use, may open to the public only after obtaining respective licenses from the Macao Government Tourism Office. The said licenses are valid from the date of their issuance until December 31 of the following year, and may be renewed annually thereafter. For restaurants, casual dining establishments, food stalls, bars or dance halls located within hotel premises, before obtaining respective licenses, temporary operating permits for a period of six months may be applied to the Macao Government Tourism Office.

Under section 103 of L8/2021, anyone who, having submitted a licensing application to the Macao Government Tourism Office but whose license or temporary operating permit has not yet been issued, opens a hotel premises, restaurant, casual dining establishment, food stall, bar or dance hall to the public in urban real estate designated for hotel use, upon conviction shall be subject to the following fines: (i) hotel premises—MOP150,000.00 to MOP200,000.00; (ii) restaurant, casual dining establishment, food stall, bar or dance hall—MOP50,000.00 to MOP150,000.00. If no licensing application has been submitted to the Macao Government Tourism Office before opening to the public, the fines above-mentioned shall be doubled.

Under section 73 of L8/2021, minors under the age of 18 are prohibited from entering or staying in bars and dance halls, except for establishments that hold both restaurant and bar licenses but only operate as restaurants during business hours. A fine of MOP50,000.00 to MOP70,000.00 shall upon conviction be imposed for violation of section 73 of L8/2021.

Under section 80.1 of L8/2021, at all times, good hygiene, food safety, and fire safety conditions must be maintained. Concerning hygiene, food and fire safety, section 80.2 of L8/2021 stipulates certain prohibited situations. A fine of MOP10,000.00 to MOP70,000.00 shall upon conviction be imposed for violation of section 80 of L8/2021.

Under section 23.2(1) of Law No. 5/2025, when providing services related to hotel accommodation, pick-up and drop-off services may be offered to customers.

***Restriction on the Provision of Plastic Bags***

Law No. 16/2019 ("**L16/2019**") sets forth restriction on the provision of plastic bags in retail transactions. Under section 3 of L16/2019 and Chief Executive Order No. 143/2019, in retail transactions, a fee of MOP1.00 shall be charged for each plastic bag provided. Under section 4 of L16/2019, plastic bags for holding the following goods may be provided free of charge: (i) unpackaged food or medicine; (ii) goods obtained in the passenger boarding or disembarking areas of the airport, or in retail establishments in corridors leading to those areas, and subject to carry-on baggage security restrictions. The Environmental Protection Bureau is the governmental authority in Macao responsible for supervising the implementation of L16/2019, which is also empowered to impose upon conviction, for violating section 3 of L16/2019, a fine of MOP1,000.00 for each plastic bag.

***Tourism Tax Regulation***

Law No. 19/96/M, as amended by Law No. 5/2026, Law No. 24/2024 and Law No. 11/2022 ("**L19/96/M**") imposes a tourism tax of 5% on the price of goods and services directly or indirectly provided by establishments regulated by L8/2021. Under section 4 of L19/96/M, goods and services provided by the following establishments are exempt from tourism tax: (i) two-star hotels; (ii) low-cost accommodations; (iii) casual dining establishments; (iv) food court stalls; (v) beverage establishments; and (vi) food establishments. The tourism tax must be paid to the Macao Finance Services Bureau by the last day of the month following the month to which it relates. Late payment of tourism tax to the Macao Finance Services Bureau shall be imposed a fine ranging from MOP1,000.00 to four times the amount of tourism tax owed.

***Water Pollution Regulation***

Under Decree Law No. 35/97/M ("**DL35/97**"), in respect of discharge of pollutants in Macao water zone, it is prohibited to discharge any pollutants that will endanger the quality of water, beaches, coast, etc. The Macao Marine and Water Bureau is the governmental authority in Macao responsible for supervising the implementation of DL35/97, which is also empowered to impose upon conviction fines of MOP1,000.00 to MOP200,000.00.

## Laws and Regulations on Labor and Social Security

### *Employment Regulation*

All employers in Macao must apply to the Macao Labor Affairs Bureau for labor quotas to import non-resident employees from China and other countries under Law No. 21/2009, as amended by Law No. 10/2020, Law No. 4/2013 and Law No. 4/2010 ("**L21/2009**"). Employers are free to employ Macao residents in any position without any type of quota, as by definition all Macao residents have the right to work in Macao under Law No. 7/2008, as amended by Law No. 9/2026, Law No. 23/2024, Law No. 8/2020, Law No. 10/2015 and Law No. 2/2015 ("**L7/2008**"). Under L7/2008 and L21/2009, generally speaking, upon conviction, a fine of MOP500.00 to MOP50,000.00 shall be imposed on the employer for each employee in relation to whom the infraction is verified, however, in certain circumstances, such fine can be converted into imprisonment.

### *Minimum Wage Regulation*

Under Law No. 5/2020, as amended by Law No. 14/2025 and Law No. 19/2023 ("**L5/2020**"), the minimum wage for employees is: (i) MOP7,280.00 per month, for wages calculated monthly; (ii) MOP1,680.00 per week, for wages calculated weekly; (iii) MOP280.00 per day, for wages calculated daily; (iv) MOP35.00 per hour, for wages calculated hourly; (v) an average of MOP35.00 per hour, obtained by dividing the basic wage for the month in question by the number of hours actually worked in that month. Under section 5.2 of L5/2020, if the wage paid does not conform to the minimum wage above-mentioned, the employer must pay the employee the difference between the wage for the month in which it was calculated and the legally stipulated minimum wage. Under section 5.3 of L5/2020, if the wage stipulated in a contract is lower than that stipulated by L5/2020, the relevant contract clause shall be deemed non-existent and replaced by the relevant provisions of L5/2020. Under L5/2020, generally speaking, upon conviction a fine of MOP20,000.00 to MOP50,000.00 shall be imposed on the employer for each employee in relation to whom the infraction is verified, however, in certain circumstances, such fine can be converted into imprisonment.

### *Mandatory Provident Fund Schemes*

Under Law No. 4/2010, as amended by Law No. 6/2018 and Law No. 3/2026 ("**L4/2010**"), and Chief Executive Order No. 357/2016, employers must register their Macao resident employees under the mandatory Social Security Fund and make social security contributions of MOP90.00 per month for each of their Macao resident employees. Contributions are paid in the months of January, April, July and October, with contributions relating to the previous quarter due. Under L4/2010, upon conviction a fine of MOP200.00 to MOP1,000.00 shall be imposed on the employer for each employee in relation to whom the infraction is verified, and, in certain circumstances, the employer is liable to imprisonment.

Under Law No. 21/2009 and Chief Executive Order No. 89/2010, employers are required to pay employment fees of MOP200.00 per month for each of their non-resident employees. Under Administrative Regulation No. 8/2010, employment fees are paid in the months of January, April, July and October, with employment fees relating to the previous quarter due, an employer that fails to perform the above actions commits an offense and is liable upon conviction to a fine of MOP300.00 to MOP1,000.00 for each employee in relation to whom the infraction is verified.

## Other Relevant Laws and Regulations

### *Commercial Registration Regulation*

Under the Macao Commercial Code, commercial companies gain legal personality with the registration of their act of incorporation before the Macao Commercial and Movable Property Registry. Under the Macao Commercial Registration Code, once registration is finalized, it is presumed that the registered legal status exists entirely in accordance with the provisions made therein in the registration.

### *Complementary Tax Regulation*

The Macao Complementary Tax Regulation generally imposes a complementary income tax at a progressive rate not exceeding 12% on taxable profits in excess of MOP32,000.00 realized from conducting business in Macao. Under section 23 of Law No. 22/2023, section 23 of Law No. 25/2024 and section 22 of Law No. 13/2025, the exemption limit for taxable profits under the Macao Complementary Tax Regulation, respectively, in 2023, 2024 and 2025, is increased from MOP32,000.00 to MOP600,000.00 and, for taxable profits in excess of MOP600,000.00, a rate of 12% shall apply. Under Macao Complementary Tax Regulation, upon conviction a fine of MOP100.00 to MOP200,000.00 shall be imposed.

### *Personal Data Protection Regulation*

Law No. 8/2005 (Personal Data Protection Law) ("**L8/2005**") applies to a data controller, being any natural or legal person, public entity, agency or any other body which alone or jointly with others determines the purposes and means of the processing of personal data. Under section 21.1 of L8/2005, the data controller must notify the Macao Personal Data Protection Bureau in writing within eight days after the initiation of processing of personal data. Under section 20.1 of L8/2005, a transfer of personal data to a destination outside Macao may generally take place, provided that the data subject has given his/her consent unambiguously to the proposed transfer. Sections 10 to 14 of L8/2005 grant the data subject the rights to information, access, object, not to subject to automated individual decisions and compensation. Under L8/2005, upon conviction a fine of MOP2,000.00 to MOP100,000.00 shall be imposed, and, in certain circumstances, the offender is liable to imprisonment.

## PRC LAWS AND REGULATIONS

### Regulations on Hotel Operations

The Measures for the Control of Security in the Hotel Industry was revised by the Ministry of Public Security on March 29, 2022 and implemented from May 1, 2022; and the Decision of the State Council on the Establishment of Administrative Licenses for Administrative Approval Items Necessitating Retention was revised by the State Council on August 25, 2016 and implemented from the same day. Pursuant to these regulations, any applicant intending to open a hotel shall obtain a business license issued by the market supervision authorities. Also, as hotels are classified as a special industry under the laws, their operations may only commence after obtaining a permit for special industries issued by the public security authorities.

Pursuant to the Regulations on the Administration of Hygiene in Public Places, issued by the State Council in April 1987, amended on December 6, 2024 and implemented from January 20, 2025, the state implements the system of "Hygiene Permit" for public places. Hotels shall obtain a hygiene permit for public places prior to opening; those operating without a permit shall be subject to warnings, fines or suspension of business for rectification, depending on the severity of the offense. Pursuant to regulations such as the Implementing Rules for the Regulations on the Administration of Hygiene in Public Places, promulgated by the relevant departments of the National Health Commission in March 2011, amended on December 26, 2017 and implemented from the same day, hotels shall obtain a hygiene permit for public places issued by the health authorities, establish and improve the administration system of hygiene, and retain records such as disinfection logs, health certificates of staff and others to ensure that air quality, water quality and hygiene of public amenities and utensils comply with national health standards.

Pursuant to the Food Safety Law of the People's Republic of China, amended by the SCNPC on September 12, 2025 and implemented from December 1, 2025, and the Measures for the Administration of Food Business Licensing and Filing, promulgated by the State Administration for Market Regulation on June 15, 2023 and implemented from December 1, 2023, hotels providing food sales or catering services shall obtain a food business license issued by the market supervision and administration department, with the State Administration for Market Regulation responsible for guiding the administration of food business licensing and filing nationwide. Hotels engaged in food business activities without a food business license shall have their illegal gains, as well as the food, utensils, equipment, raw materials and other items used in the illegal operations, confiscated by the food safety supervision and administration department of the people's government at or above the county level; where the value of the food involved in the illegal operations is less than RMB10,000, a fine of not less than RMB50,000 but not more than RMB100,000 shall be imposed; where the value of goods involved is RMB10,000 or more, a fine of not less than ten times but not more than twenty times the value of goods shall be imposed.

Pursuant to the Fire Prevention Law of the People's Republic of China, as amended by the SCNPC on April 29, 2021 and implemented from the same day, and the Interim Provisions on the Administration of Examination and Acceptance of Fire Prevention Design of Construction Projects, promulgated by the Ministry of Housing and Urban-Rural Development on August 21, 2023 and implemented from October 30, 2023, hotels with a total floor area exceeding 10,000 square meters are classified as special construction projects and shall undergo review on fire prevention design and the fire safety acceptance upon completion; prior to commissioning, they shall pass a fire safety inspection, and during operation, regular fire drills and fire safety inspections shall be conducted to ensure that fire safety facilities are in good working order. The Regulations on Fire Safety Supervision and Inspection, promulgated by the Ministry of Public Security on July 17, 2012 and implemented from November 1, 2012, stipulate that for public assembly venues such as hotels, prior to commissioning and commencing operations, the construction entity or the entity using such venue shall apply for a fire safety check with the fire prevention department under the public security authority of the people's government at or above the county level where the venue is located.

**Regulations on Internet Security and Privacy Protection**

On June 10, 2021, the SCNPC promulgated the Data Security Law of the People's Republic of China (the "**Data Security Law**"), which was implemented from September 1, 2021. The Data Security Law primarily sets out specific provisions regarding the establishment of a basic system on data security administration, including an administration system on data classification and grading, a system on risk assessment, a mechanism on monitoring and early warning, and a mechanism on emergency response. Furthermore, it clarifies the obligations on data security protection of organizations and individuals engaged in data activities and responsible for implementing data security protection.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of the People's Republic of China (the "**Personal Information Protection Law**"), which was implemented from November 1, 2021. The Personal Information Protection Law clarifies that personal information means any information recorded by electronic or other means related to an identified or identifiable natural person, excluding information that has been anonymized. The processing of personal information shall have clear and reasonable purposes, be directly related to such purposes, and adopt methods that minimize the impact on the individual's rights and interests. Processing parties of personal information may only process such information under circumstances such as where the individual's consent has been obtained, where it is necessary for the performance of a contract, or where the practice is for emergency avoidance.

On November 7, 2016, the SCNPC promulgated the Cybersecurity Law of the People's Republic of China (the "**Cybersecurity Law**"), which came into effect on June 1, 2017. On October 28, 2025, the SCNPC revised the Cybersecurity Law, and the revised edition came into effect on January 1, 2026 and increased the liabilities of network operators for violations. The Cybersecurity Law stipulates that network operators, in carrying out their business and service activities, shall comply with the laws and administrative regulations, respect public morals, observe business ethics, act in good faith, fulfill their obligations on cybersecurity protection, be subject to supervision by the government and society, and assume social responsibilities. Personal information and important data within the territory of operators of key information infrastructure shall be stored within the territory. Where it is indeed necessary to provide such information to entities outside the territory due to business needs, a security assessment shall be conducted in accordance with the measures formulated by the national cyberspace administration in conjunction with relevant departments of the State Council.

**Regulation on Road Transportation**

Pursuant to the Regulation of the People's Republic of China on Road Transport, issued by the State Council on January 30, 2026 and implemented from March 20, 2026, enterprises engaged in passenger transportation operations shall apply for a permit for road transportation operations from the department on market supervision and administration in accordance with the laws. Any party that engages in road passenger transportation operations without obtaining a permit for road transportation operations, and whose illegal gains exceed RMB20,000, shall have such gains confiscated and be imposed a fine of not less than two times and not more than ten times the amount of illegal gains; where there are no illegal gains or the illegal gains are less than RMB20,000, a fine of not less than RMB10,000 and not more than RMB100,000 shall be imposed.

Pursuant to the Measures for the Administration of Road Transportation Directly to Hong Kong and Macao from Guangdong Province, issued by the People's Government of Guangdong Province on December 24, 2021 and implemented from April 1, 2022, and the Implementing Rules for the Measures for the Administration of Road Transportation Directly to Hong Kong and Macao from Guangdong Province, issued by the Department of Transportation of Guangdong Province on August 20, 2025 and implemented from September 20, 2025, enterprises engaged in cross-border transportation shall obtain the right to use quotas on commercial vehicles for direct transport to Hong Kong and Macao. Enterprises that have obtained vehicle quotas shall apply to the provincial transport authorities for a permit for cross-border transportation operations in accordance with the relevant requirements of the Regulations on the Administration of Road Passenger Transportation and Passenger Stations, the Regulations on the Administration of Road Freight Transportation and Terminals, and the Regulations on the Administration of Road Transportation of Dangerous Goods, and shall provide the relevant materials. The provincial competent authority on transport and transportation shall issue an administrative licensing decision to approve applications for cross-border transport operations that meet the statutory conditions, issue the corresponding Letter of Administrative Licensing Decision, which clarifies the operating entity, scope of operations (cross-border passenger transportation, cross-border transportation of general freight, cross-border transportation of dangerous goods) and other licensed matters, and issue the Operating Permit for Road Transportation to the licensee in accordance with regulations. Enterprises that have obtained an operating permit for cross-border transportation shall submit relevant materials regarding vehicles and drivers for cross-border transportation to the provincial public security authorities to apply for the Mainland Approval Notice. In particular, vehicles for cross-border transportation registered in Hong Kong or Macao shall also apply for the mainland vehicle license plates and the Vehicle Licenses. Once the provincial public security authorities have completed the registration of vehicles for cross-border transportation and the filing of drivers, the enterprise engaged in cross-border transportation shall apply to the provincial competent department of transport for the issuance of Road Transport Permit to vehicles for cross-border passenger transportation, and apply to the provincial competent department of transport at or above the county level for the issuance of Road Transport Permit to vehicles for cross-border freight transportation. It is also stipulated that when vehicles and drivers for cross-border transportation enter or exit the border, they shall make respective declarations in accordance with the laws and be subject to supervision by port inspection departments such as customs and border inspection. Where existing cross-border transportation enterprises operating on a cooperative basis intend to retain their original organizational form (cooperative operation), their relationship with the Hong Kong or Macao-registered enterprises to which their cross-border vehicles belong may remain unchanged as permitted, and applications for the renewal of existing operating permits for cross-border transportation vehicles may be submitted upon expiry.

Pursuant to the Exit and Entry Administration Law of the People's Republic of China, promulgated by the SCNPC on June 30, 2012 and implemented from July 1, 2013, vehicles leaving or entering the border shall undergo border inspection upon departure from or arrival at a port of entry. The persons responsible for the vehicles and the agencies dealing with entry and exit formalities for the vehicles shall cooperate with border inspection authorities. Where any violation of this Law is found, they shall immediately report such case and assist in the investigation and handling of the matters.

## OVERVIEW

China Travel HK is an investment holding company incorporated in Hong Kong and has been listed on the Stock Exchange since 1992. As of the Latest Practicable Date, the principal business activities of the China Travel HK Group include (i) tourist attraction and related operations (including theme parks, natural and cultural scenic spots, and leisure resorts); (ii) passenger transportation operations; (iii) hotel operations; and (iv) travel document and related services. Considering the China Travel HK Group is a conglomerate with different business segments that spread across different locations in Chinese Mainland, Hong Kong and Macao and the Spin-off could better reflect the value of our Group with its own merits and increase its operational and financial transparency through which investors would be able to appraise and assess the performance and potential of our Group separately and distinctly from those of the Retained Group, the China Travel HK Group intends to spin off its businesses of (i) passenger transportation operations; (ii) hotel operations; and (iii) travel document and related services primarily in Hong Kong and Macao to our Group by way of the Distribution and separate listing on the Main Board of the Stock Exchange.

## BUSINESS DEVELOPMENT MILESTONES

The following is a summary of our key business development milestones:

| Year | Event |
|---|---|
| 1954 | China Travel Service (Hong Kong) Limited, the predecessor of our key subsidiary China Travel Service Property Investment Hong Kong Limited, was incorporated in Hong Kong. |
| 1985 | China Travel Tours Transportation Services Hong Kong Limited and China Travel Service Entry Permit Service Hong Kong Limited, our key subsidiaries engaged in cross-border passenger transportation and travel document administration services, respectively, were incorporated in Hong Kong. |
| 1988 | Our first hotel, *Metropole Hotel*, commenced operations in Hong Kong, and was subsequently rebranded as *Metropark Hotel Kowloon.* |
| 1992 | China Travel HK, our holding company prior to completion of the Spin-off, became listed on the Main Board of the Stock Exchange (stock code: 308). |
| 1993 | *Metropark Hotel Macao* commenced operations in Macao. |
| 1995 | Beijing Guang'anmen Grand Metropark Co., Ltd., our subsidiary engaged in operating our first hotel in Beijing, namely *Beijing Guang'anmen Grand Metropark Hotel*, was established. |
| 2020 | We and Shun Tak Holdings Limited agreed to consolidate our cross-border passenger transportation operations into Shun Tak-China Travel Shipping Investments Limited, which became our non-wholly-owned subsidiary. |
| 2023 | We acquired Silver Time (H.K.) Limited, which owns the property where we currently operate Wanchai Green Residence Serviced Apartment. |

## KEY SUBSIDIARIES

The following subsidiaries of our Company served as significant holding entities or principally accounted for the results, assets, liabilities, or businesses of our Group during the Track Record Period:

| Subsidiary | Place and time of establishment/incorporation | Principal activities |
|---|---|---|
| Goster Resources Limited ("**Goster Resources**") | British Virgin Islands, July 1996 | Investment holding |
| Allied Well Holdings Ltd. | British Virgin Islands, July 1993 | Investment holding |
| Well Done Enterprises Inc. | British Virgin Islands, August 1996 | Property investment holding and hotel operations |
| Glading Development Limited | Hong Kong, August 1988 | Hotel operations |
| Hotel Metropole Holdings Ltd. | British Virgin Islands, March 1996 | Property investment holding and hotel operations |
| Silver Time (H.K.) Limited ("**Silver Time**") | Hong Kong, May 2005 | Hotel operations |
| Fu Wa (Macau) Development Company Limited | Macao, September 1988 | Hotel operations |
| Alton Services Limited | British Virgin Islands, July 1997 | Investment holding |
| United Capital Management Limited | Hong Kong, March 2001 | Investment holding |
| China Travel Net Limited | British Virgin Islands, January 2000 | Investment holding |
| China Travel Service Property Investment Hong Kong Limited (formerly known as China Travel Service (Hong Kong) Limited) | Hong Kong, June 1954 | Property investments |
| China Travel Service Entry Permit Service Hong Kong Limited (formerly known as China Travel Air Service Hong Kong Limited) | Hong Kong, August 1985 | Travel-document and tourist visa services |
| China Travel Tours Transportation Services Hong Kong Limited | Hong Kong, July 1985 | Passenger transportation |

| Subsidiary | Place and time of establishment/incorporation | Principal activities |
|---|---|---|
| Shun Tak-China Travel Shipping Investments Limited | British Virgin Islands, October 1998 | Investment holding |
| Celeworld Limited | Hong Kong, July 1988 | Passenger transportation operations |
| Beijing Guang'anmen Grand Metropark Co., Ltd. | PRC, April 1995 | Hotel operations |

## MATERIAL ACQUISITIONS AND DISPOSALS

### Acquisition of Silver Time

Silver Time is a company incorporated in Hong Kong with limited liability on May 18, 2005, and is principally engaged in the operation of a block of serviced apartments and shops for rental and management fee income. The principal asset of Silver Time is the property known as "De Fenwick" located at Inland Lot 2823 Remaining Portion, Nos. 8-12 Fenwick Street & Nos. 42-50 Lockhart Road, Wanchai, Hong Kong (the "**Properties**"), with a total approved gross floor area of approximately 56,754 square feet.

Immediately prior to completion of the acquisition of Silver Time by Goster Resources in 2023, Silver Time was owned as to 91%, 3%, 3% and 3% by Leung Tat Bor (梁達波), Leung Kwok Wai (梁國偉), Leung Kwok Ho (梁國豪) and Leung Shuk Yan, Amy (梁淑恩) (collectively, the "**Original Shareholders**"), respectively. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Original Shareholders is an Independent Third Party.

On September 25, 2023, Goster Resources entered into the share transfer agreement (the "**Share Transfer Agreement**") with the Original Shareholders and Silver Time. Pursuant to the Share Transfer Agreement, the Original Shareholders agreed to sell, and Goster Resources agreed to acquire, 100% of the issued share capital of Silver Time. The consideration for the acquisition is HKD899,654,000 (the "**Consideration**") and the acquisition was completed on October 16, 2023.

The Consideration was determined after arm's length negotiation between Goster Resources and the Original Shareholders with reference to, among others: (i) the appraised value of the issued share capital of Silver Time as at May 31, 2023 of approximately HK$1,040,000,000 (after taking into account certain assets and liabilities of Silver Time being excluded from the acquisition and disposed of, settled or waived before completion), as assessed by an independent professional valuer using asset-based approach; (ii) the prevailing market prices of comparable properties in the vicinity of the Properties; and (iii) the strategic benefits of the acquisition to China Travel HK Group.

Considering the Properties' location in the core commercial district and its close proximity to the Group's existing Kew Green Hotel Wanchai Hong Kong, the acquisition was believed to offer operational synergies to our Group through strengthening our reputation and business presence in the Hong Kong hospitality and commercial property market and enhancing operational efficiency from sharing of resources and facilities or exploring potential merger and redevelopment of the combined site.

Immediately upon completion of the acquisition, Silver Time became an indirect wholly-owned subsidiary of China Travel HK and we have been operating our Wanchai Green Residence Serviced Apartment at the Properties. None of the applicable percentage ratios as defined under the Listing Rules in respect of the acquisition exceeds 25% which would require disclosure pursuant to Rule 4.05A of the Listing Rules. Save as disclosed above, there has been no material acquisitions or disposals by our Group during the Track Record Period and up to the Latest Practicable Date.

## THE SPIN-OFF REORGANIZATION

In preparation for the Spin-off and the Listing, China Travel HK Group underwent the reorganization for the purpose of the Spin-off (the "**Spin-off Reorganization**"), which involved the following steps:

### (1) Incorporation of our Company

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on September 12, 2025.

The share capital of our Company was HKD60,000,000.00 divided into 6,000,000,000 shares of a nominal or par value of HKD0.01 each. Upon incorporation, one Share was allotted and issued to an Independent Third Party subscriber and such Share was then transferred to China Travel HK.

### (2) Transfer of the Spin-off Business

Prior to the Spin-off Reorganization, the subsidiaries holding the Spin-off Business were directly or indirectly owned by China Travel HK. We have conducted a series of equity transfers and debts assignment, pursuant to which the equity interests in the companies comprising the Spin-off Business were transferred to our Company, and certain intercompany indebtedness relating to the Spin-off Business was assigned to our Company. In return, our Company allotted and issued an aggregate of 20 Shares to China Travel HK as consideration for such transfers and assignment. Please see "—Key Subsidiaries" above for details. The Spin-off Reorganization was completed on May 13, 2026.

Upon completion of the Spin-off Reorganization, the relevant subsidiaries and the relevant associated companies of China Travel HK become subsidiaries and associated companies of our Company, respectively, and our Company became the holding company of all of the operating subsidiaries of our Group. For the corporate structure of our Group after the Spin-off Reorganization, please see "—Shareholding and Corporate Structure—After the Spin-off Reorganization and Immediately Prior to the Spin-off and Listing" below. As confirmed by our legal advisors as to Cayman Islands, BVI, Hong Kong and PRC laws, all necessary governmental approvals required under the applicable laws and regulations in connection with the Spin-off Reorganization have been obtained, and the Spin-off Reorganization complied with all applicable laws and regulations in all material respects.

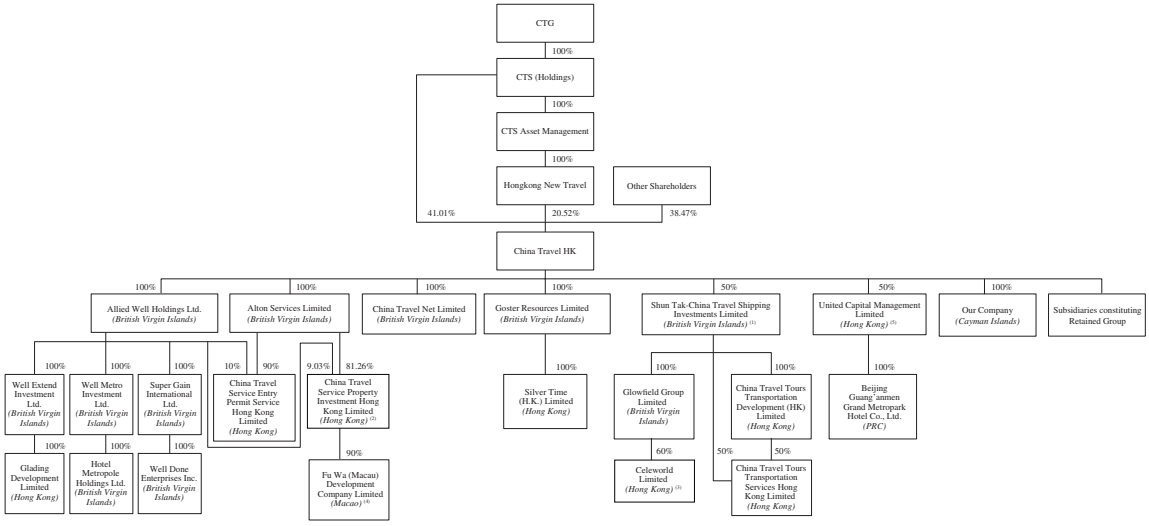
## THE DISTRIBUTION

On October 26, 2026, the China Travel HK Board declared the Distribution to the Qualifying China Travel HK Shareholders. The Distribution will be satisfied wholly by way of a distribution in specie to the Qualifying China Travel HK Shareholders of an aggregate of 1,384,158,427 Shares, representing the entire issued share capital of our Company. See the section headed "The Distribution and Spin-off" in this listing document for more information.

## SHAREHOLDING AND CORPORATE STRUCTURE

### Prior to the completion of the Spin-off Reorganization

The following chart sets forth the simplified shareholding and corporate structure of our Company and China Travel HK immediately before the completion of the Spin-off Reorganization:




(1) The remaining 50% of the issued shares of Shun Tak-China Travel Shipping Investments Limited is held by Shun Tak Holdings Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Stock Exchange (stock code: 242) with core businesses spanning property, hospitality and leisure, transportation and investments. Since Shun Tak-China Travel Shipping Investments Limited is our non-wholly-owned subsidiary and Shun Tak Holdings Limited is a substantial shareholder of Shun Tak-China Travel Shipping Investments Limited, Shun Tak Holdings Limited is our connected person at the subsidiary level.

(2) The remaining 9.71% issued ordinary shares of China Travel Service Property Investment Hong Kong Limited is held by CTS (Holdings), a Controlling Shareholder. China Travel Service Property Investment Hong Kong Limited also issued non-voting deferred shares of which 99.8% is held by CTS (Holdings) and 0.2% is held by China Travel Service Entry Permit Service Hong Kong Limited.

(3) The remaining 40% of the issued shares of Celeworld Limited is held by Hongkong Macao Hydrofoil Company Limited, an indirect wholly-owned subsidiary of Shun Tak-China Travel Shipping Investments Limited.

(4) Immediately prior to the completion of the Spin-off Reorganization, the remaining 10% of the issued shares of Fu Wa (Macau) Development Company Limited was held by China Chance Developments Limited ("**China Chance**"), a wholly-owned subsidiary of China Travel HK. As part of the Spin-off Reorganization, such interest was transferred to Goster Resources Limited, a wholly-owned subsidiary of our Company.

(5) Immediately prior to the completion of the Spin-off Reorganization, the remaining 50% of the issued shares of United Capital Management Limited ("**United Capital**") was held by China Chance, a wholly-owned subsidiary of China Travel HK. As part of the Spin-off Reorganization, all the issued shares of United Capital were transferred to our Company.

During the Track Record Period, our equity interests in the following subsidiaries of our Group were held by certain entities within the CTG Group through nominee shareholding arrangements:

| Group company | % of equity interest held through nominee | Beneficial owner | Nominee shareholder |
|---|---|---|---|
| Fu Wa (Macau) Development Company Limited ("**Fu Wa**") | 10% | China Travel Service Property Investment Hong Kong Limited ("**CTSPI**") | China Chance Developments Limited (a wholly-owned subsidiary of China Travel HK) ("**China Chance**") |
| Tonkin Limited (康健有限公司) ("**Tonkin**") | 25% | CTSPI | China Chance |
| New Bus Holdings Limited (新巴集團有限公司) ("**New Bus Holdings**") | 80% | China Travel Tours Transportation Development (HK) Limited ("**CTTTD**") | China Travel HK |
| Xinglv Culture (Shenzhen) Co., Ltd. (星旅文化(深圳)有限公司) ("**Xinglv Culture**") | 100% | CTTTD | China Tourism Group Hotel Holdings Co., Ltd. (中國旅遊集團酒店控股有限公司) (a wholly-owned subsidiary of CTG) ("**CTG Hotel Holdings**") |
| Shenzhen Jiateng Industrial Co., Ltd. (深圳市嘉騰實業有限公司) ("**Jiateng Industrial**") | 100% | CTTTD | CTG Hotel Holdings |
| Shenzhen Huaxin'an Enterprise Management Consulting Co., Ltd. (深圳市華信安企業管理諮詢有限公司) ("**Huaxin'an**") | 100% | Shine Spring International Limited (耀泉國際有限公司) | CTG (Hainan) Investment Development Co., Ltd. (中旅(海南)投資發展有限公司) (a wholly-owned subsidiary of CTG) |
| Guangdong CTS (HK) Travel Tours Co., Ltd. ("**Guangdong CTS Tours**") | 100% (foreign investment interest in a sino-foreign cooperative joint venture) | CTTTD | Grand Tour & Travel Limited (京澳旅遊有限公司) (a non-wholly-owned subsidiary of CTG) ("**Grand Tour**") |

During the Track Record Period, all of the above nominee shareholding arrangements were documented by legally binding agreements, pursuant to which the relevant beneficial owner is beneficially entitled to any interest and other benefits on the equity interests held by the relevant nominee shareholder under such arrangement. New Bus Holdings adopted nominee shareholding arrangement in order to simplify corporate structure. The nominee shareholding arrangements in relation to Fu Wa and Tonkin were in place owing to the then applicable requirements under their respective articles of association. For Xinglv Culture, Jiateng Industrial, Huaxin'an and Guangdong CTS Tours, such shareholding arrangements were adopted for the sake of historical and operational convenience. Our PRC Legal Advisor

has confirmed that, from a PRC legal perspective, during the Track Record Period, the above nominee shareholding arrangements, to the extent equity interests in companies incorporated in the PRC are concerned, are valid and enforceable, and there existed no circumstances of invalidity as stipulated under the relevant laws and administrative regulations.

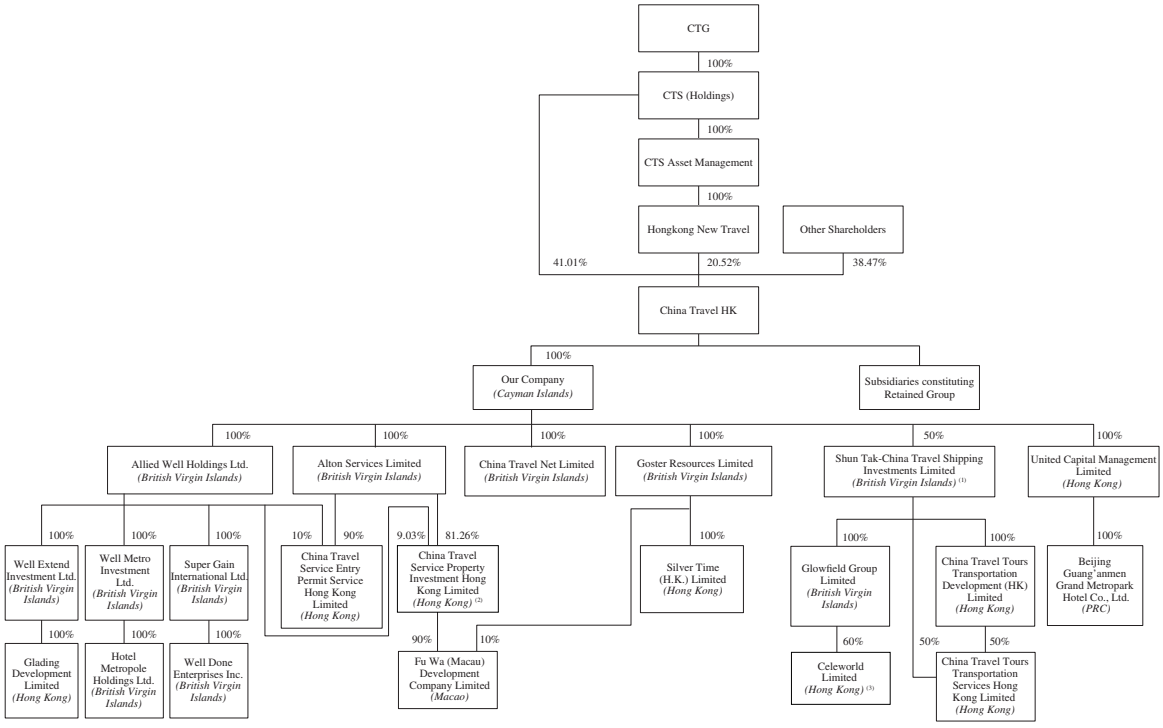
As of the Latest Practicable Date, all the above nominee shareholding arrangements had been terminated, save as the nominee shareholding arrangement in respect of Guangdong CTS Tours, which was established as a sino-foreign cooperative joint venture. Such nominee shareholding arrangement will remain subsisting upon Listing primarily due to the impracticality of its unwinding following the abolition of the Company Law of the PRC on Sino-Foreign Cooperative Joint Ventures (中華人民共和國中外合作經營企業法), rendering the statutory basis of changing its foreign investor ambiguous for the time being.

The Directors consider such risks of disputes and termination to be highly remote given that (i) the nominee shareholding relationship between CTTTD and Grand Tour has been spanning over two decades of uninterrupted cooperation, (ii) both parties are affiliated entities, and (iii) our Group has never received any notice of rectification or termination from any relevant authorities in respect of the subsistence and operation of Guangdong CTS Tours as at the Latest Practicable Date.

**After the Spin-off Reorganization and Immediately Prior to the Spin-off and Listing**

On October 23, 2026, a total of 1,384,158,406 new Shares were allotted and issued at par to China Travel HK. Upon completion of the issuance, the number of our issued Shares will become 1,384,158,427 Shares.

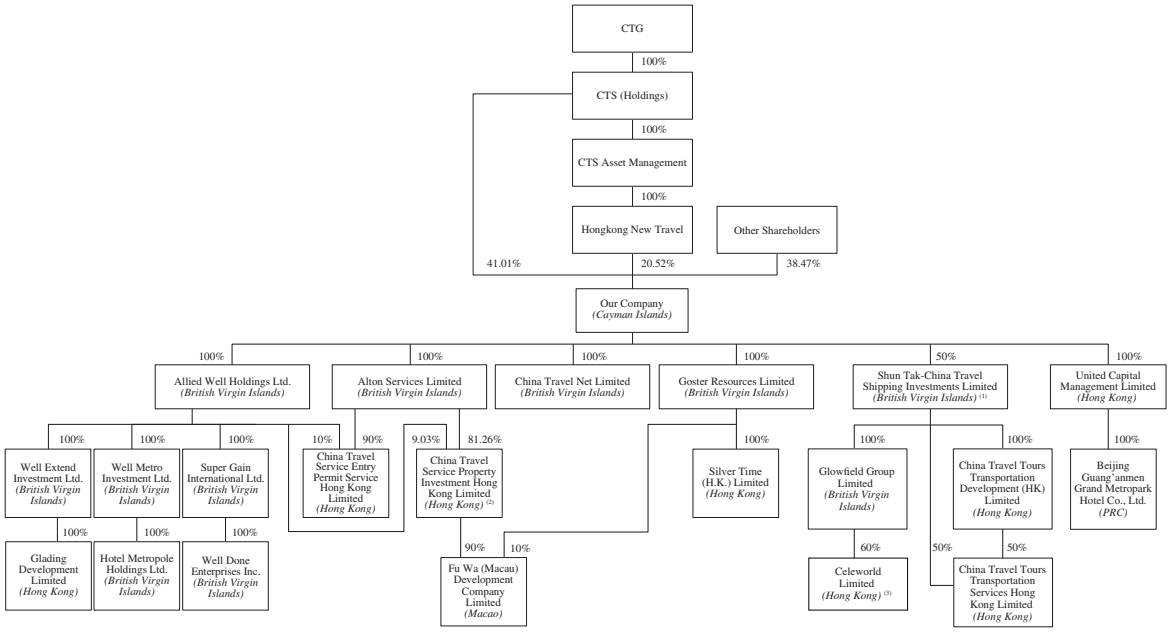
The following chart sets forth the simplified shareholding and corporate structure of our Company and China Travel HK immediately after the completion of the Spin-off Reorganization and immediately prior to the completion of the Spin-off and the Listing (assuming no change to the shareholding in China Travel HK):




*Note:* Please refer to notes to the shareholding chart above.

## Immediately Following the Spin-off and the Listing

The following chart sets forth the shareholding and corporate structure of our Company showing our key subsidiaries immediately after the completion of the Spin-off and the Listing:




*Note:* Please refer to notes to the shareholding chart above.

## PUBLIC FLOAT

Rule 8.08(1)(a) of the Listing Rules provides that there must be an open market in the securities for which listing is sought which normally means that at least 25% of the issuer's total issued share capital must at all times be held by the public.

Immediately following completion of the Spin-off and the Listing, Mr. Zhang Daorong, our executive Director and finance director, Mr. Ha Yufeng, our non-executive Director, and the following Shareholders will be core connected persons of our Company and hence Shares held by them will not be counted towards the public float for the purpose of Rule 8.08(1) of the Listing Rules:

- CTS (Holdings); and
- Hongkong New Travel,

each of which is ultimately owned/ controlled by CTG, each a Controlling Shareholder.

So far as our Directors are aware, save as disclosed above, no other Shareholder (i) is a core connected person of our Company; (ii) has been financed directly or indirectly by a core connected person of our Company for the acquisition of Shares; or (iii) is accustomed to take instructions from a core connected person of our Company in relation to the acquisition, disposal, voting, or other dispositions of the Shares registered in their name or otherwise held by them, and all the Shares held by such Shareholders will be counted towards the public float of our Company for the purpose of Rule 8.08(1) of the Listing Rules upon Listing.

Accordingly, immediately following completion of the Spin-off and the Listing, without taking into account of the effect of any Shares which the Non-Qualifying China Travel HK Shareholders would otherwise receive from the Distribution, approximately 38.47% of our issued Shares will be held by the public and counted towards the public float for the purpose of Rule 8.08(1) of the Listing Rules.

**FREE FLOAT**

Pursuant to Rule 10.07 of the Listing Rules, each of the Controlling Shareholders has undertaken to the Stock Exchange and to our Company that, it will not and will procure that the relevant registered holders (if applicable) will not: (a) in the period commencing on the date by reference to which disclosure of their shareholding in our Company is made in this listing document and ending on the date which is six months from the Listing Date (the "**First Six-month Period**"), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any Shares or securities of our Company in respect of which they are shown in this listing document to be the beneficial owner (the "**Relevant Securities**"); and (b) in the period of six months commencing on the date on which the First Six-month Period expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Relevant Securities if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, they would cease to be a group of Controlling Shareholders of our Company; in each case, save as permitted under the Listing Rules.

Immediately after the completion of the Spin-off and the Listing, our Controlling Shareholders will hold approximately 61.53% of our issued share capital. Other than the Shares held by the Controlling Shareholders, no other Shares are required to be subject to any lock-up undertaking. Accordingly, immediately following completion of the Spin-off and the Listing, all the Shares held by the public referred to in "—Public Float" above, that is approximately 38.47% of our issued Shares, will be available for trading in compliance with Rule 8.08A of the Listing Rules.

## OVERVIEW

### Who We Are

Building on our subsidiary's service history dating back to 1954, we have grown into a travel services provider focusing on the Greater Bay Area. Consistent with CTG's mission "serving the country and the public with high-quality tourism services（旅遊報國，服務大眾）," we are deeply rooted in the Greater Bay Area. We leverage our capabilities to support tourism development in Hong Kong and Macao, and improve cross-boundary travel convenience and regional connectivity across the Greater Bay Area. We focus on three strategic priorities: cross-boundary transportation in the Greater Bay Area, local travel-related services in Hong Kong and Macao, and culture-and-tourism integration, and seek to translate regional development opportunities into medium- to long-term growth by coordinating resources across our passenger transportation and hotel businesses to serve diverse traveler needs.

We operate a cross-boundary passenger transportation platform in the Greater Bay Area spanning maritime and road networks. Our cross-boundary transportation services are offered under two principal cross-boundary transportation brands: "TurboJET" and "CTS Bus." TurboJET operates Hong Kong-Macao ferry routes and had 22 licensed vessels as of April 30, 2026. According to Frost & Sullivan, TurboJET maintained the largest jetfoil fleet in Asia and was among the world's largest cross-boundary high-speed passenger ferry operators as of the Latest Practicable Date. In 2025, we held a market share of approximately 50.0% of the Hong Kong-Macao maritime passenger transportation market, with annual passenger volume of approximately 3.0 million. CTS Bus primarily operates cross-boundary road passenger transportation services. Our fleet included 221 large coaches and 44 business vehicles as of April 30, 2026, providing route coverage across Hong Kong, Macao and nine other cities in the Greater Bay Area. We carry approximately 4.0 million passengers per year. We are also a shareholder of All China Express and the operating entities of Hong Kong-Zhuhai-Macao Bridge shuttle bus. According to Frost & Sullivan, based on revenue, we ranked second among cross-boundary ferry and bus passenger transportation service providers in the Greater Bay Area, with a market share of approximately 16.1% in 2025.

We operate a portfolio of three hotel brands, Metropark（維景）, Kew Green（睿景）and Green Residence（柏景軒）, with differentiated positioning. Our hotels are located in major commercial districts and key tourism areas in Hong Kong, Macao and Beijing. As of December 31, 2023, 2024 and 2025 and April 30, 2026, we operated six, eight, eight and eight hotels, respectively, with a total of 1,917, 2,563, 2,563 and 2,563 guest rooms, respectively. These hotels are positioned as business-oriented and chain-style properties targeting mid- to upper-tier customers.

We also provide travel-document administration services in Hong Kong as appointed by CTS (Holdings). Guided by the principle of "security, efficiency and quality services（安全高效，優質服務）," and with a commitment to public convenience, we help enable seamless travel between Hong Kong and Chinese Mainland.

### Our Market Opportunity

According to Frost & Sullivan, the market size of cross-boundary ferry and bus passenger transportation services in the Greater Bay Area reached RMB5.1 billion in 2025. In addition, the Hong Kong and Macao hotel services market reached RMB64.7 billion. We believe the travel services markets in which we operate have strong growth potential, driven by the factors below, and that our positioning, including our state-owned enterprise background, early entry into select segments, and licenses and qualifications across multiple business lines, puts us in a favorable position to benefit from these trends.

***National strategies create industry tailwinds and support a favorable long-term backdrop***

China's national policy framework has increasingly prioritized tourism and the broader culture-and-tourism sector. For example, the national 15th Five-Year Plan calls for deeper integration of culture and tourism by shaping tourism through culture and showcasing culture through tourism and for advancing the goal of building China into a "leading tourism nation." These policies signal continued government support for tourism as a driver of domestic demand and consumption, and as a sector that contributes to broader economic and social goals.

The development of the Greater Bay Area is a national strategic initiative. Greater Bay Area policy plans call for building a "cultural bay area" and a "leisure bay area," promoting deeper cross-boundary regulatory connectivity and industry collaboration, and supporting Hong Kong and Macao as world-class tourism and leisure destinations. We expect these initiatives to support demand for our cross-boundary passenger transportation services and integrated travel solutions in Hong Kong and Macao. In addition, authorities have introduced measures to streamline cross-boundary travel procedures. For example, beginning in May 2024, certain regions in China enabled online processing for entry-and-exit travel documents, expanded the scope of select individual-visit arrangements, and introduced measures to ease travel at land ports between Chinese Mainland and Hong Kong.

Policies to boost consumption and expand domestic demand, such as higher duty-free shopping quotas, easier cross-boundary payments, and upgrades to tourism spending infrastructure, should further stimulate travel spending. Greater Bay Area initiatives to develop a world-class tourism destination, together with the integration of cross-boundary travel with retail and cultural experiences, are expected to drive higher-quality, more diversified travel consumption.

Together, sustained policy support for tourism, ongoing Greater Bay Area integration, and pro-consumption measures are accelerating industry growth, lifting cross-boundary passenger volumes and travel-related purchase frequency, and creating additional opportunities for our core businesses.

***Tourism development in Hong Kong and Macao support cross-boundary travel demand***

The Hong Kong and Macao governments have emphasized tourism development and introduced policies that support the cross-boundary transportation services industry. Cross-boundary passenger volume reached approximately 570.0 million in 2025, reflecting sustained demand for passenger transportation driven by business, family and leisure travel in Hong Kong and Macao. International visitor volumes to Hong Kong and Macao totaled 12.0 million in 2025 highlighting the continued recovery of inbound tourism. We believe these demand drivers support our cross-boundary passenger transportation services and broader travel service offerings, particularly as travelers seek convenient connections and integrated travel arrangements across Hong Kong, Macao and the Greater Bay Area.

Hong Kong has positioned itself as an international hub for meetings, incentives, conferences and exhibitions, which may support sustained demand for midscale to upscale hotel accommodations and attract higher-value overnight travelers. Hong Kong also hosts a wide range of mega events and activities throughout the year, including arts and cultural performances, sports competitions, conferences and exhibitions, and festive celebrations. These events can generate additional demand for cross-boundary transportation, hotel accommodations and local destination services. In 2025, the Hong Kong government released the Hong Kong Tourism Industry Development Blueprint 2.0, or the Blueprint, and the "Tourism is Everywhere" initiative, to position Hong Kong as an international urban tourism hub and a "multi-destination" travel model. The Blueprint also sets 2029 targets to increase the value added of the tourism industry, which refers to the incremental economic output generated by tourism-related sectors in Hong Kong, including accommodation,

catering, transportation, retail and sightseeing services, to HKD120.0 billion and tourism-related employment to 210,000. We believe these initiatives, together with Macao's efforts to expand non-gaming offerings and develop culture- and creative-themed hotels, may create additional demand opportunities for our businesses.

***Rising disposable income and evolving travel consumption patterns support demand for higher-value travel experiences***

According to Frost & Sullivan, per capita total income in Hong Kong rose from HKD413,687 in 2021 to HKD488,901 in 2025, representing a CAGR of 4.3%, indicating steady growth. Over the same period, per capita disposable income in Chinese Mainland rose from RMB35,128 in 2021 to RMB43,377 in 2025, representing a CAGR of 5.4%. We believe rising total or disposable income will support travel spending.

Travel spending has increasingly shifted from traditional sightseeing toward experience-driven offerings that emphasize immersive activities and emotional value. This has fueled the rise of "events + tourism," where concerts and immersive shows are bundled with travel packages and services. These offerings can stimulate demand across the journey from transportation, accommodation to dining and entertainment, while expanding hotels' non-room revenue opportunities and boosting per-visitor spend. We believe this trend supports Hong Kong's positioning as a center for culture and arts as well as our strategy to develop higher-value "Tourism+" offerings that combine transportation, accommodations and local destination services.

Evolving consumer spending patterns are creating opportunities for our future growth strategies: the shift toward higher-quality experiences is supporting strong pricing in our local travel services in Hong Kong and Macao; the surge in live entertainment and major events is driving culture-sports-tourism offerings by expanding content and improving conversion; and increasingly diverse, personalized travel preferences are strengthening the passenger base for cross-boundary network across the Greater Bay Area. We are scaling higher-value services to convert this tailwind into sustainable medium- to long-term growth.

***Transportation infrastructure development and technology adoption enhance travel convenience and support "+Tourism" offerings***

In recent years, major transportation and tourism-related infrastructure projects, including the Guangzhou-Shenzhen-Hong Kong high-speed rail link, the Hong Kong-Zhuhai-Macao Bridge, Kai Tak Sports Park and cross-boundary bus facilities, have commenced operations. These projects are improving connectivity and network efficiency, supporting growth in regional passenger traffic and providing a practical foundation for integrated "+Tourism" offerings, including culture, sports, ecology and mega events tourism. Greater Bay Area integration measures, including new cross-boundary clearance arrangements, are also expected to improve passenger-flow coordination and travel efficiency.

The Hong Kong government has also placed greater emphasis on moving beyond basic visitor services toward creating visitor experience, supported by technologies such as passenger-flow modeling, smart crowd management, intelligent traffic systems, and digital information and payment solutions. We believe these initiatives will enhance visitor convenience and enable higher-quality tourism experiences, supporting "+Tourism" and strengthening Hong Kong's competitiveness as a leading global destination.

## OUR COMPETITIVE STRENGTHS

### A travel services provider with a strategic focus on the Greater Bay Area

We are an established travel services provider in the Greater Bay Area. Through our services, we connect key stages of a traveler's journey, including travel-document preparation, cross-boundary travel, hotel stay and local destination experiences in Hong Kong and Macao. By coordinating resources across these segments, we are able to provide travelers with convenient services and capture demand across multiple travel scenarios. This positioning has supported our growth as travel demand in the Greater Bay Area continues to increase. It has also helped us maintain a competitive position in a fragmented industry. We ranked second in the Greater Bay Area in cross-boundary ferry and bus passenger transportation market by 2025 revenue, with a market share of 16.1%, according to Frost & Sullivan. According to Frost & Sullivan, the cross-boundary ferry and bus passenger transportation market in the Greater Bay Area is expected to reach RMB7.5 billion by 2030, representing a CAGR of 8.3% from 2026 to 2030, and the Hong Kong and Macao hotel services market is expected to reach RMB105.5 billion by 2030, representing a CAGR of 10.3% from 2026 to 2030.

We serve a broad customer base across the region. In cross-boundary transportation, our bus services connect travelers with nine destination cities in Chinese Mainland and carry approximately 4.0 million passengers per year. Our ferry services carry approximately 3.0 million passengers per year. In addition, we hold an equity interest in the operating entities of Hong Kong-Zhuhai-Macao Bridge shuttle bus, the only public, all-day shuttle linking the Hong Kong, Zhuhai, and Macao ports of the bridge, which serves over 12.0 million passengers per year. We are also appointed by CTS (Holdings) to provide travel-document administration services in Hong Kong.

By connecting key stages of the traveler journey, from travel-document administration services to transportation and hotel accommodations, we are well positioned to serve travelers and business partners across the Greater Bay Area.

### An established cross-boundary business network that complements operational capabilities

With long-standing operations in Hong Kong and Macao, we have built a cross-boundary travel and transportation platform serving Chinese Mainland, Hong Kong, and Macao. Our resources span key points in the travel value chain, and the coordination among our business segments, supported by decades of operating experience helps enhance our operational efficiency and service capabilities.

Our transportation network and hotel platform are complementary as certain hotel properties are located near our transportation service points. Hotels may help generate incremental demand for transportation, as hotel guests may use our cross-boundary coach, ferry and airport bus services when traveling between Hong Kong, Macao and other cities in the Greater Bay Area, and cross-boundary passenger traffic may generate demand for hotel accommodation, as certain passengers traveling to or through Hong Kong and Macao may require overnight or short-stay accommodation. This multi-scenario mix reduces exposure to cycles in any single line of business and supports operating resilience across different market conditions. We operate a fleet of more than 260 coaches and business vehicles with broad route coverage. We have also established routes linking Hong Kong and Macao with nine other cities in the Greater Bay Area. In parallel, we operate eight hotels in Hong Kong, Macao and Beijing (2,563 rooms as of April 30, 2026), helping us manage supply through seasonal peaks and off-peak periods and supporting our transportation services. For example, certain of our hotel properties are located near our direct coach ticketing outlets, airport bus

stops or other transportation access points, enabling us to offer guests convenient access to transportation services and to market hotel accommodation to travelers using our transportation network.

We believe that regulatory access requirements and our early entry in the Guangdong-Hong Kong-Macao cross-boundary passenger transportation market further strengthen our market position. Cross-boundary operations generally require permits, licenses, and quota-based qualifications, including rights to use quota allocations for commercial vehicles operating between Chinese Mainland and Hong Kong and Macao. These quotas and related approvals are critical prerequisites for market entry and expansion. As a state-owned enterprise with a long operating history in the region, we have accumulated quota resources and secured access to key routes and terminals in the Greater Bay Area's ferry and bus passenger network, supporting our ability to operate at scale. We also hold relevant licenses for our hotel operations and have been appointed to provide travel-document administration services, supporting an integrated presence across the travel services value chain. This business structure allows us to coordinate resources across segments and provide travelers with convenient service options throughout their journey, from travel-document processing to cross-boundary transportation and to hotel accommodations. This integrated experience supports customer engagement and enhances our market visibility compared with single-segment operators.

**A self-managed hotel portfolio that provides operational flexibility and control**

Our hotel portfolio is strategically located in prime areas of Hong Kong and Macao, covering established tourism clusters and core business districts. Our properties are generally located near MTR stations and cross-boundary interchange points and are typically within walking distance of, or a short trips from, major shopping, leisure and meetings, incentives, conferences and exhibitions (MICE) venues. We believe these location attributes help us capture demand from individual and cross-boundary business travelers and support a stable customer base, which in turn underpins our high occupancy rate.

Each of our hotel brands targets specific customer groups and offers service features to appeal to guests seeking accommodation in similar locations. We believe this enables us to attract both new and returning customers, provide convenient accommodation options for individual travelers and capture incremental demand from business travelers in surrounding areas, thereby supporting higher RevPAR. We pursue a differentiated portfolio strategy that targets multiple customer segments, including high-end business travelers, boutique leisure travelers and longer-stay guests. We believe this approach diversifies our demand sources and customer mix and helps mitigate the impact of fluctuations in any single source market. We also seek to enhance customer engagement and repeat visitation through segment-specific product offerings and service standards, which we believe support the long-term stability of our occupancy levels.

In addition to guest rooms, our hotels offer ancillary facilities and services, including food and beverage, meeting and conference facilities and banquet services, which we believe increase spending per guest and support cross-selling. We undertake periodic property enhancements and refine service standards to improve the guest experience and reinforce brand positioning, which we believe supports our competitive position in our regional markets.

On the operations side, we implement revenue management and distribution initiatives, including dynamic pricing, customer analytics and an omni-channel distribution strategy, to support forward-looking inventory allocation and targeted marketing. We also maintain rigorous service standards and operate a real-time customer feedback loop. As a result, the average occupancy rate of our core hotels in Hong Kong and Macao has remained above 90.0%.

**Digital operations, centralized procurement and an efficient management platform drive operating efficiency**

We enhance efficiency and reduce costs through digital operations, centralized procurement and an efficient management platform. We offer WeChat ticket purchases, paperless tickets and QR-code boarding, which improve customer experience by making booking and boarding faster and more convenient while reducing operating costs. Our intelligent dispatching system enables us to dynamically match capacity with demand, reduce idle resources and improve overall fleet utilization. We also continue to implement passenger-flow initiatives to support hotel occupancy and enhance revenue conversion. At the same time, we are strengthening our digital operations and centralized procurement capabilities to improve operating efficiency. Through digital operations, we are able to better standardize internal processes, allocate resources more efficiently and monitor operating performance on a timely basis. Through centralized procurement, we are able to consolidate demand across our businesses, improve supplier coordination, enhance pricing discipline and reduce duplicative costs. We believe these measures will continue to optimize our cost structure, enhance operating efficiency and support sustainable profitability.

We believe our stable operations and efficient sales network support economies of scale, enhance profitability and enable a scalable business model. We centrally procure travel-related services and supplies. Given our procurement needs and our strong and stable supplier relationships, we are well-positioned to negotiate competitive pricing. These factors allow us to design more attractive travel packages and improve product profitability.

We have built a multi-channel, cost-efficient sales network with strategically located outlets in Hong Kong and Macao and online sales platforms, providing convenient and cost-effective channels to market and sell our products and services. We leverage this outlet network and online platforms to meet growing demand. We believe this cost-efficient multi-channel sales network expands our reach and makes booking more convenient.

**Strong shareholder support, experienced leadership and high-caliber talent power sustainable growth**

Our Controlling Shareholder, CTG, is the largest central state-owned enterprise in China's tourism industry. It has substantial tourism-related resources across business segments, including travel services, investment in and operation of tourism projects, tourism retail, hotel operations, travel-related financial services and strategic investments in the tourism sector. Its business network spans Chinese Mainland, Hong Kong, Macao and other 38 overseas countries and regions. As a subsidiary of CTG, we can leverage and benefit from, significant synergies with CTG's strong visitor-mobilization capabilities, marketing resources, performing arts offerings at scenic areas, which we believe enhance the services and experiences we provide to customers and support our long-term sustainable growth.

Our management team has extensive experience in the tourism industry, strategic vision and execution capabilities. The members of our management team bring complementary expertise across our key business areas, including tourism operations, market development, finance and corporate management. Leveraging their deep understanding of the tourism market and industry trends, we believe that, under the leadership of our management team, we are able to respond effectively to market changes, capture growth opportunities, improve operational efficiency and support the sustainable development of our business.

We have established performance assessment, recruitment and training systems tailored to the needs of the travel services industry. In addition, through a comprehensive incentive framework, including competitive compensation, benefits and talent development, we have achieved high employee satisfaction and retention. We believe the combination of our corporate culture and employee incentive systems supports our long-term high-quality growth.

## OUR STRATEGIES

Across our strategies, we intend to use our cross-boundary transportation network and other services to create recurring customer engagement opportunities and enhance brand visibility, strengthen our hotel services to retain and deepen customer relationships, build a more complete membership-based customer engagement system, and provide more local destination experiences and other extended services to increase customer value across the traveler journey.

### Expanding customer reach across the Greater Bay Area through our cross-boundary transportation and related travel services

We plan to work with our internal teams and external business partners to develop a customer service and operations framework covering the key stages of customer interaction, from marketing and booking to service delivery and follow-up, with a view to enhancing direct customer engagement, encouraging repeat use of our services and strengthening collaboration across our business segments.

We intend to strengthen our market position in cross-boundary transportation and build a high-efficiency water-and-land network across the Greater Bay Area. For bus transportation, we plan to expand our market share in cross-boundary and local charter services through acquisitions. We also plan to densify and add passenger routes across the Greater Bay Area's "2+9" cities, with a focus on emerging corridors such as western Guangdong, and broaden service-point coverage. In response to the growing trend of Hong Kong residents traveling north to Shenzhen and other Chinese Mainland cities for shopping, dining and leisure, we plan to refine differentiated offerings such as shopping and themed itineraries.

For ferry transportation, we plan to continue to develop TurboJET as our core brand, reinforce our competitive position in the Hong Kong-Macao passenger market. Specifically, we plan to execute the following initiatives: (i) optimize sailing capacity deployment by dynamically reallocating existing vessels to increase sailing frequencies between Hong Kong and the Macao Taipa Ferry Terminal, where traffic demand is higher, while reducing frequencies to the Macao Outer Harbour Ferry Terminal; (ii) expand targeted marketing efforts with international travel agencies to capture growing demand from overseas visitors; (iii) expand higher-value travel packages and maritime sightseeing to shift from basic transportation toward higher-value travel services. We will collaborate with destination partners, such as integrated resorts and premier hotels, to offer bundled ferry-and-hotel stays as well as show-and-ferry admission packages. We also plan to launch our maritime sightseeing offerings by developing distinctive products such as Victoria Harbour night cruises and island-hopping itineraries. In line with this strategy, we recently acquired the "Dukling" cruise business and operating assets for HKD10.0 million and we expect to integrate this brand into our marine tourism portfolio to launch cultural cruises and expand leisure and charter services. According to Frost & Sullivan, the addressable market in the Greater Bay Area for integrated leisure travel packages and marine tourism reached approximately RMB190.0 billion and RMB350.0 billion in 2025, respectively, and is projected to grow at a CAGR of approximately 12% and 10% from 2025 to 2030, respectively, providing headroom for higher-margin businesses; and (iv) refresh our brand through IP-themed campaigns featuring popular characters and brands, modernized social media marketing, and strategic endorsements by digital influencers.

We will also explore cross-boundary low-altitude passenger routes and premium mobility products between Hong Kong, Macao, Shenzhen, Zhuhai, Guangzhou, and other cities in the Greater Bay Area. We plan to start by developing low-altitude sightseeing and tourism products within Hong Kong. In terms of product format, we expect that the proposed premium mobility products may involve a combination of helicopter operations and passenger-carrying eVTOL aircraft operations. We have recently been in discussions with the culture and tourism, civil aviation, and transport and logistics authorities about possible test flight locations at well-known parks and tourist attractions. Through these initiatives, we intend to enhance our transportation footprint and selectively develop new mobility offerings and build new sustainable growth drivers.

**Strengthen the hotel business through location advantages, product upgrades and refined operations to enhance retention and stabilize our foundation**

We plan to focus on two key areas: strengthening the performance and competitiveness of our existing portfolio, and pursuing selective expansion opportunities in a disciplined manner. Leveraging our locations in Hong Kong, value proposition and service capabilities, we aim to improve operating efficiency and brand influence, establish a resilient operating foundation, and, through product and service innovation, retain existing guests, including customers acquired through our cross-boundary transportation network, while reaching new customer segments to increase loyalty and repeat business.

- ***Upgrade existing assets to improve quality and efficiency and build flagship core brands***. We intend to strengthen brand equity across our core brands, including Metropark (維景), by refining brand positioning, clearly defining customer value proposition and delivering a more consistent brand experience across our hotel portfolio. Through standardized service protocols and brand-led operations, we plan to enhance market awareness and optimize our revenue mix by growing non-room revenue contributions from food and beverage, meetings, banquets and other ancillary services. In parallel, we will prioritize hotel assets in core commercial districts in Hong Kong and Macao for phased hardware upgrades and service enhancements. By improving operations across guest rooms, facilities, supply chain and membership programs, we aim to lower customer acquisition costs and increase average spending per customer.

- ***Prudently expand growth and enhance asset-light operating capabilities***. Building on the strengths of our self-operated hotels, we plan to pursue disciplined growth through management contracts and diversified capital deployment, with a focus on serviced apartments and specialty hotels in prime locations in Hong Kong and Macao, to broaden our footprint and market coverage. We also intend to shift from an asset-heavy model toward brand– and asset-light operations. We currently own and operate certain hotel assets, and going forward, we intend to place greater emphasis on providing hotel management services to third-party hotel owners and partners by leveraging our hotel operating experience, brand recognition and established hotel management systems, instead of relying primarily on direct ownership of hotel assets for the expansion of our hotel business. Leveraging our established hotel management systems and operating experience, we plan to expand our managed hotel businesses, increase the share of asset-light revenue, and mitigate earning volatility across cycles.

**Develop local destination experiences by combining tourism with culture, sports and leisure activities in Hong Kong**

We plan to develop local destination experiences in Hong Kong by combining tourism with culture, sports, waterfront leisure activities and other distinctive Hong Kong content. This strategy is aligned with Hong Kong's "Tourism is Everywhere (無處不旅遊)" initiative and reflects evolving tourism spending patterns. Through these offerings, we aim to expand our portfolio of tourism-related services, encourage travelers to use our services after arrival in Hong Kong create cross-selling opportunities across our transportation, hotel and membership channels.

- ***Events-led tourism***. We plan to develop event-related tourism offerings by combining performing arts, sports and other major events with complementary travel products, such as transportation, accommodation and local destination experiences, with a view to capturing visitor demand generated by these events and supporting Hong Kong's positioning as the "Events Capital of Asia."

- ***Proprietary content and immersive routes***. We plan to develop distinctive cultural tourism products, signature cultural tourism brands and self-developed tourism content, and immersive travel routes, including themed tours and routes featuring revitalized heritage sites, with the objective of enriching visitors' travel experiences and strengthening our portfolio of tourism-related products and showcasing Hong Kong's character.

**Explore opportunities to establish a "One Customer" membership framework, strengthen cross-business collaboration and improve customer engagement and encourage repeat consumption across our services**

We intend to explore the gradual development of the "One Customer" system. Subject to further feasibility studies and market conditions, we plan to work with our internal teams and external business partners to explore a customer service and operations framework covering the key stages of customer interaction, from marketing and booking to service delivery and follow-up, with a view to enhancing direct customer engagement, encouraging repeat use of our services and strengthening collaboration across our business segments.

- ***Explore potential integration of membership systems to enable linkage of resources across scenarios***. We plan to explore the possibility of connecting our membership program with CTG Group's other businesses on an exploratory basis, strictly subject to data-privacy compliance and explicit customer consent as well as relevant regulatory requirements in relevant jurisdictions. As of the Latest Practicable Date, we had not formulated any concrete implementation plan, entered into any commercial agreement, or established any definitive timetable for such integration. Any potential collaboration in the future, if pursued, may include reciprocal points redemption, mutual recognition of benefits and other cross-platform member services. We may also consider establishing a unified tiering architecture and benefits framework and providing segment-specific benefits to enhance member engagement and loyalty, where commercially viable and legally permissible. Through connected membership channels and single sign-on, we aim to increase cross-segment conversion and lift average spend per member.

- ***Drive refined operations through use of data analytics to support customer management***. We plan to explore the gradual adoption of AI-enabled and cloud-based big-data analytics tools, where appropriate, into our day-to-day operations, including analyzing available customer behavior and preference data on an aggregated and anonymized basis to support more targeted marketing, improve customer engagement and enhance analytics and decision-making. We plan to continue to improve our data platform by aggregating customer consumption data and preference information across transportation and hotel operations. The unified customer data platform is intended to help us better understand customer needs, improve marketing effectiveness and enhance operational management. We also plan to establish a customer retention monitoring mechanism to monitor potential customer loss and support the retention of high-value customers through tailored benefits and dedicated services.

- ***Strengthen brand collaboration and build a preferred cross-boundary culture-and-tourism brand in the Greater Bay Area***. Through the gradual implementation of the "One Customer" framework, we plan to leverage our capabilities across transportation, accommodation, tours, shopping, dining and entertainment by connecting tourism consumption scenarios and launching cross-business bundled offerings to enhance visitor experience and strengthening customer engagement. We aim to increase cross-segment spending through synergies, reinforce our brand positioning as a "preferred partner for cross-boundary culture-and-tourism in the Greater Bay Area," enhance brand awareness and influence in Hong Kong, Macao and the Greater Bay Area, and increase both brand value and customer value.

**Enhance professional talent development and organizational capabilities to support long-term strategy execution**

We view talent as a core driver of our sustainable development. Leveraging Hong Kong's advantages as a global talent hub, we plan to build a professional team with deep industry expertise, an international perspective, local market experience and innovation capabilities, providing strong talent and organizational support for strategy execution.

- ***Talent recruitment***. We plan to focus on attracting high-caliber professionals in areas such as cross-boundary culture-and-tourism operations, culture-sports-tourism product development, digital and intelligent operations, capital markets, corporate finance and international market expansion, particularly multi-disciplinary candidates with deep experience in the Hong Kong and Macao markets and backgrounds in overseas culture-and-tourism industries. These professionals are expected to strengthen our capabilities in cross-boundary culture-and-tourism operations, culture-sports-tourism product development, digital and intelligent operations, among other things. We plan to carry out recruitment in phases based on our business needs, market conditions and the availability of suitable candidates. We also plan to establish in-depth partnerships with leading universities, tourism colleges and vocational training institutions in Hong Kong and Macao to conduct campus recruitment and targeted training programs, continuously building a pipeline of young talent and optimizing our talent mix.

- ***Talent development***. We plan to establish a capability framework and comprehensive training system covering all levels of the organization and implement cross-segment rotation programs to cultivate multi-disciplinary management talent. We also plan to establish an internal program to promote internal knowledge transfer of management experience and professional skills and continuously enhance overall team capabilities.

- ***Incentives and retention***. We plan to establish a market-oriented rewards framework that aligns with industry practices and links to our financial performance. We plan to establish clear career progression paths and provide diversified career development options for different types of talent, while fostering a positive, fair and open corporate culture that emphasizes inclusion, collaboration and accountability.

## OUR BUSINESS MODEL

We offer a range of travel-related services, and operate through three business segments: (i) passenger transportation, (ii) hotel operations, and (iii) travel-document and related services. In passenger transportation, we mainly provide cross-boundary ferry and bus services. In hotel operations, we operate a total of eight hotels under three distinct brands, primarily positioned in the midscale to upscale market segments. We are appointed by CTS (Holdings) to provide general administration services in connection with travel permits applications.

The table below sets out the breakdown of our revenue by business segment, in an absolute amount and as a percentage of total revenue, for the periods indicated:

| | Year ended December 31, | | | | | | Four months ended April 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(HKD in thousands, except percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Passenger transportation | 988,709 | 45.1 | 1,053,414 | 47.0 | 1,006,799 | 45.8 | 336,953 | 45.9 | 340,112 | 47.2 |
| Hotel operations | 694,585 | 31.7 | 820,624 | 36.6 | 887,547 | 40.4 | 288,700 | 39.3 | 291,557 | 40.4 |
| Travel-document and related services | 474,250 | 21.6 | 343,928 | 15.3 | 279,580 | 12.7 | 99,627 | 13.6 | 81,185 | 11.3 |
| Corporate and others | 33,589 | 1.6 | 23,974 | 1.1 | 23,910 | 1.1 | 8,986 | 1.2 | 8,027 | 1.1 |
| **Total** | **2,191,133** | **100.0** | **2,241,940** | **100.0** | **2,197,836** | **100.0** | **734,266** | **100.0** | **720,881** | **100.0** |

## PASSENGER TRANSPORTATION

As a cross-boundary mobility provider in the Greater Bay Area, we focus on high-speed ferry and bus services.

We provide cross-boundary ferry transportation under the "TurboJET" brand. Through scheduled high-speed ferry services operating on fixed routes and timetables, we connect major ports in Hong Kong, Macao and Shenzhen. Our ferry transportation services are supported by related services, including ticketing, reservation and ancillary customer services across multiple sales channels.

We also operate cross-boundary bus transportation services connecting Hong Kong and Macao with Chinese Mainland cities in the Greater Bay Area, supplemented by local passenger transportation services in Hong Kong, Zhuhai and Shenzhen. These bus services are operated through designated routes and boarding points with advance ticketing and fixed schedules, and are designed to facilitate convenient and efficient travel for both individual travelers and organized tour groups.

We served approximately 6.1 million, 7.0 million, 7.2 million and 2.5 million passengers in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, providing essential mobility across the region for residents, commuters and tourists. Our passenger base primarily comprises leisure, business and frequent cross-boundary travelers, and we also serve governmental and institutional customers, such as the Hong Kong government, for which we provide large-scale charter services for events such as the National Games and tours to Chinese Mainland. According to Frost & Sullivan, we are an established cross-boundary ferry and bus passenger transportation operator in the Greater Bay Area ranking second among such operators in terms of revenue in 2025, servicing the Hong Kong-Chinese Mainland, Macao-Chinese Mainland and Hong Kong-Macao routes.

The table below sets out the breakdown of our revenue from passenger transportation by service nature, for the periods indicated:

| | Year ended December 31, | | | | | | Four months ended April 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(HKD in thousands, except percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Ferry transportation | 679,581 | 68.7 | 651,677 | 61.9 | 542,320 | 53.9 | 192,922 | 57.3 | 180,888 | 53.2 |
| Bus transportation | 309,128 | 31.3 | 401,737 | 38.1 | 464,479 | 46.1 | 144,031 | 42.7 | 159,224 | 46.8 |
| Cross-boundary bus services | 282,094 | 28.5 | 378,381 | 35.9 | 398,531 | 39.6 | 140,554 | 41.7 | 154,149 | 45.3 |
| Local passenger transportation services | 11,550 | 1.2 | 5,783 | 0.5 | 31,664 | 3.1 | 1,610 | 0.5 | 4,071 | 1.2 |
| Others[(1)] | 15,484 | 1.6 | 17,573 | 1.7 | 34,284 | 3.4 | 1,867 | 0.5 | 1,004 | 0.3 |
| **Total** | **988,709** | **100.0** | **1,053,414** | **100.0** | **1,006,799** | **100.0** | **336,953** | **100.0** | **340,112** | **100.0** |

*Note:*

(1) Primarily included local tour services and bus advertising services.

## Ferry Transportation Services

Under the TurboJET brand, we operate scheduled cross-boundary high-speed ferry routes connecting the Greater Bay Area. Additionally, we provide a comprehensive suite of operational support services, including ticketing, vessel berthing, and terminal reception, to third-party ferry operators for routes connecting Macao and Shenzhen Shekou, as well as those connecting Hong Kong and Zhuhai.

Our "TurboJET" is an established brand in the Hong Kong-Macao high-speed ferry market. As an industry pioneer, we achieved significant milestones by shortening the journey time between Hong Kong and Macao from three hours to 75 minutes in 1964, and further to one hour in 1975. For over six decades, we have maintained our premier market position by providing the fast and reliable ferry services in the region, with a strategic network that now extends to Shenzhen in the Greater Bay Area. We carried approximately 3.4 million, 3.2 million, 2.8 million and 0.9 million passengers in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively. Our customer base primarily comprises corporate customers and leisure, business and frequent cross-boundary travelers between Hong Kong and Macao. This diversified customer mix supports stable demand across different travel purposes and seasons.

In 2023, 2024 and 2025 and the four months ended April 30, 2026, revenue from our ferry transportation services amounted to HKD679.6 million, HKD651.7 million, HKD542.3 million and HKD180.9 million, respectively. We recorded a gross profit of HKD51.0 million and HKD9.7 million in 2023 and 2024, respectively, and gross losses of HKD45.2 million and HKD38.7 million in 2025 and the four months ended April 30, 2026, respectively. For further details, see "Financial Information—Description of Selected Components of Combined Income Statements—Gross Profit and Gross Profit Margin" and "Financial Information—Period to Period Comparison of Results of Operations." In light of the recent gross losses, we intend to take targeted measures to improve the competitiveness and profitability of our ferry transportation services. These measures are expected to focus on service convenience, customer experience, and product offerings. In particular, we intend to: (i) continue to optimize our ferry service offerings and sailing schedules based on passenger demand, including by reallocating existing sailing capacity to increase the sailing frequency between Hong Kong and the Macao Taipa Ferry Terminal where appropriate while

correspondingly reducing frequencies to the Macao Outer Harbour Ferry Terminal to enhance overall seat load factors. Such capacity reallocation is driven by the growing passenger traffic and demand at the Macao Taipa Ferry Terminal, supported by the expansion of integrated resorts and major entertainment events, such as concerts and exhibitions in Taipa. According to Frost & Sullivan, despite the diversion of passenger traffic to land-based transportation following the opening of the Hong Kong-Zhuhai-Macao Bridge, passenger demand for ferry services to and from the Macao Taipa Ferry Terminal is expected to continue growing. Meanwhile, we will continue to maintain sufficient capacity and flexibility at the Macao Outer Harbour Ferry Terminal to serve its distinct demographic, including Macao residents, cross-boundary commuters and international tour groups. Leveraging operational presence at both terminals, we aim to optimize schedule deployments to match peak demand periods and maximize vessel utilization and operational efficiency; (ii) leverage the resources and networks of our shareholders to promote value-added integrated travel packages that may combine ferry tickets with hotel stays, entertainment, dining, and retail offerings; and (iii) further develop marine tourism products with a view to diversifying our revenue streams beyond traditional point-to-point transit. Furthermore, to mitigate the operational pressure from rising fuel costs, we have implemented a series of measures, including: (i) optimizing vessel cruising speeds to improve fuel efficiency with a minimal impact on total journey time; (ii) adopting a more frequent, smaller-volume refueling strategy to lower the vessel's total weight and save fuel; (iii) adjusting ferry service fares to reflect increased cost pressures; and (iv) actively securing available government fuel subsidies to further offset fuel expenses. All the aforementioned operational, commercial and cost-mitigation measures comply with and can be implemented within the parameters of our existing route permits, licenses, and shipping concession contracts. For example, the reallocation of sailing capacity between the Macao Outer Harbour Ferry Terminal and Taipa Ferry Terminal is permitted under our current concession contracts and only requires routine schedule filings and approvals with the Marine Department of the HKSAR and the Marine and Water Bureau of Macao, without requiring new licenses or concession term modifications.

### *Cross-Boundary High-speed Ferry Services*

We offer passengers safe, reliable and efficient point-to-point marine transportation connecting Hong Kong, Macao and Shenzhen through designated ferry terminals. We currently operate four ferry routes connecting the following locations: (i) Hong Kong Island and Macao Outer Harbor Ferry Terminal; (ii) Hong Kong Island and Macao Taipa Ferry Terminal; (iii) Macao Taipa Ferry Terminal and Shenzhen Bao'an International Airport; and (iv) Hong Kong International Airport and the Macao Outer Harbor Ferry Terminal. Revenue from our ferry services primarily consists of passenger ticket sales. We primarily provide our ferry services between Hong Kong International Airport and Macao Outer Harbour Ferry Terminal under charter arrangements. The chart below illustrates these four routes:




The table below sets forth certain key operating data for our ferry transportation services for the periods indicated:

| | For the year ended December 31, | | | | | | | | | | | | For the four months ended April 30, 2026 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | 2024 | | | | 2025 | | | | | | | |
| Ferry route[1] | Number of daily trip | Service time | Passengers transported (in thousands) | Average ticket price | Number of daily trip | Service time | Passengers transported (in thousands) | Average ticket price | Number of daily trip | Service time | Passengers transported (in thousands) | Average ticket price | Number of daily trip | Service time | Passengers transported (in thousands) | Average ticket price |
| Hong Kong Island-Macao Outer Harbor Ferry Terminal[2] | 52 | 07:30-00:59 | 2,768 | HKD196 | 54 | 07:30-23:59 | 2,912 | HKD198 | 44 | 07:30-23:59 | 2,620 | HKD193 | 46 | 07:30-23:59 | 841 | HKD190 |
| Hong Kong Island-Macao Taipa Ferry Terminal[3] | 4 | 07:30-14:15 | 537 | HKD196 | 2 | 10:15-12:45 | 74 | HKD198 | 4 | 11:30-18:30 | 94 | HKD193 | 2 | 10:30-18:30 | 56 | HKD190 |
| Macao Taipa Ferry Terminal-Shenzhen Bao'an International Airport[3][4] | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 6 | 09:00-18:00 | 2 | HKD245 | 6 | 08:30-21:00 | 17 | HKD245 |

*Notes:*

(1) Our ferry services between Hong Kong International Airport and the Macao Outer Harbour Ferry Terminal were primarily operated under charter arrangements. As a result, it would not be meaningful to include this route in the table.

(2) Sailings operate every 30 minutes during peak hours.

(3) Sailings depart as scheduled.

(4) The route ran between Shenzhen Bao'an International Airport and Macao Outer Harbour Ferry Terminal from November 2025 to May 2026. Beginning in June 2026, it was rerouted to the Macao Taipa Ferry Terminal.

Passenger volume on our Hong Kong Island–Macao Taipa Ferry Terminal route decreased from 537 thousand in 2023 to 74 thousand in 2024, primarily because we reduced daily sailings on this route from four to two. We made this adjustment to prioritize capacity on the Hong Kong Island–Macao Outer Harbour Ferry Terminal route and maintain service consistency with regular 30-minute intervals following the resumption of services after the pandemic. We further reduced our daily sailings from four in 2025 to two during the four months ended April 30, 2026 to reduce our fuel costs as fuel prices increased amid conflicts and geopolitical tensions in the Middle East.

We primarily focus on servicing the Hong Kong-Macao route. We maintain a strong competitive position on this corridor because we are the only operator providing ferry services to both the Macao Taipa Ferry Terminal and Macao Outer Harbour Ferry Terminal, allowing us to serve a broad mix of leisure and business travelers.

In terms of route concentration by number of trips, our ferry route between Hong Kong Island and the Macao Outer Harbour Ferry Terminal was our most heavily operated ferry route. During the Track Record Period, this route accounted for 52 out of 56 trips, 54 out of 56 trips, 44 out of 54 trips and 46 out of 54 trips operated by us in 2023, 2024, 2025 and for the four months ended April 30, 2026, respectively. Revenue generated from this route amounted to HKD567.6 million, HKD601.1 million, HKD523.6 million and HKD166.4 million in 2023, 2024, 2025 and for the four months ended April 30, 2026, respectively, accounting for 83.5%, 92.2%, 96.6% and 92.0% of our revenue from ferry transportation for the corresponding periods.

To serve the diverse needs and preferences of different customers, we offer a comprehensive range of cabin classes, including Economy Class（普通位）, Super Class（豪華位）, Premier Grand Class（尊豪位）, and Premier VIP Cabins（至尊貴賓廂）. For premier and higher classes, we have introduced our signature "Premium Service（至尊服務）," a five-star maritime travel experience featuring dedicated and exclusive offerings for passengers in our Premier Grand Class and Premier VIP Cabins. This service level features an array of bespoke amenities, such as spacious reclining leather seating, premium dining and beverages, complimentary high-speed Wi-Fi and entertainment, VIP lounge access, priority check-in, boarding, and complimentary transfers between Hong Kong International Airport and the ferry terminal with door-to-door service in Macao.

Through these continuous enhancements to our service quality and the expansion of our high-value offerings, we have received numerous industry awards in recognition of our outstanding performance in cross-boundary ferry services between Hong Kong and Macao, service excellence, and corporate responsibility. Notable accolades include the U Magazine Travel Awards 2024—"My Favorite Cross boundary Transportation (Hong Kong-Macao) Award."

The following table sets out a breakdown of the passenger volume served by our ferry operations for the periods indicated:

| | For the year ended December 31, | | | For the four months ended April 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(thousand passengers)* | | | |
| Hong Kong to Macao | 1,756 | 1,687 | 1,486 | 491 |
| Macao to Hong Kong | 1,605 | 1,471 | 1,296 | 406 |
| Macao to Chinese Mainland | – | – | 1 | 9 |
| Chinese Mainland to Macao | – | – | 1 | 8 |
| **Total** | **3,361** | **3,158** | **2,784** | **914** |

***Other Ancillary Services***

We provide comprehensive operational and sales services to other vessel operators, including ticketing and reservation management, vessel berthing and terminal reception services. Through our operational support and our retail channels, we provide travelers with a more convenient travel experience, including ferry ticketing, Macao cruise reservations, and bundled travel packages. Our income for these services is calculated as a percentage of ticket sales or based on the number of passengers served.

***Our Fleet***

As of April 30, 2026, our fleet comprised 22 high-speed vessels, with individual gross tonnage ranging from approximately 267 to 714. In addition, we lease one high-speed vessel from an Independent Third Party. All our vessels were built by established international shipbuilders and are equipped with high-quality systems and components from reputable suppliers, thereby ensuring fleet-wide reliability and operational performance. We maintain our vessels in accordance with applicable regulatory and operational requirements. Through regular maintenance, refurbishment and major overhauls, we seek to maintain the safety, reliability and service quality of our fleet.

Our total number of crew members was 187, 200, 201 and 192 as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively.

***Pricing***

We recently adjusted our ticket prices in response to rising energy and fuel costs. The table below sets forth the indicative ticket prices for our route between Hong Kong and Macao as of the Latest Practicable Date:

| Sailing time | Economy Class | Super Class | Premier Grand Class | Premier VIP Cabins (four seats) |
|---|---|---|---|---|
| | | *(HKD)* | | |
| Day sailings on weekdays | 194 | 406 | 545 | 2,735 |
| Day sailings on weekends and public holidays | 212 | 436 | 545 | 2,735 |
| Night sailings departing after 18:30 | 242 | 460 | 636 | 3,642 |

***Arrangements with Terminal and Port Operators and Relevant Authorities***

During the Track Record Period, we entered into arrangements with terminal operators, port operators, and government authorities to support our ferry transportation operations. These arrangements primarily included: (i) commercial leasing and licensing arrangements with relevant government authorities and terminal operators for terminal and office space leasing, commercial sub-concessions, and facility licensing; and (ii) standard port clearance and berthing arrangements with relevant maritime authorities in Hong Kong and Macao.

The salient terms governing these arrangements include: (i) rent, management fees, and licensing fees are payable monthly in advance to the relevant government authorities, terminal operators or port operators, as applicable; and (ii) the arrangements may be renewed upon expiration through supplemental agreements or automatic extensions, where applicable.

The aggregate fees paid by us to the relevant terminal and port operators and authorities amounted to approximately HKD21.7 million, HKD27.2 million, HKD23.8 million and HKD7.7 million in 2023, 2024, 2025 and for the four months ended April 30, 2026, respectively.

**Bus Transportation Services**

We provide cross-boundary coach transportation services connecting Hong Kong with destinations in Chinese Mainland and Macao, complemented by local transportation services in Hong Kong, Shenzhen and Zhuhai. Our market position is supported by our designations at key transportation and tourism hubs and our participation in approved cross-boundary transport networks linking Hong Kong, Macao and Chinese Mainland. These networks cover major airports, exhibition venues and theme parks, as well as cross-boundary bridge and control-point networks. Together with our proven track record, and route coverage across the Greater Bay Area, our participation in these cross-boundary transport platforms demonstrate industry and institutional recognition of our service reliability, safety standards and operational capabilities. In 2024, we received the "Popular Cross-boundary Bus Service Award" from Hong Kong 01.

In 2023, 2024, 2025 and the four months ended April 30, 2026, revenue generated from our bus transportation services amounted to HKD309.1 million, HKD401.7 million, HKD464.5 million and HKD159.2 million, respectively. During the same periods, the gross profit generated from such services was HKD63.8 million, HKD71.3 million, HKD80.5 million and HKD24.4 million, respectively, representing a gross profit margin of 20.6%, 17.7%, 17.3% and 15.3%, respectively. For further details, see "Financial Information—Description of Selected Components of Combined Income Statements—Gross Profit and Gross Profit Margin" and "Financial Information—Period to Period Comparison of Results of Operations."

***Cross-boundary Bus Services***

We provide cross-boundary bus transportation services through licensed coach routes connecting Hong Kong with destinations in Chinese Mainland and Macao. Our scheduled and chartered passenger transportation services operate across major boundary control points, including the Shenzhen Bay Port, Wenjindu Port, Liantang Port, the Hong Kong-Zhuhai-Macao Bridge and the Gongbei and Hengqin Ports in Zhuhai, serving commuters, business travelers and tourists within the Greater Bay Area. Our network currently covers Hong Kong and Macao and nine cities in Chinese Mainland, namely Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing.

To accommodate a wide range of travelers, we offer tiered fares to meet different traveling needs and budgets, with prices ranging from RMB19 to HKD600, depending on factors such as travel distance and ticket type (one-way and round-trip).

The chart below shows the cross-boundary bus routes currently operated by us:




Our cross-boundary bus transportation services are generally operated through a segmented journey model to facilitate efficient border clearance and regional connectivity. For routes departing from Hong Kong, passengers typically board our coaches at designated stations in Hong Kong for the first segment of their journey. Upon arrival at major boundary control points, passengers disembark for customs and immigration clearance before boarding our cross-boundary coaches for the onward segment to their final destinations across various cities in Guangdong Province. For certain routes serving the Macao and Zhuhai areas, passengers generally make their own way to the relevant boundary control points in Macao or to Gongbei Port, and then board our buses for onward travel to other cities in Guangdong Province.

The table below sets forth certain key operating data for the Hong Kong segment of our cross-boundary passenger transportation services for the periods indicated:

| | For the year ended December 31, | | | | | | | | | For the four months ended April 30, | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | | 2024 | | | 2025 | | | 2026 | | |
| Bus route | Number of daily trips | Service time | Service frequency | Number of daily trips | Service time | Service frequency | Number of daily trips | Service time | Service frequency | Number of daily trips | Service time | Service frequency |
| Kowloon ↔ Shenzhen Bay Port | 100 | 07:15-22:45 | Every 30 minutes | 108 | 07:15-22:45 | Every 30 minutes | 96 | 07:15-22:45 | Every 30 minutes | 106 | 07:15-22:45 | Every 20 minutes |
| Hong Kong Island ↔ Shenzhen Bay Port | 50 | 07:15-22:45 | Every 20 minutes | 70 | 07:15-22:45 | Every 20 minutes | 81 | 07:15-22:45 | Every 20 minutes | 94 | 07:15-22:45 | Every 20 minutes |
| Kwun Tong ↔ Shenzhen Bay Port | 14 | 07:50-18:00 | Every 30 minutes | 14 | 07:50-18:00 | Every 30 minutes | 34 | 07:25-21:30 | Every 30 minutes | 41 | 07:25-21:30 | Every 30 minutes |
| Hong Kong International Airport ↔ Shenzhen Bay Port | 6 | 06:45-19:15 | On demand | 7 | 06:45-20:30 | On demand | 14 | 06:45-21:45 | On demand | 6 | 06:45-22:00 | On demand |
| Kowloon ↔ Hong Kong-Zhuhai-Macao Bridge Zhuhai Port | 6 | 08:15-19:00 | On demand | 10 | 08:05-20:30 | On demand | 8 | 08:05-20:30 | On demand | 4 | 08:05-20:30 | On demand |
| **Total** | **176** | | | **209** | | | **233** | | | **251** | | |

Upon completing clearance procedures at Shenzhen Bay Port or the Zhuhai Port of the Hong Kong-Zhuhai-Macao Bridge, passengers can transfer seamlessly to our cross-boundary buses for onward travel to various destinations in Guangdong Province. The table below sets forth certain key operating data for such onward segment of our cross-boundary passenger transportation services for the periods indicated:

| | For the year ended December 31, | | | | | | | | | For the four months ended April 30, | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | | 2024 | | | 2025 | | | 2026 | | |
| Bus route | Number of daily trips | Service time | Service frequency | Number of daily trips | Service time | Service frequency | Number of daily trips | Service time | Service frequency | Number of daily trips | Service time | Service frequency |
| Shenzhen Bay Port ↔ Guangzhou | 88 | 08:30-22:30 | Every 30 minutes | 120 | 08:30-22:45 | Every 30 minutes | 128 | 08:30-22:45 | Every 30 minutes | 140 | 08:30-22:45 | Every 30 minutes |
| Shenzhen Bay Port ↔ Foshan | 12 | 10:00-20:30 | Every 60 minutes | 20 | 09:30-20:30 | Every 60 minutes | 18 | 09:30-21:00 | Every 60 minutes | 16 | 09:30-21:00 | Every 60 minutes |
| Shenzhen Bay Port ↔ Zhongshan | 30 | 08:20-20:20 | Every 60 minutes | 46 | 08:30-21:00 | Every 30 minutes | 64 | 08:30-21:00 | Every 30 minutes | 66 | 07:00-21:00 | Every 30 minutes |
| Shenzhen Bay Port ↔ Jiangmen | 52 | 08:00-21:00 | Every 30/60 minutes | 54 | 09:00-21:00 | Every 60 minutes | 60 | 09:00-21:30 | Every 60 minutes | 84 | 06:35-21:30 | Every 60 minutes |
| Shenzhen Bay Port ↔ Dongguan | 12 | 09:30-20:30 | Every 60 minutes | 14 | 09:30-20:30 | Every 60 minutes | 18 | 09:30-21:30 | Every 60 minutes | 18 | 07:05-21:30 | Every 60 minutes |
| Shenzhen Bay Port ↔ Shenzhen | 12 | 08:30-20:00 | Every 30 minutes | 32 | 08:30-20:00 | Every 30 minutes | 44 | 08:30-20:00 | Every 30 minutes | 74 | 08:15-20:00 | Every 30 minutes |
| Zhuhai Port of Hong Kong-Zhuhai-Macao Bridge ↔ Jiangmen | 2 | 10:15-19:15 | Twice daily (10:15 and 19:15) | 8 | 09:45-20:45 | Every 90 minutes | 8 | 09:45-20:45 | Every 90 minutes | 4 | 07:35-20:45 | Every 360 minutes |
| **Total** | **208** | | | **294** | | | **340** | | | **402** | | |

For passengers traveling from the Macao-Zhuhai area, we leverage Gongbei Port and Hengqin Port as strategic transit points. Given their proximity to Macao and access to well-established transport infrastructure, these ports enable us to provide cross-boundary bus services from Macao to major cities in Western Guangdong via Zhuhai. The table below sets forth certain key operating data for our cross-boundary passenger transportation services in the Macao-Zhuhai segment for the periods indicated:

| | For the year ended December 31, | | | | | | | | | For the four months ended April 30, | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | | 2024 | | | 2025 | | | 2026 | | |
| Bus route | Number of daily trips | Service time | Service frequency | Number of daily trips | Service time | Service frequency | Number of daily trips | Service time | Service frequency | Number of daily trips | Service time | Service frequency |
| Gongbei Port ↔ Guangzhou | 48 | 07:00-21:40 | Every 30 minutes | 52 | 07:00-21:40 | Every 30 minutes | 50 | 07:00-21:40 | Every 30 minutes | 50 | 07:00-21:40 | Every 30 minutes |
| Gongbei Port ↔ Jiangmen | 48 | 06:45-21:20 | Every 40 minutes | 48 | 06:45-20:40 | Every 60 minutes | 32 | 06:45-20:40 | Every 60 minutes | 48 | 06:45-20:40 | Every 60 minutes |
| Gongbei Port ↔ Dongguan | 8 | 06:50-19:40 | On demand | 8 | 06:50-20:00 | On demand | 6 | 06:50-20:00 | On demand | 6 | 06:50-20:00 | On demand |
| Gongbei Port ↔ Zhaoqing | 4 | 07:00-19:40 | On demand | 6 | 07:00-19:40 | On demand | 6 | 07:00-19:40 | On demand | 6 | 07:00-19:40 | On demand |
| Gongbei Port ↔ Foshan | 34 | 06:15-20:55 | On demand | 34 | 06:15-21:00 | On demand | 32 | 06:15-21:00 | On demand | 14 | 06:55-20:25 | On demand |
| Hengqin Port ↔ Zhuhai Airport | 20 | 08:20-20:20 | On demand | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Hengqin Port ↔ Guangzhou | N/A | N/A | N/A | N/A | N/A | N/A | 2 | 07:45-18:50 | On demand | 2 | 07:45-18:50 | On demand |
| **Total** | **162** | | | **148** | | | **128** | | | **126** | | |

During the Track Record Period, our primary cross-boundary bus routes were routes connecting Hong Kong with Guangzhou, Shenzhen Bay Port, Jiangmen and Zhongshan. These routes collectively accounted for 53.8%, 53.4%, 56.2% and 63.6% of our total revenue from bus transportation in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively.

Among these routes, the Hong Kong–Guangzhou route was the largest revenue contributor, generating revenue of HKD71.1 million, HKD97.8 million, HKD105.3 million and HKD37.9 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, representing 23.0%, 24.4%, 22.7% and 23.8% of our total revenue from bus transportation for the corresponding periods. The Hong Kong–Shenzhen Bay Port route generated revenue of HKD29.1 million, HKD44.2 million, HKD62.2 million and HKD26.4 million, respectively, representing 9.4%, 11.0%, 13.4% and 16.6% of our total revenue from bus transportation. The Hong Kong–Jiangmen route generated revenue of HKD35.7 million, HKD39.9 million, HKD50.2 million and HKD20.1 million, respectively, representing 11.6%, 9.9%, 10.8% and 12.6% of our total revenue from bus transportation. The Hong Kong–Zhongshan route generated revenue of HKD30.2 million, HKD32.4 million, HKD43.3 million and HKD16.8 million, respectively, representing 9.8%, 8.1%, 9.3% and 10.6% of our total revenue from bus transportation.

The revenue contribution of these routes was primarily driven by customer demand for cross-boundary travel between Hong Kong and key destinations in the Greater Bay Area. We regularly monitor route-level demand and adjust our route arrangements and service frequency to respond to changes in passenger demand.

Our annual operating mileage ranges from approximately 18.0 million kilometers to 20.0 million kilometers, serving approximately 4.0 million passengers annually. The table below sets out a breakdown of the number of cross-boundary passengers served by us for each of the periods indicated:

| | For the year Ended December 31, | | | For the four months ended April 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(thousand passengers)* | | | |
| Hong Kong to Chinese Mainland | 876.9 | 1,305.7 | 1,641.4 | 597.8 |
| Chinese Mainland to Hong Kong | 960.1 | 1,459.8 | 1,766.7 | 636.7 |
| Macao to Chinese Mainland | 421.7 | 516.2 | 477.1 | 146.4 |
| Chinese Mainland to Macao | 446.1 | 535.5 | 502.6 | 151.1 |
| **Total** | **2,704.8** | **3,817.2** | **4,387.8** | **1,532.0** |

We also cooperate with industry peers to strengthen our cross-boundary service capabilities. For example, we hold a 32.37% equity interest in All China Express, which operates a 24-hour shuttle bus service between Wan Chai and Prince Edward in Hong Kong and the Huanggang Port, serving approximately two million passengers annually. We also indirectly hold an aggregate effective equity interest of approximately 16.35% in the operating entities of the Hong Kong-Zhuhai-Macao Bridge shuttle bus (commonly known as the "**Golden Bus**") through our certain subsidiaries. This service is the only public, 24-hour shuttle linking the Hong Kong, Zhuhai and Macao ports of the Hong Kong-Zhuhai-Macao Bridge and provides cross-boundary bus services between Hong Kong and Zhuhai and between Hong Kong and Macao, serving over 12.0 million passengers annually. In addition to our equity participation, we provide vehicle rental services to these industry peers. In 2023, 2024, 2025 and the four months ended April 30, 2026, our revenue generated from leasing vehicles to All China Express amounted to HKD21.0 million, HKD23.9 million, HKD24.3 million and HKD8.2 million, respectively. During the same periods, our revenue derived from leasing vehicles to Bridge Shuttle amounted to HKD12.1 million, HKD13.7 million, HKD23.4 million and HKD6.4 million, respectively.

***Local Passenger Transportation Services***

Apart from cross-boundary passenger transportation business, we also provide local passenger transportation services in Hong Kong, Shenzhen and Zhuhai. Our local passenger transportation services primarily include local commuter services and chartered vehicle services. Fees for these services are generally determined based on travel distance and specific service requirements. These services mainly cater to individual passengers and small groups seeking flexible and customized local transportation solutions.

Our local passenger transportation services differ from our cross-boundary bus services in terms of regulatory licensing requirements and operating models. Our cross-boundary bus services require dual-plate licenses issued by the relevant authorities, such as Hong Kong-Guangdong or Macao-Guangdong licenses, and are primarily operated on a scheduled basis with fixed departure times and designated pick-up and drop-off locations. By contrast, our local passenger transportation services are provided within the relevant local administrative boundaries and do not require cross-boundary licenses. Unlike our cross-boundary passenger transportation business, which relies primarily on scheduled routes, our local passenger transportation services mainly comprise customized services tailored to specific customer requirements and generally do not operate on fixed routes available for public booking. The only recurring routes are our local commuter services, through which we provide chartered corporate shuttle services with designated routes and schedules tailored to the commuting needs of our corporate clients.

### Our Fleet

We have strengthened our operational resources during the Track Record Period. As of December 31, 2023, 2024 and 2025 and April 30, 2026, our fleet size was 233, 253, 265 and 265 vehicles, respectively, while our team of professional drivers comprised 257, 303, 289 and 270 individuals, respectively, as of the same dates. As of April 30, 2026, 259 of the 265 vehicles in our fleet were owned by us, and the remaining 6 were held under long-term lease arrangements.

To ensure flexible and sufficient operational capacity, we engage third-party transportation service providers from time to time to lease cross-boundary coaches with the requisite licenses for Hong Kong and Chinese Mainland or procure supplementary transportation services. In addition to vehicles held under long-term leases, we also engage third-party operators from time to time to provide additional vehicle capacity on an ad-hoc, per-trip basis to accommodate temporary surges in passenger demand or special route requirements. During the Track Record Period, a substantial majority of our scheduled passenger trips were operated by our owned vehicles. Specifically, in 2023, 2024, and 2025, and the four months ended April 30, 2026, trips operated by our owned vehicles accounted for approximately 83.1%, 79.0%, 74.0% and 73.6% of our total scheduled trips, respectively, while the remaining trips, representing approximately 16.9%, 21.0%, 26.0% and 26.4%, respectively, were operated using third-party vehicles chartered on an ad-hoc, per-trip basis. We typically enter into one-year cooperation agreements with these third-party operators. Under these arrangements, we are responsible for route planning, ticketing and passenger services, while the third-party providers supply cross-boundary buses, licensed dual-plate drivers, and relevant border-crossing quotas. The procurement fees are settled monthly based on a fixed, all-inclusive rate per trip. The third-party operators are required to maintain comprehensive vehicle insurance and passenger accident insurance, and they are responsible for traffic accidents, custom clearance delays, or service failures. Financial penalties apply in the event of service delays, unauthorized route deviations, or unexcused trip cancelations. The aggregate costs incurred for both long-term vehicle leases and ad-hoc per-trip vehicle charters amounted to HKD24.2 million, HKD53.8 million, HKD101.7 million and HKD36.3 million in 2023, 2024 and 2025 and the four months ended April 30, 2026, respectively, representing approximately 9.8%, 16.2%, 26.5%, and 26.9% of our total cost of sales for bus transportation services during the same periods. This allows us to scale our fleet efficiently in response to fluctuations in market demand while maintaining high service standards across our operations.

## HOTEL OPERATIONS

We operate eight accommodation properties, comprising seven hotels and one serviced apartment, across Hong Kong, Macao, and Beijing. Through our three brands, Metropark（維景）, Kew Green（睿景）and Green Residence（柏景軒）, we serve a broad customer base with offerings ranging from premium to more affordable accommodations, primarily targeting the mid- to high-end market. Our properties are strategically located in major city centers, serving business travelers and tourists seeking convenient access to key commercial, leisure, and transportation hubs. Since opening our first hotel in Hong Kong in 1988, we have developed extensive experience in hotel operations across Hong Kong, Macao, and Chinese Mainland, with a focus on providing guests with a comfortable stay.

In 2023, 2024, 2025 and the four months ended April 30, 2026, revenue generated from our hotel operations amounted to HKD694.6 million, HKD820.6 million, HKD887.5 million and HKD291.6 million respectively, representing 31.7%, 36.6%, 40.4% and 40.4%, respectively, of our total revenue. We derive revenue primarily from guestroom rentals, complemented by food and beverage sales, as well as ancillary services, including meeting and conference facilities and banquet services, lease of retail premises and office premises, laundry and dry cleaning and parking facilities. We have been actively expanding our hotel portfolio, notably through the opening of Metropark Hung Hom and Wanchai Green Residence Serviced Apartment in May 2024, which have further strengthened our market presence and contributed to our revenue growth.

As of the Latest Practicable Date, all of our hotel properties were owned and directly operated by us. The following table sets forth a summary of our hotel portfolio.

| Hotel name | Location | Room size | Number of hotel rooms |
|---|---|---|---|
| Metropark Kowloon | Kowloon, Hong Kong | 19-52 sq.m. | 485 |
| Metropark Mongkok | Mong Kok, Kowloon, Hong Kong | 17-47 sq.m. | 430 |
| Metropark Macao [2] | Macao Peninsula, Macao | 24-50 sq.m. | 347 |
| Metropark Hung Hom | Hung Hom, Kowloon, Hong Kong | 20-44 sq.m. | N/A[1] |
| Metropark Causeway Bay | Causeway Bay, Hong Kong | 21-43 sq.m. | N/A[1] |
| Beijing Guang'anmen Grand Metropark [2] | Xicheng District, Beijing | 32-59 sq.m. | 217 |
| Wanchai Kew Green Hotel | Wan Chai, Hong Kong | 17-38 sq.m. | 172 |
| Wanchai Green Residence Service Apartment | Wan Chai, Hong Kong | 28-80 sq.m. | 110 |

*Notes:*

1. The two hotels are leased on a whole-building basis.

2. Metropark Macao and Beijing Guang'anmen Grand Metropark are rated as 4-star hotels. Our hotels in Hong Kong do not have star ratings because Hong Kong does not have an official star rating system.

The following table sets forth certain performance indicators of our hotels, including occupancy rate, average daily rate, or ADR and revenue per available room, or RevPAR, by hotel for the periods indicated:

| | For the year ended December 31, | | | | | | | | | For the four months ended April 30, | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | | 2024 | | | 2025 | | | 2026 | | |
| Hotel | Occupancy rate | ADR | RevPAR | Occupancy rate | ADR | RevPAR | Occupancy rate | ADR | RevPAR | Occupancy rate | ADR | RevPAR |
| | | (HKD) | (HKD) | | (HKD) | (HKD) | | (HKD) | (HKD) | | (HKD) | (HKD) |
| ***Metropark brand:*** | | | | | | | | | | | | |
| Metropark Kowloon | 96.4 | 670.1 | 646.0 | 95.1 | 651.9 | 619.7 | 94.9 | 662.1 | 628.4 | 95.9 | 698.3 | 669.5 |
| Metropark Mongkok | 96.5 | 720.0 | 695.1 | 96.0 | 694.0 | 666.2 | 96.3 | 716.6 | 690.3 | 95.3 | 763.5 | 727.5 |
| Metropark Macao | 94.2 | 700.6 | 659.9 | 96.5 | 698.4 | 674.2 | 95.3 | 670.8 | 639.0 | 92.9 | 641.3 | 595.7 |
| Metropark Hung Hom [1] | N/A | N/A | N/A | 78.4 | 788.8 | 618.3 | N/A | 808.4 | 808.4 | N/A | 817.8 | 817.8 |
| Metropark Causeway Bay [2] | N/A | 749.1 | 749.1 | N/A | 756.4 | 756.4 | N/A | 767.8 | 767.8 | N/A | 778.5 | 778.5 |
| Beijing Guang'anmen Grand Metropark [3] | 82.1 | 809.5 | 664.6 | 80.8 | 819.6 | 662.2 | 77.4 | 805.5 | 623.4 | 75.2 | 758.1 | 570.4 |
| ***Kew Green brand:*** | | | | | | | | | | | | |
| Wanchai Kew Green Hotel | 90.7 | 888.3 | 806.1 | 90.0 | 824.6 | 742.2 | 91.3 | 828.5 | 756.3 | 91.2 | 897.0 | 818.3 |
| ***Green Residence brand:*** | | | | | | | | | | | | |
| Wanchai Green Residence Serviced Apartment | N/A | N/A | N/A | 62.9 | 692.0 | 435.5 | 82.6 | 731.3 | 604.3 | 89.2 | 754.3 | 672.5 |

*Notes:*

1. Metropark Hung Hom has been leased on a whole-building basis to an Independent Third Party since May 2024. The current lease term is from May 2024 to March 2028. The lease does not contain any right of early termination without cause or any automatic renewal right, and will expire upon maturity unless renewed by mutual agreement of the parties.

2. Metropark Causeway Bay has been leased on a whole-building basis to an Independent Third Party since July 2020. The current lease term is from July 2026 to March 2028. The lease does not contain any right of early termination without cause or any automatic renewal right, and will expire upon maturity unless renewed by mutual agreement of the parties.

3. To further implement our strategy of focusing our operations on Greater Bay Area and to mitigate potential competition and manage conflicts of interests between the hotel operations of our Group and those of CTG Group, Beijing Guang'anmen Grand Metropark will be managed by an Independent Third Party upon Listing. At the same time, we will provide hotel management services under the Hotel Management Entrustment Agreements for two hotels in Hong Kong currently managed by a subsidiary of CTG, namely (i) Kimberley Hotel, located in Tsim Sha Tsui, with 546 rooms, and (ii) Kew Green Hotel Mongkok, located in Mongkok, with approximately 169 rooms. As of the Latest Practicable Date, we are in the process of negotiating terms of engagement with potential candidates of the new managing party of Beijing Guang'anmen Grand Metropark (the "**Independent Managing Party**"). Subject to final agreement with the candidate selected, we expect that the management services provided by the Independent Managing Party will be under a contract with an initial term of two to three years, pursuant to which the Independent Managing Party will be primarily responsible for formulating business plans, directing daily operations, hiring and training hotel staff and formulating standard operating procedures for the hotel's day-to-day management, while we will be primarily responsible for approving budgets and paying management fees to the Independent Managing Party, tentatively including a monthly basic management fee and an annual incentive management fee at a rate in the range of 1% to 4% of the revenue of the relevant month and from 4% to 8% of the gross operating profit of the relevant year, respectively, which are comparable to prevailing market rates as advised by Frost & Sullivan. The Independent Managing Party is expected to be subject to periodic reporting obligations to keep us informed of the latest financial performance and operational updates, which will be reviewed by us against prevailing industry average, and we will be entitled to terminate the engagement and appoint a new Independent Third Party as replacement when the hotel consistently underperforms market peers in terms of key financial indicators such as RevPAR under the management of the Independent Managing Party. For further details of the above arrangements, see "Relationship with Controlling Shareholders—Independence from our Controlling Shareholders—Clear Delineation of Business—Hotel Operations" and "Continuing Connected Transactions—Partially-Exempt Continuing Connected Transactions—5. Hotel Management Entrustment Agreements."

Notwithstanding that Metropark Hung Hom and Metropark Causeway Bay were leased on a long-term and whole-building basis, revenue generated from these two hotel properties is classified under our hotel operations segment. This classification is primarily because they continue to be operated as hotel properties with ancillary services provided to guests constituting an integral and significant component of the arrangement. For further details on the accounting treatment and classification of these hotel properties under HKAS 16 and HKAS 40, see "Financial Information—Discussion of Certain Selected Items from the Combined Statements of Financial Position—Property, Plant and Equipment."

Our hotels in Hong Kong demonstrated robust operational strength, achieving an average occupancy rate significantly exceeding the industry average of approximately 80% during the same periods, which underscores the prime locations and market appeal of our core hospitality assets. Beijing Guang'anmen Grand Metropark maintained a relatively lower occupancy level during the Track Record Period, primarily due to its specific geographic location and the surrounding competitive landscape in its immediate vicinity.

**Metropark（維景）**

Metropark（維景）is a business hotel and serviced apartment chain targeting business travelers, families and group conference guests, while its sister brand, Grand Metropark（維景國際）, is positioned as a high-end classic hotel aiming to provide bespoke and high-quality services. As of April 30, 2026, we operated six Metropark and Grand Metropark hotels in Hong Kong, Macao and Beijing. Metropark（維景）received the "2019 Most Popular Outbound Travel Brand for Chinese Families—Domestic Hotel Brand Award" from Global Times（環球時報）, a leading news medium in the PRC.

The following pictures demonstrate the features of Metropark hotel and Grand Metropark hotel respectively:

***Metropark hotel***



Hotel exterior



Hotel rooms

***Grand Metropark hotel***



Hotel exterior



Hotel rooms

**Kew Green（睿景）**

Kew Green is an upscale lifestyle hotel brand launched in 2016, positioned in the mid- to high-end hospitality market. Inspired by British "light luxury," it combines first-class quality and contemporary design to deliver personalized, high-quality service and trend-driven travel experience for modern guests. Kew Green Hotel Wanchai Hong Kong, is a lifestyle business hotel on Hennessy Road in the heart of Hong Kong's Wanchai central business district, providing convenient access to major convention and key tourist attractions for guests seeking both productivity and cultural experience.

The following pictures demonstrate the features of Kew Green Hotel:



Hotel exterior



Hotel rooms

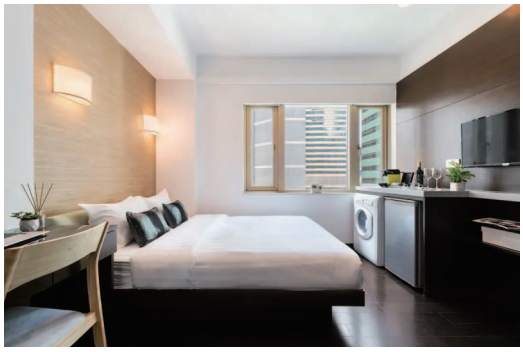
***Green Residence*（柏景軒）**

Green Residence is a modern serviced residence brand launched in 2024 to expand our hospitality offerings into the extended-stay sector. It is positioned to provide hotel-style apartment living with an emphasis on home-away-from-home comfort for business travelers and long-stay residents. Green Residence Serviced Apartment Wanchai, the brand's inaugural property, is a centrally located serviced apartment on Lockhart Road in Hong Kong's Wan Chai district, a vibrant hub of business, shopping, and entertainment. Tailored for corporate travelers and long-stay guests, the property offers fully furnished, modern apartments and personalized services, such as weekly housekeeping and high-speed Wi-Fi, to ensure a seamless extended-stay experience.

The following pictures demonstrate the features of Green Residence:



Hotel entrance



Hotel rooms

**Membership**

We are building out and enhancing our membership program under the Heart Park Rewards (心享會), with the aim of deepening member engagement and loyalty. Hotel members may earn and redeem points for room nights and dining benefits. We intend to broaden redemption options, expand partnerships and upgrade program features to improve the overall member experience.

## TRAVEL-DOCUMENT AND RELATED SERVICES

We also provide travel-document administration services in Hong Kong as appointed by CTS (Holdings). Guided by the principle of "security, efficiency and quality services (安全高效，優質服務)," and with a commitment to public convenience, we help enable seamless travel between Hong Kong and Chinese Mainland. Our travel-document administration services primarily involve assisting individual applicants with cross-boundary travel documentation, including receiving travel permit applications and related materials, checking whether the required materials have been provided and submitting such materials for further processing.

We provide these services in Hong Kong under an arrangement with CTS (Holdings), under which we have been appointed as CTS (Holdings)' exclusive agent to provide travel-document administration services in Hong Kong until June 30, 2047. This right is governed by an agency agreement dated May 15, 2001 and a deed of novation dated June 1, 2020. As of the Latest Practicable Date, the key types of travel documents for which we provide administration services under such delegation included (i) the Mainland Travel Permit for Hong Kong and Macao Permanent Residents (commonly known as the "**Home Return Permit**"), (ii) the Mainland Travel Permit for Taiwan Residents (commonly known as the "**Taiwan Compatriot Pass**"), and (iii) the Mainland Travel Permit for Hong Kong and Macao Residents (Non-Chinese Citizens). Under this arrangement, we receive an agency fee from CTS (Holdings). For details, see "Continuing Connected Transactions—Non-Exempt Continuing Connected Transactions—1. Travel Permit Administration Services Agreements." This arrangement provides us with a stable, long-term platform for the provision of travel-document administration services.

As of the Latest Practicable Date, we carried out the travel-document administration services in six service centers across Hong Kong. These centers are strategically located to provide convenient access for residents in different districts, including Hong Kong Island, Kowloon East, Kowloon West, Tseung Kwan O, New Territories East and New Territories West. As of April 30, 2026, we maintained a dedicated team of 121 personnel across these centers, delivering more than ten categories of travel-document related services. To enhance the applicant experience and improve operational efficiency, we have implemented a digitized service model that routes most applications through a dedicated online appointment platform maintained and owned by CTG Group, enabling effective crowd control and resource allocation at our physical centers, and equips our centers with self-service kiosks owned by us for document collection.

In addition, we provide related services to relevant government agencies and institutional clients. We act as an authorized agent for the sale and distribution of identity document readers used to support cross-boundary customs clearance processes, as well as integrated circuit cards and related consumables required for the production of travel documents. Furthermore, our operations include the provision of travel-document software and hardware support solutions, where we deploy software and IT systems, connect such systems and configure system parameters provided and authorized by relevant government authorities according to their implementation guidelines, while providing ongoing technical maintenance and after-sales support services, including the repair and replacement of identity document readers sold to such customers. In 2023, 2024, 2025 and the four months ended April 30, 2026, revenue derived from such sales and services amounted to HKD59.7 million, HKD28.7 million, HKD37.8 million and HKD7.8 million, respectively, accounting for approximately 2.7%, 1.3%, 1.7% and 1.1% of our total revenue during the same periods.

In 2023, 2024, 2025 and the four months ended April 30, 2026, revenue derived from travel-document and related services amounted to HKD474.3 million, HKD343.9 million, HKD279.6 million and HKD81.2 million, respectively, representing 21.6%, 15.3%, 12.7% and 11.3%, respectively, of our total revenue.

## CORPORATE AND OTHER OPERATIONS

We operate a portfolio of investment properties comprising income-generating street shops, office floors, residential units, and office and retail premises located in Hong Kong, Macao and Beijing, with an aggregate leasable area of approximately 15,573 square meters as of the Latest Practicable Date. These assets are leased to a diverse tenant base, including financial institutions, professional services, clinics, education and childcare operators, technology companies, fitness and wellness operators, apparel and lifestyle retailers, telecommunications providers, food and beverage operators, cultural and exhibition service providers, and other commercial users, supporting a stable and diversified rental income stream. In 2023, 2024, 2025 and the four months ended April 30, 2026, rental income from certain of our investment properties amounted to HKD33.6 million, HKD24.0 million, HKD23.9 million and HKD8.0 million, respectively.

## PRIVACY AND DATA SECURITY

We are committed to protecting the privacy and security of personal data collected from our customers, business partners and employees in the course of our operations. We comply with applicable data protection laws and regulations in Hong Kong, Chinese Mainland and other relevant jurisdictions, including the Personal Data (Privacy) Ordinance (the "**PDPO**") in Hong Kong. We have implemented internal policies, technical safeguards and staff training to ensure the secure collection, storage, processing and transmission of personal data.

### Data Collection, Processing and Lifecycle Management Across Operations

We collect customer personal information required for passenger transportation, hotel stay and membership services. Our data collection, processing, storage, and transfer practices across our business segments are summarized below:

**Passenger transportation**: For ferry transportation: in Hong Kong, we collect basic identification information from customers who purchase tickets through our online ticketing applications. This information includes customers' English full names and the first four characters of their travel document numbers. We also collect, on a voluntary basis, membership data for membership management and customer service. We may be required by governmental agencies to collect personal data such as names and travel document numbers in compliance with governmental tourism promotion activities where passengers elect to participate. Such data are stored on servers in Hong Kong and are not transmitted to or shared with third parties (other than relevant official authorities upon request); in Chinese Mainland, we collect passengers' mobile phone numbers upon registration on our online ticketing mini-program. To provide transportation services, we collect real-name ticketing information from passengers purchasing tickets via the mini-program, as well as those buying tickets offline at terminals within the Chinese Mainland for ferry routes subject to statutory real-name requirements. Personal information collected through the mini-program or offline purchases is stored within Chinese Mainland. Data, which exclude sensitive personal information or important data may be transferred within the Chinese Mainland, Hong Kong and Macao. For bus transportation: in Hong Kong, we collect customer telephone numbers and/or email addresses from online ticketing channels for ticket issuance and for correspondence purposes. For offline ticketing channels, telephone numbers may be collected on-site on a voluntary basis for correspondence purposes. We also collect, on a voluntary basis, membership data for membership management and customer service. Such data are stored on servers located in Chinese Mainland; in Chinese Mainland, passenger personal information required for ticket purchases is collected on-site, via online ticketing applications and through third-party agents by our operating entities, and stored on servers in Chinese Mainland. Data, which exclude sensitive personal information and important data, processed in Chinese Mainland may be transmitted to operating entities in Hong Kong and Macao based on operational needs.

**Hotel operations**: In Hong Kong, we collect guest information, such as names, phone numbers, nationality, identity or travel document numbers, as well as arrival and departure details required under the Immigration Ordinance (Cap. 115) and for identification purposes. We also collect membership data, on a voluntary basis, for membership management and customer service. Such data are collected at our hotel premises, through our websites and from travel agencies, and are stored on servers in Hong Kong. In Chinese Mainland, guest personal information is collected, stored, and processed locally by our operating entities. General operational data, which exclude personal information and important data, may be transferred to our operating entities in Hong Kong based on operational needs. In Macao, guest and membership data, including identity document copies, contact details, and transaction records, are collected by our operating entities in Macao and transferred to our IT solution provider in Hong Kong for membership management and customer service.

**Travel-document and related services**: For travel document applications, applicants apply online. The application system is neither connected to, owned, maintained, or operated by us. We do not collect, store or own any personal data of applicants. However, we may have limited access to and process certain personal data strictly in connection with our operations under this segment. In providing travel-document administration services, (i) the online application system is operated independently, with no connection to or hosting by our Group, so we cannot access any personal data entered online. The only information visible to us is a system-assigned application reference number, which contains no personal data and is used solely to identify the application; and (ii) our offline role is strictly administrative and akin to that of a courier, where we merely verify document completeness and receive, pack, seal and temporarily hold physical documents for same-day transfer to designated personnel without any authority or intent to use the personal data contained therein.

Specifically, in the applicant's presence, we verify that all required documents are complete and in order. During this brief verification and handling step, authorized personnel may momentarily view the paper documents solely to confirm completeness and proper packaging. No information is recorded, processed, or used. After verification, the documents are received, packed, and sealed in accordance with the requirements of CTG Group. The documents are then securely held at our service centers until they are handed over, on the same day they are collected, to the person nominated by CTG Group. When accepting applications, authorized personnel must, after processing is completed, store the collected application materials in a secure, designated location to prevent unauthorized disclosure. The storage location is a single room with a safe and uses dual access control. Inventory and quality checks must be conducted in a monitored area with continuous video surveillance. Before the close of business each day, each service center must organize that day's application materials, package and box them as required, and hand them to designated personnel for same day delivery to the person nominated by CTG Group.

We adopt uniform IT and data protection policies across all of our business segments under our Group's Cybersecurity Management Standards and platform-specific membership rules. Our data governance framework is overseen by a centralized cybersecurity leading office under our digital technology and innovation department. This standardized framework ensures consistent governance across all segments through dedicated management oversight, baseline technical safeguards and mandatory employee security training.

To ensure the confidentiality and integrity of these data, we maintain comprehensive and rigorous data security measures. We encrypt sensitive data during transmission to prevent tampering and packet interception, and desensitize such data upon storage in the database, thereby balancing business needs with privacy protection. In addition, access to customers' personal information is restricted to authorized employees only, and passwords are subject to mandatory periodic changes. We conduct regular verification of all IT user accounts. We have established policies on information security and confidentiality, together with an accountability mechanism for breaches of confidentiality.

**Data Sharing and Transfer**

We do not share or transfer information and data collected or preserved by us to any person, except with prior explicit consent or as required for legal compliance. Without consent from our users or business necessity, we are prohibited from disclosing users' data to any third party, unless such disclosure is mandated by a court or administrative order. Specifically, such statutory disclosure or transfer requirements apply only in limited circumstances, such as where required by court orders or in connection with any legal proceedings in Hong Kong as exempted under Section 60B of the PDPO in Hong Kong or where required for mandatory pre-departure passenger information submissions to Chinese Mainland authorities in respect of Macao-to-Chinese Mainland ferry services.

To facilitate our daily operations, cross-border transportation, and unified management across regional operations, certain business data and personal information are transferred among our operating entities or system servers in Hong Kong, Macao, and Chinese Mainland. All cross-border data transfers strictly comply with applicable privacy and data protection laws in the respective jurisdictions, including the PDPO in Hong Kong, the Personal Data Protection Law in Macao, and relevant cross-border data flow regulations in Chinese Mainland. In particular, general operational data generated during daily operations, routine financial management, and corporate administration are transferred among our operating entities in Hong Kong, Macao, and Chinese Mainland for the unified business management of the Group. This general operational data exclude personal information and important data.

Save for the general operational data mentioned above, during the Track Record Period and up to the Latest Practicable Date, all instances of cross-border data transfer across our business segments were as follows:

| Business segment | Principal data collector | Recipient | Types of data and purpose of transfer[1] | Legal basis for the transfer |
|---|---|---|---|---|
| Passenger Transportation (Bus) | Hong Kong bus-service operating entities | IT solution provider and bus-service operating entities in Chinese Mainland | Personal information needed for daily operation and membership service | Compliance with the PDPO (Hong Kong) |
| Passenger Transportation (Bus) | Chinese Mainland bus-service operating entities | Bus-service operating entities in Hong Kong and Macao | Personal information needed for passengers' journeys (excluding sensitive personal information and important data) transferred to the Hong Kong and Macao operating entities to enable intermodal transportation across the three jurisdictions. | Article 5(1) of the Provisions on Promoting and Regulating Cross-border Data Flows (PRC) (Contractual necessity) |
| Passenger Transportation (Ferry)[2] | Chinese Mainland ferry-service operating entities | Ferry-service operating entities in Hong Kong and Macao | Personal information needed for passengers' journeys (excluding sensitive personal information and important data) transferred to the Hong Kong and Macao operating entities to enable intermodal transportation across the three jurisdictions. | Article 5(1) of the Provisions on Promoting and Regulating Cross-border Data Flows (PRC) (Contractual necessity) |
| Hotel Operations | Hotel operating entities in Macao | IT solution provider in Hong Kong | Personal information used to provide customer services, operation of membership programs, and payment settlements. | Explicit consent of customers/members or contractual necessity pursuant to Article 20(1) of the Macao Personal Data Protection Law |

*Notes:*

(1) Where a cross-border data transfer is needed, we do so only when necessary and lawful, sends only the data needed, and protects the transfer with access controls and encryption. We also apply data masking: phone numbers masked from the fourth digit, names masked from the second character, and other data masked from the fourth character.

(2) For our ferry transportation services, we do not transfer any personal information collected or processed in Hong Kong or Macao to Chinese Mainland.

## Data Protection

*Storage and Transfer Measures*

We recognize the importance of life-cycle data management, from data collection to data destruction. We employ various technology to protect the data with which we are entrusted. For example, we store user data in encrypted format. We generally encrypt confidential personal information and implement strict access controls to ensure the secure processing, transmission, usage and storage of data. When we transfer data, we follow necessity, legality and data-minimization principles. We only send what's needed for business or legal reasons, and every transfer is protected with access controls and encryption. If such personal information is relevant to our business, we will minimize our employee access to such information and closely monitor their access frequency.

*Security and Emergency Measures*

To maintain data security, we combine security testing with operational management. We regularly conduct system-graded cybersecurity protection assessments, network attack detection, and vulnerability scans to identify risks, while enforcing strict access-control and password policies. During key operational periods and public holidays, we implement heightened duty protocols, perform advance stress tests, capacity expansion, and security self-inspections, and extend compliance requirements to our IT service providers. Furthermore, our emergency response mechanism, supported by designated personnel and standardized procedures, ensures rapid incident response and containment.

*Data Destruction Policies*

Specific data destruction policies currently in place across our business segments are as follows:

**Hotel Operations**: Personal information collected for hotel stays is stored only for the minimum period necessary to provide accommodation services. In Chinese Mainland, guest personal information is promptly deleted once the relevant services are completed and continued storage is no longer necessary. In Macao, in accordance with our filings with the Macao Personal Data Protection Bureau, customer transaction data is retained for a maximum period of up to 10 years following the end of the customer relationship year, and membership data is retained for up to 3 years following the end of the membership relationship year, after which all such data is securely deleted. In Hong Kong, guest information collected under the Immigration Ordinance (Cap. 115) is retained for 12 months as required by law before being destroyed.

**Passenger Transportation Services**: Personal information collected for passenger transportation services is stored only for a minimum period necessary to provide the relevant transportation services. Once the passenger's journey is completed and continued storage is no longer required, passenger data stored in Chinese Mainland or Hong Kong are promptly deleted and/or erased in accordance with applicable data privacy laws and regulations in the relevant jurisdictions.

**Travel-Document and Related Services**: As we do not collect, store or own any personal data of applicants in physical or digital formats under this segment, no personal data retention or destruction procedures are involved.

We also adopt a combination of full backup and incremental backup to ensure that the data we collect are well maintained and business continuity is achieved. We use distributed storage of data with multiple data replicas to increase security level. In particular, we have been constantly improving our internal classification and grading system of sensitive data. All sensitive data would be protected by field-level encryption.

To complement our data management protocols, our office buildings and service centers are protected through strict physical security measures, and equipped with comprehensive security protection policies. Customer data are hosted in secured, enterprise-grade cloud databases managed through centralized group-level procurement, with ongoing data security maintained by reputable third-party cybersecurity specialists. Furthermore, our primary operating systems have successfully passed the Level III Multi-Level Protection Scheme assessment, demonstrating our commitment to high-standard cybersecurity compliance. In addition, data stored locally are subject to a backup strategy with off-site backup arrangements.

**Cybersecurity Risk Management**

We strictly implement various information security control requirements and have established a comprehensive, multi-layered security protection framework covering applications, infrastructure and endpoints, enabling the prevention, identification and rapid response to information security threats. We have also put in place cybersecurity incident response mechanisms to address potential security incidents such as hacker attacks and data breaches, and have continued to streamline and tighten account access permissions to effectively safeguard account and data security.

In terms of employee security training, we conduct regular information security training programs through various formats, including cybersecurity awareness training, thematic training sessions, targeted communications and video-based education, to ensure effective implementation of cybersecurity awareness and training across the organization.

**Data Compliance**

As advised by our Hong Kong Data Compliance Legal Advisor, Macao Legal Advisor and PRC Data Compliance Legal Advisor, the Group has complied with all applicable data security and cross-border data transfer laws in all material respects during the Track Record Period and up to the Latest Practicable Date.

*Hong Kong*

Although section 33 of the PDPO is not yet in operation, the Group's cross-border data transfer arrangements would fall within statutory exceptions once it becomes effective. This applies to the relevant business segments as follows:

(a) *Passenger transportation business* – personal data collected is stored securely in Hong Kong or Chinese Mainland as appropriate, used only for verification and operational purposes, and destroyed when no longer needed. No direct marketing has been undertaken, except with explicit member consent.

(b) *Hotel operations business* – personal data collected is stored in Hong Kong, not used for direct marketing except with explicit member consent, and retained only as long as required.

(c) *Travel-document and related services business* – the Group acts solely as an administrative agent for travel document administration services by verifying, packing, and passing all collected physical application documents on the same day to persons nominated by CTG Group in the Chinese Mainland, with no access to the online application system. The Group does not copy, retain, or host any customer personal data, and maintains strict safeguards, such as deploying offline computer systems and prohibiting personal electronic devices in service areas. Furthermore, the Group does not host any personal data for its customers in Hong Kong under its travel-document related software solution business. As advised by our Hong Kong Data Compliance Legal Advisor, because the Group has no control or discretion over the personal data involved, it does not constitute a "data user" under the PDPO.

As advised by our Hong Kong Data Compliance Legal Advisor, as of the Latest Practicable Date, the Privacy Commissioner for Personal Data has not announced any concrete legislative proposals or official timeline for statutory amendments. Based on publicly available information regarding potential legislative reform directions previously outlined by the Privacy Commissioner for Personal Data, the Group expects that its existing data governance frameworks and privacy protection practices will allow it to remain fully compliant with any new requirements to be introduced.

*Macao*

The operating entity in Macao, Fu Wa (Macau) Development Company Limited, processes customer personal data, including identity documents, contact details, identification information and transaction-related information. Transfers to Hong Kong occur only with explicit consent, contractual necessity, or pre-contractual measures. The Group does not engage in interconnection of personal data (which, as defined under the Macao Personal Data Protection Law, refers to a form of processing that enables data contained in one filing system to be correlated with data contained in one or more filing systems maintained by one or more other controllers, or with data maintained by the same controller for other purposes). All required filings and registrations with the Macau Personal Data Protection Bureau have been completed. No administrative actions, legal proceedings or petitions regarding data protection have been threatened or initiated against the Group.

*Chinese Mainland*

The Group's hotel operations and passenger transportation business in Chinese Mainland strictly adhere to applicable PRC data security and cross-border data transfer regulatory frameworks through the following legal bases and compliance arrangements:

(a) **Lawful Bases for Data Processing and Exemption from Separate Consent**: Under Article 13 of the Personal Information Protection Law of the PRC (the "**PIPL**"), individual consent is not the sole lawful basis for processing personal information. Personal information may be processed without separate consent where necessary for the conclusion or performance of a contract to which the individual is a party and where the processing is necessary to fulfill statutory functions or statutory obligations.

Specifically, when guests reserve hotel rooms, or when passengers purchase bus or ferry tickets (whether directly from the Group, online, or through third-party agents), a service contract is concluded between the individual and the Group. The Group collects and processes necessary personal information, such as names, mobile numbers, and identification document details, solely to perform its contractual obligations in providing accommodation or transportation services. Accordingly, such processing relies directly on the contractual necessity basis under Article 13(2) of the PIPL without requiring separate consent. Meanwhile, where we collect personal identity information of customers to fulfill governmental requirements under specific circumstances, such processing is based on the necessity of performing statutory duties or obligations pursuant to Article 13(3) of the PIPL, and therefore does not require separate consent.

(b) **Cross-Border Transfers**: Operations in Chinese Mainland strictly adhere to the Provisions on Promoting and Regulating Cross-border Data Flows. General operational business data transferred to Hong Kong for unified group management does not contain personal information or important data. Necessary passenger personal information transferred across borders to enable cross-border transportation relies on contractual necessity. Pursuant to Articles 3 and 5(1) of the Provisions on Promoting and Regulating Cross-border Data Flows, respectively, the aforementioned transfer scenarios are exempt from the requirements to apply for a data security assessment, enter into a standard contract for cross-border personal information transfers, or obtain personal information protection certification.

During the Track Record Period and up to the Latest Practicable Date, the Group had not been: (i) subject to any administrative actions, legal proceedings or petitions regarding data protection or privacy under the applicable laws and regulations in Hong Kong, Macao, or Chinese Mainland; or (ii) involved in any cybersecurity incidents, data leakages, data breaches, or other data security-related incidents that had, or would reasonably be expected to have a material adverse effect on our business operations or financial condition.

## SALES AND MARKETING

We employ a diversified sales and marketing model tailored to our core business segments, leveraging a combination of traditional institutional partnerships and innovative digital platforms to maximize market reach.

### Passenger Transportation

Our passenger transportation business uses a multi-channel ticketing system that integrates online and offline sales to make tickets easily accessible to passengers. For our ferry transportation services, tickets are available through physical outlets and authorized agents across Hong Kong, Macao and Chinese Mainland. To further enhance the on-site experience, we operate self-service ticketing kiosks at designated ferry terminals, enabling quick purchases even shortly before departure. Beyond direct sales, we have established partnerships with local travel agencies to incorporate our ferry services into customized travel itineraries. We also leverage marketing synergies by collaborating with renowned local attractions and major hotels to offer bundled packages that combine ferry tickets with third-party accommodations and entertainment, thereby enhancing our overall value proposition to customers.

For our bus transportation services, passengers can access tickets through our own digital platforms, including WeChat mini-programs and official online channels as well as ticketing counters and a network of authorized agents throughout the regions we serve. In addition to serving individual travelers, we cater to corporate and institutional clients by offering bulk booking arrangements and tailored transportation solutions.

The following table sets forth a breakdown of our passenger transportation revenue by sales channel for the periods indicated:

| | Year ended December 31, | | | | | | Four months ended April 30, | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(HKD in thousands, except percentages)* | | | | | | | |
| Direct sales | 777,617 | 78.6 | 739,490 | 70.2 | 721,427 | 71.7 | 239,401 | 70.4 |
| Agency channel | 211,092 | 21.4 | 313,924 | 29.8 | 285,372 | 28.3 | 100,711 | 29.6 |
| **Total** | **988,709** | **100.0** | **1,053,414** | **100.00** | **1,006,799** | **100.0** | **340,112** | **100.0** |

The following table sets forth the movements in the number of our sales outlets for our passenger transportation business for the periods indicated:

| | Year ended December 31, | | | Four months ended April 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| Number of sales outlets at the beginning of the period | 22 | 28 | 30 | 34 |
| Number of sales outlets opened during the period | 6 | 2 | 4 | – |
| Number of sales outlets closed during the period | – | – | – | (1) |
| **Total** | **28** | **30** | **34** | **33** |

The following table sets forth the movements in the number of the agents we engaged for our passenger transportation business for the periods indicated.

| | Year ended December 31, | | | Four months ended April 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| Number of agents at the beginning of the period | 307 | 326 | 331 | 323 |
| Number of agents engaged during the period | 32 | 35 | 14 | 1 |
| Number of agents terminated during the period | (13) | (30) | (22) | (1) |
| **Total** | **326** | **331** | **323** | **323** |

To manage our third-party agent channels and maintain pricing consistency across our direct sales and agency channels, we have implemented a centralized pricing mechanism across our passenger transportation business. All of our ticketing agents are required to issue passenger tickets exclusively through our ticketing system or through direct API integration with our system. Ticket prices are dynamically set by our system based on market demand, route characteristics, seasonality, and booking timing. System-displayed prices are binding on all agents. Any fare adjustments are pre-announced via our ticketing system portal notice board prior to taking effect. Agents may offer discounts to end-customers at their own cost, but such discounts are funded from their own commission margins and do not reduce our net revenue per ticket, which helps mitigate the risk of channel cannibalization. Because an agent's commission margin per ticket is capped, their ability and commercial incentive to offer deep discounts are inherently limited, preventing destructive price wars between agencies and our direct channels.

We typically enter into standard agency agreements with our transportation agents for a term of approximately two years, which are automatically renewed unless either party objects. Key terms of these agreements include:

- *Pricing and commission*: We operate primarily under a commission-based model. Tickets must be issued strictly at the prices determined by our system. Agents are offered a sales discount or are entitled to a fixed rate commission based on actual ticket sales volume. During the Track Record Period, the percentage of discount

or fixed rate commission offered to our bus ticket agents ranged from 9% to 15%, with an average rate of approximately 13.3%. In addition, the sales discount offered to our ferry ticket agents was approximately 8%;

- *Credit, settlement and refund arrangements*: Agents are required to maintain a minimum prepayment balance in our system. When the balance falls below an agreed threshold, our system automatically notifies the agent to top up the balance. Settlement and reconciliation are conducted monthly. Upon contract expiration or mutual termination, any remaining prepayment balance will be fully refunded to the agent's designated bank account;

- *Roles and liabilities*: We are responsible for the safe operation of the transportation services, insurance coverage, and maintenance of the ticketing system, while agents are responsible for front-end promotion and customer service.

**Hotel Operations**

Our hotel sales strategy is built on a multi-channel distribution network designed to capture a wide range of traveler segments. We serve corporate and institutional clients, including government authorities and state-owned enterprises. To capture the individual travel market, we collaborate extensively with major online travel agencies (OTAs), such as Ctrip, Agoda, Klook, Meituan, Fliggy, Booking.com, and Expedia, while simultaneously driving direct sales through our own digital ecosystem, including our official website, mobile application, and WeChat mini-programs. We have also adopted social commerce strategies using platforms like Douyin and Xiaohongshu for live-streaming sessions and collaborating with key opinion leaders to enhance brand visibility and drive reservations. We also continue to leverage the networks of traditional travel agencies, to capture individual travelers and regional leisure travelers.

The following table sets forth a breakdown of our hotel revenue by sales channel for the periods indicated:

| | Year ended December 31, | | | | | | Four months ended April 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(HKD in thousands, except percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Room rental | 471,141 | 67.8 | 580,940 | 70.8 | 649,921 | 73.2 | 218,765 | 75.8 | 216,606 | 74.3 |
| Direct sales | 164,626 | 23.7 | 262,785 | 32.0 | 332,492 | 37.5 | 113,401 | 39.3 | 107,423 | 36.8 |
| TAs | 110,819 | 16.0 | 128,954 | 15.7 | 125,148 | 14.1 | 43,883 | 15.2 | 48,240 | 16.5 |
| OTA | 195,696 | 28.1 | 189,201 | 23.1 | 192,281 | 21.6 | 61,481 | 21.3 | 60,943 | 21.0 |
| Food and beverage | 93,489 | 13.5 | 96,833 | 11.8 | 94,213 | 10.6 | 30,585 | 10.6 | 29,455 | 10.1 |
| Ancillary services | 129,955 | 18.7 | 142,851 | 17.4 | 143,413 | 16.2 | 39,350 | 13.6 | 45,496 | 15.6 |
| **Total** | **694,585** | **100.0** | **820,624** | **100.0** | **887,547** | **100.0** | **288,700** | **100.0** | **291,557** | **100.0** |

*Note:*

(1) Revenue generated from food and beverage and ancillary services is categorized as non-room revenue, all of which was generated through direct sales during the Track Record Period.

The following table sets forth the movement in the number of our agents for our hotel operation for the periods indicated.

| | Year ended December 31, | | | Four months ended April 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| Number of agents at the beginning of the period | 102 | 102 | 104 | 112 |
| Number of agents engaged during the period | 2 | 8 | 10 | 7 |
| Number of agents terminated during the period | (2) | (6) | (2) | (1) |
| **Total** | **102** | **104** | **112** | **118** |

We manage the pricing of our room inventory to maintain consistency across our sales channels. While we cooperate with OTAs under a standard commission model under which rooms are generally offered at our designated retail rates, we provide traditional travel agencies (TAs) with designated net room rates. Under this arrangement, TAs retain the flexibility to determine their final retail prices to end consumers. However, the designated net rates we provide serve as the base cost for the inventory made available to them. This pricing helps maintain pricing discipline across sales channels and reduces the risk of market cannibalization while preserving our overall brand value. The designated net rates establish a common cost basis for TA bookings, which discourages intra-channel price competition and helps limit cannibalization within the TA channel.

We typically enter into standard agency agreements with our hotel agents for a term of one to three years. Key terms of these agreements include:

- *Pricing and commission*: Our Room rates are dynamically set. Leveraging our internal property management system and third-party channel distribution systems, room rates are determined based on key pricing factors, including real-time market supply and demand, booking pace, remaining inventory, historical booking patterns, lead times, competitor pricing, distribution channel strategies and local event and seasonal trends. We sell rooms through OTAs primarily under commission-based structures, with commission rates generally ranging from 4.0% to 20.0% and averaging approximately 6.7% during the Track Record Period, which, according to Frost & Sullivan, was in line with prevailing market practice during the Track Record Period. We also cooperate with traditional TAs under net-rate structures, where rooms are sold at designated net room rates;

- *Order confirmation*: Orders are confirmed directly through our system or by our reservations department;

- *Payment*: We operate on a full prepayment basis, requiring agents to settle room charges in full before the guest's arrival;

- *Cancelation*: Late cancelations or guest no-shows will be subject to a cancelation fee equal to the full room charge;

- *Reselling restrictions*: Agents are strictly prohibited from transferring or reselling bookings to any person who is not a bona fide end customer; and

- *Termination*: We reserve the right to immediately terminate the agreement if the agent materially breaches the agreement, enters into bankruptcy or liquidation, undergoes ownership changes, or engages in unauthorized room reselling.

We operate primarily on a commission-based agency model under which agents facilitate bookings on behalf of end customers. To secure occupancy and revenue during peak holiday seasons, such as the Chinese New Year, we occasionally enter into block-booking arrangements with selected major travel agencies.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material disputes, litigation, or arbitration with our passenger transportation agents or hotel agents.

## COMPETITION

We operate in highly competitive markets across our principal segments of passenger transportation operations and hotel operations in Hong Kong, Macao and Chinese Mainland. Competition arises from state-owned, private and multinational enterprises, including international and local travel service providers and hotel operators. In the Greater Bay Area, we compete with other cross-boundary transportation services, including competing ferry and coach routes and substitutes such as rail and air travel. We also face competition from independent and chain hotels.

### Passenger Transportation

Based on 2025 revenue from passenger transportation, we ranked second in the Greater Bay Area in cross-boundary ferry and bus passenger transportation, with a market share of approximately 16.1%. The market in which we operate is characterized by a high degree of concentration. In 2025, the total market size for ferry and bus passenger transportation in the Greater Bay Area reached RMB5.1 billion, with the top five service providers collectively accounting for 70.7% of the total market share. In addition to direct competition in the industry, we also face competitive pressures and operational impacts stemming from alternative modes of transport, such as high-speed rail.

To maintain our market position, we focus on specific regional markets and customized customer segments to avoid homogeneous competition. We respond to external competitive pressures through the provision of differentiated route services, bundled product offerings, refined operational management, and diversified strategic collaborations.

### Hotel Operations

The market in which our hotel accommodation business remains relatively stable, supported by the limited supply of new hotel sites in prime districts of Hong Kong and Macao. While the industry is influenced by macroeconomic conditions and tourism demand, the high entry barriers and scarcity of land for hospitality development provide a degree of resilience against significant supply-driven volatility. Competition is primarily concentrated among established hotel operators in key urban hubs, where we maintain a strong market presence. In addition, international and regional factors, such as geopolitical uncertainties, global economic volatility and changes in the distribution of major conventions, exhibitions and sports and entertainment events, may affect travel sentiment and visitor mix, thereby intensifying competition within the industry.

With changes in demand structure and increased market transparency, certain customer segments have become increasingly sensitive to various factors relevant to hotel services, including hotel location and the attractiveness of the surrounding area, the condition and level of modernisation of guestrooms and public facilities, the quality of accommodation and related ancillary services, brand image and market recognition, pricing strategies and value-for-money considerations, as well as the ability to attract different types of customers, including business and leisure travelers. Such shifts in customer preferences and sensitivities have further increased the complexity of competition within the hotel industry. We believe that, in a competitive environment, the continuous enhancement of service quality, optimization of hotel facilities, prudent formulation of pricing and marketing strategies, and flexible responses to changes in market conditions and customer mix are critical to maintaining and enhancing the competitiveness of our hotel accommodation business.

Please see "Industry Overview" for a more detailed discussion regarding the markets in which we operate.

## SEASONALITY

Our business is subject to seasonal fluctuations, with demand for travel, tourism and hospitality services typically peaking during major holidays and vacation periods, such as the Chinese New Year, summer holidays and Golden Week in the PRC, as well as public holidays in Hong Kong. The impact of seasonality manifests differently across our core business segments: for our hotel operations, seasonal shifts have a less pronounced impact on pricing, while for our passenger transportation, seasonality is more directly reflected in passenger volume and load factors. We manage the impact of seasonality through targeted marketing campaigns, dynamic pricing strategies and operational adjustments to align resources with anticipated demand.

## CUSTOMERS

Our customers primarily consist of government and public-sector entities, corporate customers as well as individual travelers. Our major customers primarily settle payments with us via bank transfers.

We have established credit control policies across our business segments to manage credit risk. In our passenger transportation business, individual travelers are required to pay at the time of booking are not granted credit terms. We generally give corporate clients up to two months to pay, and any credit extended to our agents are generally required to be secured by cash deposits or bank guarantees. In our hotel operations, individual guests are required to settle room charges and estimated incidental charges at check-in by cash deposits, credit card pre-authorizations, or instant electronic payments, while corporate clients and travel agents are required to make advance cash deposits or provide bank guarantees to secure their bookings. In our travel-document and related services segment, most of our revenue is derived from travel-document administration services, for which, under the relevant agreements, our agency fees are settled upon demand on the third day of each month.

In 2023, 2024, 2025 and the four months ended April 30, 2026, our revenue generated from sales to our five largest customers in aggregate amounted to HKD548.4 million, HKD557.8 million, HKD587.2 million and HKD191.0 million, respectively, representing 25.2%, 24.9%, 26.8% and 26.5% of our total revenue in the corresponding periods. For the same periods, our revenue generated from sales to our largest customer amounted to HKD397.7 million, HKD302.4 million, HKD264.8 million and HKD101.3 million, respectively, representing 18.2%, 13.5%, 12.1% and 14.1% of our total revenue in the corresponding periods.

The table below sets out detailed information regarding our five largest customers during the Track Record Period:

**For the four months ended April 30, 2026**

| Ranking | Customer | Sales amount *(HKD'000)* | % of total revenue *(%)* | Business relationship since | Customer background | Main products/ services provided | Credit Period |
|---|---|---|---|---|---|---|---|
| 1. | Customer A | 101,294 | 14.1 | 2020 | A Hong Kong-based central government authority | Hotel accommodation and ancillary services | N/A[2] |
| 2. | CTG Group | 68,143 | 9.5 | 2001 | A Hong Kong and PRC-based large-scale state-owned tourism conglomerate | Travel-document administration services | N/A[3] |
| 3. | Customer D | 8,225 | 1.1 | 2004 | A Hong Kong-based cross-boundary passenger transportation operator | Vehicle rental services | 30 days |
| 4. | Customer E | 6,919 | 1.0 | 2009 | A Macao-based local travel service enterprise | Travel-document consumables and technical support | N/A |
| 5. | Customer G [1] | 6,418 | 0.9 | 2018 | A Hong Kong-based cross-boundary shuttle bus services operator | Vehicle rental services | 60 days |
| **Total** | | **190,999** | **26.5** | | | | |

*Notes:*

(1) As of the Latest Practicable Date, we indirectly held an aggregate effective equity interest of approximately 16.35% in Customer G.

(2) The credit period is marked as "N/A" as Customer A settles payments on a fully prepaid basis in the first month of each consecutive three-month service period.

(3) The credit period is marked as "N/A" as agency fees for travel-document administration services with CTG Group are settled on demand on the third day of each month, without any deferred payment terms.

**For the year ended December 31, 2025**

| Ranking | Customer | Sales amount | % of total revenue | Business relationship since | Customer background | Main products/ services provided | Credit Period |
|---|---|---|---|---|---|---|---|
| | | *(HKD'000)* | *(%)* | | | | |
| 1. | Customer A | 264,751 | 12.1 | 2020 | A Hong Kong-based central government authority | Hotel accommodation and ancillary services | N/A |
| 2. | CTG Group | 233,196 | 10.6 | 2001 | A Hong Kong and PRC-based large-scale state-owned tourism conglomerate | Travel-document administration services | N/A |
| 3. | Customer B | 32,633 | 1.5 | 1997 | A Hong Kong-based central government authority | Chartered cross-boundary passenger transportation services | 30 days |
| 4. | Customer C | 32,307 | 1.5 | 2006 | A Macao government tourism authority | Cross-boundary ferry services | 30 days |
| 5. | Customer D [(1)] | 24,269 | 1.1 | 2004 | A Hong Kong-based cross-boundary passenger transportation operator | Vehicle rental services | 30 days |
| **Total:** | | **587,156** | **26.8** | | | | |

*Note:*

(1) As of the Latest Practicable Date, we held a 32.37% equity interest in Customer D.

**For the year ended December 31, 2024**

| Ranking | Customer | Sales amount | % of total revenue | Business relationship since | Customer background | Main products/ services provided | Credit Period |
|---|---|---|---|---|---|---|---|
| | | *(HKD'000)* | *(%)* | | | | |
| 1. | CTG Group | 302,382 | 13.5 | 2001 | A Hong Kong and PRC-based large-scale state-owned tourism conglomerate | Travel-document administration services | N/A |
| 2. | Customer A | 195,936 | 8.7 | 2020 | A Hong Kong-based central government authority | Hotel accommodation and ancillary services | N/A |
| 3. | Customer D | 23,897 | 1.1 | 2004 | A Hong Kong-based cross-boundary passenger transportation operator | Vehicle rental services | 30 days |
| 4. | Customer E | 18,040 | 0.8 | 2009 | A Macao-based local travel service enterprise | Travel-document consumables and technical support | N/A |
| 5. | Customer C | 17,591 | 0.8 | 2006 | A Macao government tourism authority | Cross-boundary ferry services | 30 days |
| **Total:** | | **557,846** | **24.9** | | | | |

**For the year ended December 31, 2023**

| Ranking | Customer | Sales amount | % of total revenue | Business relationship since | Customer background | Main products/ services provided | Credit Period |
|---|---|---|---|---|---|---|---|
| | | *(HKD'000)* | *(%)* | | | | |
| 1. | CTG Group | 397,669 | 18.2 | 2001 | A Hong Kong and PRC-based large-scale state-owned tourism conglomerate | Travel-document administration services | N/A |
| 2. | Customer A | 83,010 | 3.8 | 2020 | A Hong Kong-based central government authority | Hotel accommodation and ancillary services | N/A |
| 3. | Customer C | 27,661 | 1.3 | 2006 | A Macao government tourism authority | Cross-boundary ferry services | 30 days |
| 4. | Customer D (1) | 20,987 | 1.0 | 2004 | A Hong Kong-based cross-boundary passenger transportation operator | Vehicle rental services | 30 days |
| 5. | Customer F | 19,094 | 0.9 | 2018 | A Beijing-based private technology enterprise | Office leasing services | 30 days |
| **Total:** | | **548,421** | **25.2** | | | | |

*Note:*

(1) As of the Latest Practicable Date, we held a 32.37% equity interest in Customer D.

To the best of our knowledge, except for CTG Group, all of our five largest customers during the Track Record Period are Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their respective associates or any shareholder who, to the knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our five largest customers during the Track Record Period.

## Customer Service

To maintain high service standards and ensure accountability, we adhere to a standardized complaint management protocol across our business segments:

- Reception and documentation: Feedback received via telephone, email, or other service channels is recorded in detail, including key event data such as time, location, and ticket numbers.

- Assessment and internal referral: Each complaint is evaluated for validity and referred to the relevant department and supervising personnel. Internal responses are generally required within three working days.

- Analysis and resolution: Responsible departments analyze the cause of the issue and propose solutions. We maintain a hierarchical approval process for settlements, where compensation is determined by designated management levels based on the severity of the claim.

- Response and rectification: Designated personnel are assigned to provide formal explanations and apologies to the customer. Simultaneously, the relevant departments implement rectification measures to prevent recurrence and enhance service quality.

- Follow-up and archiving: All cases are tracked through a formal closing and archiving process. In our hotel operations, staff maintain contact with guests to ensure the resolution is satisfactory and results are recorded for management review.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material customer complaints.

**SUPPLIERS**

Our suppliers primarily consist of energy and petroleum suppliers, public utilities companies and other operational service providers. We primarily settle payments with our suppliers via bank transfers in our ordinary course of business.

In 2023, 2024, 2025 and the four months ended April 30, 2026, our purchases from our five largest suppliers in aggregate amounted to HKD288.8 million, HKD315.6 million, HKD309.7 million and HKD99.2 million, respectively, representing 40.1%, 42.3%, 39.9% and 37.6% of our total purchases in the corresponding periods. For the same periods, our purchases from our largest supplier amounted to HKD218.3 million, HKD210.9 million, HKD220.0 million and HKD71.0 million, respectively, representing 30.3%, 28.3%, 28.3% and 26.9% of our total purchases in the corresponding periods.

The table below sets out detailed information regarding our five largest suppliers during the Track Record Period:

**For the four months ended April 30, 2026**

| Ranking | Supplier | Purchase amount | % of total purchases | Business relationship since | Supplier background | Main products/ services purchased | Credit Period |
|---|---|---|---|---|---|---|---|
| | | *(HKD'000)* | *(%)* | | | | |
| 1. | Supplier A | 70,957 | 26.9 | 2008 | A China-based large-scale energy and chemical company primarily engaged in petroleum and petrochemical production, refining, distribution and related services. | Fuel supplies | 30 days |
| 2. | Supplier D | 12,727 | 4.8 | 1984 | A Macao-based company primarily engaged in the trading, distribution and supply of petroleum products and chemical materials. | Fuel supplies | 30 days |
| 3. | Supplier B | 6,648 | 2.5 | 1992 | A major utility company in Hong Kong principally engaged in electricity supply. | Utility expenses (Electricity) | 30 days |
| 4. | Supplier C | 4,512 | 1.7 | 1998 | A Hong Kong-based technology services company primarily engaged in the provision and operation of electronic toll collection systems and intelligent transport solutions. | Tunnel tolls | N/A[(1)] |
| 5. | Supplier G | 4,401 | 1.7 | 2017 | A Guangdong-based company primarily engaged in the provision of electronic toll collection and settlement services for expressways. | Toll Fees | N/A |
| **Total** | | **99,245** | **37.6** | | | | |

*Note:*

(1) The credit period is marked as "N/A" as transactions with Supplier C are governed by a prepaid stored-value arrangement.

**For the year ended December 31, 2025**

| Ranking | Supplier | Purchase amount | % of total purchases | Business relationship since | Supplier background | Main products/ services purchased | Credit Period |
|---|---|---|---|---|---|---|---|
| | | *(HKD'000)* | *(%)* | | | | |
| 1. | Supplier A | 220,018 | 28.3 | 2008 | A China-based large-scale energy and chemical company primarily engaged in petroleum and petrochemical production, refining, distribution and related services. | Fuel supplies | 30 days |
| 2. | Supplier B | 34,017 | 4.4 | 1992 | A major utility company in Hong Kong principally engaged in electricity supply. | Utility expenses (Electricity) | 30 days |
| 3. | Supplier C | 22,948 | 3.0 | 1998 | A Hong Kong-based technology services company primarily engaged in the provision and operation of electronic toll collection systems and intelligent transport solutions. | Tunnel tolls | N/A |
| 4. | Supplier D | 19,518 | 2.5 | 1984 | A Macao-based company primarily engaged in the trading, distribution and supply of petroleum products and chemical materials. | Fuel supplies | 30 days |
| 5. | Supplier E | 13,173 | 1.7 | 1989 | A Hong Kong-based service company primarily engaged in the provision of commercial laundry and textile care services. | Hotel laundry and cleaning services | 30 days |
| **Total:** | | **309,674** | **39.9** | | | | |

**For the year ended December 31, 2024**

| Ranking | Supplier | Purchase amount | % of total purchases | Business relationship since | Supplier background | Main products/ services purchased | Credit Period |
|---|---|---|---|---|---|---|---|
| | | *(HKD'000)* | *(%)* | | | | |
| 1. | Supplier A | 210,931 | 28.3 | 2008 | A China-based large-scale energy and chemical company primarily engaged in petroleum and petrochemical production, refining, distribution and related services. | Fuel supplies | 30 days |
| 2. | Supplier D | 35,915 | 4.8 | 1984 | A Macao-based company primarily engaged in the trading, distribution and supply of petroleum products and chemical materials. | Fuel supplies | 30 days |
| 3. | Supplier B | 33,437 | 4.5 | 1992 | A major utility company in Hong Kong principally engaged in electricity supply. | Utility expenses (Electricity) | 30 days |
| 4. | Supplier C | 22,526 | 3.0 | 1998 | A Hong Kong-based technology services company primarily engaged in the provision and operation of electronic toll collection systems and intelligent transport solutions. | Tunnel tolls | N/A |
| 5. | Supplier E | 12,821 | 1.7 | 1989 | A Hong Kong-based service company primarily engaged in the provision of commercial laundry and textile care services. | Hotel laundry and cleaning services | 30 days |
| **Total:** | | **315,630** | **42.3** | | | | |

**For the year ended December 31, 2023**

| Ranking | Supplier | Purchase amount | % of total purchases | Business relationship since | Supplier background | Main products/ services purchased | Credit Period |
|---|---|---|---|---|---|---|---|
| | | *(HKD'000)* | *(%)* | | | | |
| 1. | Supplier A | 218,293 | 30.3 | 2008 | A China-based large-scale energy and chemical company primarily engaged in petroleum and petrochemical production, refining, distribution and related services. | Fuel supplies | 30 days |
| 2. | Supplier B | 22,332 | 3.1 | 1992 | A major utility company in Hong Kong principally engaged in electricity supply. | Utility expenses (Electricity) | 30 days |
| 3. | Supplier D | 20,874 | 2.9 | 1984 | A Macao-based company primarily engaged in the trading, distribution and supply of petroleum products and chemical materials. | Fuel supplies | 30 days |
| 4. | Supplier C | 17,477 | 2.4 | 1998 | A Hong Kong-based technology services company primarily engaged in the provision and operation of electronic toll collection systems and intelligent transport solutions. | Tunnel tolls | N/A |
| 5. | Supplier F | 9,854 | 1.4 | 1989 | A Hong Kong-based electric power company primarily engaged in the generation, transmission and supply of electricity. | Utility expenses (Electricity) | 30 days |
| **Total:** | | **288,830** | **40.1** | | | | |

To the best of our knowledge, all of our five largest suppliers during the Track Record Period are Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their respective associates or any shareholder who, to the knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our five largest suppliers during the Track Record Period.

## OVERLAP BETWEEN CUSTOMERS AND SUPPLIERS

During the Track Record Period, CTG Group, one of our five largest customers in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, was also a supplier. We provided travel-document administration services, vehicle rental services and related leasing services to CTG Group. In terms of the underlying services, our vehicle rental services primarily consisted of corporate shuttle services for CTG Group's employees commuting to and from work as well as chartered bus services provided to travel agencies within CTG Group, while our related leasing services involved the leasing of commercial premises, such as office and shop properties, to CTG Group. We also leased parking lots and warehouses from CTG Group, procured security services and marketing and promotion services from CTG Group, and incurred booking commissions payable to CTG Group in respect of ferry, bus and hotel bookings. Specifically, the leased parking lots and warehouses were used for vehicle parking and storage, and the security services were provided for our hotel operations and travel-document business premises. The marketing and promotion services were procured for the marketing and promotion of our hotels. The booking commissions represented fees for ferry and bus tickets and hotel room bookings distributed through travel agencies within CTG Group. In 2023, 2024, 2025 and the four months ended April 30, 2026, our revenue generated from CTG Group amounted to HKD397.7 million, HKD302.4 million, HKD233.2 million and HKD68.1 million, respectively, accounting for 18.2%, 13.5%, 10.6% and 9.5% of our total revenue, respectively, and our purchases from CTG Group amounted to HKD2.1 million, HKD3.4 million, HKD4.7 million and HKD1.9 million, respectively, accounting for 0.3%, 0.5%, 0.6% and 0.7% of our total purchases, respectively. Our Directors confirmed that all aforementioned transactions were conducted in the ordinary course of business under normal commercial terms and on arm's length basis. For further details on the pricing policies, key commercial terms and historical transaction amounts regarding the majority of these transactions, please refer to the section headed "Continuing Connected Transactions" in this listing document.

## EMPLOYEES

As of April 30, 2026, we had a total of 2,239 employees. Our employees are primarily based in Hong Kong, Chinese Mainland and Macao, reflecting the geographical scope of our operations. We also engage temporary staff to address short-term operational demands. Such personnel are primarily assigned to non-core operational roles and frontline support. We have complied with all relevant labor laws and regulations in all material respects regarding these employment arrangements.

The following table sets out a breakdown of our employees by function as of April 30, 2026:

| Functions | Number of employees | % of Total |
|---|---|---|
| Operations | 1,847 | 82.5% |
| Management and Administration | 134 | 6.0% |
| Engineering | 126 | 5.6% |
| Finance and Audit | 60 | 2.7% |
| Sales and Marketing | 72 | 3.2% |
| **Total** | **2,239** | **100.0%** |

Approximately 68.3% of our employees are based in Hong Kong, 24.7% in Chinese Mainland and 6.9% in Macao.

Our success, to a considerable extent, depends on our ability to attract, retain and motivate a sufficient number of qualified employees. Therefore, we offer various training programs for employees of different departments and positions, covering subjects of service etiquette for cultural tourism professionals, maritime skills, financial and tax knowledge, safety, to continuously enhance their professional skill sets and understanding of our Company and the cultural tourism industry. In addition, as part of our human resources strategies to attract and motivate talented employees, we also offer our qualified employees opportunities for career advancement through a structured promotion system and we also constantly review and update our remuneration and incentive policies through market research, ensuring a competitive employment system with fair remuneration and attractive benefits offering. We believe that remuneration package and benefits programs are competitive in the cultural tourism industry.

We have an established an annual performance evaluation program to assess the performance of our employees, which forms the basis of our decisions with respect to salary raises, bonuses and promotions. The performance evaluation program varies among different teams, either on group basis with reference to the team's collective operating results and profit margins, or on individual basis with reference to their respective performance and revenue generated.

We have established a labor union in accordance with relevant PRC laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any major labor dispute or disturbance that had interfered with our operations. We believe we maintain good employee relations.

In the PRC, we participate in statutory employee social security schemes, including pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing provident funds, as required under relevant laws and regulations. For our employees in Hong Kong, we make contributions to the mandatory provident fund scheme in accordance with applicable laws and regulations, and provide employees with medical and other insurance coverage as appropriate. For our employees in Macao, we make contributions to the social security fund, and provide additional employee insurance and welfare benefits in compliance with local laws and regulations.

## ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

We regard environmental, social and corporate, or ESG, management as integral to long-term competitiveness, operational resilience, and sustainable value creation. We embed ESG considerations into governance, strategy, risk management, and daily operations to operate responsibly across our value chain. We engage with key stakeholders to inform the prioritization of ESG initiatives. Following listing, we will publish an annual ESG report in accordance with applicable requirements.

### ESG Governance

The Board holds full responsibility for our ESG strategy and performance, and is responsible for reviewing, driving the implementation of, and overseeing our measures related to ESG matters. Operating entities of each business segment have set relevant targets and measures based on their own circumstances. During the Track Record Period, we complied with all material ESG laws and regulations. The Board oversees our corporate governance, ESG risk control frameworks and internal monitoring systems, with sufficient professional capacity to carry out oversight responsibilities. When assessing the materiality of ESG risks, the Board takes into account industry benchmarks, regulatory requirements, peer comparison, management feedback and stakeholder needs, supported by our dedicated risk management and internal audit review mechanisms.

**ESG Materiality Assessment**

We comprehensively evaluate the external market environment, prevailing industry standards and relevant policy requirements, while benchmarking against best practices of peers. Based on the above and taking into account the views of the Board and senior management, we conduct materiality assessment on key concerns of stakeholders, identify material ESG topics, and integrate them into our strategic and operational planning.

**Climate Change Risk Management**

We proactively identify the various risks and development opportunities arising from climate change and formulate targeted response plans to minimize potential losses across all aspects caused by climate change. We invest in the deployment of solar energy facilities, replace our fleet with new energy electric buses, and conduct energy conservation publicity and training activities. Through these initiatives, we actively and effectively manage climate-related risks, seize green transition opportunities, and enhance our ability to respond to climate change and extreme weather events.

**Environmental Indicators and Management**

We actively implement various measures to ensure that our operations fully comply with applicable environmental policies promulgated by the government, continuously improve our internal environmental management system, and reduce the consumption of energy and various resources. Through multi-pronged actions including enhancing the efficiency of energy and overall resource utilization, controlling pollutant emissions, and proactively addressing climate change, we effectively contribute to ecological and environmental protection.

***Emissions and Waste Management***

We strictly comply with laws and regulations relating to energy conservation and emission reduction, and strive to systematically manage various gas emissions and waste. For our passenger transportation business, we have engaged qualified third-party professionals to conduct greenhouse gas inventories in accordance with a number of international and domestic accounting standards, and will formulate continuous improvement plans based on the outcomes to actively advance various greenhouse gas emission reduction initiatives. We have formulated waste management plans and cooperated with qualified third-party environmental protection agencies to supervise and manage the entire process of waste classification, collection, transportation and disposal.

***Resource Consumption***

We are committed to reducing emissions and energy consumption in our operations. We have developed relevant water resource management plans to reduce water usage and increase the ratio of recycled water by installing and upgrading water-saving facilities. To ensure efficient resource utilization, we have implemented a number of energy-saving measures, including promoting paperless office practices and regularly collecting waste oil generated by hotel restaurants. Moving forward, by enforcing green operation measures as well as effective resource consumption monitoring processes, we expect to reduce the consumption densities of electricity, water, diesel fuel, gasoline and paper by 5% on a cumulative basis over the three-year period ahead.

Details of our resource consumption during the Track Record Period are as follows:

| Classification | Unit | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Electricity Consumption | MWh | 25,286.9 | 32,712.1 | 36,473.1 |
| Electricity Consumption Density | MWh/million HKD revenue | 12.0 | 14.9 | 17.0 |
| Water Consumption | Tons | 359,243.7 | 326,153.7 | 359,132.4 |
| Water Consumption Density | Tons/million HKD revenue | 161.2 | 140.8 | 158.2 |
| Diesel Fuel Consumption | Liter | 44,728,599.4 | 47,915,472.0 | 45,956,145.0 |
| Diesel Fuel Consumption Density | Liter/million HKD revenue | 21,297.5 | 21,877.2 | 21,383.2 |
| Gasoline Consumption | Liter | 182,543.6 | 292,300.0 | 291,109.6 |
| Gasoline Consumption Density | Liter/million HKD revenue | 86.9 | 133.5 | 135.5 |
| Paper Consumption | Kilogram | 5,152.6 | 5,054.9 | 3,325.5 |
| Paper Consumption Density | Kilogram/million HKD revenue | 2.5 | 2.3 | 1.5 |

*Note:* Our quantitative environmental performance is based on data collected from 11 operation units with material impact, namely Metropark Mongkok, Wanchai Kew Green Hotel, Metropark Kowloon, Metropark Causeway Bay, Metropark Hung Hom, Metropark Macao, Wanchai Green Residence Serviced Apartment, Beijing Guang'anmen Grand Metropark, China Travel Tours Transportation Services Hong Kong Limited, China Travel Service Entry Permit Service Hong Kong Limited and Shun Tak-China Travel Shipping Investments Limited.

We strictly comply with laws and regulations on energy conservation and emission reduction and have formulated supporting management systems to systematically regulate greenhouse gas emissions. We have completed Scope 1 and Scope 2 greenhouse gas inventories in line with mainstream domestic and international accounting standards. Building on the inventory results, we will formulate continuous improvement plans and targeted initiatives to actively cut greenhouse gas emissions across our operations.

Details of our greenhouse gas emissions during the Track Record Period are as follows:

| Classification | Unit | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Scope 1 GHG Emissions | $tCO_2e$ | 118,823.5 | 127,499.7 | 122,309.4 |
| Scope 1 GHG Emissions Intensity | $tCO_2e$/billion HKD revenue | 56,577.9 | 58,213.6 | 56,910.1 |
| Scope 2 GHG Emissions | $tCO_2e$ | 20,228.1 | 26,070.8 | 29,065.2 |
| Scope 2 GHG Emissions Intensity | $tCO_2e$/billion HKD revenue | 112.8 | 98.6 | 110.7 |
| Scope 3 GHG Emissions | $tCO_2e$ | 24.7 | 24.3 | 16.0 |
| Scope 3 GHG Emissions Intensity | $tCO_2e$/billion HKD revenue | 11.8 | 11.1 | 7.4 |

*Note:* Our quantitative environmental performance is based on data collected from 11 operation units with material impact, namely Metropark Mongkok, Wanchai Kew Green Hotel, Metropark Kowloon, Metropark Causeway Bay, Metropark Hung Hom, Metropark Macao, Wanchai Green Residence Serviced Apartment, Beijing Guang'anmen Grand Metropark, China Travel Tours Transportation Services Hong Kong Limited, China Travel Service Entry Permit Service Hong Kong Limited and Shun Tak-China Travel Shipping Investments Limited. Scope 3 indirect greenhouse gas emissions not under the direct control are calculated based on total waste paper consumption.

## Social Indicators and Management

We actively fulfill our corporate social responsibilities. Based on compliant operations and integrity standards, we effectively promote employee care and career development, supply chain management, as well as safe operation.

### *Employment*

In our recruitment process, we always uphold the principles of openness, fairness and responsibility to ensure equal opportunities for every candidate. We continuously optimize the entire recruitment process, further improve recruitment standards and operational procedures, strengthen the management of recruitment and employment for cadres and head office staff, resolutely eliminate any form of employment discrimination based on gender, disability, pregnancy, race, religious belief, age or family status, and strive to build a fair and just working environment.

### *Work-related Accidents*

In the past three years, there was no work-related fatality in all business segments of us. In 2023, 30 employees were injured by work-related accidents and the lost working days due to work injury amounted to 1,044 days. In 2024, 27 employees were injured by work-related accidents and the lost working days due to work injury amounted to 1,003 days. In 2025, 30 employees were injured by work-related accidents and the lost working days due to work injury amounted to 505 days. We continue to strengthen workplace risk identification and safety education to mitigate occupational accident risks. During the Track Record Period, we did not experience any accidents or incidents in our passenger transportation operations which had a material adverse effect on our business, financial condition or results of operations.

### *Traffic Accidents*

In 2023, there were 8 traffic accidents, with total compensation of RMB4,700. In 2024, there were 20 traffic accidents, with total compensation of RMB37,200. In 2025, there were 19 traffic accidents, with total compensation of RMB264,300. We continue to reinforce fleet supervision and conduct regular safety briefings for drivers to reduce the likelihood of traffic incidents.

### *Staff Development and Training*

We are committed to investing in employees at all stages of their career development, supporting their growth by providing a wide range of customized training programs, improving their professional capabilities, and expanding their career development channels. We strictly comply with applicable laws and regulations, attach great importance to employees' health and safety, arrange regular health check-ups every year, and establish a care and assistance system for employees suffering from illness or hardship, with no serious accidents involving casualties during the Track Record Period. Legitimate rights and interests of employees are effectively protected through full compliance with labor laws and regulations, where the use of child labor and forced labor is strictly prohibited, and employee protection and benefits are enhanced through comprehensive medical and personal insurance coverage as well as a formal retirement plan.

We adopt quantifiable human resources metrics to assess the materiality of ESG risks over short, medium and long-term periods, where employee turnover headcount and average annual training hours per employee are the key monitoring indicators. We recorded total employee separations of 591, 536 and 528 persons in 2023, 2024 and 2025 respectively, whilst total annual training hours reached 39,503, 96,827 and 229,689 hours in the same three years. Fluctuations in staff turnover may disrupt daily service provision and talent reserve planning, which would bring potential adverse impacts on our daily business execution, medium-term development strategy and long-term manpower cost arrangement. To mitigate such human resources risks, we deliver regular vocational and compliance training to all employees to strengthen their professional capabilities. We will further optimize compensation packages and internal promotion paths to maintain stable staffing levels.

***Supply Chain Management***

To mitigate potential risks in the supply chain, all cooperating suppliers must undergo strict internal assessments before we enter into partnership. We conduct comprehensive evaluations on various suppliers by signing safety agreements and other relevant documents, and terminate cooperation with unqualified suppliers accordingly. We maintain strict management over supplier partnerships, identify potential issues and carry out timely rectification, with evaluation dimensions covering supply quality, delivery timeliness, environmental performance and service quality. No supplier was found to have violated laws and regulations relating to business ethics, environmental protection, human rights or labor practices during the Track Record Period.

***Product Responsibility***

We regard product and service quality as our core responsibility and a key focus of risk management. We have established a sound production safety management system that defines the organizational structure and accountability system for safety production management at all our subsidiaries. Our service responsibilities also include maintaining the stable operation of various infrastructures to deliver excellent and reliable services to customers. To continuously optimize service standards and strengthen brand reputation, we have formulated customer complaint handling policies across all business segments, and regularly provide employees with customer service and product knowledge training to ensure that customer feedback is handled in a timely and proper manner.

***Intellectual Property Protection***

We highly value intellectual property protection and regard it as a critical foundation for our compliant operation and sustainable development. We consistently uphold the principle of respecting and protecting intellectual property rights, and effectively fulfill our IPR protection obligations in product and service provision, marketing, and other business activities, while actively promoting and practicing a corporate culture that respects intellectual property. We strictly comply with the Copyright Law of the People's Republic of China, the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China and other relevant laws and regulations, fully respect the intellectual property rights of others throughout our business operations, and contribute to fostering a fair and orderly market competition environment.

***Community and Public Goods***

We uphold the concept of corporate social responsibility, and actively focus on and effectively respond to community development needs. We widely participate in various public welfare projects and independently organize a diverse range of charitable activities, continuously supporting vulnerable groups and practicing eco-friendly principles. Leveraging our own business strengths, we strive to contribute to the stable and harmonious development of communities in cultural, educational and sports fields.

***Privacy and Data Security***

We attach great importance to the protection of customers' personal information and employees' privacy, and effectively safeguard the security of relevant data. We have established a comprehensive information security and confidentiality management system to effectively prevent and control relevant potential risks. We classify customer information as highly confidential and implement strict confidentiality management. All business segments strictly implement customer privacy protection requirements and abide by confidentiality standards. We sign confidentiality agreements with employees and carry out special training on information security as needed to comprehensively strengthen information security management and control.

*Anti-Corruption and Business Ethics*

We have a zero-tolerance policy against all forms of corruption, bribery, extortion and money laundering. We strictly comply with the Anti-Unfair Competition Law, the Prevention of Bribery Ordinance and other relevant laws and regulations, and have established corresponding anti-corruption and anti-bribery management policies. During the reporting period, we continuously improved our internal control mechanisms. No risk loopholes or violations of integrity standards occurred in our core business operations, and no corruption-related lawsuits involving the company or its employees were received.

## RISK MANAGEMENT AND INTERNAL CONTROL

We have established comprehensive risk management and internal control systems to identify, assess, monitor and manage the key risks associated with our business operations. Our risk management framework covers strategic, operational, financial, compliance and reputational risks, and is designed to ensure the integrity and effectiveness of our internal processes. We regularly review and update our policies and procedures to address emerging risks and regulatory requirements. Our management team is responsible for implementing risk management measures and internal controls, while our internal audit function conducts independent reviews to evaluate the adequacy and effectiveness of these systems. We are committed to maintaining a robust risk management culture and continuously enhancing our internal control environment to support sustainable business growth and safeguard the interests of our stakeholders. Each year, we are subject to final accounts audits, tax audits, internal control audits, interim audits and year-end audits, together with other audits conducted from time to time on a non-regular basis.

### Key Internal Control Measures

To manage and mitigate the identified risks, we have implemented, and continues to enhance, a range of internal control measures, including:

- Policies and procedures: the adoption of internal control manuals, policies and guidelines covering delegated authorities, financial reporting and approval processes, procurement and supplier management, human resources management, contract management, information system controls, compliance with the Listing Rules, and anti-corruption and whistleblowing.

- Segregation of duties and approval controls: key processes are designed with appropriate segregation of duties and multi-level approval mechanisms to reduce the risk of error, fraud or management override.

- Internal audit and monitoring: an internal audit function, independent from daily operations, has been established to conduct periodic reviews on the effectiveness of internal controls and compliance with internal policies, with findings reported to the Audit Committee.

- Property valuation: we have adopted internal policies requiring regular assessments of our property portfolio, including hotel properties and leased assets. We engage independent professional valuers to conduct periodic valuations and impairment assessments in accordance with accounting standards to help ensure that the carrying values of our assets are appropriately stated.

- Road and passenger safety: for our passenger transportation business, we have implemented safety protocols. These include standardized fleet maintenance checklists, real-time GPS monitoring systems, mandatory safety training and medical examinations for drivers and crew members, and formal emergency response drill procedures to reduce accident risks and enhance passenger safety.

- Legal and compliance: we have established a legal review mechanism for material commercial contracts, corporate actions, and regulatory compliance matters. Our legal department and external legal advisors review standard templates and customized agreements to manage transactional and compliance risks.

- Credit risk: we implement a corporate credit management policy under which corporate clients, offline travel agencies, and OTAs applying for credit terms undergo strict background checks and credit assessments. Credit limits and settlement periods are reviewed periodically, and aging reports are monitored on an ongoing basis to manage credit exposure.

- Information technology controls: controls are in place over system access, password management, system changes, data backup and recovery and IT security to safeguard information assets and systems.

- Training and compliance awareness: directors, senior management and relevant employees receive training on directors' duties, Listing Rules compliance, internal control policies and ethical standards.

We have also engaged an independent internal control consultant to perform an internal control assessment covering entity-level and process level controls of selected business processes. Certain internal control deficiencies were identified. We have formulated and implemented rectification measures to address the material deficiencies, including enhancing our corporate governance structure, formalizing internal control policies and procedures, strengthening risk management processes, and improving documentation and approval mechanisms. The internal control consultant has reviewed the implementation of such rectification measures and has no further recommendations.

## INSURANCE

We carry all mandatory and certain optional commercial insurance, including property insurance, public liability insurance and employer's liability insurance. Specifically, we carry third-party liability insurance for our vehicle fleets, as well as specialized oil pollution insurance, protection and indemnity insurance and hull & machinery insurance specifically for our vessel fleet. We do not maintain insurance against all risks associated with our operations, either because we have determined that doing so would be commercially unfeasible, or because our insurers have excluded certain risk events from coverage under their standard policies. We believe that our operations are covered by adequate property and liability insurance policies with coverage features and insured limits that are customary for our industry.

We will continue to assess our risk portfolio and make necessary and appropriate adjustments to our insurance coverage in light of our needs and industry practice. We did not make, and were not subject to, any insurance claims that would have had a material adverse impact on our business, financial condition or results of operations during the Track Record Period. Nevertheless, we may be exposed to claims and liabilities which exceed our insurance coverage. See "Risk Factors—Risks Relating to Our Business—Our insurance coverage may not adequately cover the risks related to our business and operations."

## LICENSES AND PERMITS

We are required to obtain various approvals, licenses and permits to conduct our business, according to relevant laws and regulations. The following table sets forth the details of our material licenses and permits required for our operations as of the Latest Practicable Date:

| License/Permit/Approval | Validity Period/expiration Date |
|---|---|
| **I. Passenger Transportation Business** | |
| *Ferry transportation* | |
| Shipping Concession Contract | |
| • Macao – Hong Kong | March 2027 |
| • Macao – Shenzhen Bao'an International Airport | March 2027 |
| • Macao – Hong Kong International Airport | August 2028 |
| Ferry Route Operation Approval | |
| • Macao Outer Harbour Ferry Terminal – Shenzhen Shekou | January 2030 |
| • Macao Taipa Ferry Terminal – Shenzhen Shekou | January 2030 |
| • Macao Sightseeing Route | January 2030 |
| Maritime Route Permit | |
| • Macao Outer Harbour Ferry Terminal – Shenzhen Shekou | January 2030 |
| • Macao Taipa Ferry Terminal – Shenzhen Shekou | January 2030 |
| • Macao Sightseeing Route | January 2030 |
| Document of Compliance for Safety Management System | |
| • Macao – Hong Kong | September 2030 |
| • Macao – Hong Kong International Airport | September 2030 |
| *Bus transportation*[(1)] | |
| Approval Notice for Cross-boundary Vehicles | Various expiration dates ranging from January 2027 to August 2027 |
| Road Transportation Operating Permit | Various expiration dates ranging from September 2027 to May 2030 |
| Vehicle License | Various expiration dates ranging from November 2026 to November 2027 |
| Chinese Mainland Cross-boundary Vehicle Allocations (粵港直通車指標及粵澳直通車指標) | Long-term |
| Hong Kong Cross-boundary Vehicle Quotas (香港直通車配額) | Long-term |

| License/Permit/Approval | Validity Period/expiration Date |
|---|---|
| **II. Hotel Operations**[2] | |
| Hotel License/Hotel License Renewal Certificate | Various expiration dates ranging from August 2026 to March 2031 |
| Hygiene Permit | Various expiration dates ranging from September 2026 to March 2031 |
| General Restaurant License | Various expiration dates ranging from October 2026 to June 2027 |
| Liquor License | Various expiration dates ranging from August 2026 to April 2028 |
| Swimming Pool License | Various expiration dates ranging from September 2026 to June 2027 |
| Parking Lot Operation Filing Certificate | October 2026 |

*Notes:*

(1) The licenses, permits and approvals for our bus transportation business are not route-specific.

(2) Certain licenses, permits and approvals relating to our hotel operations that expired or are expiring between August 2026 and October 2026 are currently in the process of being renewed, and we do not expect any obstacles to the renewals.

During the Track Record Period and up to the Latest Practicable Date, our Directors confirm that we had obtained all licenses, approvals and permits that are material and necessary for our business operations in regions where we operate. We shall renew all such licenses, approvals and permits from time to time to comply with the relevant laws and regulations. As of the Latest Practicable Date, we were not aware of any facts that will prevent us from renewing licenses, approvals and permits material to us.

## PROPERTIES

### Owned Properties

As of the Latest Practicable Date, we owned a diverse portfolio of properties in Hong Kong, Macao, and Beijing.

In Hong Kong, we owned a number of properties with an aggregate gross floor area of approximately 92,509.7 sq.m. These properties are used for a range of purposes, including six properties operated as hotels, premises used as our corporate headquarters and ancillary office spaces, and other properties as investment properties to generate rental income.

In Beijing, we owned the land use rights to one parcel of land with an aggregate site area of approximately 10,947.2 sq.m. One property with an aggregate gross floor area of approximately 66,385.7 sq.m. is situated on this land. These land and property interests are primarily used for our hotel operations, with a portion held as investment properties to generate rental income.

In Macao, we owned one hotel property, several residential units and car parking spaces. These properties have an aggregate gross floor area of approximately 29,185.8 sq.m. and are primarily used for hotel operations, ancillary hotel facilities and employee dormitories.

Jones Lang LaSalle Limited, an independent property valuer, has valued certain of our owned and investment properties as of July 31, 2026. For more details, please refer to "Appendix III—Property Valuation Report."

### Leased Property

As of the Latest Practicable Date, we had leased a total of 58 properties, primarily for office and operational purposes, including office premises, employee dormitories, retail outlets and parking lots. These leased properties have a gross floor area ranging from approximately 30 sq.m. to 4,210 sq.m., and are primarily located in the PRC, Hong Kong, and Macao.

## INTELLECTUAL PROPERTY

We regard our proprietary domain names, copyrights, trademarks, trade secrets, and other intellectual property, as critical to our business operations and fundamental to our success and competitiveness, and we devote significant time and resources to the development and protection. As of the Latest Practicable Date, we held 12 registered trademarks which we consider to be material to our business. In addition, we have been granted the right to use one domain name by the China Travel HK Group, which is also considered material to our operations. For detailed information about our material intellectual property, see "Appendix V—General Information—B. Further Information about Our Business—2. Intellectual Property Rights." During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any major proceedings in respect of our intellectual property rights, and we had not received notice of any threatened or pending infringement claims that could have a material adverse effect on our business.

## LEGAL PROCEEDINGS AND COMPLIANCE

### Legal Proceedings

We may from time to time be subject to legal or administrative claims proceedings arising from the ordinary course of business. Litigation or any other legal or administrative proceedings, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management's time and attention.

During the Track Record Period and up to the Latest Practicable Date, there were no legal proceedings pending or threatened against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

### Legal Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that would, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

**Non-registration of Lease Agreements**

As of the Latest Practicable Date, we acted as landlord under 61 commercial lease agreements with various tenants in respect of our investment properties in Beijing, and as tenant under one lease agreement for an employee dormitory in the PRC with a gross floor area of 90.0 sq.m.. The lease filing and registration procedures required under relevant PRC laws had not been completed for these 62 lease agreements.

Pursuant to the Law of the PRC on Administration of Urban Real Estate and the Administrative Measures on Leasing of Commodity Housing, the parties to a lease shall complete the filing and registration procedures for housing leasing with the competent authority. If the parties fail to complete these procedures, the competent authorities may order them to make corrections within a specified time limit, a fine ranging from RMB1,000 to RMB10,000 may be imposed for each unregistered lease agreement. Based on the relevant PRC laws and regulations, a housing lease agreement that has not been registered and filed may not be asserted against a third party. However, failure to complete the filing and registration procedures for the lease agreement shall not affect the validity of the agreement itself.

The non-registration of the 61 commercial lease agreements under which we acted as landlord was primarily due to historical reasons and local administrative practice, including the reluctance of certain tenants to cooperate with the filing process. The non-registration of the employee dormitory lease was due to the landlord's failure to provide the valid property ownership certificate. Given that the 61 commercial leases relate to our investment properties and we act as the landlord under these leases, the non-registration does not affect our ownership of the relevant properties or our contractual right to collect rent under the lease agreements. For the leased employee dormitory, there is an adequate supply of alternative, comparable properties in the immediate vicinity available for lease at similar commercial terms.

We are actively taking the following measures to rectify the non-registrations: (i) for the 61 commercial leases, we have liaised with the relevant parties to complete the filing and registration procedures; and (ii) for the employee dormitory lease, given the availability and substitutability of surrounding residential properties, if we receive a rectification notice, we intend to terminate the lease and relocate to alternative premises in a timely manner (with the relocation estimated to take only three to five days). We do not expect that such relocation will have any material adverse effect on our operations or financial condition.

As advised by our PRC Legal Advisor, our failure to register these lease agreements would not materially and adversely affect our operations because: (i) failure to complete lease filing and registration procedures does not affect the legal validity of the underlying lease agreements; (ii) the maximum aggregate fine of RMB620,000 is financially immaterial to the Group; and (iii) as of the Latest Practicable Date, we had not received any notice, order, or penalty from any competent authorities requiring us to register these leases or imposing any fine on us.

## DIRECTORS

Our Board consists of eight Directors, comprising two executive Directors, two non-executive Directors and four independent non-executive Directors. The Directors serve a term of three years and may be re-elected for successive reappointments.

The following table sets forth certain information regarding our Directors:

| Name | Age | Present position in our Group | Time of appointment as a Director | Time of joining our Group | Main roles and responsibilities in our Group |
|---|---|---|---|---|---|
| Mr. Tao Xiaobin (陶曉斌) | 49 | Chairman and executive Director | September 2025 | June 2008 | Responsible for overseeing our Group's day-to-day operations and execution of strategic plans and making key management decisions |
| Mr. Zhang Daorong (張道榮) | 55 | Executive Director and finance director | May 2026 | December 2022 | Responsible for overseeing the financial matters of our Group |
| Mr. Ha Yufeng (哈玉峰) | 56 | Non-executive Director | May 2026 | March 2003 | Responsible for providing strategic advice and recommendations to our Group |
| Mr. Tuen Chun Leung (段振亮) | 44 | Non-executive Director | May 2026 | May 2026 | Responsible for providing strategic advice and recommendations to our Group |
| Mr. Fok Kai Kong Kenneth, BBS, JP (霍啟剛) | 47 | Independent non-executive Director | May 2026, effective on the Listing Date | Listing Date | Responsible for supervising and providing independent advice to our Board |
| Ms. Lu Qiannan (陸倩南) | 51 | Independent non-executive Director | May 2026, effective on the Listing Date | Listing Date | Responsible for supervising and providing independent advice to our Board |
| Ms. Liu Xinxin (劉欣欣) | 48 | Independent non-executive Director | May 2026, effective on the Listing Date | Listing Date | Responsible for supervising and providing independent advice to our Board |
| Dr. Li Baolin (李寶林) | 62 | Independent non-executive Director | May 2026, effective on the Listing Date | Listing Date | Responsible for supervising and providing independent advice to our Board |

**Executive Directors**

**Mr. Tao Xiaobin**（**陶曉斌**）, aged 49, is one of our executive Directors, primarily responsible for overseeing our Group's day-to-day operations and execution of strategic plans and making key management decisions. He has been appointed as a Director since September 2025. He was redesignated as an executive Director in May 2026.

Prior to joining the CTG Group, from July 1999 to June 2002, Mr. Tao worked at Ningbo Weiyuan Certified Public Accountants Co., Ltd.（寧波威遠會計師事務所）. Mr. Tao joined the CTG Group in 2004. From August 2004 to June 2008, Mr. Tao worked at CTS (Holdings), and his last position was assistant general manager of the strategic investment department. From June 2008 to September 2022, he worked at China Travel Tours Transportation Services Hong Kong Limited（香港中旅汽車服務有限公司）, and his last position was the chairman. From February 2017 to September 2022, he was the deputy general manager of China Travel HK. Since October 2022, he has been a non-executive director of CTG Development Corporation Limited. From October 2022 to August 2025, he was a non-executive director of China Travel HK. From October 2023 to November 2024, he was the general manager of the operations management department and the environmental health and safety supervision department of CTS (Holdings). Since September 2022, he has been the general manager of the Hong Kong and Macao affairs department of CTS (Holdings).

Mr. Tao graduated from Nanjing Audit School（南京審計學院）(currently known as Nanjing Audit University（南京審計大學)), in the PRC with a bachelor's degree in accounting in July 1999. He then graduated from Fudan University（復旦大學）in the PRC with a master's degree in business administration in June 2004.

**Mr. Zhang Daorong**（**張道榮**）(with former name as Zhang Ronghua（張榮華)), aged 55, is one of our executive Directors, primarily responsible for overseeing the financial matters of our Group. He joined the CTG Group in June 2004 and served as the finance director of China Travel HK from October 2022 to May 2026. He was appointed as an executive Director in May 2026.

Mr. Zhang successively served as the deputy manager, manager and senior manager of the finance department of CTS (Holdings) from June 2004 to September 2009. Mr. Zhang has then worked at the China Travel HK Group in various positions, such as serving as the finance director of Shenzhen Metropark Hotel from September 2009 to December 2010, the director, finance director and deputy general manager of Shenzhen The World Miniature Co., Ltd. from January 2011 to December 2016 and its executive deputy general manager from December 2016 to October 2022. Prior to joining the CTG Group, he was a project manager of Guangzhou Lingnan CPA Firm（廣州嶺南會計師事務所）from December 1997 to June 2004.

Mr. Zhang graduated from Hunan Finance College(湖南財經學院)(now integrated into Hunan University（湖南大學)) in the PRC with a bachelor's degree in computerized accounting in July 1994. He is qualified as a certified public accountant and certified tax advisor in the PRC.

**Mr. Ha Yufeng**（**哈玉峰**）, aged 56, is one of our non-executive Directors, primarily responsible for providing strategic advice and recommendations to our Group. He was appointed as a non-executive Director in May 2026.

Mr. Ha joined the CTG Group in 2003. From March 2003 to December 2008, Mr. Ha worked at Hong Kong CTS Hotel Management Co., Ltd.（香港中旅酒店管理有限公司）, and his last position was the chief financial officer. From December 2008 to April 2009, he was a director and the chief financial officer of HK CTS Hotels Co., Ltd.（港中旅酒店有限公司）. From April 2009 to May 2014, he was a director and the chief financial officer of China Travel Hong Kong (Zhuhai) Ocean Spring Co., Ltd.（港中旅（珠海）海泉灣有限公司）. From May 2014 to February 2017, he was the chief financial officer of China International Travel Services Limited（中國旅行社總社有限公司）. From February 2017 to January 2019, he was the deputy general manager of the finance department of CTS (Holdings). From January 2019 to July 2019, he was the director of the financial shared service center of CTG. Since October 2022, he has been the deputy general manager of China Travel HK.

Mr. Ha graduated from Dongbei University of Finance and Economics（東北財經大學）in the PRC with a bachelor's degree in financial accounting in July 1992 and a master's degree in accounting in April 1997.

**Mr. Tuen Chun Leung（段振亮）**, aged 44, is one of our non-executive Directors, primarily responsible for providing strategic advice and recommendations to our Group. He was appointed as a non-executive Director in May 2026.

Mr. Tuen has worked at CTS (Holdings) in various positions, namely the manager of the office of the board of directors from June 2013 to March 2019, the director of community services office and the director of the general coordination office from March 2019 to March 2021 and the deputy general manager of the community services office since March 2021. Mr. Tuen graduated from Tsinghua University（清華大學）in the PRC with a bachelor's degree in electronic information engineering in July 2004. He obtained his master's degree in control engineering from National University of Defense Technology（國防科技大學）in the PRC in December 2009.

**Independent non-executive Directors**

**Mr. Fok Kai Kong Kenneth, BBS, JP（霍啟剛）**, aged 47, is an independent non-executive Director, primarily responsible for supervising and offering independent judgment to the Board. He was appointed as an independent non-executive Director in May 2026 with effect from the Listing Date.

Mr. Fok has extensive experience in business management, public policy, sports administration and arts and cultural governance. In 2003, Mr. Fok joined the family business of the Fok Ying Tung Group（霍英東集團）, where he is currently serving as the vice president and has been primarily responsible for overseeing the group's various investments including real estate, education, hotels and leisure development in Hong Kong and the Chinese Mainland. He has been an independent non-executive director of Fusion Bank Limited, a licensed digital bank in Hong Kong, since September 2022.

Mr. Fok is a staunch supporter of sports, culture and arts development. From 2009 to 2016, he served as the honorary deputy secretary general of the Sports Federation & Olympic Committee of Hong Kong, China, where he is currently the vice-president, working on initiatives to engage youth through sports and support athletes' development. Since February 2022, he has been a non-official member of the board of the West Kowloon Cultural District Authority. Since January 2023, he has been serving as the chairman of the Hong Kong Arts Development Council. He is also a member of the China Federation of Literary and Art Circles and the Culture Commission of the Culture, Sports and Tourism Bureau of the Government of the Hong Kong Special Administrative Region, and the founder and the president of the Federation of District Sports Association of Hong Kong. Since September 2026, he has been serving as a steward of The Hong Kong Jockey Club.

Mr. Fok was appointed as a member of the 13th National Committee of the Chinese People's Political Consultative Conference in 2018 and he currently serves as a deputy to 14th National People's Congress. Since January 2022, he has been a member of the Legislative Council of the Hong Kong Special Administrative Region representing the functional constituency of the sports, performing arts, culture and publication sectors. He was appointed as a Justice of the Peace in 2016 and was awarded the Bronze Bauhinia Star in 2025 by the Government of the Hong Kong Special Administrative Region.

Mr. Fok graduated from Pembroke College, University of Oxford in the United Kingdom with a bachelor's degree in economics and management in 2002. He was awarded an Honorary University Fellowship by Hong Kong Baptist University in 2023.

**Ms. Lu Qiannan**（陸倩南）, aged 51, is an independent non-executive Director, primarily responsible for supervising and offering independent judgment to the Board. She was appointed as an independent non-executive Director in May 2026 with effect from the Listing Date.

Ms. Lu has over 27 years of experience in taxation and tax management. From April 1997 to June 2009, Ms. Lu worked at PricewaterhouseCoopers Consultants (Shenzhen) Limited, Beijing Branch（普華永道諮詢(深圳)有限公司北京分公司）, with her last position as director of the tax department. From July 2009 to February 2012, she served as Greater China senior tax director at Oracle (China) Software Systems Co., Ltd.（甲骨文(中國)軟件系統有限公司）. From February 2012 to May 2020, she worked at Schneider Electric South East Asia (HQ) Pte Ltd, with her last position being vice president of tax, APAC. From July 2020 to December 2023, she served as a tax partner at Ernst & Young Tax Services Limited. Since May 2024, she has been working at adidas Sourcing Limited, where she currently serves as senior director, tax with corporate tax. She has been serving as an independent director (later re-designated as an independent non-executive director) at Dajin Heavy Industry Co., Ltd. (a company listed on the Shenzhen Stock Exchange and the Stock Exchange; stock code: 002487.SZ and 1081, respectively) since July 2025.

Ms. Lu obtained a bachelor's degree in taxation from the Central University of Finance and Economics（中央財經大學）in the PRC in July 1997. She has been a member of the China Certified Tax Agents Association（中國註冊稅務師協會）since May 2006 and a member of the Chinese Institute of Certified Public Accountants since September 2010.

**Ms. Liu Xinxin**（劉欣欣）, aged 48, is an independent non-executive Director, primarily responsible for supervising and offering independent judgment to the Board. She was appointed as an independent non-executive Director in May 2026 with effect from the Listing Date.

Ms. Liu has over 25 years of work experience in information technology management, digital transformation, hotel operations and corporate management, with extensive experience in the hospitality and tourism industry. From July 1999 to September 2012, Ms. Liu worked at Alcatel-Lucent Shanghai Bell Co., Ltd.（上海貝爾股份有限公司）, where she last served as IT manager prior to her departure. She joined H World Group Limited（華住集團有限公司）(formerly known as Huazhu Group Limited（華住酒店集團有限公司）), which is listed on Nasdaq and the Stock Exchange (stock code: HTHT and 1179, respectively), in September 2012 as its chief information officer, where she served as chief information officer, chief digital officer, president of China, co-president and president, among other positions, and concurrently served as the chairman of the board of directors of H-World Information and Technology Co., Ltd.(盟廣信息技術有限公司）during such period. She has also been appointed as a director of China Auto Rental Investment Inc.（神州租車投資有限公司）since September 2025. Since January 2025, she has been serving as the chairman of the board of directors of H Cloud Technology（盟廣雲(上海)科技有限公司）.

Ms. Liu was named as one of the Forbes China Outstanding Businesswomen 100 in 2024 and 2025 and one of the most influential women in business in China in 2024 (Future List) by Fortune China. In 2019, she was awarded the 2019 CIO 100 Award in recognition of her contributions to the digital transformation of Huazhu Group Limited. In 2021, she was recognized as an Advanced Individual for Shanghai's Urban Digital Transformation (上海市城市數字化轉型領軍先鋒). She is a member of the 14th Shanghai Municipal Committee of the Chinese People's Political Consultative Conference and has been the vice president of the digital economy chamber of the Shanghai Federation of Industry and Commerce (上海市工商聯數字經濟商會) since 2024.

Ms. Liu obtained a bachelor's degree in economic information management from Beijing Technology and Business University (北京工商大學), formerly known as Beijing Business Academy (北京商學院), in the PRC in June 1999, and a master of business administration degree from the School of Management of Fudan University (復旦大學) in the PRC through a program jointly conducted with the Sloan School of Management of the Massachusetts Institute of Technology in the United States in January 2008. She completed the Advanced Management Program of the Harvard Business School in the United States in May 2025.

**Dr. Li Baolin (李寶林)**, aged 62, is an independent non-executive Director, primarily responsible for supervising and offering independent judgment to the board. He was appointed as an independent non-executive Director in May 2026 with effect from the Listing Date.

Dr. Li has over 39 years of work experience in investment management, corporate governance, legal affairs and corporate management. From July 1986 to August 1988, Dr. Li served as a staff member at the production planning department of China National Garment Industry Corporation (中國服裝工業總公司). From September 1988 to December 1992, he served as an economist at the light industry export products investment company of National Machinery and Electric Qingfang Investment Co., Ltd. (國家機電輕紡投資公司輕紡出口產品投資公司). From December 1992 to January 1996, he successively served as deputy director of the textile division, deputy director of the general manager's office and director of the general manager's office of China Gaoxin Textile Investment Company (中國高新輕紡投資公司), which was subsequently renamed to China High-tech Investment Group (中國高新投資集團公司), currently known as China SDIC High-tech Industry Investment Corporation (中國國投高新產業投資有限公司). From January 1996 to March 1998, he served as the general manager of Gaoxin (Hong Kong) Limited (高新(香港)有限公司). From March 1998 to December 2015, he successively served as assistant general manager, deputy general manager, general manager and chairman of China High-tech Investment Group. From December 2015 to September 2016, he served as the chairman and legal representative of China SDIC High-tech Industry Investment Corporation. From September 2016 to August 2020, he served as the general counsel of State Development & Investment Corp., Ltd., where he was responsible for the legal affairs of the group. From August 2020 to October 2024, he served as the board secretary of State Development & Investment Corp., Ltd., where he was responsible for board-related matters. From September 2024 to June 2025, he also served as the chairman and legal representative of China SDIC International Trade Co., Ltd. (中國國投國際貿易有限公司), a subsidiary of State Development & Investment Corp., Ltd. He has been serving as an external director of Beijing Shijingshan Technology Innovation Group Co., Ltd. (北京石景山科技創新集團有限公司) since February 2026.

Dr. Li graduated from Jilin University (吉林大學) in the PRC and obtained a bachelor's degree in economics in national economic planning and management in July 1986, and a doctoral degree in economics in political economics in June 2008.

## SENIOR MANAGEMENT

Our members of senior management are responsible for the day-to-day management of our business. The following table provides information about members of our senior management:

| Name | Age | Title | Time of appointment as senior management | Time of joining our Group | Main roles and responsibilities |
|---|---|---|---|---|---|
| Mr. Tao Xiaobin (陶曉斌) | 49 | Chairman and executive Director | May 2026 | June 2008 | Responsible for overseeing our Group's day-to-day operations and execution of strategic plans and making key management decisions |
| Mr. Zhang Daorong (張道榮) | 55 | Executive Director and finance director | May 2026 | December 2022 | Responsible for overseeing the financial matters of our Group |
| Mr. Jiang Bin (姜斌) | 51 | Deputy general manager | May 2026 | May 2026 | Responsible for assisting in the coordination of our Group's day-to-day operations and supervising the strategy and operations functions of our Group |

For biography of Mr. Tao Xiaobin (陶曉斌), see "—Directors" in this section.

For biography of Mr. Zhang Daorong (張道榮), see "—Directors" in this section.

**Mr. Jiang Bin (姜斌)**, aged 51, is our deputy general manager and primarily responsible for assisting in the coordination of our Group's day-to-day operations and supervising the strategy and operations functions of our Group.

From July 2003 to January 2006, Mr. Jiang worked at Hong Kong China Travel Service (China) Investment Co., Ltd. (港中旅(中國)投資有限公司), and his last position was the manager of the industrial investment management department. From January 2006 to March 2010, he worked at CTS (Holdings) as the manager of the corporate management department. From March 2010 to October 2013, he was the director of the planning and development department of Tangshan Guofeng Iron & Steel Co., Ltd. (唐山國豐鋼鐵有限公司). From October 2013 to October 2023, he worked at CTS (Holdings), and his last position was the deputy general manager of the strategic development department. Since October 2023, he has been the general manager of the Shenzhen branch of CTG.

Mr. Jiang graduated from Jiangxi University of Finance and Economics (江西財經大學), formerly known as Jiangxi College of Finance and Economics (江西財經學院), in the PRC with a bachelor's degree in investment and finance in July 1995.

## INTERESTS OF DIRECTORS AND SENIOR MANAGEMENT

Save as disclosed above, none of our Directors and senior management had been a director of any public company the securities of which were listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this listing document.

As of the Latest Practicable Date, none of our Directors or senior management was related to other Directors or senior management of our Company.

## COMPANY SECRETARY

**Ms. Chan Hei**（陳曦）was appointed as our company secretary in May 2026. Ms. Chan is a senior manager of corporate secretarial services of Tricor Services Limited（卓佳專業商務有限公司）and is responsible for the provision of company secretarial, corporate governance and compliance services to listed company clients in Hong Kong, as well as multinational, private and offshore companies. She has over 10 years of experience in the company secretarial field. Ms. Chan obtained a bachelor's degree in accountancy from The Hong Kong Polytechnic University. She is a chartered secretary, a chartered governance professional and a member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

## BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant Cayman Island laws and regulations and the Corporate Governance Code, Appendix C1 to the Listing Rules, our Company has established three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee.

### Audit Committee

We have established an Audit Committee with written terms of reference in accordance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely Ms. Lu Qiannan, Ms. Liu Xinxin and Dr. Li Baolin, and is chaired by Ms. Lu Qiannan. Ms. Lu Qiannan is the director appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee are to assist our Board by providing an independent view of the effectiveness of the financial reporting process, risk management and internal control systems of our Group, to oversee the audit process, to develop and review our policies, to make recommendations to our Board on the appointment and dismissal of the external auditors, and to perform other duties and responsibilities as assigned by our Board.

### Remuneration Committee

We have established a Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Remuneration Committee comprises two independent non-executive Directors, namely Dr. Li Baolin and Ms. Lu Qiannan, and one executive Director, namely Mr. Zhang Daorong and is chaired by Dr. Li Baolin. The primary duties of the Remuneration Committee are to establish and review the policy and structure of the remuneration for our Directors and senior management, review and approve our management's remuneration proposals with reference to our Board's corporate goals and objectives, ensure none of our Directors determine their own remuneration, and make recommendations on employee benefit arrangement.

### Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Nomination Committee comprises one executive Director, namely Mr. Tao Xiaobin, and two independent non-executive Directors, namely Mr. Fok Kai Kong Kenneth, BBS, JP and Ms. Liu Xinxin, and is chaired by Mr. Tao Xiaobin. The primary duties of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of our Board at least annually and make recommendation to our Board on any proposed changes to our Board to complement our Company's corporate strategy; identify individuals suitably qualified as potential board members and select or make recommendations to our Board on the selection of individuals nominated for directorships; assess the independence of independent non-executive Directors; and make recommendations to our Board on the appointment or reappointment of Directors and succession planning of Directors, in particular that of our Chairman.

## REMUNERATION POLICY

Our Directors and members of our senior management receive compensation from our Company in the form of salaries, discretionary bonuses, contributions to pension schemes and other allowances and benefits in kind subject to applicable laws, rules and regulations.

Our Board will review and determine the remuneration and compensation packages of our Directors and senior management which, following the Listing, will receive recommendation from the remuneration committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and performance of our Group.

## REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

We offer our executive Directors and senior management members, who are also the Company's employees, remuneration in the form of salaries, wages, benefits in kind and share-based payment. Our independent non-executive Directors receive remuneration with reference to their respective positions and duties, including being a member or the chairperson of Board committees.

For the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026, the remuneration of our Directors was paid by the China Travel HK Group and no remuneration was paid to our Directors by our Group.

Under the arrangement currently in force, we estimate the total remuneration before taxation, including salaries and benefits in kind, performance-related bonuses and pension scheme contributions, to be accrued to our Directors for the year ending December 31, 2026 to be approximately HKD5.4 million. The actual remuneration of Directors in 2026 may be different from the expected remuneration.

The total emoluments for the five highest paid individuals (excluding Directors) amounted to approximately HKD6.7 million, HKD8.5 million, HKD7.4 million and HKD2.8 million, for the years ended December 31, 2023 and 2024 and 2025 and the four months ended April 30, 2026, respectively.

During the Track Record Period, no remuneration was paid to our Directors or any of the five highest paid individuals as an inducement to join, or upon joining, our Group. During the Track Record Period, no compensation was paid to, or receivable by, any of our Directors, former directors, or the five highest paid individuals for the loss of office as director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group. None of our Directors waived any emoluments during the Track Record Period. Save as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiaries to our Directors or the five highest paid individuals during the Track Record Period.

Our Board will review and determine the remuneration and compensation packages of our Directors and senior management and will, following the Listing, receive recommendations from our Remuneration Committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and senior management and the performance of our Group.

## CORPORATE GOVERNANCE

We are committed to high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, we will comply with the corporate governance requirements under the Corporate Governance Code and Corporate Governance Report set out in Appendix C1 to the Listing Rules after the Listing.

## BOARD DIVERSITY POLICY

With a view to achieving sustainable and balanced development, we have adopted a board diversity policy (the "**Board Diversity Policy**") to achieve diversity in our Board. The Board Diversity Policy sets out the objective of and approach by our Board to achieve and maintain diversity in our Board in order to enhance the effectiveness of our Board and recognizes and embraces the benefits of diversity in our Board. We endeavor to ensure that our Board members have the appropriate balance of skills, experience and diversity of perspectives that are required to support the implementation of our business strategy. Pursuant to the Board Diversity Policy, we seek to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service and any other factors that our Board may consider relevant and applicable from time to time. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board. Our Board believes that such merit-based appointments will enable our Company to best serve our Shareholders and other stakeholders going forward.

Upon Listing, our Board comprises eight Directors, including two executive Directors, two non-executive Directors and four independent non-executive Directors, two of whom are female. Our Directors have a balanced mix of experiences, including business and investment management, corporate governance, public policy, sports, arts and cultural governance, accounting, taxation and tax management in addition to experience in information technology management, hotel operations and digital transformation. Our independent non-executive Directors represent more than one-third of the members of our Board. Our Board believes that the female representation in our Board, a mix of different background and experiences of our Directors and the age diversity, would enable our Directors to bring in valuable views and opinions of different perspectives, which could enhance the quality of decision making of our Board and benefit our Group as a whole. Based on the foregoing, we consider our current Board composition satisfies the principles set out in the Board Diversity Policy.

Our Nomination Committee will review the composition of our Board and identify and recommend suitable candidates to our Board from time to time and make recommendations as to the appointment of members of our Board in accordance with our Board Diversity Policy. Our Company will also take into consideration factors based on our Group's business model and specific needs from time to time in determining the optimum composition of our Board.

## CONFIRMATION FROM OUR DIRECTORS

### Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Group's business which would require disclosure under Rule 8.10 of the Listing Rules.

### Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in May 2026; and (ii) understands the requirements under the Listing Rules that are applicable to him or her as a director of a listed issuer under the Listing Rules and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

### Rule 3.13 of the Listing Rules

Each of our independent non-executive Directors has confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules; (ii) that he or she has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date; and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointment.

### Rule 13.51 of the Listing Rules

To the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no information relating to the appointment of our Directors that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matters concerning any Director that needs to be brought to the attention of our Shareholders as of the Latest Practicable Date.

## COMPLIANCE ADVISOR

In accordance with Rule 3A.19 of the Listing Rules, our Company has appointed Somerley Capital Limited as our Compliance Advisor. Pursuant to Rule 3A.23 of the Listing Rules, our Company will consult and seek advice from the Compliance Advisor on a timely basis in the following circumstances:

(a) before the publication of any regulatory announcement, circular or financial report;

(b) where a transaction, which might be a notifiable or connected transaction under Chapter 14 or 14A of the Listing Rules, is contemplated including share issues, sales or transfers of treasury shares and share repurchases;

(c) where the business activities, developments or results of our Group deviate from any forecast, estimate, or other information in this document; and

(d) where the Stock Exchange makes an inquiry of our Company under Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Advisor will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The Compliance Advisor will also inform our Company of any new or amended laws and regulations in Hong Kong applicable to us, and advise us on the applicable requirements under the Listing Rules and laws and regulations.

The term of the appointment of our Compliance Advisor will commence on the Listing Date and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date.

## INFORMATION ON OUR CONTROLLING SHAREHOLDERS

As at the Latest Practicable Date, China Travel HK held the entire issued share capital of our Company. As disclosed in the section headed "The Distribution and Spin-off" in this listing document, the Distribution will be satisfied by way of a distribution to the Qualifying China Travel HK Shareholders of the entire issued share capital of our Company, in proportion to their shareholdings in China Travel HK on the Record Date, on the basis of one Share for every four China Travel HK Shares held on the Record Date. As at the Latest Practicable Date, China Travel HK was directly owned as to approximately 41.01% by CTS (Holdings) and approximately 20.52% by Hongkong New Travel, which is directly wholly owned by CTS Asset Management, which is in turn directly wholly owned by CTS (Holdings), and CTS (Holdings) is a direct wholly-owned subsidiary of CTG. As a result, immediately after the Distribution, our Company will cease to be a subsidiary of China Travel HK, and the Controlling Shareholders of our Company will include CTG, CTS (Holdings), CTS Asset Management and Hongkong New Travel.

Upon Listing, we will operate independently from our Controlling Shareholders and their close associates, details of which are set out below.

## INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors do not expect that there will be any significant transactions between our Group and our Controlling Shareholders or their respective close associates upon completion of the Spin-off and the Listing other than the transactions as disclosed in the section headed "Continuing Connected Transactions" in this listing document. Taking into account the factors discussed in the paragraphs below, our Directors are satisfied that upon Listing, our Group will be able to conduct its business operationally and financially independent of our Controlling Shareholders and their close associates.

Our Group operates passenger transportation services in the Greater Bay Area (including the operation of cross-border ferry and bus services), hotel operations business in Hong Kong and Macao, and travel-document and related services, and ancillary to the above operations, hold certain investment properties in Hong Kong, Macao and Chinese Mainland and generate rental income therefrom. With the exception of the passenger transportation businesses which provide transportation services connecting Hong Kong and Macao with other cities in the Greater Bay Area and the ownership of the Beijing Guang'anmen Grand Metropark Hotel (the "**Beijing Hotel**"), the businesses and operations of our Group are in Hong Kong and Macao.

### Clear delineation of business

#### *Hotel Operations*

Currently, the CTG Group owns and/or operates hotels in the Chinese Mainland, Hong Kong, and other countries and regions worldwide, including two hotels in Hong Kong, namely the Kimberley Hotel and Kew Green Hotel Mongkok (the "**Hong Kong Hotels**"), with the vast majority located in the Chinese Mainland. Meanwhile, we currently own and operate five hotels and one serviced apartment in Hong Kong, one hotel in Macao and the Beijing Hotel.

The table below sets forth the differences in the current hotel operations of the CTG Group and our Group:

| | Hotel Operations of the CTG Group | Hotel Operations of our Group |
|---|---|---|
| Overview: | The CTG Group operates over 100 hotels worldwide as at the Latest Practicable Date, which cover various product series, including upscale and mid-tier hotels and serviced apartments, catering to customers with different accommodation needs. | Our Group's hotel portfolio comprises seven hotels and one serviced apartment, primarily conveniently located within major city centers in Hong Kong and Macao and targeting business travellers market. |
| Geographical locations: | Hotels of the CTG Group are predominantly located in the Chinese Mainland, including major first-tier and second-tier cities and locations in proximity to or associated with core travel destinations such as local tourist attractions and scenic spots. The CTG Group also owns and operates over 30 hotels in the United Kingdom. | The majority of our hotels are located in Hong Kong and Macao, comprising five hotels in Hong Kong and one hotel in Macao. Hotels within our Group are all located in major cosmopolitan cities and located in or within a short distance from busy city centre locations. |
| | The CTG Group currently operates two hotels in Hong Kong and does not have any hotel operations in Macao. To the best of the Directors' knowledge and belief, the CTG Group does not plan to expand hotel operations in Hong Kong and Macao and has entrusted the management of the Hong Kong Hotels to our Group with effect from the Listing Date. | We currently also own and operate one hotel in Beijing, which is a legacy asset acquired by China Travel HK in mid-2000s before the Spin-off was contemplated. The Beijing Hotel will be under the management of an Independent Third Party upon Listing. |
| Target customers: | A broad spectrum of customers across different travel purposes, from business to leisure travellers and from family to solo travellers. | Primarily tourists and business travellers visiting Hong Kong and Macao seeking conveniently located accommodation, and long-term rental customers. |
| Market position: | Serving multiple market segments, covering urban business, leisure and destination-based markets. | Featuring service efficiency, accessibility and connectivity with business districts. |
| Operational modes: | Expanding and operating its hotel portfolio in Chinese Mainland and globally under ownership, lease, entrusted management and franchise arrangements. | Focusing on operating hotels in Hong Kong and Macao. |

To ringfence our hotel business with that of CTG Group by geographical locations, and, accordingly, safeguarding the interests of the shareholders of the Company, (i) on October 26, 2026, our Group entered into two separate hotel management entrustment agreements with CTG Group, pursuant to which CTG Group entrusted the exclusive management of the Hong Kong Hotels to us and our Group has the full authority to make final decisions as to the day-to-day commercial and operational decision-making of the Hong Kong Hotels with effect from the Listing Date. In particular, our Group is responsible for formulating management strategies and business plans, directing daily operations in accordance with quality control standards, and deploying financial resources in promoting business growth, and all the daily commercial and operational decisions made by our Group in relation to the Hong Kong Hotels will not be influenced by CTG Group. Our Group is

also responsible for the renovation and maintenance and strategic planning of the Hong Kong Hotels and appoints and trains hotel management who are responsible for hiring hotel staff and managing daily operations of the Hong Kong Hotels. CTG Group will review our performance against benchmarks in terms of RevPAR and such other operational and financial indicators as determined between the parties with reference to, among others, industry peers' performance. CTG Group will be entitled to terminate the agreement in the event that there is consistent underperformance of the Hong Kong Hotels caused by the hotel management's gross negligence, fraud or wilful default, in which case CTG Group, being subject to the non-competition undertakings in the Deed of Non-competition (as defined below), may engage an Independent Third Party to take over the management of the Hong Kong Hotels. For details of these entrustment agreements, please refer to "Continuing Connected Transactions—Partially Exempt Continuing Connected Transactions—5. Hotel Management Entrustment Agreements" in this listing document; and (ii) we have undertaken to engage an Independent Third Party (the "**Independent Managing Party**") to be responsible for the exclusive management of the Beijing Hotel upon Listing. The Independent Managing Party will have full authority to make final decisions as to the day-to-day commercial and operational decision-making of the Beijing Hotel, and in particular, responsible for formulating management strategies and business plans, directing daily operations in accordance with quality control standards, and deploying financial resources in promoting business growth. The Independent Managing Party is also responsible for the appointment and training of hotel management who are responsible for hiring hotel staff and managing daily operations of the Beijing Hotel. Our Group is primarily responsible for paying service fees which will be determined with reference to prevailing market rates and approving annual budgets. In selecting the Independent Managing Party, we will take into account factors such as its independence with our Group, company and shareholding profile, operating history, reputation, track record and experience in providing hotel management services in Beijing and/or other first-tier cities, and capability in marketing, customer relationship management, risk management and cost control.

The following sets out the total revenue, the operating gross profit and the net profit/loss of each of the Hong Kong Hotels and the Beijing Hotel during the Track Record Period, respectively:

| Item | Year ended December 31, 2023 | Year ended December 31, 2024 | Year ended December 31, 2025 | Four months ended April 30, 2026 |
|---|---|---|---|---|
| **Total revenue** | | | | |
| Kimberley Hotel *(HKD million)* | 171.2 | 171.7 | 175.2 | 66.5 |
| Kew Green Hotel Mongkok *(HKD million)* | – | 24.6 | 41.8 | 15.0 |
| Beijing Hotel *(RMB million)* | 127.1 | 131.2 | 125.8 | 34.8 |
| **Operating gross profit** | | | | |
| Kimberley Hotel *(HKD million)* | 61.6 | 84.0 | 77.3 | 33.7 |
| Kew Green Hotel Mongkok *(HKD million)* | – | 9.2 | 24.5 | 9.3 |
| Beijing Hotel *(RMB million)* | 51.7 | 57.8 | 54.4 | 12.2 |
| **Net profit/(loss)** | | | | |
| Kimberley Hotel *(HKD million)* | (14.5) | (7.8) | (2.3) | (6.1) |
| Kew Green Hotel Mongkok *(HKD million)* | – | (23.7) | (5.9) | (0.7) |
| Beijing Hotel *(RMB million)* | 17.3 | 19.8 | 13.3 | 2.4 |

CTG Group has entered into the Deed of Non-competition in favor of our Group, pursuant to which CTG Group undertakes not to engage in any conduct in competition with and prejudicial to, among others, the hotel operations conducted by our Group save as otherwise agreed under the hotel management entrustment agreements between CTG Group and our Group. Any action of CTG Group constituting intentional undue influence or disruption of business onto our Group will be considered as a breach of the Deed of Non-competition and be prohibited. Our independent non-executive Directors will report on the compliance and enforcement of the Deed of Non-competition in our annual reports during the term of the Deed of Non-competition.

Having considered that (i) CTG Group will no longer manage and operate hotels in Hong Kong after entrusting the management of the Hong Kong Hotels to us, our Group will no longer manage and operate hotels in Chinese Mainland after engaging the Independent Managing Party to manage the Beijing Hotel, and hence the hotel management arrangements described above will result in a clear delineation between our Group and CTG Group in respect of the hotel businesses based on geographical locations, (ii) transfer of the ownership of the relevant hotels is not in the best interest of the Shareholders and not feasible given the substantial cash outflow to be incurred and one of the hotels is currently owned by an Independent Third Party, and as such, our Group currently has no plans to transfer the ownership of the relevant hotels, (iii) CTG Group has entered into a deed of non-competition in favor of our Group in relation to hotel operations as described above, and (iv) we have adopted effective practices to manage conflicts of interests with CTG Group and to safeguard the interests of our Shareholders, including such measures as set out in "—Corporate Governance Measures to Avoid Conflict of Interest" below, our Directors consider that there are appropriate and adequate mechanisms in place to mitigate potential competition and manage conflicts of interests between the hotel operations of our Group and those of CTG Group.

***Passenger Transportation Services***

Regarding passenger transportation services, as illustrated in the table below, while our Group provides cross-boundary ferry and bus services in the Greater Bay Area, the CTG Group (i) operates "Star Express" (星光列車) domestic and international panoramic sightseeing train services in Beijing, Hebei, Xinjiang and Yunnan in the PRC and Laos, (ii) chartered and scheduled vehicle services and car rental services in Beijing and Hainan in the PRC, and (iii) tourist cruise services operating on the Sanya–Xisha Islands route and primarily focusing on international cruise itineraries. Hence, there is a clear geographical business delineation between the CTG Group and our Group in respect of passenger transportation services. Further, CTG Group has entered into the Deed of Non-competition in favor of our Group, pursuant to which CTG Group undertakes not to engage in any conduct in competition with and prejudicial to the passenger transportation services provided by our Group.

| | Passenger transportation services of the CTG Group | Passenger transportation services of our Group |
|---|---|---|
| Types of services and geographical locations: | (i) Sightseeing train services: operating (a) "Starlight-Yanzhao" (星光-燕趙號) running between Beijing and major tourist cities in Hebei in the PRC, and (b) "Starlight Lancang-Mekong Express" (星光-瀾湄號) running across national borders between Yunnan in the PRC and Laos or exclusively within the PRC in Yunnan and/or Xinjiang<br><br>(ii) Chartered and scheduled vehicle services and car rental services in Beijing and Hainan, the PRC: providing customized vehicle services accommodating flexible itineraries at customers' choice and also local fixed-route commuter services for corporate and institutional clients with scheduled departure times and designated pick-up and drop-off locations<br><br>(iii) Tourist cruise services: currently operating Sanya-Xisha Islands route in the PRC under the "Nanhai Cruises" (南海郵輪) brand and international cruise itineraries from China to Japan, South Korea and Southeast Asia under the "Adora Cruises" (愛達郵輪) and "Astro Ocean Cruise" (星旅遠洋郵輪) brands | (i) Scheduled cross-boundary high-speed ferry services connecting the Greater Bay Area under the "TurboJET" brand<br><br>(ii) Cross-boundary fixed-route bus transportation services connecting Hong Kong and Macao with other cities in Guangdong Province: primarily operating with scheduled departure times and designated pick-up and drop-off locations<br><br>(iii) Local passenger transportation services in Hong Kong, Shenzhen and Zhuhai: primarily include local commuter services and chartered vehicle services serving local transportation demand |
| Target customers: | Serving a wide demographic across different travel needs primarily within Chinese Mainland, ranging from leisure travellers to commuters and institutional clients | Focusing on cross-border travellers between Hong Kong, Macao and other cities within the Greater Bay Area, and in respect of local passenger transportation services, individual passengers and small groups seeking flexible and customized local transportation solutions |

The following sets out the revenue contribution of each major type of passenger transportation services of the CTG Group and our Group during the Track Record Period respectively:

| CTG Group | | Our Group | |
|---|---|---|---|
| **Type of services** | **Revenue contribution to the CTG Group** | **Type of services** | **Revenue contribution to our Group** |
| ***Serving the Chinese Mainland and neighboring countries*** | | ***Serving the Greater Bay Area*** | |
| Sightseeing train services | 0.02%-0.03% | Scheduled cross-boundary high-speed ferry services connecting the Greater Bay Area | 24.7%-31.0% |
| Chartered and scheduled vehicle services and car rental services in Beijing and Hainan, the PRC | 0.08%-0.15% | Cross-boundary fixed-route bus transportation services connecting Hong Kong and Macao with other cities in Guangdong Province | 12.9%-21.4% |
| Tourist cruise services | 0.2%-2.3% | Local passenger transportation services in Hong Kong, Shenzhen and Zhuhai | 0.3%-1.4% |

*Note:* During the Track Record Period, the CTG Group operated shuttle bus services within tourist attractions in Beijing, the PRC which contributed to approximately 0.0001% to 0.0003% of the revenue of the CTG Group during the relevant period. Such services had been terminated as of the Latest Practicable Date.

***Travel-document Administration Services***

CTS (Holdings) has been entrusted by the Ministry of Public Security of the PRC in relation to applications in Hong Kong for tourist visas and travel permits for entry into the PRC. In providing our travel-document administration services to CTS (Holdings), we act as the exclusive agent of CTS (Holdings) for a fixed term until June 30, 2047 pursuant to an arrangement in the terms of an agency agreement dated May 15, 2001 (the "**Agency Agreement**") and a deed of novation dated June 1, 2020 (the "**Deed of Novation**"). We receive from CTS (Holdings) an agency fee of 45% of the gross fee revenue from travel permit applications for providing the above administration services regardless of the types of travel documents. As of the Latest Practicable Date, the types of travel documents for which we provide the above administration services included (a) the "Mainland Travel Permit for Hong Kong and Macao Permanent Residents" (commonly known as the "**Home Return Permit**"), (b) the "Mainland Travel Permit for Taiwan Residents" (commonly known as the "**Taiwan Compatriot Pass**") and (c) the "Mainland Travel Permit for Hong Kong and Macao Permanent Residents (Non-Chinese Citizens)". For details of the Agency Agreement and the Deed of Novation, see "Continuing Connected Transactions—Non-Exempt Continuing Connected Transactions—1. Travel Permit Administration Services Agreements."

In light of the factors set out above, there is a clear delineation of the businesses and operations commercially, geographically and strategically between our Group and the CTG Group, and neither our Controlling Shareholders and their respective close associates nor our Directors are interested in any business apart from our Group's business which competes or is likely to compete, directly or indirectly, with our Group's principal business and which disclosure is required pursuant to Rules 8.10(1) and 8.10(2) of the Listing Rules.

***Delineation from the Retained Group***

The Retained Group's businesses are in theme parks, natural cultural scenic spot destinations and supplementary tourist attraction operations, which are predominantly located in Chinese Mainland. It plans to operate its tourism resort business (the "**Tourism Resort Business**") across different types of scenic spots and leisure destinations. In addition to certain ski resorts located in the Lake Songhua ski area in Jilin Province, China and hotels at Shapotou Scenic Spot in Ningxia Hui Autonomous Region, China, it is expected that most of these resorts will be located in the suburbs of first-tier and leading second-tier cities in the PRC.

Distinct from our Group's hotel operations, the Tourism Resort Business targets leisure and vacation travellers. The Tourism Resort Business features hospitality and leisure resort complexes, with the hotels and resorts within the complex being an inseparable part of the whole complex business operations, together with the skiing sites, scenic spots and other complementary service operations (such as, ski coaching services, day tours at the neighbouring areas and family-friendly activities), whereas the hotels and serviced apartments included in our Group's hotel operations business are all business or chain hotel and serviced apartments accommodation operations, and are not in themselves part of a vacation destination complex.

The table below further demonstrates that there are distinct differences in terms of business focus in the resorts and hotels within the Tourism Resort Business and the hotels within our Group:

| | **Resorts and Hotels within the Tourism Resort Business in the Retained Group** | **Hotel Operations within our Group** |
|---|---|---|
| Overall strategy | The Retained Group owns and manages the Shapotou Scenic Spot and the Lake Songhua Ski Resort as an integrated unit, where it offers a packaged snow/desert holidays experience to tourists, including accommodation services, snow/desert activities and experiences and restaurants and shops.<br><br>The Retained Group's ski resorts and hotels are within or in the vicinity of the Lake Songhua skiing area and serve as an accommodation choice for tourists visiting Lake Songhua for a skiing vacation. Similarly, the Retained Group owns and operates hotels at Shapotou Scenic Spot, which are located within the paid area and serve tourists staying overnight at the desert.<br><br>The Retained Group's resorts and hotels are located in proximity to and are associated with core tourist attractions, including skiing areas, scenic spots or vacation destinations, whether or not such attractions are owned or operated by the Retained Group. Such hotels serve as part of a travelling experience package for visitors of these tourist attractions, and will not be developed as a hotel property without an accompanying scenic spot or core tourist attraction. | Our Group's hotels and serviced apartments are all business or chain hotels and serviced apartments targeting the medium-to-high end market, and none of them are located within or part of any resort area or specific vacation destination. They all feature a convenient location within or in close proximity to city centres, and targeting at business travellers or tourists travelling to cosmopolitan destinations. |

| | Resorts and Hotels within the Tourism Resort Business in the Retained Group | Hotel Operations within our Group |
|---|---|---|
| Geographical locations | The resorts and hotels are located within the Lake Songhua Ski Resort and Shapotou Scenic Spot vacation destinations respectively.<br><br>Resorts to be acquired or developed in the future are expected to be located in the suburbs of first-tier and leading second-tier cities in the PRC, or in proximity to core tourist attractions. For example, the Retained Group proposed to develop a resort containing a waterpark in Dapeng New Area, Shenzhen near the Luogu Mountain Country Park which is expected to open in 2028. The Retained Group expects to hold a controlling interest in the resort alongside the other joint venture partner(s).<br><br>The Retained Group does not operate any hotels in Hong Kong, Macao, or in any other prime city centre locations, and has no plan to do so in the future. | Hotels within our Group are all located in major cosmopolitan cities and located in or within a short distance from busy city centre locations. Upon Listing, with Beijing Hotel being managed by an Independent Third Party, our Group will not operate any hotels in Chinese Mainland. The hotel operations of the Tourism Resort Business and our Group are therefore entirely geographically distinct. |
| Target customers | The resorts under the Tourism Resort Business segment primarily targets younger generations, families with children and enthusiasts of skiing and outdoor activities. It is expected that customers will stay at our hotels at the Lake Songhua ski area and the Shapotou Scenic Spot for 3-7 days and 2-3 days, respectively. | Our Group's hotels primarily target business travellers, tourists looking for accommodation in locations close to city centre areas, and long-term rental customers. Customers of our hotels stay for a shorter period. |

Accordingly, there is no overlap in the businesses of our Group and the Retained Group, and there is also a clear delineation of the businesses and operations commercially, geographically and strategically between our Group and the Retained Group, particularly in respect of the resorts and hotels within the Tourism Resort Business of the Retained Group and within our Group's hotel operations.

**Management Independence**

Upon completion of the Spin-off and the Listing, our Group and the CTG Group will have boards of directors that function independently of each other. Our Board consists of two executive Directors, namely Mr. Tao Xiaobin and Mr. Zhang Daorong, two non-executive Directors, namely Mr. Ha Yufeng and Mr. Tuen Chun Leung, and four independent non-executive Directors namely Mr. Fok Kai Kong Kenneth, BBS, JP, Ms. Lu Qiannan, Ms. Liu Xinxin and Dr. Li Baolin. The independent non-executive Directors will provide checks and balances over our Board's decision-making on significant transactions, connected transactions and other transactions involving any actual or potential conflict of interests. None of the independent non-executive Directors have any positions in our Controlling Shareholders and their associates (save for our Company) and all of them can exercise independent judgment free of any conflict of interest. With one half of the eight members of the Board to be independent non-executive Directors, there is a strong element in our Board which can provide independent oversight over the Board's decision-making in any situation involving a conflict of interest and thereby protect the interests of our independent Shareholders. Furthermore, there are no overlapping directors between our Board and the board of directors of the CTG Group.

The senior management team of our Group consists of Mr. Tao Xiaobin, Mr. Zhang Daorong and Mr. Jiang Bin. Following the completion of the Spin-off and the Listing, there will be no overlapping personnel in senior management between our Group and the CTG Group, except Mr. Tao Xiaobin, who, after Listing, will remain in his existing roles as the general manager of the Hong Kong and Macao affairs department of CTS (Holdings) and a non-executive director of CTG Development Corporation Limited, a subsidiary of CTS (Holdings), and none of the other Directors will hold any positions in the CTG Group upon Listing. Mr. Tao is a full-time employee of our Group and is primarily involved in overseeing and managing our day-to-day operations and executing strategic plans of our Group by dedicating most of his time in the affairs of our Group. Mr. Tao's roles within the CTG Group are primarily arising out of or in connection with his duties in our Group and will not place him in a conflicting position with our Group. Mr. Tao is aware of the fiduciary duties of a director which require that, among others, he must act for the benefit and in the best interest of our Group and Shareholders as a whole and avoid conflicts of interests between his roles in our Group and the CTG Group. In the event of any actual or potential conflict of interest arises, Mr. Tao will make full disclosure of his interest and abstain from voting on the relevant matter at Board meetings in accordance with the Articles of Association, the applicable laws and the Listing Rules. In addition, the independent non-executive Directors will provide checks and balances over the Board's decision-making to safeguard the interests of our Shareholders as a whole.

We will adopt corporate governance measures to manage potential conflicts of Directors' interests after the Spin-off and the Listing in accordance with the requirements of the Listing Rules. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective close associates, the interested Director(s) shall abstain from voting and shall not be counted in the quorum in respect of such transactions. For details, see "—Corporate Governance Measures to Avoid Conflict of Interest" below. In addition, our Directors and senior management will be given sufficient training for their respective roles for a company listed on the Stock Exchange, including on directors' fiduciary duties to act in our best interests and will not allow any conflict between their duties as a Director and/or senior management and their personal interests. On the basis of our Board's composition, our Directors believe that our Board will operate and resolve actual or potential conflicting matters involving our businesses independently of our Controlling Shareholders, and vice versa. We will therefore operate independently and in the interest of our Shareholders as a whole, and not in the interests of our Controlling Shareholders to the prejudice of other Shareholders.

Further, upon Listing, we will have a separate management team and separate departments covering administration, human resources, strategic development, investor and public relations, accounting and internal audit and compliance functions. All essential administration and daily operations of our Group will continue to be carried out by our Group independently of the CTG Group after completion of the Spin-off and the Listing.

Based on the above, our Directors are of the view that our Group is capable of managing our business independently of our Controlling Shareholders and their respective close associates after the Listing.

**Operational Independence**

The business and operation of our Group is not dependent on any member of the CTG Group. The table below sets out the Group's historical transaction amounts with the CTG Group and its close associates during the Track Record Period and the percentage to the Group's total cost of sales, administrative expenses and revenue generated from sales.

| | Years ended December 31, | | | | | | Four months ended April 30, | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(HKD in thousands, except percentages)* | | | | | | | |
| Cost of sales | 2,052 | 0.1 | 3,433 | 0.2 | 4,673 | 0.3 | 1,948 | 0.4 |
| Administrative expenses | 8,495 | 3.3 | 10,311 | 4.0 | 11,735 | 4.3 | 4,957 | 5.4 |
| Revenue generated from sales | 397,669 | 18.1 | 302,382 | 13.5 | 233,196 | 10.6 | 68,143 | 9.5 |

Following completion of the Spin-off and the Listing, our Group has its own dedicated staff to operate the Spin-off Business independently from the CTG Group. Our Group has independent access to its customers and suppliers and does not rely on the CTG Group for such access. In the event that we launch any cross-business collaboration with other businesses of the CTG Group involving data sharing after the Listing, we will take all necessary and reasonable steps to ensure its compliance with the local regulatory requirements in relation to, among others, data privacy and, if relevant, cross-border data transfer, including but not limited to engaging external legal advisers or other independent consultants to review our compliance status and ensure sufficient internal controls and policies to mitigate data risks are in place as and when appropriate.

In addition, our Group has full rights to make all decisions on, and to carry out, our own business operations independently. Our Group has our own departments specializing in the respective areas which have been in operation and are expected to continue to operate independently from our Controlling Shareholders and their close associates. Our Group holds the licenses and qualifications necessary to carry on our principal business. Our Group also has sufficient capital, facilities and employees to operate our business independently from our Controlling Shareholders and their close associates.

While we expect to conduct certain transactions with the CTG Group on normal commercial terms on a recurring and continuing basis after Listing for the reasons as disclosed in the section headed "Continuing Connected Transactions" in this listing document, our Group's business operations will be independent from our Controlling Shareholders and their respective close associates.

**Financial Independence**

Our Company is empowered to make independent decision of business financial matters. Our Group has our own internal control, accounting and financial management system, accounting and finance department, independent treasury functions for cash receipts and payment and the ability to operate independently of our Controlling Shareholders from financial perspective.

We have sufficient capital to operate our business independently and have adequate internal resources and a strong credit profile to support our daily operations. During the Track Record Period and up to the Latest Practicable Date, all guarantees granted between our Controlling Shareholders (or their close associates) and us have been fully released, with no financial assistance, security, or guarantees remaining outstanding. Upon Listing, there will be no financial assistance, security, or guarantee provided by our Controlling Shareholders or their respective close associates in our favor or vice versa (as the case may be) apart from the loan and credit line services which are available for our Group's utilization under the financial services framework agreement dated October 26, 2026 entered into between our Company (for itself and on behalf of its subsidiaries) and CTG Finance Company Limited, a subsidiary of CTG, details of which are set out in "Continuing Connected Transactions—Partially-Exempt Continuing Connected Transactions—4. Financial Services Agreement." We are able to obtain financing independently of our Controlling Shareholders or their respective close associates.

## CORPORATE GOVERNANCE MEASURES TO AVOID CONFLICT OF INTEREST

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders and/or Directors:

(i) we have established internal control mechanisms to identify connected transactions. Upon Listing, if we enter into connected transactions with our Directors and/or Controlling Shareholders or any of their associates, our Company will comply with the applicable Listing Rules requirements;

(ii) our Company has appointed four independent non-executive Directors to ensure the effective exercise of independent judgments on the decision-making process of our Board and provide independent advice to our Shareholders;

(iii) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their close associates has a material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

(iv) where a Board meeting is to be held for considering proposed transactions in which our Director or any of his/her close associates has a material interest, the Director will abstain from voting on the resolutions and shall not be counted in the quorum in the voting except where permitted under the Listing Rules and the Articles of Association;

(v) a Director with material interest shall make full disclosure in respect of matters which conflict or may potentially conflict with our interest and abstain from voting in Board meetings on matters in which such Director or his/her associates have a material interest, unless the attendance or participation of such Director at such Board meeting is specifically requested by a majority of the independent non-executive Directors;

(vi) our independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between our Group and our Controlling Shareholders (the "**Annual Review**") and provide impartial and professional advice to protect the interests of our minority Shareholders;

(vii) our independent non-executive Directors may request all information necessary for the Annual Review, including all relevant financial, operational and market information in reviewing the transactions between our Controlling Shareholders and our Group;

(viii) we will disclose decisions on matters reviewed by the independent non-executive Directors either in our annual or interim reports or by way of announcements as required by the Listing Rules;

(ix) where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our expenses; and

(x) we have appointed Somerley Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Controlling Shareholders and/or Directors and us, and to protect our Shareholders' interests as a whole after the Listing.

## OVERVIEW

Our Group has entered into and expects to continue engaging in a number of transactions in our ordinary and usual course of business with our connected persons from time to time.

Details of our transactions with our connected persons which will constitute continuing connected transactions under Chapter 14A of the Listing Rules upon Listing are set forth below.

## OUR CONNECTED PERSONS

The following parties with whom we have entered into transactions will be regarded as our connected persons under the Listing Rules upon Listing:

| Connected Persons | Connected Relationship |
|---|---|
| CTS (Holdings) | CTS (Holdings) is a wholly-owned subsidiary of CTG and is one of our Controlling Shareholders and a substantial shareholder of our Company. 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 our Company. |
| CTG Group | 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 our Controlling Shareholders. CTG Group includes CTG and its subsidiaries and associates (including CTS (Holdings) and the companies constituting the Retained Group) but excluding our Group.<br><br>The Retained Group is China Travel HK together with its subsidiaries, excluding our Group immediately following the completion of the Spin-off. China Travel HK is a non-wholly-owned subsidiary of CTG, one of our Controlling Shareholders. |
| Shun Tak Holdings Limited and its subsidiaries | Shun Tak – China Travel Shipping Investments Limited, a non-wholly-owned subsidiary of our Group, is owned as to 50% by Shun Tak Holdings Limited and 50% by our Company. Shun Tak Holdings Limited and its subsidiaries are our connected persons at the subsidiary level. |

## NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

### 1. TRAVEL PERMIT ADMINISTRATION SERVICES AGREEMENTS

#### Principal Terms

The transactions in relation to the general administration services provided by our Group in Hong Kong for application for tourist visas and travel permits for entry into the PRC (the "**Travel Permit Administration Services**") have been documented under

an agency agreement (the "**Agency Agreement**") dated May 15, 2001 entered into between China Travel Service Property Investment Hong Kong Limited ("**CTSPI**"), a non-wholly-owned subsidiary of our Company, and CTS (Holdings), one of our Controlling Shareholders. CTSPI entered into a deed of novation (the "**Deed of Novation**", together with the Agency Agreement, the "**Travel Permit Administration Services Agreements**") dated June 1, 2020 in relation to the Agency Agreement with China Travel Service Entry Permit Service Hong Kong Limited ("**CTSEP**") (a wholly-owned subsidiary of our Company) and CTS (Holdings), pursuant to which the parties agreed that CTSEP shall undertake and perform, on behalf of CTSPI, all its obligations under the Agency Agreement, and assume, on behalf of CTSPI, its rights and benefits under the Agency Agreement, for a term commenced from June 1, 2020 and ending on June 30, 2047. As advised by our Hong Kong Legal Advisor, from a Hong Kong legal perspective, CTSPI has the right to novate its operating rights relating to the travel permit administration services under the Agency Agreement to CTSEP pursuant to the Deed of Novation. According to the Travel Permit Administration Services Agreements, CTS (Holdings) has undertaken not to engage any third party to perform the services thereunder and not to terminate the Agency Agreement during the term of appointment and provided an indemnity in favor of CTSEP to cover any loss, without limitation as to the nature of such loss or monetary cap, suffered by CTSEP as a result of CTS (Holdings)'s termination of the Agency Agreement (except for termination caused by circumstances outside CTS (Holdings)'s control such as change in national immigration laws, regulations and policies of the PRC leading to CTS (Holdings) losing its authority to engage CTSEP for the travel permit administration services). Although the Travel Permit Administration Services Agreements have not expired and remain in force until June 30, 2047, the relevant annual caps for and the transactions contemplated under the Travel Permit Administration Services Agreement are required to be renewed in order to comply with the requirements under Chapter 14A of the Listing Rules.

**Pricing Basis**

Pursuant to the Travel Permit Administration Services Agreements, CTS (Holdings) agreed to pay CTSEP 45% of the gross fee revenue from travel permit applications for the services provided by CTSEP in relation to the Travel Permit Administration Services. CTSEP shall receive the application fees from applicants on behalf of CTS (Holdings) and transfer the application fees received on a given day to CTS (Holdings) on the next business day. Payments are made to us by CTS (Holdings) in arrears on a monthly basis in the next month. The pricing basis of 45% of gross fee revenue for Travel Permit Administration Services rendered by CTSEP are determined following arm's length negotiations between the parties at the time of the Agency Agreement in 2001, taking into account (i) the operational costs incurred by CTSPI and/or CTSEP, (ii) the exclusive agency position and unique brand recognition of CTSPI and/or CTSEP as the designated agent in Hong Kong, and (iii) a reasonable profit margin for the Group. The overall costs of providing the Travel Permit Administration Services included but are not limited to staff costs, rental expense and depreciation expense. The gross profit margin of our travel-document and related services (including the Travel Permit Administration Services as a vast majority) for the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026 was 74.3%, 77.6%, 66.2% and 62.8%, respectively, which is considered fair and reasonable by our Directors. Given that (i) CTSEP is the exclusive agent to provide the Travel Permit Administration Services pursuant to the Travel Permit Administration Services Agreements; and (ii) our Group does not provide identical type of services to any other party save for CTS (Holdings), there is no independent third party supplier providing similar services in Hong Kong. Given the exclusive nature of the appointment, there are no directly comparable independent third-party quotes in Hong Kong. In assessing whether the pricing basis is fair and reasonable and on normal commercial terms, the Directors consider that the Travel Permit Administration

Services provide the Group with considerable gross profit margin, as compared with that of the PRC visa service provided by CTSEP or CTSPI (as applicable) to non-PRC citizens, which is a comparable business within the Group as both involve the provision of administration for travel documents, for which the Company understands to be generally 15% to 40%. The Company considers that such high gross profit margin is primarily attributable to the exclusivity in its appointment under the Travel Permit Administration Services.

The fixed contractual term until 2047 demonstrates the significance of CTSEP's function and unique position as the PRC government's exclusive agent in Hong Kong providing the Travel Permit Administration Services and guarantees a stable revenue stream to our Group. Considering the above and the nature of the Travel Permit Administration Services, the long term is necessary and reasonable and is in the interest of our Company and Shareholders as a whole.

**Historical Transaction Amounts**

For the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026, the historical transaction amounts of the revenue from the Travel Permit Administration Services amounted to approximately HKD375.7 million, HKD287.9 million, HKD214.8 million and HKD63.4 million, respectively. The variation in the historical transaction amounts during the Track Record Period was primarily due to the surge in the volume of applications for renewal of travel documents after the resumption of border crossings and relaxation of social distancing measures in Hong Kong and the PRC post COVID-19 pandemic in 2023 and early 2024 and the subsequent normalization of demand for renewal of travel documents.

**Annual Caps**

The proposed annual caps of the revenue contemplated under the Travel Permit Administration Services Agreements for each of the years ending December 31, 2026, 2027 and 2028 are HKD231.0 million, HKD231.0 million and HKD253.0 million, respectively.

In arriving at the above proposed annual caps, our Directors had taken into the following factors into account: (i) the historical transaction amounts for the years ended December 31, 2023, 2024 and 2025, taking into consideration that the revenue recorded in 2023 was driven by exceptional post-pandemic demand that has since normalised; (ii) the number of application for travel documents has resumed to a normal level as the large accumulated and delayed demand for travel-document renewal during the early stage post COVID-19 pandemic had been absorbed, and the base demand is expected to stabilise around the historical norm observed pre-pandemic; (iii) the slight increase in the annual cap in 2028 reflects the anticipated moderate long-term growth in cross-boundary travel demand; and (iv) provision of a buffer of approximately 10% to cover a possible unexpected increase in demand for the travel-document business.

**Reasons for the Transactions**

The Travel Permit Administration Services provided by our Group are notable for their operational exclusivity where CTSEP is the unique commercial entity in Hong Kong having the relevant expertise and brand recognition to carry out the Travel Permit Administration Services on behalf of CTS (Holdings) on an exclusive basis. The parties have established a stable long-term business relationship with operational convenience and commercial benefits to our Group. As such, our Directors believe that it is in our interests to continue engaging in the Travel Permit Administration Services, and the

terms of the Travel Permit Administration Services Agreements and the annual caps above are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

**Listing Rules Implications**

Since one or more of the applicable percentage ratios under Chapter 14A of the Listing Rules in respect of the annual caps under the Travel Permit Administration Services Agreements is expected to be more than 5% on an annual basis, the transactions under the Travel Permit Administration Services Agreements constitute continuing connected transactions for our Company which will be subject to reporting, announcement, and annual review requirements, as well as subject to circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

### 1. ENTRUSTED PROCUREMENT AGENCY AND ANCILLARY SERVICES AGREEMENT

**Principal Terms**

On October 26, 2026, our Company (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 our Company or any of our 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 December 31, 2028 (both days inclusive). With respect to the Entrusted Procurement Services, our Group acts as a procurement agent for CTS (Holdings), with responsibilities extending beyond mere oversight and quality control. In particular, our 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 our 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) our 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 our Group offered to CTS (Holdings) are no less favourable than those offered to such customer. The Directors consider this fee to be on normal commercial terms as it is calculated as a fixed percentage of the purchase price, which aligns the Group's compensation with the value of services rendered.

The service fees for the Ancillary Services shall be determined by reference to our 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 our Group than such fees chargeable by our 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 December 31, 2023, 2024 and 2025 and the four months ended April 30, 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 Track Record 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 December 31, 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 our 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 Track Record Period), resulting in a decline of approximately 90% in revenue derived from such project-based system contract for the four months ended April 30, 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 our experience in delivering travel-document related administrative services, our past operational convenience and benefits brought to our Group and the extended business relationships established between our Group and CTS (Holdings), such continuing cooperative relationships are expected to bring synergies to the parties. In addition, our Directors believe that our Group will generate stable return with its Entrusted Procurement Services and Ancillary Services, which will benefit our Group's cash flow position. Thus, our Directors 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 the Company and the Shareholders as a whole.

**Listing Rules Implications**

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 our Company 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.

## 2. VEHICLE RENTAL SERVICE AGREEMENT

**Principal Terms**

On October 26, 2026, our Company (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 our Company or any of our 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 December 31, 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**

Our Company 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 we 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 our 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 our Group than the service fees chargeable

to Independent Third Parties customers for the provision of similar services. The 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 December 31, 2023, 2024 and 2025 and the four months ended April 30, 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 during the Track Record Period was primarily due to the increase in demand for the Vehicle Rental Services provided by us 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 December 31, 2026, 2027 and 2028 is HKD4.9 million, HKD5.0 million and HKD5.1 million, respectively.

In determining the above annual caps, our Directors 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), 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 December 31, 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**

We believe that we have been consistently engaged by the CTG Group for the provision of the Vehicle Rental Services after a comprehensive assessment of factors such as our service quality and competitive pricing terms. Our Group have established a long-term business relationship with the CTG Group and we expect to continue generating a stable revenue and cashflow stream from the provision of the Vehicle Rental Services to the CTG Group. As such, our Directors 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 the Company and the Shareholders as a whole.

### Listing Rules Implications

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 our Company 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.

## 3. RENTAL-RELATED AGREEMENT

### Principal Terms

On October 26, 2026, our Company (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 our Company or any of our subsidiaries have agreed to lease commercial premises, such as office and shop properties, owned by us 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 December 31, 2028 (both days inclusive). The Rental-related Services cover properties located in Hong Kong and Beijing. We do not contemplate any leasing of shop properties owned by us 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

Our Company 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 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 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 December 31, 2023, 2024 and 2025 and the four months ended April 30, 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 Track Record 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 December 31, 2026, 2027 and 2028 are HKD7.1 million, HKD7.1 million and HKD7.1 million, respectively.

In determining the above proposed annual caps, our Directors 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 April 30, 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 our long-term and close business relationship with the CTG Group, we 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, our Directors are of the view that the provision of the Rental-related Services to the CTG Group is in the interests of the Company and the Shareholders as a whole.

**Listing Rules Implications**

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 our Company 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.

**4. FINANCIAL SERVICES AGREEMENT**

**Principal Terms**

On October 26, 2026, our Company (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 our Company or any of our 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 December 31, 2028 (both days inclusive). Under the credit line services, (i) loan services refer to direct lending by CTG Finance to our Group; (ii) bill discounting refers to CTG Finance purchasing, at a discount, bills held by our Group before their

maturity date; and (iii) issuance of acceptance bills refers to CTG Finance issuing acceptance bills on behalf of our 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 our 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 our 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. Our 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. Our Company's finance department will review and approve the deposit interest rates offered to our Group before placing any deposit with CTG Finance. Our 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 our Group than those offered by independent mainstream financial institutions among the quotations obtained.

**Historical Deposit Amounts**

For the years ended December 31, 2023 and 2024, the historical maximum daily deposit amounts (including interest income) in respect of the Deposit Services provided by CTG Finance to our Group under the Deposit Agreement amounted to approximately RMB22.5 million and RMB48.3 million, respectively. During the Track Record Period and up to the Latest Practicable Date, our 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. We had only negligible deposit amounts for the year ended December 31, 2025 due to China Travel HK'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 China Travel HK 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 December 31, 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 December 31, 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, our Directors have taken into account (i) the funding requirements and treasury policy of our Group; (ii) the amounts of deposits historically placed by our Group with CTG Finance and other independent commercial banks; (iii) the historical maximum daily deposit amounts (including interest income) placed by our Group with CTG Finance under the prior financial services framework agreement; and (iv) the fact that, following our Group's restructuring and the reduction of the maximum daily deposit amount available to us under the Financial Services Agreement, our Group maintained only negligible deposit balances with CTG Finance. Our Group utilizes the services of CTG Finance on a voluntary and non-exclusive basis and may engage financial services from other financial institutions when our Group considers appropriate. Having regard to the stable estimated funding requirements in 2026 to 2028, our Company has decided to successively apply its past practice with reference to the amounts of deposits historically placed by our Group with other independent commercial banks and those with CTG Finance. In setting the proposed maximum annual interest receivable, our Directors 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 our 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 our Group. We 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 our 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 our 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 China Travel HK Group to support its capital needs. The variety of such comprehensive credit line services will equip us with flexible and efficient options of liquidity and cash flow management tools which may be utilized handily and concurrently to accommodate our future financial needs in serving different customers including corporate customers and settling payments where bills may be used. Our Directors 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 our 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 our Company and Shareholders as a whole.

**Listing Rules Implications**

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 our Company 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 our 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 our Group, which are on normal commercial terms or better, and such loan and credit line services are not secured by the assets of our 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.

## 5. HOTEL MANAGEMENT ENTRUSTMENT AGREEMENTS

**Principal Terms**

On October 26, 2026, our Group entered into two sets of hotel management entrustment agreements (the "**Hotel Management Entrustment Agreements**") with 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 our Group, for a term commencing from the Listing Date to December 31, 2028 (both days inclusive) as a measure to mitigate the potential competition of our 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 such as their bank deposits to support their operations, 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 our 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 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, 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**

During the Track Record Period, our Group did not have transactions of such nature in respect of the Hong Kong Hotels. Had the Hotel Management Entrustment Agreements been in effect throughout the Track Record Period, 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 our 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 December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026, respectively.

**Annual Caps**

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

In arriving at the above proposed annual caps, our Directors 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 our Group and the CTG Group, both of which currently have hotel operations business in Hong Kong, and mitigate any potential competition between them. For details, see "Relationship with Controlling Shareholders—Independence from our Controlling Shareholders—Clear Delineation of Business—Hotel Operations." Our Directors 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 our 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 our Company and Shareholders as a whole.

**Listing Rules Implications**

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 our Company 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.

## FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

### 1. FERRY BUSINESS MANAGEMENT AGREEMENT

As part of the consolidation of our cross-border passenger transportation operations with Shun Tak Holdings Limited ("**Shun Tak Holdings**", and its subsidiaries and associates, the "**Shun Tak Group**") into Shun Tak-China Travel Shipping Investments Limited ("**Shun Tak-China Travel**"), our non-wholly-owned subsidiary, in 2020, Shun Tak-China Travel has appointed a subsidiary of Shun Tak Holdings (the "**Manager**") for the management of the cross-border ferry services under the Shun Tak-China Travel structure, with the latest term being up to July 15, 2027, which may be further renewed as the parties may mutually agree. The management fee payable by Shun Tak-China Travel to the Manager is the higher of (i) 1% of the consolidated turnover of Shun Tak-China Travel and its subsidiaries and (ii) HKD8,400,000 per financial year.

For the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026, the historical transaction amounts of the management fee under the Ferry Business Management Agreement amounted to approximately HKD4.5 million, HKD5.3 million, HKD10.0 million and HKD3.6 million, respectively.

Our Directors consider that the management services provided to Shun Tak-China Travel are necessary to our Group's operations considering the status of consolidation of cross-border passenger transportation services with Shun Tak Holdings and are beneficial to the interests of our Company and Shareholders as a whole.

Since upon Listing, the transactions under the Ferry Business Management Agreement constitute continuing connected transactions for our Company only because they involve connected persons at the subsidiary level, and all the applicable percentage ratios under Chapter 14A of the Listing Rules in respect of the transactions under the Ferry Business Management Agreement during the Track Record Period are less than 1% on an annual basis, they will qualify as *de minimis* transactions and be fully exempt from reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### 2. SHAREHOLDERS' LOANS FROM SHUN TAK HOLDINGS

Pursuant to the joint venture agreement relating to Shun Tak – China Travel dated July 16, 2020 (the "**Joint Venture Agreement**"), shareholders of Shun Tak – China Travel (namely, our Company and Shun Tak Holdings) may decide whether to provide, or to procure any member of their respective groups to provide, loans on a basis equivalent to unsecured bank financing with the rate of interest and other terms decided by the board of directors of Shun Tak – China Travel, or guarantees or other support so as to enable Shun Tak – China Travel and its subsidiaries to obtain the requisite funding in proportion to their interests in Shun Tak – China Travel and on a several basis.

For the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026, the historical transaction amounts of the loan principal under the shareholders' loans from Shun Tak Holdings amounted to approximately HKD215.5 million, HKD215.5 million, HKD215.5 million and HKD215.5 million, respectively.

For the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026, the historical transaction amounts of the interest expenses under the shareholders' loans from Shun Tak Holdings amounted to approximately HKD5.8 million, HKD5.8 million, HKD4.4 million and HKD1.1 million, respectively.

Since the shareholders' loans under the Joint Venture Agreement amount to financial assistance by a connected person for the benefit of our Group, which are on normal commercial terms or better, and such loans are not secured by the assets of our Group, pursuant to Rule 14A.90 of the Listing Rules they are fully exempt from reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## WAIVER APPLICATION FOR NON-EXEMPT AND PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

Upon Listing, the transactions under the Travel Permit Administration Services Agreements will constitute continuing connected transactions which are subject to reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules, and the transactions under the Entrusted Procurement Agency and Ancillary Services Agreement, Vehicle Rental Service Agreement, Rental-related Agreement, Financial Services Agreement and Hotel Management Entrustment Agreements will constitute continuing connected transactions subject to reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

As the above continuing connected transactions are expected to continue on a recurring and continuing basis and have been fully disclosed in this listing document, our Directors consider that strict compliance with the above announcement and/or independent Shareholders' approval requirements would be impractical, and this would also incur unnecessary administrative costs to us and would be unduly burdensome to our Group.

Accordingly, pursuant to Rule 14A.105 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange has granted, waivers to us from strict compliance with the announcement and/or independent shareholders' approval requirements in respect of the above transactions. Apart from the above requirements from which waivers have been sought, we will comply with the relevant requirements under Chapter 14A of the Listing Rules upon Listing.

## INTERNAL CONTROL MEASURES FOR CONTINUING CONNECTED TRANSACTIONS

To safeguard the interests of our Company and Shareholders as a whole, including the 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) our Company will report the continuing connected transactions described above to the independent non-executive Directors during each of the Audit Committee meetings (if necessary) according to the Audit Committee meeting agenda. Our Company shall ensure that such kind of reporting shall be conducted not less than two times in a year;

(ii) the finance department of our Company will review the transactions with our 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. Our 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. Our 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) our Group will monitor the payment from our 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) Our connected persons abovementioned shall provide such assistance as necessary to our Group so as to allow our 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 our Group and issue explanatory notes for certain facts or circumstances;

(v) the continuing connected transactions described above will be reviewed by the independent non-executive Directors every year and reported in the annual report of our Company 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 the Shareholders as a whole, and the internal control procedures put in place by our Company 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 our Company 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.

## DIRECTORS' CONFIRMATION

Our Directors 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 our business and on normal commercial terms or better and are fair and reasonable and in the interests of our Company and our Shareholders 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 our Company and our Shareholders as a whole.

## SOLE SPONSOR'S CONFIRMATION

Based on the due diligence with our Company performed by the Sole Sponsor, including the review of the documents, information and data provided by our Company, and having considered the view of the Directors as set out above, the Sole Sponsor is of the view that (i) the aforesaid continuing connected transactions for which waivers have been sought have been and will be entered into in the ordinary and usual course of business of our Company on normal commercial terms or better, that are fair and reasonable, and are in the interests of our Company and our Shareholders 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 our Company and our Shareholders as a whole.

## OUR SHARE CAPITAL

The following is a description of the authorized and issued share capital of our Company immediately prior to the completion of the Spin-off and the Listing:

| | | Aggregate nominal value *(HKD)* |
|---|---|---|
| **Authorized share capital:** | | |
| 6,000,000,000 | Shares of HKD0.01 each | HKD60,000,000 |
| **Issued share capital:** | | |
| 1,384,158,427 | Shares of HKD0.01 each | HKD13,841,584.27 |

The following is a description of the authorized share capital of our Company and the Shares of our Company in issue immediately after the completion of the Spin-off and the Listing:

| | | Aggregate nominal value *(HKD)* |
|---|---|---|
| **Authorized share capital:** | | |
| 6,000,000,000 | Shares of HKD0.01 each | HKD60,000,000 |
| **Shares issued:** | | |
| 1,384,158,427 | Shares of HKD0.01 each in total | HKD13,841,584.27 |

## ASSUMPTIONS

The above table assumes that the Distribution becomes unconditional and the total number of the China Travel HK Shares in issue remains unchanged from the date of the listing document to the Record Date, and does not take into account any Shares which may be allotted and issued or repurchased by our Company pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described below.

## RANKING

The Shares are ordinary shares in the issued share capital of our Company and rank *pari passu* with all Shares upon Listing, and, in particular, will rank in full for all dividends or other distributions declared, made or paid and other rights and benefits attaching or accruing to the Shares following the completion of the Spin-off and the Listing.

## CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Our Company has only one class of Shares, namely ordinary shares, and each ranks *pari passu* with the other Shares.

Pursuant to the Companies Act and the terms of the Memorandum of Association and Articles of Association, our Company may, from time to time, by ordinary resolution of our Shareholders (i) increase its authorized share capital; (ii) consolidate and divide its share capital into shares of larger amount; (iii) subdivide its shares into shares of smaller amount; and (iv) cancel any shares which have not been taken. In addition, our Company may, subject to the provisions of the Companies Act, reduce its share capital or capital redemption reserve by our Shareholders passing a special resolution. For details, please see the paragraph headed "Summary of the Constitution of our Company and Company Law of the Cayman Islands—2. Articles of Association—(a) Shares—(iii) Alteration of Capital" in Appendix IV to this listing document.

## GENERAL MANDATE TO ISSUE SHARES

Subject to the Listing becoming unconditional, our Directors have been granted a general unconditional mandate (the "**Issue Mandate**") to allot, issue and deal with Shares with a total nominal value of not more than the sum of:

- 20% of the aggregate number of our Shares in issue as at the Listing Date; and
- the aggregate number of Shares repurchased by us under the authority referred to in the paragraph headed "—General Mandate to Repurchase Shares" in this section.

The Issue Mandate will expire at the earliest of:

- the conclusion of the next annual general meeting of our Company unless otherwise renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions;
- the expiration of the period within which our Company's next annual general meeting is required by the Articles of Association or any other applicable laws to be held; or
- the date on which it is varied or revoked by an ordinary resolution of our Shareholders in a general meeting.

For further details of the Issue Mandate, please see the paragraph headed "General Information—A. Further Information about our Group—3. Written Resolutions of our sole Shareholder" in Appendix V to this listing document.

## GENERAL MANDATE TO REPURCHASE SHARES

Subject to the Listing becoming unconditional, our Directors have been granted a general unconditional mandate (the "**Repurchase Mandate**") to exercise all the powers of our Company to repurchase our own securities with a nominal value of up to 10% of the aggregate number of our Shares in issue as at the Listing Date. The Repurchase Mandate only relates to repurchases made on the Stock Exchange, or on any other stock exchange on which our Shares are listed (and which are recognized by the SFC and the Stock Exchange for this purpose), and which are in accordance with the Listing Rules.

The Repurchase Mandate Shares will expire at the earliest of:

- the conclusion of the next annual general meeting of our Company unless otherwise renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions;

- the expiration of the period within which our Company's next annual general meeting is required by the Articles of Association or any other applicable laws to be held; or

- the date on which it is varied or revoked by an ordinary resolution of our Shareholders in a general meeting.

For further details of the Repurchase Mandate, please see the paragraph headed "General Information—A. Further Information about our Group—3. Written Resolutions of our sole Shareholder" in Appendix V to this listing document.

So far as our Directors are aware as at the Latest Practicable Date, assuming that the total number of China Travel HK Shares remains unchanged from the Latest Practicable Date to the Record Date and taking no account of the effect of any Shares which the Non-Qualifying China Travel HK Shareholders would otherwise receive from the Distribution, immediately following the completion of the Spin-off and the Listing, the following persons are expected to have an interest in the Shares or underlying Shares of our Company which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company once our Shares are listed on the Stock Exchange:

| Name of Shareholder | Nature of interest | Number of Shares | Approximate percentage of shareholding in the total share capital of our Company[1] |
|---|---|---|---|
| | | | *(%)* |
| CTG[2] | Interest of controlled corporation | 851,673,152 | 61.53 |
| CTS (Holdings)[2][3] | Interest of controlled corporation and beneficial owner | 851,673,152 | 61.53 |
| CTS Asset Management[3] | Interest of controlled corporation | 284,063,725 | 20.52 |
| Hongkong New Travel[3] | Beneficial owner | 284,063,725 | 20.52 |
| Kwok Hoi Hing[4] | Interest of controlled corporation | 26,398,000 | 1.91 |
| | Beneficial owner | 70,501,000 | 5.09 |
| Surpassing Investment Limited[4] | Beneficial owner | 26,398,000 | 1.91 |

*Notes:*

(1) The calculation is based on the total number of 1,384,158,427 Shares in issue immediately after completion of the Spin-off and the Listing assuming the interest of these persons in China Travel HK remains unchanged from the Latest Practicable Date and the Record Date and none of the holders or beneficial owners of Shares among these persons is a Non-Qualifying China Travel HK Shareholder.

(2) The entire issued share capital of CTS (Holdings), which will be the direct holding company of our Company upon the completion of the Spin-off and the Listing, is beneficially owned by CTG. Accordingly, CTG is deemed to be interested in all the Shares in which CTS (Holdings) is interested pursuant to Part XV of the SFO.

(3) Among the 851,673,152 Shares in issue, 567,609,427 Shares are held directly by CTS (Holdings). The remaining 284,063,725 Shares are held directly by Hongkong New Travel, which is a wholly-owned subsidiary of CTS Asset Management, which is in turn directly wholly owned by CTS (Holdings). Accordingly, CTS (Holdings) and CTS Asset Management are deemed to be interested in all the Shares in which Hongkong New Travel is interested pursuant to Part XV of the SFO.

(4) To the best of the Directors' knowledge and belief, Surpassing Investment Limited is wholly owned by Kwok Hoi Hing, who is thus deemed to be interested in all the Shares in which Surpassing Investment Limited is interested pursuant to Part XV of the SFO.

Save as disclosed above and the section headed "General Information—C. Further Information about our Directors, Chief Executives and Substantial Shareholders—4. Disclosure of Interests of Substantial Shareholders" in Appendix V to this listing document, our Directors are not aware of any person who will, immediately following completion of the Spin-off and the Listing, have any interest and/or short position in the Shares or underlying Shares of our Company which will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company or any other member of our Group.

*The following discussion and analysis should be read in conjunction with our combined financial statements included in "Appendix I—Accountants' Report" together with the accompanying notes. Our combined financial statements have been prepared in accordance with HKFRS Accounting Standards, which may differ in material aspects from generally accepted accounting principles in other jurisdictions. You should read the entire Accountants' Report and not merely rely on the information contained in this section.*

*The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis that we make in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed in "Risk Factors" and "Forward-Looking Statements" and elsewhere in this listing document.*

## OVERVIEW

Building on our subsidiary's service history dating back to 1954, we have grown into a travel services provider with a strategic focus on the Greater Bay Area. We operate a cross-boundary passenger transportation platform in the Greater Bay Area spanning maritime and road networks. Our cross-boundary transportation services are offered under two principal cross-boundary transportation brands: "TurboJET" and "CTS Bus." TurboJET operates Hong Kong-Macao ferry routes and had 22 licensed vessels as of April 30, 2026. CTS Bus primarily operates cross-boundary road passenger transportation services. Our fleet included 221 large coaches and 44 business vehicles as of April 30, 2026, providing route coverage across Hong Kong, Macao and nine other cities in the Greater Bay Area. In addition, we operate a portfolio of three hotel brands, Metropark（維景）, Kew Green（睿景）and Green Residence（柏景軒）, with differentiated positioning. Our hotels are located in major commercial districts and key tourism areas in Hong Kong, Macao and Beijing. As of December 31, 2023, 2024 and 2025 and April 30, 2026, we operated six, eight, eight and eight hotels, respectively, with a total of 1,917, 2,563, 2,563 and 2,563 guest rooms, respectively. These hotels are positioned as business-oriented and chain-style properties targeting mid- to upper-tier customers. We also provide travel-document administration services in Hong Kong as appointed by CTS (Holdings), with a view to enhancing public convenience.

We have delivered consistently stable revenue levels and maintained profitability throughout the Track Record Period. In 2023, 2024, 2025 and for the four months ended April 30, 2025 and 2026, our total revenue was HKD2,191.1 million, HKD2,241.9 million, HKD2,197.8 million, HKD734.3 million and HKD720.9 million, respectively.

## BASIS OF PRESENTATION AND PREPARATION

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on September 12, 2025 and became the holding company of our Group after the Spin-off Reorganization. For details, please see "History and Development—The Spin-off Reorganization". Prior to the Spin-off Reorganization, the passenger transportation operations, hotel operations and travel-document and related services (the "**Spin-off Business**") were mainly carried out by the subsidiaries of China Travel HK. Upon completion of the Spin-off Reorganization on May 13, 2026, our Company held and obtained control over the Spin-off Business. For details of the basis of presentation and preparation and the Spin-off Reorganization, please see "History and Development—The Spin-off Reorganization" and Notes 2.1 and 2.2 to the Accountants' Report included in Appendix I to this listing document.

## KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

### Growth in China's Overall Economy and Travel Industry

Our results of operations have been, and are expected to continue to be, influenced by the performance of China's overall economy and travel industry. According to Frost & Sullivan, China's nominal GDP increased from RMB104.2 trillion in 2020 to RMB140.2 trillion in 2025, and is projected to reach RMB180.0 trillion in 2030, and the total domestic travel expenditure of China's residents increased from RMB2.2 trillion in 2020 to approximately RMB6.8 trillion in 2025, and is projected to reach approximately RMB14.4 trillion in 2030. We expect to continue to benefit from this growth. However, any slowdown, disruptions or other adverse developments in China's economy and travel industry could negatively affect our results of operations.

We have also benefited from the increasing internet penetration and online adoption within China's travel market. Greater online usage has enabled us to reach a broader customer base through online booking platforms, informational webpages, and digital customer service channels, allowing us to offer more comprehensive and convenient services. Furthermore, through marketing initiatives and cooperation with other online travel agencies, we can promote our service offerings at a scale to prospective customers. Accordingly, we believe that our ability to achieve meaningful revenue growth depends on our continued success in attracting and retaining customers through online channels, alongside our traditional offline channels.

### Tailwinds from China's State-Level and Regional-Level Pro-Tourism Policy Initiatives

Our results of operations are significantly influenced by the development of the tourism industry and the policy environment governing tourism and related sectors. Policy support at both the national and regional levels has shaped travel flows and tourism consumption patterns, which in turn affect demand for passenger travel, travel documentation services and hotel-related services.

#### *National Level Policies*

At the national level, China's tourism industry has received sustained, policy-backed support for more than a decade. Most notably, the national 14th Five-Year Plan included a dedicated Tourism Development Plan (《"十四五"旅遊業發展規劃》) to guide the industry's development. Looking ahead, the 15th Five-Year Plan emphasizes deeper integration of culture and tourism and the goal of building China into a "leading tourism nation."

Against this policy backdrop, the tourism market in China has expanded in recent periods. For instance, the number of China's domestic tourist trips increased from 2.9 billion in 2020 to approximately 6.3 billion in 2025, and the total domestic travel expenditure of China's residents increased from RMB2.2 trillion in 2020 to approximately RMB6.8 trillion in 2025. These macro trends have provided supportive market conditions for demand growth in transportation and accommodation, which are core pillars of our business.

***Regional Level Policies***

At the regional level, the Guangdong-Hong Kong-Macao Greater Bay Area has been a key focus of policy initiatives aimed at strengthening cross-boundary mobility and promoting integrated cultural and tourism development. In this context, the Outline Development Plan for Cultural and Tourism Development in the Guangdong-Hong Kong-Macao Greater Bay Area (《粵港澳大灣區文化和旅遊發展規劃》), or the Outline, explicitly identifies the enhancement of transportation and infrastructure connectivity within the region as a key policy objective. Additionally, amendments to the Mainland and Hong Kong Closer Economic Partnership Arrangement (《內地與香港關於建立更緊密經貿關係的安排》) further optimize the 240-hour visa-free policy for inbound foreign tour groups entering the Pearl River Delta and Shantou via Hong Kong, including an expanded list of eligible ports of entry and permitted areas of stay.

The Hong Kong and Macao governments have emphasized tourism development and introduced policies that support the cross-boundary transportation services industry. In 2025, the Hong Kong government released the Hong Kong Tourism Industry Development Blueprint 2.0, or the Blueprint, and the "Tourism is Everywhere" initiative, to position Hong Kong as an international urban tourism hub and a "multi-destination" travel model. Macao is also enhancing its efforts to expand non-gaming offerings and develop culture- and creative-themed hotels.

These national and regional policy initiatives have been material contextual factors supporting the expansion of the travel and tourism sector and, in turn, have created conditions under which our business has scaled to its current level. The extent to which these supportive conditions will persist may depend on ongoing policy priorities and implementation, the evolution of cross-boundary travel arrangements, and broader macroeconomic and industry dynamics.

**Cost of Sales Significantly Impacts Results of Operations**

Our cost of sales includes employee costs, fuel costs, depreciation expenses, supplies and consumables, maintenance and repair costs, and other direct costs. When these costs rise faster than pricing, utilization, or mix improvements, gross profit and gross margin decline. Our cost of sales increased from HKD1,385.2 million in 2023 to HKD1,493.2 million in 2024, and further to HKD1,573.9 million in 2025, and it increased from HKD502.4 million for the four months ended April 30, 2025 to HKD553.7 million for the same period in 2026. Notwithstanding that our revenue remained relatively stable during these periods, increasing cost of sales resulted in our gross margin decreasing from 36.8% in 2023 to 33.4% in 2024 and to 28.4% in 2025, and decreasing from 31.6% for the four months ended April 30, 2025 to 23.2% for the same period in 2026.

Looking ahead, our results will depend on how these costs move relative to revenue. We aim to limit cost pressure through productivity initiatives, technology to improve operations, strategic procurement, active lease and contract management, and disciplined capital and maintenance planning. However, if cost growth outpaces revenue growth, margins may continue to compress.

### Competition

We face competition across our business streams. Competitors range from large integrated platforms to niche service providers, as well as traditional offline operators and emerging digital entrants. To address intensifying competition, we have made, and expect to continue to make, significant investments in our service infrastructure, including periodic hotel renovations and upgrades and ongoing improvements to our online service platforms, and expanded sales and marketing efforts that include broadening customer acquisition channels. These investments may constrain our financial resources. Increasing competition could also require us to offer products and services at more competitive prices to attract more users, which could reduce our revenue and compress our profit margins.

For a more detailed illustration of the competitive landscape in China's travel industry, please refer to the "Industry Overview" section.

### Operational Efficiency

Our results of operations have been, and will continue to be, affected by our ability to improve operational efficiency. We enhance efficiency by adopting new technologies, optimizing internal processes, and streamlining workflows across functions. During the Track Record Period, we sought to improve operational efficiency through digital operations, process optimization and centralized management. For our passenger transportation business, we promoted online and mobile ticketing, WeChat ticket purchases, paperless tickets and QR-code boarding, and adopted intelligent dispatching systems to better match capacity with passenger demand and improve fleet utilization. For our hotel operations, we implemented revenue management and distribution initiatives, including dynamic pricing, customer analytics and an omni-channel distribution strategy, to optimize room inventory allocation and improve sales efficiency. We also enhanced efficiency through centralized procurement, standardized operating procedures and internal staffing allocation. However, there can be no assurance that these initiatives can be successfully implemented or can deliver the anticipated efficiency gains.

### Customer Base and Product and Service Offerings

We have a large, growing customer base that has supported our business expansion. Growth has been driven by favorable national- and regional-level pro-tourism policy initiatives, and by the increasing breadth and diversity of our services and products. These factors have helped us attract more customers, diversify revenue channels, and strengthen our position in the markets. As we expect to continue to generate a substantial majority of revenue from offering travel services and products, including passenger transportation, hotels, and travel-document administration services, our results of operations will depend on our ability to retain existing customers and attract new ones.

## MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. In each case, the determination of these items requires management judgments based on information and financial data that may change in future periods. We applied the accounting estimates throughout the Track Record Period, and we do not foresee any changes in the near future. We set forth below those accounting policies and estimates that we believe involve the most significant estimates and judgments used in the preparation of our financial statements. For details, see Note 3 to the Accountants' Report in Appendix I to this listing document.

**Estimation of Fair Value of Investment Properties**

In the absence of current prices in an active market for similar properties, we consider information from a variety of sources, including:

(a) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;

(b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the dates of the transactions that occurred at those prices; and discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The carrying amounts of investment properties as of December 31, 2023, 2024, 2025 and April 30, 2026 were HKD3,312.5 million, HKD3,097.5 million, HKD2,918.3 million and HKD2,889.3 million, respectively.

The fair value of our investment properties is determined with reference to recent market transactions of comparable properties, with adjustments made for factors including location, accessibility, size, floor level, year of completion, shape, view, timing of transaction and other property-specific characteristics.

The valuation is sensitive to changes in the valuation premium or discount adjustments used by the independent property valuers. A decrease in the premium or an increase in the discount applied to the comparable properties would decrease the fair value of our investment properties, while an increase in the premium or a decrease in the discount would increase that fair value.

As changes in the fair value of investment properties are recognized in profit or loss, any adverse changes in such valuation assumptions may negatively affect our financial performance and financial position.

***Significant inputs used to determine fair value***

The range of premium/(discount) used in the direct comparison approach is as follows:

| | **December 31, 2023**<br>**Range of premium/(discount)** |
|---|---|
| Hong Kong | -17% to 12% |
| Outside Hong Kong | -3% to 5% |

| | **December 31, 2024**<br>**Range of premium/(discount)** |
|---|---|
| Hong Kong | -40% to 50% |
| Outside Hong Kong | -10% to 5% |

| | December 31, 2025<br>Range of premium/(discount) |
|---|---|
| Hong Kong | -33% to 20% |
| Outside Hong Kong | -10% to 8% |

| | April 30, 2026<br>Range of premium/(discount) |
|---|---|
| Hong Kong | -54% to 16% |
| Outside Hong Kong | -20% to 2% |

Further details of the key assumptions used for fair value measurement, please see Note 14 to the Accountants' Report included in Appendix I to this listing document.

**Impairment of Non-Financial Assets (Including Goodwill)**

At the end of each year during the Track Record Period, we perform an impairment assessment of non-financial assets if necessary.

Judgment by our management and estimation is required in the area of asset impairment, particularly in assessing whether (a) an event has occurred that may affect asset value; (b) the carrying value of an asset can be supported by the net present value of future cash flows from the asset using estimated cash flow projections or fair value less costs of disposal of the asset; and (c) the cash flow is discounted using an appropriate rate. Changing the assumptions selected by management could significantly affect our reported financial position and results of operations.

We perform impairment assessment by adopting the value in use model or fair value model which calculated the recoverable amount based on the lowest cash generating unit to which the asset belongs. If the recoverable amount is lower than the carrying values of the assets, an impairment loss is recognized as an expense in the combined income statement.

Based on the impairment assessment performed by the management, our Directors are of the opinion that there was no impairment of our non-financial assets as of December 31, 2023, 2024, 2025 and April 30, 2026.

## DESCRIPTION OF SELECTED COMPONENTS OF COMBINED INCOME STATEMENTS

The following table sets forth a summary of our combined income statements for the periods indicated:

| | Year ended December 31, | | | | | | Four months ended April 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(HKD in thousands, except percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| **Revenue** | **2,191,133** | **100.0** | **2,241,940** | **100.0** | **2,197,836** | **100.0** | **734,266** | **100.0** | **720,881** | **100.0** |
| Cost of sales | (1,385,156) | (63.2) | (1,493,198) | (66.6) | (1,573,853) | (71.6) | (502,368) | (68.4) | (553,706) | (76.8) |
| **Gross profit** | **805,977** | **36.8** | **748,742** | **33.4** | **623,983** | **28.4** | **231,898** | **31.6** | **167,175** | **23.2** |
| Other income and gains, net | 85,307 | 3.9 | 83,871 | 3.7 | 74,497 | 3.4 | 22,944 | 3.1 | 24,808 | 3.4 |
| Fair value loss of investment properties | (21,500) | (1.0) | (206,701) | (9.2) | (182,270) | (8.3) | (121,187) | (16.5) | (56,450) | (7.8) |
| Selling and distribution costs | (64,096) | (2.9) | (67,901) | (3.0) | (67,949) | (3.1) | (21,182) | (2.9) | (21,231) | (2.9) |
| Administrative expenses | (256,409) | (11.7) | (259,563) | (11.6) | (273,480) | (12.4) | (81,029) | (11.0) | (91,634) | (12.7) |
| **Operating profit** | **549,279** | **25.1** | **298,448** | **13.3** | **174,781** | **8.0** | **31,444** | **4.3** | **22,668** | **3.1** |
| Finance income | 19,137 | 0.9 | 12,369 | 0.6 | 7,950 | 0.4 | 3,387 | 0.5 | 1,450 | 0.2 |
| Finance costs | (30,967) | (1.4) | (51,451) | (2.3) | (38,694) | (1.8) | (15,481) | (2.1) | (9,313) | (1.3) |
| Finance costs, net | (11,830) | (0.5) | (39,082) | (1.7) | (30,744) | (1.4) | (12,094) | (1.6) | (7,863) | (1.1) |
| Share of profits and losses of: | | | | | | | | | | |
| – associates | 33,916 | 1.5 | 46,664 | 2.1 | 48,137 | 2.2 | 17,756 | 2.4 | 20,893 | 2.9 |
| – joint ventures | (3,559) | (0.2) | (2,349) | (0.1) | 4,087 | 0.2 | 2,199 | 0.3 | 1,335 | 0.2 |
| **Profit before taxation** | **567,806** | **25.9** | **303,681** | **13.6** | **196,261** | **9.0** | **39,305** | **5.4** | **37,033** | **5.1** |
| Tax expense | (88,521) | (4.0) | (109,595) | (5.0) | (78,779) | (3.6) | (37,600) | (5.1) | (13,900) | (1.9) |
| **Profit for the year/period** | **479,285** | **21.9** | **194,086** | **8.6** | **117,482** | **5.4** | **1,705** | **0.2** | **23,133** | **3.2** |
| **Attributable to:** | | | | | | | | | | |
| Equity owners of the Company | 486,377 | 22.2 | 207,258 | 9.2 | 133,853 | 6.1 | 8,708 | 1.2 | 34,515 | 4.8 |
| Non-controlling interests | (7,092) | (0.3) | (13,172) | (0.6) | (16,371) | (0.7) | (7,003) | (1.0) | (11,382) | (1.6) |
| **Profit for the year/period** | **479,285** | **21.9** | **194,086** | **8.6** | **117,482** | **5.4** | **1,705** | **0.2** | **23,133** | **3.2** |

## Revenue

During the Track Record Period, we generated revenue primarily from three business segments: (i) passenger transportation; (ii) hotel operations; and (iii) travel-document and related services. The following table sets forth a breakdown in our revenue by business segment, in an absolute amount and as a percentage of our total revenue, for the periods indicated:

| | Year ended December 31, | | | | | | Four months ended April 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(HKD in thousands, except percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Passenger transportation | 988,709 | 45.1 | 1,053,414 | 47.0 | 1,006,799 | 45.8 | 336,953 | 45.9 | 340,112 | 47.2 |
| Hotel operations | 694,585 | 31.7 | 820,624 | 36.6 | 887,547 | 40.4 | 288,700 | 39.3 | 291,557 | 40.4 |
| Travel-document and related services | 474,250 | 21.6 | 343,928 | 15.3 | 279,580 | 12.7 | 99,627 | 13.6 | 81,185 | 11.3 |
| Corporate and others[(1)] | 33,589 | 1.6 | 23,974 | 1.1 | 23,910 | 1.1 | 8,986 | 1.2 | 8,027 | 1.1 |
| **Total** | **2,191,133** | **100.0** | **2,241,940** | **100.0** | **2,197,836** | **100.0** | **734,266** | **100.0** | **720,881** | **100.0** |

*Note:*

(1) We hold certain investment properties and earn rental from third-party tenants. See "Business—Corporate and Other Operations" for details.

### *Passenger Transportation*

We generated most of our revenue from cross-boundary bus connecting Hong Kong and Macao with Chinese Mainland cities in the Greater Bay Area and ferry services connecting major ports in Hong Kong, Macao and Shenzhen. We also earned a small portion of revenue from local passenger transportation in Hong Kong, Zhuhai and Shenzhen. Our primary customers are leisure, business and frequent cross-boundary travelers.

The following table sets out a breakdown of our revenue from passenger transportation by service nature, for the periods indicated:

| | Year ended December 31, | | | | | | Four months ended April 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(HKD in thousands, except percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Ferry transportation | 679,581 | 68.7 | 651,677 | 61.9 | 542,320 | 53.9 | 192,922 | 57.3 | 180,888 | 53.2 |
| Bus transportation | 309,128 | 31.3 | 401,737 | 38.1 | 464,479 | 46.1 | 144,031 | 42.7 | 159,224 | 46.8 |
| Cross-boundary bus services | 282,094 | 28.5 | 378,381 | 35.9 | 398,531 | 39.6 | 140,554 | 41.7 | 154,149 | 45.3 |
| Local passenger transportation services | 11,550 | 1.2 | 5,783 | 0.5 | 31,664 | 3.1 | 1,610 | 0.5 | 4,071 | 1.2 |
| Others[(1)] | 15,484 | 1.6 | 17,573 | 1.7 | 34,284 | 3.4 | 1,867 | 0.5 | 1,004 | 0.3 |
| **Total** | **988,709** | **100.0** | **1,053,414** | **100.0** | **1,006,799** | **100.0** | **336,953** | **100.0** | **340,112** | **100.0** |

*Note:*

(1) Primarily included revenue generated from local tour services and bus advertising services.

***Hotel Operations***

We generate revenue from hotel operations, primarily through guestroom rentals, complemented by on-site food and beverage sales and ancillary services such as laundry services, car parking services, rentals of retail premises and office premises, as well as meeting and conference facilities rentals and banquet and catering services.

The table below sets forth a breakdown of our revenue from hotel operations by service nature, for the periods indicated:

| | Year ended December 31, | | | | | | Four months ended April 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(HKD in thousands, except percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Room rental | 471,141 | 67.8 | 580,940 | 70.8 | 649,921 | 73.2 | 218,765 | 75.8 | 216,606 | 74.3 |
| Food and beverage | 93,489 | 13.5 | 96,833 | 11.8 | 94,213 | 10.6 | 30,585 | 10.6 | 29,455 | 10.1 |
| Ancillary services[(1)] | 129,955 | 18.7 | 142,851 | 17.4 | 143,413 | 16.2 | 39,350 | 13.6 | 45,496 | 15.6 |
| **Total** | **694,585** | **100.0** | **820,624** | **100.0** | **887,547** | **100.0** | **288,700** | **100.0** | **291,557** | **100.0** |

*Note:*

(1) Primarily included revenue generated from laundry services, car parking services, rentals of retail premises and office premises, meeting and conference facilities rentals and banquet and catering services.

Occupancy rate and ADR are our core room revenue metrics: occupancy rate measures the proportion of available rooms sold over a period, and ADR represents the average room revenue per room sold during the period. RevPAR combines these measures, calculated as occupancy rate multiplied by ADR, to indicate revenue performance per available room. Our occupancy rate and ADR, and therefore RevPAR, are affected by hotel location, the scope and quality of our services, pricing and promotional strategies, the effectiveness of sales, brand marketing, and distribution channel management, reservation management, seasonality and events as well as our response to competitive conditions. The following table sets forth certain performance indicators of our hotels in operation, including number of guest rooms, occupancy rates, ADR and RevPAR, for the periods indicated:

| | Year ended/As of December 31, | | | For the four months ended/As of April 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| Number of guest rooms | 1,917 | 2,563 | 2,563 | 2,563 |
| Occupancy rate | 94.3% | 90.8% | 94.5% | 94.3% |
| ADR *(HKD)* | 733.1 | 728.6 | 740.3 | 752.1 |
| RevPAR *(HKD)* | 691.1 | 661.5 | 699.6 | 709.3 |

Our hotels in Hong Kong demonstrated robust operating performance, achieving an average occupancy rate that significantly exceeded the industry range of 72% to 88% during the Track Record Period. High occupancy reflects the prime locations and strong market appeal of our hotels. The whole-building leasing of two Hong Kong hotels further raised the average occupancy of our Hong Kong portfolio.

The occupancy rates of Beijing Guang'anmen Grand Metropark were lower than those of our hotels in Hong Kong and Macao during the Track Record Period, primarily due to its specific geographic location and the surrounding competitive landscape in its immediate vicinity. According to Frost & Sullivan, the occupancy rates of comparable hotels in Beijing generally ranged from 60% to 85% during the Track Record Period, and the occupancy rates of Beijing Guang'anmen Grand Metropark were in line with those of comparable hotels in Beijing.

According to Frost & Sullivan, the occupancy rates of comparable hotels in Macao generally ranged from 82% to 97% during the Track Record Period, and the occupancy rates of Metropark Macao were in line with those of comparable hotels in Macao.

For a more detailed description of the performance indicators of our hotels, please refer to the "Business—Hotel Operations."

***Travel-document and Related Services***

We generate revenue from providing travel-document administration services. We provide these services in Hong Kong under an arrangement with CTS (Holdings). Under this arrangement, we receive an agency fee from CTS (Holdings). In addition, to a limited extent, we provide related services to relevant government agencies and institutional clients. See "Business—Travel-Document and Related Services" for details. In 2023, 2024, 2025 and for the four months ended April 30, 2025 and 2026, our revenue generated from travel-document and related services amounted to HKD474.3 million, HKD343.9 million, HKD279.6 million, HKD99.6 million and HKD81.2 million, respectively, representing 21.6%, 15.3%, 12.7%, 13.6% and 11.3%, respectively, of our total revenue.

***Revenue by Geographic Location***

During the Track Record Period, we generated revenue from Hong Kong, Macao and Chinese Mainland, with Hong Kong as our principal market. Our revenue from Hong Kong was primarily derived from passenger transportation, hotel operations and travel-document and related services while our revenue from Macao and Chinese Mainland was primarily derived from hotel operations. The following table sets out a breakdown of our revenue by geographic location, in an absolute amount and as a percentage of our total revenue, for the periods indicated:

| | Year ended December 31, | | | | | | Four months ended April 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(HKD in thousands, except percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Hong Kong | 1,927,259 | 88.0 | 1,974,581 | 88.1 | 1,944,572 | 88.5 | 650,519 | 88.6 | 645,757 | 89.6 |
| Chinese Mainland and Macao | 263,874 | 12.0 | 267,359 | 11.9 | 253,264 | 11.5 | 83,747 | 11.4 | 75,124 | 10.4 |
| **Total** | **2,191,133** | **100.0** | **2,241,940** | **100.0** | **2,197,836** | **100.0** | **734,266** | **100.0** | **720,881** | **100.0** |

Revenue was classified by geographical location based on the principal place of business of the entity undertaking the relevant revenue-generating activities. For passenger transportation services, this determination takes into account the location from which the relevant operations are organized and managed, including day-to-day operational management and supporting business functions. This location generally corresponds to the principal place of business of the relevant operating entity.

For cross-boundary passenger transportation services, although passengers may travel between Hong Kong, Chinese Mainland and Macao, the related revenue was attributed to the geographical location of the principal place of business of the operating entity providing the services, rather than by reference to the points of departure or arrival or the routes traveled. Accordingly, such revenue is attributed to Hong Kong, Chinese Mainland or Macao based on the principal place of business of the respective operating entity. During the Track Record Period, the operating entities for our cross-boundary passenger transportation services had their respective principal places of business in Hong Kong and Macao, and accordingly, revenue generated from such services was categorized under Hong Kong and Macao by geographic location.

**Cost of Sales**

Our cost of sales primarily consisted of (i) employee costs, primarily representing payroll and related expenses for our employees engaged in our services; (ii) fuel costs, primarily attributable to the operation of transportation vessels, vehicles and related facilities; (iii) depreciation expenses, primarily related to hotel properties, vessels, vehicles and related operating equipment; (iv) supplies and consumables, primarily representing costs incurred for the procurement of hotel consumables, food and beverage supplies used in our hotel operations, card materials for travel-document and related services, and supplies such as food and beverage and spare parts for vehicles and vessels for the passenger transportation services; (v) maintenance and repair costs primarily representing maintenance, repair and inspection costs for our vessels, vehicles, hotel properties, equipment and other operating facilities; (vi) vehicle leasing costs for certain transportation vehicles used to provide supplementary transportation services; (vii) commissions paid to agencies and business partners for room bookings and ticket reservations; and (viii) bridge, toll, parking, license and insurance costs in connection with our passenger transportation.

The following table sets forth a breakdown of our cost of sales by nature in an absolute amount and as a percentage of our total cost of sales for the periods indicated:

| | Year ended December 31, | | | | | | Four months ended April 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(HKD in thousands, except percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Employee costs | 518,550 | 37.4 | 558,014 | 37.4 | 603,533 | 38.3 | 196,863 | 39.2 | 202,503 | 36.6 |
| Fuel costs | 250,733 | 18.1 | 258,966 | 17.3 | 236,410 | 15.0 | 76,309 | 15.2 | 105,851 | 19.1 |
| Depreciation expenses | 206,081 | 14.9 | 251,989 | 16.9 | 251,871 | 16.0 | 84,752 | 16.9 | 85,502 | 15.4 |
| Supplies and consumables | 156,307 | 11.3 | 152,727 | 10.2 | 144,476 | 9.2 | 38,286 | 7.6 | 41,003 | 7.4 |
| Maintenance and repair costs | 138,650 | 10.0 | 120,321 | 8.1 | 126,133 | 8.0 | 39,417 | 7.9 | 39,319 | 7.1 |
| Vehicle leasing costs | 26,878 | 1.9 | 58,052 | 3.9 | 107,473 | 6.8 | 28,744 | 5.7 | 38,383 | 6.9 |
| Commission | 34,447 | 2.5 | 42,292 | 2.8 | 44,612 | 2.8 | 14,552 | 2.9 | 14,333 | 2.6 |
| Bridge, toll, parking fee, license fees and insurance costs | 34,434 | 2.5 | 40,219 | 2.7 | 44,832 | 2.8 | 15,318 | 3.0 | 16,303 | 2.9 |
| Others[(1)] | 19,076 | 1.4 | 10,618 | 0.7 | 14,513 | 1.1 | 8,127 | 1.6 | 10,509 | 2.0 |
| **Total** | **1,385,156** | **100.0** | **1,493,198** | **100.0** | **1,573,853** | **100.0** | **502,368** | **100.0** | **553,706** | **100.0** |

*Note:*

(1) Primarily included hotel laundry fees and safety compliance fees for vessels and vehicles.

## Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by business segment for the periods indicated:

| | Year ended December 31, | | | | | | Four months ended April 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(HKD in thousands, except percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin |
| Passenger transportation operations | 114,772 | 11.6 | 80,965 | 7.7 | 35,215 | 3.5 | 24,740 | 7.3 | (14,296) | (4.2) |
| – ferry transportation | 50,995 | 7.5 | 9,661 | 1.5 | (45,246) | (8.3) | 1,334 | 0.7 | (38,665) | (21.4) |
| – bus transportation | 63,777 | 20.6 | 71,304 | 17.7 | 80,461 | 17.3 | 23,406 | 16.3 | 24,369 | 15.3 |
| Hotel operations | 305,339 | 44.0 | 377,041 | 45.9 | 379,840 | 42.8 | 125,157 | 43.4 | 122,420 | 42.0 |
| Travel-document and related services | 352,277 | 74.3 | 266,762 | 77.6 | 185,018 | 66.2 | 73,015 | 73.3 | 51,024 | 62.8 |
| Corporate and others[(1)] | 33,589 | 100.0 | 23,974 | 100.0 | 23,910 | 100.0 | 8,986 | 100.0 | 8,027 | 100.0 |
| **Total/Overall** | **805,977** | **36.8** | **748,742** | **33.4** | **623,983** | **28.4** | **231,898** | **31.6** | **167,175** | **23.2** |

*Note:*

(1) We recorded gross profit margin of 100.0% for corporate and others because no cost of sales was incurred in connection with the holding of investment properties.

In 2023, 2024, 2025 and for the four months ended April 30, 2025 and 2026, we recorded relatively high gross profit margin for travel-document and related services as compared to those of other business segments, mainly because in providing such services, we incurred rental expenses and depreciation of right-of-use assets of HKD21.6 million, HKD25.4 million, HKD25.2 million, HKD8.3 million and HKD8.9 million for the same periods, respectively, primarily in relation to the six service centers maintained across Hong Kong to facilitate convenient access to travel-document administration services for the public. These expenses were included in selling and distribution costs and administrative expenses and therefore did not reduce the gross profit of this business segment.

**Other Income and Gains, Net**

Our other income and gains primarily consisted of (i) ferry terminal operation service income, mainly representing service fees generated from ticketing, vessel berthing, and terminal reception services provided to third-party ferry operators; (ii) net gain or loss on disposal of property, plant and equipment; (iii) other rental income, primarily representing income generated from leasing certain ancillary spaces within our owner-occupied hotel properties, including leasing rooftop space to telecommunications operators for the installation of base stations, and leasing commercial units and common areas, to third-party tenants such as catering service operators for the provision of food and beverage services; (iv) foreign exchange differences arising primarily from the settlement of Renminbi-denominated transactions; (v) government grants, primarily representing subsidies from governmental authorities related to our passenger transportation; and (vi) others, mainly representing environmental-related subsidies received from government authorities and gains derived from the sales of bundled ticket comprising of cross-boundary bus ticket and attraction ticket. The following table sets forth a breakdown of our other net income and gains for the periods indicated:

| | Year ended December 31, | | | Four months ended April 30, | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | | | *(HKD in thousands)* | | |
| | | | | *(unaudited)* | |
| Ferry terminal operation service income | 34,014 | 40,204 | 37,300 | 10,976 | 12,688 |
| Gain/(loss) on disposal of property, plant and equipment, net | (127) | 23,610 | 939 | – | 16 |
| Other rental income, net | 12,723 | 13,009 | 13,108 | 4,230 | 4,254 |
| Foreign exchange differences, net | 2,701 | 64 | (3,193) | (201) | 1,855 |
| Government grants | 3,375 | – | 1,454 | 1,454 | 631 |
| Gain on bargain purchase of a subsidiary | 4,819 | – | – | – | – |
| Others | 27,802 | 6,984 | 24,889 | 6,485 | 5,364 |
| **Total** | **85,307** | **83,871** | **74,497** | **22,944** | **24,808** |

**Fair Value Loss of Investment Properties**

We operate a portfolio of investment properties comprising income-generating street shops, office floors, residential units, and office and retail premises located in Hong Kong, Macao and Chinese Mainland. Our unrealized loss from fair value changes of investment properties primarily represented remeasurement adjustments made to reflect these assets at fair value, primarily driven by changes in market conditions.

Our investment properties are measured at fair value, which is determined with reference to valuations performed by independent professional valuers. Such valuations are based on prevailing market evidence, including comparable market transaction prices, prevailing rental levels of similar properties, and the specific leasing conditions of the relevant properties. Accordingly, the fluctuations in the fair value of our investment properties primarily reflected changes in underlying market parameters as of different valuation dates, including movements in market rental rates, changes in capitalization rates, and overall property market sentiment during the respective periods. As the valuation inputs are inherently market-driven and time-specific, the fair value changes recorded during the Track Record Period reflected market conditions prevailing as of the relevant valuation dates. See Note 14 to the Accountants' Report set out in Appendix I to this listing document for details.

We recognized unrealized loss from fair value changes of investment properties of HKD21.5 million, HKD206.7 million, HKD182.3 million, HKD121.2 million and HKD56.5 million in 2023, 2024, 2025 and for the four months ended April 30, 2025 and 2026, respectively. The changes in the fair value losses of our investment properties during the Track Record Period were generally consistent with the prevailing market conditions and transaction evidence for comparable properties in the relevant property markets.

As of December 31, 2023, 2024, 2025 and April 30, 2026, it was estimated that with all other variables held constant, a decrease or an increase in the discount made to the comparable properties by 5% would have increased or decreased fair value of our investment properties by HKD90.4 million, HKD40.2 million, HKD69.2 million and HKD61.2 million, respectively. On the other hand, with all other variables held constant, an increase or a decrease in the premium made to the comparable properties by 5% would have increased or decreased fair value of our investment properties by HKD5.7 million, HKD37.3 million, HKD10.1 million and HKD18.1 million, respectively.

See "—Material Accounting Policies and Significant Accounting Estimates and Judgments—Estimation of Fair Value of Investment Properties" and Note 14 to the Accountants' Report included in Appendix I to this listing document for a discussion of the sensitivity of the valuations to changes in key inputs and the potential impact on our financial performance.

### Selling and Distribution Costs

Our selling and distribution costs primarily consisted of (i) depreciation expenses; (ii) employee costs, primarily representing the salaries and welfare expenses for our sales and marketing personnel; (iii) property management expenses, representing property management fees and related expenses incurred for premises used in our travel-document and related services, and corporate and others; (iv) rents and rates incurred for premises leased for our travel-document and related services and corporate and others; (v) advertising and promotion expenses, mainly relating to our brand promotion and marketing campaigns for our hotels; (vi) operating costs for offices and vehicles, primarily representing office expenses, utilities and vehicle-related expenses incurred in connection with our travel-document and related services; and (vii) others, mainly including hospitality expenses, travel expenses and logistics expenses. The following table sets out a breakdown of our selling and distribution costs in an absolute amount and as a percentage of our total selling and distribution costs for the periods indicated:

| | Year ended December 31, | | | | | | Four months ended April 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(HKD in thousands, except percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Depreciation expenses | 25,451 | 39.7 | 24,371 | 35.9 | 24,597 | 36.2 | 8,514 | 40.2 | 8,135 | 38.3 |
| Employee costs | 15,848 | 24.7 | 14,875 | 21.9 | 17,882 | 26.3 | 6,004 | 28.3 | 6,812 | 32.1 |
| Property management expenses | 3,859 | 6.0 | 4,593 | 6.8 | 4,653 | 6.9 | 1,516 | 7.2 | 1,445 | 6.8 |
| Rents and rates | 4,857 | 7.6 | 5,824 | 8.6 | 2,994 | 4.4 | 1,439 | 6.8 | 1,254 | 5.9 |
| Advertising and promotion expenses | 3,514 | 5.5 | 5,877 | 8.6 | 7,026 | 10.3 | 1,764 | 8.3 | 1,922 | 9.1 |
| Operating costs for office and vehicles | 6,536 | 10.2 | 5,155 | 7.6 | 5,834 | 8.6 | 991 | 4.7 | 776 | 3.6 |
| Others | 4,031 | 6.3 | 7,206 | 10.6 | 4,963 | 7.3 | 954 | 4.5 | 887 | 4.2 |
| **Total** | **64,096** | **100.0** | **67,901** | **100.0** | **67,949** | **100.0** | **21,182** | **100.0** | **21,231** | **100.0** |

### Administrative Expenses

Our administrative expenses primarily consisted of (i) employee costs, primarily representing the salaries and welfare expenses for our administrative personnel; (ii) depreciation expenses; (iii) rents and rates, representing rental expenses and government rates for premises leased for our hotel operations and travel-document and related services; (iv) administrative fees, mainly representing management fee paid to China Travel HK and Shun Tak Holdings Limited in connection with their designation of management personnel for our ferry and bus transportation business; (v) consulting expenses, mainly comprising fees paid to auditors and professional advisers; (vi) expenses relating to IT infrastructure,

safety compliance, travel and insurance; (vii) listing expense in connection with the Listing; (viii) tax, surcharge and bank charges; (ix) donation; and (x) others, mainly comprising office expenses and hospitality expenses. The following table sets out a breakdown of our administrative expenses in an absolute amount and as a percentage of our total administrative expenses for the periods indicated:

| | Year ended December 31, | | | | | | Four months ended April 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(HKD in thousands, except percentages)* | | | | | | | | | |
| | | | | | | | *(unaudited)* | | | |
| Employee costs | 148,715 | 58.0 | 144,799 | 55.8 | 131,610 | 48.1 | 40,053 | 49.4 | 41,709 | 45.5 |
| Depreciation expenses | 25,140 | 9.8 | 23,549 | 9.1 | 23,958 | 8.8 | 8,736 | 10.8 | 7,544 | 8.2 |
| Rents and rates | 10,116 | 3.9 | 12,738 | 4.9 | 11,670 | 4.3 | 4,984 | 6.2 | 5,479 | 6.0 |
| Administrative fee | 9,964 | 3.9 | 11,270 | 4.3 | 20,529 | 7.5 | 8,196 | 10.1 | 7,875 | 8.6 |
| Consulting expenses | 9,082 | 3.5 | 6,955 | 2.7 | 9,845 | 3.6 | 1,109 | 1.4 | 1,538 | 1.7 |
| Expenses relating to IT infrastructure, safety compliance, travel and insurance | 11,046 | 4.3 | 11,449 | 4.4 | 14,940 | 5.5 | 4,791 | 5.9 | 4,247 | 4.6 |
| Listing expense | – | – | – | – | – | – | – | – | 8,786 | 9.6 |
| Tax, surcharge and bank charges | 22,676 | 8.8 | 19,972 | 7.7 | 20,845 | 7.6 | 6,550 | 8.1 | 6,487 | 7.1 |
| Donation | – | – | 5,770 | 2.2 | 11,121 | 4.1 | 96 | 0.1 | 51 | 0.1 |
| Provision for impairment of trade and other receivables, net | 546 | 0.2 | 23 | – | 5,190 | 1.9 | – | – | – | – |
| Others | 19,124 | 7.6 | 23,038 | 8.9 | 23,772 | 8.6 | 6,514 | 8.0 | 7,918 | 8.6 |
| **Total** | **256,409** | **100.0** | **259,563** | **100.0** | **273,480** | **100.0** | **81,029** | **100.0** | **91,634** | **100.0** |

## Finance Income

Our finance income represented interest income from bank deposits. We recorded finance income of HKD19.1 million, HKD12.4 million, HKD8.0 million, HKD3.4 million and HKD1.5 million in 2023, 2024, 2025 and for the four months ended April 30, 2025 and 2026, respectively.

## Finance Costs

Our finance costs mainly represented interest expenses from lease liabilities, as well as bank and other borrowings. We recorded finance costs of HKD31.0 million, HKD51.5 million, HKD38.7 million, HKD15.5 million and HKD9.3 million in 2023, 2024, 2025 and for the four months ended April 30, 2025 and 2026, respectively.

## Share of Profits and Losses of Associates

We hold equity interests in eight companies that primarily engage in passenger transportation and travel-related services. For details, see Note 18 to the Accountants' Report in Appendix I to this listing document. We recorded a share of profits of associates of HKD33.9 million, HKD46.7 million, HKD48.1 million, HKD17.8 million and HKD20.9 million in 2023, 2024, 2025 and for the four months ended April 30, 2025 and 2026, respectively.

### Share of Profits and Losses of Joint Ventures

We participate in joint ventures that provide ferry terminal service or coach services. For details, see Note 19 to the Accountants' Report in Appendix I to this listing document. We recorded a share of losses of joint ventures of HKD3.6 million and HKD2.3 million in 2023 and 2024, respectively, and a share of profits of joint ventures of HKD4.1 million, HKD2.2 million and HKD1.3 million in 2025 and for the four months ended April 30, 2025 and 2026, respectively.

### Tax Expense

We recorded tax expense of HKD88.5 million, HKD109.6 million, HKD78.8 million, HKD37.6 million and HKD13.9 million in 2023, 2024, 2025 and for the four months ended April 30, 2025 and 2026, respectively. We are subject to income tax on profits arising in or derived from jurisdictions in which our subsidiaries are domiciled or have operations.

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong for each year of the Track Record Period. Taxes on assessable profits elsewhere have been calculated at the rates of tax prevailing in the jurisdictions where we operate. For details, see Note 10 to the Accountants' Report in Appendix I to this listing document.

During the Track Record Period and as of the Latest Practicable Date, we did not have any material dispute or unresolved issues with the relevant tax authorities.

## PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

### Four Months Ended April 30, 2026 Compared to Four Months Ended April 30, 2025

#### *Revenue*

Our revenue decreased by 1.8% from HKD734.3 million for the four months ended April 30, 2025 to HKD720.9 million for the four months ended April 30, 2026, primarily due to a decrease in revenue generated from ferry transportation and travel-document and related services.

- ***Passenger transportation.*** Our revenue from passenger transportation increased by 0.9% from HKD337.0 million for the four months ended April 30, 2025 to HKD340.1 million for the four months ended April 30, 2026, primarily due to an increase in revenue from bus transportation, as our bus transportation business continued to expand. We expanded our bus transportation operations, as evidenced by the increase in cross boundary passenger volume served by us from approximately 1.4 million for the four months ended April 30, 2025 to approximately 1.5 million during the same period in 2026, to meet growing demand for cross-boundary passenger transportation. Such increase was partially offset by a decrease in revenue from ferry transportation, mainly due to a slight decline in passenger volume for our ferry services from approximately 1.0 million for the four months ended April 30, 2025 to approximately 0.9 million for the same period in 2026.

- ***Hotel operations.*** Our revenue from hotel operations increased by 1.0% from HKD288.7 million for the four months ended April 30, 2025 to HKD291.6 million for the four months ended April 30, 2026, primarily attributable to higher occupancy rate, ADR and RevPAR of our hotels.

- ***Travel-document and related services.*** Our revenue generated from travel-document and related services, for which we mainly act as CTS (Holdings)'s agent and charge an agency fee, decreased by 18.5% from HKD99.6 million for the four months ended April 30, 2025 to HKD81.2 million for the four months ended April 30, 2026, primarily due to decrease in our agency fee as driven by (i) policy measures effective from July 2025 that waived application fees for first-time applicants for Taiwan Compatriot Pass; and (ii) lower application volume due to normal fluctuations in the number of applications handled by us during the relevant period.

***Cost of Sales***

Our cost of sales increased by 10.2% from HKD502.4 million for the four months ended April 30, 2025 to HKD553.7 million for the four months ended April 30, 2026, primarily due to (i) an increase in fuel costs of HKD29.5 million, mainly arising from higher fuel costs for ferry transportation due to fluctuations in international fuel prices and geopolitical factors; (ii) an increase in vehicle leasing cost of HKD9.6 million, mainly due to the increased leasing of buses to support the business expansion of our bus transportation; and (iii) an increase in employee costs of HKD5.6 million, mainly due to an increase in the number of our employees and the upward adjustment of staff salaries.

***Gross Profit and Gross Profit Margin***

Our gross profit decreased by 27.9% from HKD231.9 million for the four months ended April 30, 2025 to HKD167.2 million for the four months ended April 30, 2026, while our gross profit margin decreased from 31.6% for the four months ended April 30, 2025 to 23.2% for the four months ended April 30, 2026.

- ***Passenger transportation.*** We recorded gross profit for passenger transportation of HKD24.7 million and gross profit margin of 7.3% for the four months ended April 30, 2025, compared with a gross loss of HKD14.3 million and negative gross profit margin of 4.2% for the four months ended April 30, 2026, primarily due to higher fuel purchase prices in ferry transportation, reflecting fluctuations in international fuel prices and geopolitical factors.

- ***Hotel operations.*** Our gross profit margin for hotel operations decreased from 43.4% for the four months ended April 30, 2025 to 42.0% for the four months ended April 30, 2026, primarily due to higher employee costs, attributable to an increase in the number of our employees and the upward adjustment of staff salaries.

- ***Travel-document and related services.*** Our gross profit margin for travel-document and related services, for which we mainly act as CTS (Holdings)'s agent and charge an agency fee, decreased from 73.3% for the four months ended April 30, 2025 to 62.8% for the four months ended April 30, 2026, primarily because revenue from this segment decreased while certain fixed costs, such as employee costs and depreciation expenses, did not decrease proportionately.

***Other Income and Gains, Net***

Our other net income and gains increased by 8.3% from HKD22.9 million for the four months ended April 30, 2025 to HKD24.8 million for the four months ended April 30, 2026, primarily due to an increase of HKD2.1 million in foreign exchange differences.

***Fair Value Loss of Investment Properties***

The fair value loss of our investment properties decreased by 53.4% from HKD121.2 million for the four months ended April 30, 2025 to HKD56.5 million for the four months ended April 30, 2026, primarily due to smaller downward valuation adjustments based on comparable market transaction evidence and property-specific characteristics. This trend was broadly in line with conditions in the relevant property markets.

For details, please also refer to "—Description of Selected Components of Combined Income Statements—Fair Value Loss of Investment Properties."

See "—Material Accounting Policies and Significant Accounting Estimates and Judgments—Estimation of Fair Value of Investment Properties" and Note 14 to the Accountants' Report included in Appendix I to this listing document for a discussion of the sensitivity of the valuations to changes in key inputs and the potential impact on our financial performance.

***Selling and Distribution Costs***

Our selling and distribution costs remained relatively stable at HKD21.2 million for the four months ended April 30, 2025 and HKD21.2 million for the four months ended April 30, 2026.

***Administrative Expenses***

Our administrative expenses increased by 13.1% from HKD81.0 million for the four months ended April 30, 2025 to HKD91.6 million for the four months ended April 30, 2026, primarily due to (i) an increase in listing expenses of HKD8.8 million in connection with the Listing; and (ii) an increase in employee costs of HKD1.7 million, mainly due to salary adjustment in our hotel operations.

***Finance Income***

Our finance income decreased by 56.1% from HKD3.4 million for the four months ended April 30, 2025 to HKD1.5 million for the four months ended April 30, 2026, primarily due to a decrease in interest income from bank deposits due to lower interest rates for the four months ended April 30, 2026 as compared to the same period in 2025.

***Finance Costs and Finance Costs, Net***

Our finance costs decreased by 40.0% from HKD15.5 million for the four months ended April 30, 2025 to HKD9.3 million for the four months ended April 30, 2026, while our net finance costs decreased by 34.7% from HKD12.1 million for the four months ended April 30, 2025 to HKD7.9 million for the four months ended April 30, 2026. The decrease was primarily due to the repayment of bank loans.

***Share of Profits and Losses of Associates***

Our share of profits from associates increased by 17.5% from HKD17.8 million for the four months ended April 30, 2025 to HKD20.9 million for the four months ended April 30, 2026, primarily due to improved financial performance of Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Company Limited. Such improvement was mainly driven by evolving travel preferences among travelers.

***Share of Profits and Losses of Joint Ventures***

Our share of profits from joint ventures decreased by 40.9% from HKD2.2 million for the four months ended April 30, 2025 to HKD1.3 million for the four months ended April 30, 2026, primarily due to Shun Tak & CITS Coach (Macao) Limited.

***Tax Expense***

Our tax expense amounted to HKD37.6 million and HKD13.9 million for the four months ended April 30, 2025 and 2026, respectively.

***Profit for the Period***

As a result of the above, our profit for the period amounted to HKD1.7 million and HKD23.1 million for the four months ended April 30, 2025 and 2026, respectively.

**Year Ended December 31, 2025 Compared to Year Ended December 31, 2024**

***Revenue***

Our revenue decreased slightly by 2.0% from HKD2,241.9 million in 2024 to HKD2,197.8 million in 2025, primarily due to (i) a decrease of HKD64.3 million in revenue from travel-document and related services; and (ii) a decrease of HKD46.6 million in revenue from passenger transportation, as partially offset by an increase of HKD66.9 million in revenue from hotel operations.

- ***Passenger transportation.*** Our revenue from passenger transportation decreased slightly from HKD1,053.4 million in 2024 to HKD1,006.8 million in 2025, primarily due to a decrease in revenue from ferry transportation services, partially offset by an increase in revenue from bus transportation service.

  Our ferry transportation services primarily serve passengers traveling between Hong Kong and Macao. The decrease in ferry transportation revenue primarily reflected a decline in passenger volume from approximately 3.2 million in 2024 to approximately 2.8 million in 2025. Such decrease mainly reflected (i) the continued diversion of passengers to alternative land-based transportation between Hong Kong and Macao, including transportation via the Hong Kong-Zhuhai-Macao Bridge, cross-boundary buses and private cars; and (ii) changes in cross-boundary travel patterns, with outbound travel by Hong Kong residents to Chinese Mainland continuing to increase while travel demand between Hong Kong and Macao was comparatively softer.

  Our cross-boundary bus transportation services primarily serve a different travel market, connecting Hong Kong and Macao with cities in the Chinese Mainland, including Guangzhou, Shenzhen, Jiangmen and Zhongshan. The increase in bus transportation revenue reflected the expansion of these services in response to growing demand for travel between Hong Kong and Macao and the Chinese Mainland, with our cross-boundary bus passenger volume increasing from approximately 3.8 million in 2024 to approximately 4.4 million in 2025.

- ***Hotel operations.*** Our revenue from hotel operations increased by 8.2% from HKD820.6 million in 2024 to HKD887.5 million in 2025, primarily attributable to higher ADR at our four existing hotels, as well as the first full-year revenue contributions in 2025 from newly completed hotel and serviced apartment, namely Metropark Hung Hom and Wanchai Green Residence Serviced Apartment. In particular, the occupancy rate of Wanchai Green Residence Serviced apartment increased from 62.9% in 2024 to 82.6% in 2025, reflecting the ramp-up of these newly added properties. In addition, certain existing hotels recorded higher ADR and/or RevPAR in 2025, supported by stronger hotel demand resulting from increased visitor arrivals and accommodation needs associated with large-scale events held in Hong Kong in 2025, such as the Guangdong-Hong Kong-Macao Greater Bay Area National Games.

- ***Travel-document and related services.*** Our revenue generated from travel-document and related services, for which we mainly act as CTS (Holdings)'s agent and charge an agency fee, decreased by 18.7% from HKD343.9 million in 2024 to HKD279.6 million in 2025, primarily due to a decrease in our agency fee as driven by (i) policy measures effective from July 2025 that waived application fees for first-time applicants for Taiwan Compatriot Pass; and (ii) lower application volume in 2025 as demand further normalized following the surge in applications after the resumption of cross-boundary travel following the pandemic.

***Cost of Sales***

Our cost of sales increased by 5.4% from HKD1,493.2 million in 2024 to HKD1,573.9 million in 2025, primarily due to (i) an increase in employee costs of HKD45.5 million mainly due to an increase in the number of our employees and the upward adjustment of staff salaries; and (ii) an increase in vehicle leasing costs of HKD49.4 million mainly due to increased leasing of vehicles for our cross-boundary passenger transportation operations, as partially offset by (i) a decrease in supplies and consumables of HKD8.3 million mainly due to the decrease in procurement costs incurred for our ferry transportation business, which was generally in line with the decrease in revenue generated from this business segment; and (ii) a decrease in fuel costs of HKD22.6 million, primarily attributable to the more favorable fuel purchase prices obtained from our fuel suppliers.

***Gross Profit and Gross Profit Margin***

Our gross profit decreased by 16.7% from HKD748.7 million in 2024 to HKD624.0 million in 2025, while our gross profit margin decreased from 33.4% in 2024 to 28.4% in 2025.

- ***Passenger transportation.*** Our gross profit margin for passenger transportation decreased from 7.7% in 2024 to 3.5% in 2025, primarily because revenue from ferry transportation decreased mainly due to the decrease in passenger volume from approximately 3.2 million in 2024 to approximately 2.8 million in 2025, while certain fixed costs, such as depreciation, maintenance and other operating costs, did not decrease proportionately. The decrease was further affected by the decrease in gross profit margin for bus transportation from 17.7% in 2024 to 17.3% in 2025. To meet the increased demand for bus transportation, as evidenced by the increase in cross-boundary passenger volume served by us from approximately 3.8 million in 2024 to approximately 4.4 million in 2025, we increased our use of leased third-party vehicles to provide additional transportation capacity. The proportion of scheduled passenger trips operated using third-party vehicles increased from approximately 21.0% in 2024 to 26.0% in 2025, resulting in higher vehicle-related costs which rose at a faster rate than the corresponding revenue and, in turn, led to a decrease in the gross profit margin of our bus transportation services.

- ***Hotel operations.*** Our gross profit margin for hotel operations decreased slightly from 45.9% in 2024 to 42.8% in 2025, primarily due to the increase in operating costs and employee costs following the commencement of operations of one hotel and a serviced apartment, which commenced operations in May 2024. Although these newly added properties recorded improved operating performance in 2025, as reflected by the increase in occupancy rate of Wanchai Green Residence Serviced Apartment from 62.9% in 2024 to 82.6% in 2025, the related cost base also increased as they operated for a full year in 2025. In addition, certain existing hotels recorded higher ADR and/or RevPAR in 2025, but the increase in staff costs, utilities, supplies and other hotel operating expenses outpaced the increase in revenue, resulting in a lower gross profit margin.

- ***Travel-document and related services.*** Our gross profit margin for travel-document and related services, for which we mainly act as CTS (Holdings)'s agent and charge an agency fee, decreased from 77.6% in 2024 to 66.2% in 2025, primarily because revenue from this segment decreased while certain fixed costs, such as employee costs, did not decrease proportionately.

***Other Income and Gains, Net***

Our other net income and gains decreased by 11.2% from HKD83.9 million in 2024 to HKD74.5 million in 2025, primarily due to a decrease in net gain on disposal of property, plant and equipment from HKD23.6 million to HKD0.9 million mainly because we recorded a relatively higher gain from disposal of certain property, plant and equipment in 2024 primarily attributable to the disposal of two vessels.

***Fair Value Loss of Investment Properties***

The fair value loss on investment properties decreased by 11.8% from HKD206.7 million in 2024 to HKD182.3 million in 2025, primarily due to smaller downward valuation adjustments based on comparable market transaction evidence and property-specific characteristics. This trend was broadly in line with conditions in the relevant property markets.

For details, please also refer to "—Description of Selected Components of Combined Income Statements—Fair Value Loss of Investment Properties."

***Selling and Distribution Costs***

Our selling and distribution costs remained stable at HKD67.9 million in 2024 and 2025, primarily reflecting (i) an increase in employee costs of HKD3.0 million due to the increase in the number of sales staff and the salary adjustment for sales staff for our hotel business; and (ii) an increase in advertising and promotion expenses of HKD1.1 million due to promotional activities for the newly launched serviced apartment, namely Wanchai Green Residence Serviced Apartment, as partially offset by a decrease in rents and rates of HKD2.8 million due to the closure of one of our service outlets of the travel-document administration service.

***Administrative Expenses***

Our administrative expenses increased by 5.4% from HKD259.6 million in 2024 to HKD273.5 million in 2025, primarily due to (i) an increase in administrative fee of HKD9.3 million mainly due to the cessation in 2025 of the 50% management fee concession granted by China Travel HK and Shun Tak Holdings in 2024; (ii) an increase in donation of HKD5.4 million; (iii) an increase in net provision for impairment loss on trade and other receivables of HKD5.2 million mainly arising from the provision made in respect of trade receivables from one major customer; and (iv) an increase in expenses relating to computer systems, safety compliance and insurance, mainly due to the accrual of safety compliance fee in 2025, partially offset by a decrease in employee costs of HKD13.2 million mainly due to a decrease in the number of administrative employees, as we designated certain administrative personnel to a shared service center to conduct centralized management and procurement, with a view to reducing costs and enhancing operational efficiency in our hotel operations.

***Finance Income***

Our finance income decreased by 35.5% from HKD12.4 million in 2024 to HKD8.0 million in 2025, primarily due to a decrease in interest income from bank deposits due to lower average deposit balances and interest rates in 2025 as compared to 2024.

***Finance Costs and Finance Costs, Net***

Our finance costs decreased by 24.9% from HKD51.5 million in 2024 to HKD38.7 million in 2025. Accordingly, our net finance costs decreased by 21.5% from HKD39.1 million in 2024 to HKD30.7 million in 2025. The decrease was primarily due to lower interest expenses arising from reduced average bank and other borrowings and lower interest rate level from 2024 to 2025.

***Share of Profits and Losses of Associates***

Our share of profits from associates increased by 3.0% from HKD46.7 million in 2024 to HKD48.1 million in 2025, primarily due to improved operating performance of Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Company Limited. Such improvement was mainly driven by increased passenger traffic between Hong Kong and Zhuhai.

***Share of Profits and Losses of Joint Ventures***

Our share of profits from joint ventures amounted to HKD4.1 million in 2025, compared to a share of losses of HKD2.3 million in 2024, primarily due to improvement in operating performance of Hong Kong International Airport Ferry Terminal Services Limited, driven by increased travel volume and stronger demand for airport-related transportation services.

***Tax Expense***

Our tax expense amounted to HKD109.6 million and HKD78.8 million in 2024 and 2025, respectively.

***Profit for the Year***

As a result of the above, our profit for the year amounted to HKD194.1 million and HKD117.5 million in 2024 and 2025, respectively.

**Year Ended December 31, 2024 Compared to Year Ended December 31, 2023**

***Revenue***

Our revenue increased slightly by 2.3% from HKD2,191.1 million in 2023 to HKD2,241.9 million in 2024, primarily due to (i) an increase of HKD126.0 million in revenue from hotel operations; and (ii) an increase of HKD64.7 million in revenue from passenger transportation, as partially offset by a decrease of HKD130.3 million in revenue from travel-document and related services.

- ***Passenger transportation.*** Our revenue from passenger transportation operations increased by 6.5% from HKD988.7 million in 2023 to HKD1,053.4 million in 2024, primarily attributable to an increase in revenue from our bus transportation as cross-boundary passenger traffic gradually increased following the easing of COVID-19-related restrictions. To meet the growing demand for cross-boundary passenger transportation, we expanded our bus transportation operations, as evidenced by the increase in cross boundary passenger volume served by us from approximately 2.7 million in 2023 to approximately 3.8 million in 2024. Such increase was partially offset by a decrease in revenue from our ferry transportation mainly driven by the decline in passenger volume from approximately 3.4 million in 2023 to approximately 3.2 million in 2024, which was mainly due to the alternative land-based transportation options available to travelers, including the Hong Kong-Zhuhai-Macao Bridge, cross-boundary buses and cross-boundary private cars.

- ***Hotel operations.*** Our revenue from hotel operations increased by 18.1% from HKD694.6 million in 2023 to HKD820.6 million in 2024, primarily attributable to revenue contributions from our newly completed hotel and serviced apartment, namely Metropark Hung Hom and Wanchai Green Residence Serviced Apartment, which commenced operations in May 2024. As a result, the number of hotel rooms increased from 1,917 as of December 31, 2023 to 2,563 as of December 31, 2024, increasing our available room capacity. The increase was also supported by the generally stable operating performance of our existing hotels, as reflected by their relatively high occupancy rates during the year. In particular, most of our existing hotels maintained occupancy rates above 90.0% in 2024, which supported stable room revenue.

- ***Travel-document and related services.*** Our revenue generated from travel-document and related services, for which we mainly act as CTS (Holdings)'s agent and charge an agency fee, decreased by 27.5% from HKD474.3 million in 2023 to HKD343.9 million in 2024, primarily due to the normalization of demand for travel document application services in 2024 following a post-pandemic surge in applications in 2023 after the lifting of COVID-19-related travel restrictions.

*Cost of Sales*

Our cost of sales increased by 7.8% from HKD1,385.2 million in 2023 to HKD1,493.2 million in 2024, primarily due to (i) an increase in employee costs of HKD39.5 million due to an increase in the number of our employees and the upward adjustment of staff salaries; (ii) an increase in vehicle leasing costs of HKD31.2 million due to the lease of additional vehicles for our passenger transportation business to meet the increased demand in our cross-boundary bus business; and (iii) an increase in depreciation expenses of HKD45.9 million mainly due to the completion of construction of Metropark Hung Hom.

*Gross Profit and Gross Profit Margin*

Our gross profit decreased by 7.1% from HKD806.0 million in 2023 to HKD748.7 million in 2024, while our gross profit margin decreased from 36.8% in 2023 to 33.4% in 2024.

- ***Passenger transportation.*** Our gross profit margin for passenger transportation decreased from 11.6% in 2023 to 7.7% in 2024, primarily due to the increase in cost of sales, which was mainly attributable to the lease of additional vehicles and increase in employee costs. Particularly, we expanded our bus transportation capacity, as evidenced by the increase in cross boundary passenger volume served by us from approximately 2.7 million in 2023 to approximately 3.8 million in 2024 to meet the growing demand from cross-boundary bus transportation. To meet increased demand, we increased our use of leased and third-party vehicles to provide additional transportation capacity. The proportion of scheduled passenger trips operated using third-party vehicles increased from approximately 16.9% in 2023 to 21.0% in 2024. As these vehicle-related costs rose faster than revenue from bus transportation, the gross profit margin of our bus transportation decreased from 20.6% in 2023 to 17.7% in 2024. The decrease in gross profit margin was also affected by a decrease in gross profit margin for ferry transportation from 7.5% in 2023 to 1.5% in 2024. Such decrease was attributable to lower revenue contributed from ferry transportation which was mainly due to the decrease in passenger volume from approximately 3.4 million in 2023 to approximately 3.2 million in 2024, while certain ferry-related operating costs, such as vessel depreciation, maintenance and repair expenses, remained relatively fixed or semi-fixed in nature and did not decrease proportionately.

- ***Hotel operations.*** Our gross profit margin for hotel operations increased from 44.0% in 2023 to 45.9% in 2024, primarily attributable to the increase in revenue following the commencement of operations of Metropark Hung Hom and Wanchai Green Residence Serviced Apartment in May 2024, which increased our total number of hotel rooms from 1,917 as of December 31, 2023 to 2,563 as of December 31, 2024. The increase was also attributable to the lower-percentage increase in cost of sales, mainly due to lower depreciation expenses of certain hotels and the bonus adjustment.

- ***Travel-document and related services.*** Our gross profit margin for travel-document and related services, for which we mainly act as CTS (Holdings)'s agent and charge an agency fee, increased from 74.3% in 2023 to 77.6% in 2024, primarily attributable to the decrease in cost of sales as a result of lower temporary staff costs and overtime expenses incurred in 2024 following the normalization of demand of travel document application.

***Other Income and Gains, Net***

Our other income and gains, net remained relatively stable at HKD85.3 million in 2023 and HKD83.9 million in 2024, reflecting a combined effect of (i) an increase in net gains on disposal of property, plant and equipment, arising from the disposal of two vessels in 2024; and (ii) decreases in net foreign exchange differences and government grants.

***Fair Value Loss of Investment Properties***

The fair value loss of our investment properties increased significantly by 861.4% from HKD21.5 million in 2023 to HKD206.7 million in 2024, primarily due to lower comparable transaction prices for properties amid weaker conditions in the relevant property markets. This trend was broadly in line with conditions in the relevant property markets.

For details, please also refer to "—Description of Selected Components of Combined Income Statements—Fair Value Loss of Investment Properties."

***Selling and Distribution Costs***

Our selling and distribution costs increased by 5.9% from HKD64.1 million in 2023 to HKD67.9 million in 2024, primarily due to (i) an increase in advertising and promotion expenses of HKD2.4 million mainly due to increased marketing and promotional activities carried out to promote our services and support customer acquisition for hotel operations and our increased participation in trade fairs and exhibitions; and (ii) an increase in rents and rates of HKD1.0 million mainly due to the lease of additional service outlets for our travel-document and related services.

***Administrative Expenses***

Our administrative expenses increased slightly by 1.2% from HKD256.4 million in 2023 to HKD259.6 million in 2024, primarily due to (i) an increase in rents and rates of HKD2.6 million mainly due to the lease of additional premises; and (ii) an increase in donation of HKD5.8 million, partially offset by (i) a decrease in employee costs of HKD3.9 million, mainly due to a decrease in variable employee compensation; (ii) a decrease in tax, surcharge and bank charges of HKD2.7 million, mainly due to lower property tax resulting from reduced rental income from our hotel in Beijing and higher stamp duty incurred in 2023 in connection with the acquisition of Green Residence; and (iii) a decrease in consulting expenses of HKD2.1 million mainly because we incurred more consulting fees in connection with certain proposed transactions in 2023.

***Finance Income***

Our finance income decreased by 35.1% from HKD19.1 million in 2023 to HKD12.4 million in 2024, primarily due to a decrease in interest income from bank deposits due to lower average deposit balances in 2024 as compared to 2023.

***Finance Costs and Finance Costs, Net***

Our finance costs increased by 66.1% from HKD31.0 million in 2023 to HKD51.5 million in 2024, while our net finance costs increased by 231.4% from HKD11.8 million in 2023 to HKD39.1 million in 2024. The increase was primarily due to higher interest expenses in 2024, as the interest exemption granted by the lender in respect of certain loans in 2023 did not recur in 2024.

***Share of Profits and Losses of Associates***

Our share of profits from associates increased by 37.8% from HKD33.9 million in 2023 to HKD46.7 million in 2024, primarily due to improved operating performance of Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Company Limited. Such improvement was mainly driven by the continued recovery in cross-boundary travel demand, including increased passenger traffic between Hong Kong and Zhuhai following the resumption of cross-boundary travel.

***Share of Profits and Losses of Joint Ventures***

Our share of losses from joint ventures decreased by 36.1% from HKD3.6 million in 2023 to HKD2.3 million in 2024, primarily due to improved results of Shun Tak & CITS Coach (Macao) Limited. Such improvement was mainly driven by the recovery of Macao's tourism and gaming sectors following the resumption of cross-boundary travel, which led to the increased demand for shuttle bus and related transportation services.

***Tax Expense***

Our tax expense amounted to HKD88.5 million and HKD109.6 million in 2023 and 2024, respectively.

***Profit for the Year***

As a result of the above, our profit for the year amounted to HKD479.3 million and HKD194.1 million in 2023 and 2024, respectively.

## DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE COMBINED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our combined statements of financial position as of the dates indicated:

| | As of December 31, | | | As of April 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(HKD in thousands)* | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 5,230,210 | 5,156,799 | 5,002,140 | 4,934,611 |
| Investment properties | 3,312,483 | 3,097,458 | 2,918,329 | 2,889,339 |
| Goodwill | 1,292,923 | 1,292,923 | 1,292,923 | 1,292,923 |
| Other intangible assets | 112,734 | 121,301 | 121,301 | 121,301 |
| Investments in associates | 90,670 | 133,072 | 154,946 | 153,179 |
| Investments in joint ventures | 25,410 | 23,061 | 27,148 | 28,483 |
| Equity investments | 903 | 1,496 | 3,145 | 3,476 |
| Deposits | 1,556 | 1,351 | 1,998 | 1,610 |
| Deferred tax assets | 114,070 | 71,731 | 55,835 | 53,972 |
| **Total non-current assets** | **10,180,959** | **9,899,192** | **9,577,765** | **9,478,894** |
| **Current assets** | | | | |
| Inventories | 133,497 | 129,553 | 118,845 | 122,326 |
| Trade receivables | 105,129 | 102,648 | 129,737 | 94,583 |
| Deposits, prepayments and other receivables | 174,373 | 144,972 | 162,922 | 174,056 |
| Amounts due from holding companies | 26,821 | 20,076 | 14,982 | 21,476 |
| Amounts due from fellow subsidiaries | 47,921 | 61,167 | 64,314 | 74,340 |
| Pledged and restricted deposits | 830 | 516 | 533 | 630 |
| Cash and bank balances | 541,344 | 508,873 | 467,890 | 506,626 |
| **Total current assets** | **1,029,915** | **967,805** | **959,223** | **994,037** |
| **Total Assets** | **11,210,874** | **10,866,997** | **10,536,988** | **10,472,931** |
| **Non-current liabilities** | | | | |
| Deferred income | 7,823 | 2,572 | 460 | 420 |
| Loans from a holding company | 493,882 | 460,882 | 150,882 | 150,882 |
| Lease liabilities | 33,481 | 54,727 | 37,350 | 30,815 |
| Other borrowings | 183,882 | 150,882 | 150,882 | 150,882 |
| Deferred tax liabilities | 426,799 | 414,483 | 409,370 | 402,566 |
| **Total non-current liabilities** | **1,145,867** | **1,083,546** | **748,944** | **735,565** |
| **Current liabilities** | | | | |
| Trade payables | 81,340 | 58,871 | 71,647 | 73,238 |
| Other payables and accruals | 507,518 | 491,633 | 661,357 | 721,371 |
| Amounts due to holding companies | 1,969,067 | 1,629,727 | 3,832,285 | 3,692,386 |
| Amounts due to fellow subsidiaries | 26,664 | 25,586 | 26,377 | 30,477 |
| Loans from a holding company | 204,869 | 237,869 | 499,869 | 499,869 |
| Lease liabilities | 24,501 | 35,546 | 35,811 | 36,069 |
| Tax payables | 62,629 | 32,332 | 30,458 | 39,637 |
| Bank and other borrowings | 327,500 | 233,000 | 213,000 | 193,000 |
| **Total current liabilities** | **3,204,088** | **2,744,564** | **5,370,804** | **5,286,047** |
| **Total liabilities** | **4,349,955** | **3,828,110** | **6,119,748** | **6,021,612** |
| **Net current liabilities** | **2,174,173** | **1,776,759** | **4,411,581** | **4,292,010** |
| **Net assets** | **6,860,919** | **7,038,887** | **4,417,240** | **4,451,319** |

**Property, Plant and Equipment**

Our property, plant and equipment consisted of (i) hotel properties. Our hotel properties were classified as property, plant and equipment because they were owner-occupied properties used in our hotel operations. We operated the hotels directly and used the properties to provide accommodation and related hospitality services such as food and beverage and other ancillary services to guests, rather than holding the properties to earn rentals or for capital appreciation. Accordingly, the hotel properties were owner-occupied properties used in the supply of services and were therefore classified as property, plant and equipment; (ii) land and buildings; (iii) construction in progress, which primarily represented construction and renovation of our hotel buildings and complex building; (iv) right-of-use assets; (v) motor vehicles primarily used for our passenger transportation operations; and (vi) other owned fixed assets, which primarily represented office equipment, transportation equipment, furniture, fixtures and office instruments used in our day-to-day operations. The table below sets forth a breakdown of the net carrying amount of our property, plant and equipment as of the dates indicated:

| | As of December 31, | | | As of April 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(HKD in thousands)* | | | |
| Hotel properties | 2,448,256 | 3,433,675 | 3,360,780 | 3,335,500 |
| Land and buildings | 1,047,389 | 1,115,501 | 1,082,336 | 1,069,832 |
| Construction in progress | 1,001,072 | 4,231 | 50,309 | 59,370 |
| Right-of-use assets | 65,891 | 83,062 | 64,549 | 59,691 |
| Motor vehicles | 41,159 | 36,459 | 49,905 | 54,751 |
| Other owned fixed assets | 626,443 | 483,871 | 394,261 | 355,467 |
| **Total** | **5,230,210** | **5,156,799** | **5,002,140** | **4,934,611** |

Although we leased two hotel properties, namely Metropark Hung Hom and Metropark Causeway Bay on a long-term whole-building basis, the properties were operated and managed by us as part of our hotel business and were not held solely to earn rentals or for capital appreciation. We provided a comprehensive range of services to hotel guests, including accommodation, food and beverage, daily housekeeping, laundry and other guest-related services. Pursuant to Hong Kong Accounting Standards ("**HKASs**") 40, where the owner provides significant ancillary services to the occupants of a property, the property does not qualify as an investment property. HKAS 40 further specifies that owner-managed hotels are owner-occupied properties rather than investment properties, as the services provided to guests are a significant component of the arrangement as a whole.

Our Directors consider that the ancillary services provided by us were integral to the hotel operations and constituted a significant component of the overall arrangement with hotel guests. Accordingly, notwithstanding that we leased the hotel properties on a long-term whole-building basis, the properties were used by us in the course of our hotel operations and therefore meet the definition of owner-occupied properties. As such, the hotel properties were appropriately classified as property, plant and equipment under HKAS 16 rather than investment property under HKAS 40.

Our property, plant and equipment decreased slightly from HKD5,230.2 million as of December 31, 2023 to HKD5,156.8 million as of December 31, 2024, primarily due to depreciation of HKD299.9 million in 2024, partially offset by additions of HKD274.9 million, mainly comprising construction in progress of HKD150.8 million and right-of-use assets of HKD69.5 million in 2024. Our construction in progress decreased from HKD1,001.1 million as of December 31, 2023 to HKD4.2 million as of December 31, 2024,

while our hotel properties increased from HKD2,448.3 million as of December 31, 2023 to HKD3,433.7 million as of December 31, 2024, primarily reflecting transfer of relevant construction projects to hotel properties upon completion during the year. Our property, plant and equipment further decreased to HKD5,002.1 million as of December 31, 2025, primarily due to normal depreciation and disposals in the ordinary course of business, partially offset by an increase in construction in progress mainly attributable to the renovation of our complex building and additions of vehicles. Our property, plant and equipment further decreased to HKD4,934.6 million as of April 30, 2026, primarily due to depreciation in the ordinary course of business, partially offset by an increase in construction in progress mainly attributable to the renovation of our complex building and additions of vehicles.

**Investment Properties**

Our investment properties were held for rental income and capital appreciation and comprised office premises, retail stores, residential flats, a serviced apartment and parking space located in Hong Kong, Macao and Chinese Mainland. The fair value of our investment properties has changed, and may continue to change based on property market conditions in Hong Kong, Macao and Chinese Mainland. Our investment properties decreased from HKD3,312.5 million as of December 31, 2023 to HKD3,097.5 million as of December 31, 2024 and further decreased to HKD2,918.3 million as of December 31, 2025, and further decreased to HKD2,889.3 million as of April 30, 2026, primarily due to changes in the fair value of our investment properties.

We measured our investment properties at fair value. The investment properties were revalued on December 31, 2024 and 2025 and April 30, 2026 by Jones Lang LaSalle Limited and December 31, 2023 by RHL Appraisal Limited, both of which are independent professionally qualified valuers. For more details on the fair value measurement of properties, see Note 14 to the Accountants' Report included in Appendix I to this listing document.

**Goodwill**

We recorded goodwill of HKD1,292.9 million as of each of December 31, 2023, 2024, 2025 and April 30, 2026. The carrying amount of goodwill was allocated to cash-generating units ("**CGU**") for impairment testing, including travel-document and related services and passenger transportation operations. The carrying amount of goodwill allocated to travel-document and related services was HKD1,244.8 million as of each of December 31, 2023, 2024, 2025 and April 30, 2026 and to passenger transportation was HKD48.2 million as of each of December 31, 2023, 2024, 2025 and April 30, 2026.

***Impairment testing of goodwill***

Goodwill acquired through business combinations has been allocated to the following cash-generating units, for impairment testing.

| | As of December 31, | | | As of April 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(HKD in thousands)* | | | |
| Travel document and related services | 1,244,769 | 1,244,769 | 1,244,769 | 1,244,769 |
| Passenger transportation operations | 48,154 | 48,154 | 48,154 | 48,154 |
| Gross carrying amount | 1,292,923 | 1,292,923 | 1,292,923 | 1,292,923 |

***Travel document and related services CGU***

The recoverable amount of the travel-document and related services CGU has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering through 2047 approved by our senior management. The reason for using cash flow projections covering a period for more than 5 years was that: (i) our Group has been appointed as CTS (Holdings)'s exclusive agent to provide travel-document administration services in Hong Kong for a fixed term until June 30, 2047; (ii) the business was characterized by recurring demand arising from the renewal requirements of Mainland Travel Permits, which are generally renewed every five or ten years. Accordingly, a significant portion of the CGU's revenue was generated from recurring renewal applications, providing a relatively stable and predictable revenue base for the cash flow projections beyond 5 years; (iii) the management has adopted long-term growth rates ranging from 2%-5% in the cash flow projections which was supported by historical performance and expectations regarding future market development. The discount rates applied to cash flow projections are 11.0%, 11.0% and 10.0% for the goodwill impairment tests as of December 31, 2023, 2024 and 2025, respectively.

Key assumptions were used in the value-in-use calculation of the travel document and related services CGU for each of the years during the Track Record Period. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

Revenue growth rate – Revenue growth rate is based on past performance and management's expectations of market development.

Discount rates – The discount rate used is before tax and reflects specific risks relating to the travel document and related services CGU, respectively.

The values assigned to the key assumptions on market development and discount rates are consistent with external information sources.

We perform a sensitivity analysis based on the reasonably possible changes in assumptions underlying the revenue growth rate or the pre-tax discount rate. Had the estimated key assumptions during the forecast period been changed as below, the headroom would be changed.

If the revenue growth rate during the projection period used in the calculation for the CGU had been 0.5% lower than management's estimates as of December 31, 2023, 2024 and 2025, the headroom as defined below would be decreased to HKD225.9 million, HKD47.1 million and HKD51.8 million, respectively.

If the pre-tax discount rate used in the calculation for the CGU had been 1.0% higher than management's estimates as of December 31, 2023, 2024 and 2025, the headroom would be decreased to HKD143.3 million, HKD44.0 million and HKD0.3 million, respectively.

The amount by which the travel document and related services CGU's recoverable amount exceeds its carrying amount (the "**headroom**") is as follows:

| | As of December 31, | | |
|---|---|---|---|
| | **2023** | **2024** | **2025** |
| | *(HKD in thousands)* | | |
| Travel document and related services CGU | 271,365 | 165,595 | 126,666 |

We perform the sensitivity analysis based on the reasonable possible changes in the revenue growth rate or the pre-tax discount rate, with all other variables held constant. Had the estimated key assumptions during the forecast period been changed as below, the headroom would be decreased to as below:

| | As of December 31, | | |
|---|---|---|---|
| | **2023** | **2024** | **2025** |
| | *(HKD in thousands)* | | |
| Revenue growth rate decreases by 0.5% | 225,929 | 47,114 | 51,812 |
| Pre-tax discount rate increases by 1.0% | 143,281 | 43,999 | 316 |

***Impairment assessment as of April 30, 2026***

In accordance with our accounting policies, goodwill is tested for impairment on an annual basis at each year end. As of April 30, 2026, the management was not aware of any significant adverse changes on the travel document and related services CGU, which indicates that the carrying amount of the travel document and related services CGU exceeds the recoverable amount. Consequently, no interim impairment assessment as of April 30, 2026 was performed.

***Passenger transportation operations CGU***

The recoverable amount of the passenger transportation operations CGU was determined based on fair value less cost of disposal calculation using replacement cost and market comparison approach performed by an independent external valuer. Key assumptions used in the replacement cost approach included replacement cost new ("**RCN**"), capitalization rate and functional and economic obsolescence. Key assumptions used in market comparison approach included recent sales transactions of comparable vessels and motor vehicles. The fair value measurement was categorized within Level 3 of the fair value hierarchy at the end of each year during the Track Record Period. There is no change in the valuation technique during each of the Track Record Period. The headroom of passenger transportation operations CGU is as follows:

| | As of December 31, | | |
|---|---|---|---|
| | **2023** | **2024** | **2025** |
| | *(HKD in thousands)* | | |
| Passenger transportation operations CGU | 215,265 | 168,107 | 181,264 |

The fair value measurement is sensitive to changes in significant unobservable inputs, particularly RCN and capitalization rate. An increase in RCN would generally result in an increase in the fair value measurement, whereas an increase in capitalisation rate would generally result in a decrease in the fair value measurement. We performed the sensitivity analysis based on the reasonable possible changes in the RCN or the capitalization rate, with all other variables held constant. Had the estimated key assumption during the forecast period been changed as below, the headroom would be decreased to as below:

| | As of December 31, | | |
|---|---|---|---|
| | **2023** | **2024** | **2025** |
| | *(HKD in thousands)* | | |
| RCN decreases by 5.0% | 209,296 | 160,842 | 175,427 |
| Capitalization rate increases by 1.0% | 151,463 | 118,644 | 132,464 |

***Impairment assessment as of April 30, 2026***

In accordance with our accounting policies, goodwill is tested for impairment on an annual basis at the end of each year during the Track Record Period. As of April 30, 2026, the management was not aware of any significant adverse changes on the passenger transportation operations CGU, which indicates that the carrying amount of the passenger transportation operations CGU exceeds the recoverable amount. Consequently, no interim impairment assessment as of April 30, 2026 was performed.

Our Directors are of the view that a reasonably possible change in a key assumption on which management has based its determination of the two CGUs' recoverable amounts would not cause each unit's carrying amount to exceed its recoverable amount. For more details, see Note 15 to the Accountants' Report included in Appendix I to this listing document.

**Other Intangible Assets**

Our other intangible assets included trademarks, and passenger service licenses and quota. Our other intangible assets increased from HKD112.7 million as of December 31, 2023 to HKD121.3 million as of December 31, 2024, primarily due to addition of passenger service licenses and quota. Our other intangible assets remained stable at HKD121.3 million as of December 31, 2025 and April 30, 2026.

These intangible assets have no specific maturity date pursuant to the terms and conditions. They are tested for impairment annually and whenever there is an indication that they may be impaired. Our Directors are of the view that no impairment loss was incurred with reference to market values of each of the passenger service licenses and quota. In view of the cash flow projection, no provision for impairment losses of trademarks is considered necessary after reviewing the impairment assessment.

The recoverable amounts for trademarks have been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rates applied to the cash flow projections are 11%, 11% and 10% as of December 31, 2023, 2024 and 2025, respectively. Cash flows beyond the five-year period were extrapolated using growth rates of 3.0%, 3.1% and 3.8% as of December 31, 2023, 2024 and 2025, respectively.

Key assumptions were used in the value-in-use calculation of trademarks for each year during the Track Record Period. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of the trademarks.

Revenue growth rate – Revenue growth rate is based on past performance and management's expectations of market development.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the hotel operations cash-generating unit, respectively.

The headroom of trademarks is as follows:

| | As of December 31, | | |
|---|---|---|---|
| | **2023** | **2024** | **2025** |
| | *(HKD in thousands)* | | |
| Trademarks | 738,229 | 700,664 | 783,213 |

We performed the sensitivity analysis based on the reasonable possible changes in the revenue growth rate or the pre-tax discount rate, with all other variables held constant. Had the estimated key assumption during the forecast period been changed as below, the headroom would be decreased to as below:

| | As of December 31, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *(HKD in thousands)* | | |
| Revenue growth rate decreases by 0.5% | 647,331 | 613,227 | 677,505 |
| Pre-tax discount rate increases by 1.0% | 655,505 | 621,076 | 686,044 |

***Impairment assessment as of April 30, 2026***

In accordance with our accounting policies, trademarks are tested for impairment on an annual basis at the end of each year during the Track Record Period. As of April 30, 2026, the management was not aware of any significant adverse changes on trademarks, which indicates that the carrying amount of trademarks exceeds the recoverable amount. Consequently, no interim impairment assessment as of April 30, 2026 was performed.

The recoverable amount of the passenger service licenses and quota was determined based on fair value less costs of disposal with reference to market values. The fair value measurement was categorized within Level 3 of the fair value hierarchy at the end of each of the Relevant Periods. There is no change in the valuation technique during each year during the Track Record Period.

As of December 31, 2023, 2024 and 2025, it was estimated that with all other variables held constant, a decrease in market price by 4% would have decreased the recoverable amount by HKD8,768,000, HKD5,472,000 and HKD3,648,000, respectively.

Our Directors are of the view that a reasonably possible change in a key assumption on which management has based its determination of the recoverable amounts would not cause the carrying amount of the intangible assets with indefinite useful lives to exceed its recoverable amount.

**Investments in Associates**

Our investments in associates primarily represented our investments in eight companies engaged in passenger transportation-related and other travel-related services. For more details, see Note 18 to the Accountants' Report included in Appendix I to this listing document.

Our investments in associates increased from HKD90.7 million as of December 31, 2023 to HKD133.1 million as of December 31, 2024 and further to HKD154.9 million as of December 31, 2025, and slightly decreased to HKD153.2 million as of April 30, 2026, primarily due to our shares of profit offset by dividends received from an associate during the respective periods.

**Deferred Tax Assets and Deferred Tax Liabilities**

Our deferred tax assets arise when we have tax benefits that are expected to be utilized in future periods, including deductible temporary differences relating to provisions and accruals, depreciation in excess of related depreciation allowance and tax losses. Our deferred tax assets decreased from HKD114.1 million as of December 31, 2023 to HKD71.7 million as of December 31, 2024, and further decreased to HKD55.8 million as of December 31, 2025, and then decreased to HKD54.0 million as of April 30, 2026. The fluctuations primarily reflected reductions in deferred tax assets relating to tax losses, which decreased from HKD110.7 million as of December 31, 2023 to HKD66.9 million as of December 31, 2024, further to HKD51.6 million as of December 31, 2025, and further to HKD50.9 million as of April 30, 2026.

Our deferred tax liabilities arise when the tax treatment of certain items differs from their accounting treatment, mainly where tax depreciation allowances exceed the related accounting depreciation, properties are revalued upward for accounting purposes, or fair value adjustments are recognized upon the acquisition of subsidiaries. Our deferred tax liabilities decreased from HKD426.8 million as of December 31, 2023 to HKD414.5 million as of December 31, 2024, and further decreased to HKD409.4 million as of December 31, 2025, and HKD402.6 million as of April 30, 2026.

**Inventories**

Our inventories primarily included (i) food and beverages; (ii) fuel; (iii) spare parts and consumables mainly used for our vessels; and (iv) general merchandise. The following table sets forth our inventories as of the dates indicated:

| | As of December 31, | | | As of April 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(HKD in thousands)* | | | |
| Food and beverages | 17,760 | 5,681 | 4,106 | 4,193 |
| Fuel | 3,923 | 2,273 | 2,129 | 6,769 |
| Spare parts and consumables | 111,283 | 121,174 | 112,083 | 111,060 |
| General merchandise | 531 | 425 | 527 | 304 |
| **Total** | **133,497** | **129,553** | **118,845** | **122,326** |

Our inventories decreased from HKD133.5 million as of December 31, 2023 to HKD129.6 million as of December 31, 2024, and further decreased to HKD118.8 million as of December 31, 2025, primarily due to our enhanced cost control and inventory management measures, including maintaining lower inventory levels based on operational needs. Our inventories increased to HKD122.3 million as of April 30, 2026, primarily due to an increase in the purchase price of fuel.

We have adopted disciplined procurement policies and inventory management measures to maintain appropriate inventory levels and improve inventory utilization efficiency. Our inventory turnover days, which are calculated by dividing the average of the beginning and ending inventory balances for the relevant year/period by the cost of sales for that year/period and multiplying the result by 365 days for a year or 120 days for the four-month period, decreased from 36 days in 2023 to 32 days in 2024 and further to 29 days in 2025, and further to 26 days for the four months ended April 30, 2026. The decrease reflected faster inventory turnover during the Track Record Period, primarily as a result of our enhanced cost control and inventory management measures, which enabled us to better align procurement with operational needs.

The following table sets forth an aging analysis of our inventories as of the dates indicated:

| | As of December 31, | | | As of April 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(HKD in thousands)* | | | |
| Within 1 year | 12,083 | 11,186 | 9,747 | 12,972 |
| Over 1 year | 121,414 | 118,367 | 109,098 | 109,354 |
| **Total** | **133,497** | **129,553** | **118,845** | **122,326** |

During the Track Record Period, our inventories aged over one year primarily comprised spare parts held for the routine repair and maintenance of our vessels. These spare parts remain suitable for use and are expected to be consumed in the ordinary course of business as maintenance needs arise. Having considered their condition and expected future usage, our Directors consider that no impairment provision is necessary in respect of such spare parts.

As of August 31, 2026, HKD12.0 million, or 9.8% of our inventories outstanding as of April 30, 2026 had been subsequently sold or utilized.

**Trade Receivables**

Our trade receivables mainly arose from our hotel operations, passenger transportation services and related business activities. The table below sets forth the details of our trade receivables as of the dates indicated:

| | As of December 31, | | | As of April 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(HKD in thousands)* | | | |
| Trade receivables | 107,541 | 104,545 | 136,946 | 102,018 |
| Less: Loss allowance | (2,412) | (1,897) | (7,209) | (7,435) |
| **Total** | **105,129** | **102,648** | **129,737** | **94,583** |

Our trade receivables remained relatively stable at HKD105.1 million and HKD102.6 million as of December 31, 2023 and 2024, respectively, and then increased to HKD129.7 million as of December 31, 2025. The increase in 2025 was primarily attributable to the growth of our hotel operations and bus transportation services during the year. Our trade receivables decreased to HKD94.6 million as of April 30, 2026, primarily attributable to the settlement of outstanding trade receivables during the period.

We measured the loss allowances for trade receivables at an amount equal to lifetime expected credit losses, which is calculated using a provision matrix. As of December 31, 2023, 2024, 2025 and April 30, 2026, our loss allowance for trade receivables amounted to HKD2.4 million, HKD1.9 million, HKD7.2 million and HKD7.4 million, respectively. The loss allowance of trade receivables represented our estimate of expected credit losses ("**ECLs**") arising from the risk of non-collection of outstanding trade receivables from customers. The allowance was determined in accordance with HKFRS 9 Financial Instruments using the simplified approach, which required the recognition of lifetime ECLs for trade receivables. ECLs were measured based on historical default experience, current conditions and forward-looking information. See Notes 2.4 and 39 to the Accountants' Report set out in Appendix I to this listing document for details of our accounting policy on impairment of financial assets and assessment of credit risk.

The increase in loss allowance in 2025 was primarily due to a full provision made by us in respect of trade receivables from one of our major customers in 2025, to which we provided leasing services during the Track Record Period. Such customer failed to settle the outstanding amounts which were HKD5.3 million as of December 31, 2025 and we commenced legal proceedings against such customer to recover the overdue receivables. Taking into account the aging of the receivables, such customer's settlement status, the status of the legal proceedings and our assessment of the expected recoverability of the outstanding balance, we recognized an impairment provision in respect of such receivables in 2025. Our Directors consider that the impairment provision was adequate and in accordance with our expected credit loss assessment under the applicable accounting standards, and such provision did not have a material adverse impact on our financial position or results of operations. Our loss allowance for trade receivables remained relatively stable as of April 30, 2026.

The table below sets forth the ageing analysis of trade receivables, based on the invoice date and net of loss allowance:

| | As of December 31, | | | As of April 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(HKD in thousands)* | | | |
| Within 3 months | 40,919 | 74,349 | 94,557 | 58,112 |
| Over 3 months to 6 months | 34,016 | 15,436 | 18,996 | 19,893 |
| Over 6 months to 12 months | 28,347 | 12,863 | 15,997 | 16,577 |
| Over 1 year to 2 years | 1,716 | – | 187 | 1 |
| Over 2 years | 131 | – | – | – |
| **Total** | **105,129** | **102,648** | **129,737** | **94,583** |

We generally grant our customers a credit term of 30 to 90 days from the date of billing. Our trade receivables turnover days, which are calculated as the average of the beginning and ending balance of trade receivables for the year/period divided by the revenue for that year/period and multiplied by 365 days for a year or 120 days for the four-month period, were 12 days, 17 days, 19 days and 19 days in 2023, 2024 and 2025 and for the four months ended April 30, 2026, respectively. Our trade receivables turnover days increased from 12 days in 2023 to 17 days in 2024, primarily due to an increase in our average trade receivables balance as our business activities continued to recover after the pandemic. Our trade receivables turnover days remained relatively stable at 17 days in 2024, 19 days in 2025 and 19 days for the four months ended April 30, 2026, reflecting a broadly consistent collection cycle.

As of August 31, 2026, approximately HKD86.8 million, or 91.7% of our trade receivables as of April 30, 2026, had been settled.

**Deposits, Prepayments and Other Receivables**

Our deposits, prepayments and other receivables primarily consisted of (i) current deposits, prepayments and other receivables, mainly representing rental, utility and other deposits, and prepayments for consumables used in hotel operations and prepaid tolls, fuel and service fees for our passenger transportation operations; (ii) amounts due from associates, mainly represented balances due from All China Express arising from the lease of vehicles; and (iii) non-current portion of deposits. The table below contains a breakdown of deposits, prepayments and other receivables as of the dates indicated:

| | As of December 31, | | | As of April 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(HKD in thousands)* | | | |
| Deposits, prepayments and other receivables | 161,889 | 128,765 | 153,458 | 161,605 |
| Amounts due from associates | 14,040 | 17,558 | 11,462 | 14,061 |
| | **175,929** | **146,323** | **164,920** | **175,666** |
| Less: Non-current portion of deposits | (1,556) | (1,351) | (1,998) | (1,610) |
| **Total** | **174,373** | **144,972** | **162,922** | **174,056** |

Our deposits, prepayments and other receivables decreased from HKD174.4 million as of December 31, 2023 to HKD145.0 million as of December 31, 2024, primarily attributable to a decrease in receivables related to insurance compensation in connection with our passenger transportation. Our deposits, prepayments and other receivables then increased to HKD162.9 million as of December 31, 2025, mainly reflecting higher prepaid tolls and fuel balances for passenger transportation operations, in line with increased operating activity and revenue of our bus transportation services. Our deposits, prepayments and other receivables then increased to HKD174.1 million as of April 30, 2026, mainly due to purchase of employee and vehicle insurance.

As of August 31, 2026, approximately HKD36.3 million, or 20.6% of our deposits, prepayments and other receivables as of April 30, 2026, had been settled.

**Amounts Due from Holding Companies**

Amounts due from holding companies represented receivables from holding companies, which were all in trade nature. Amounts due from holding companies decreased from HKD26.8 million as of December 31, 2023 to HKD20.1 million as of December 31, 2024, further decreased to HKD15.0 million as of December 31, 2025, and then increased to HKD21.5 million as of April 30, 2026, mainly reflecting the fluctuation of transaction amounts with holding companies. For details of amounts due from holding companies, see "—Related Party Transactions."

**Amounts Due from Fellow Subsidiaries**

Amounts due from fellow subsidiaries primarily represented receivables from our fellow subsidiaries, comprising both trade and non-trade balances. The following table sets out a breakdown of amounts due from fellow subsidiaries by nature as of the dates indicated:

| | As of December 31, | | | As of April 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| Amounts due from fellow subsidiaries | | | | |
| trade nature | 31,134 | 22,646 | 23,231 | 24,738 |
| non-trade nature | 16,787 | 38,521 | 41,083 | 49,602 |
| **Total** | **47,921** | **61,167** | **64,314** | **74,340** |

The non-trade balances were unsecured, interest-free and repayable on demand. The increases in amounts due from fellow subsidiaries were primarily attributable to the increases in non-trade balances due from fellow subsidiaries. For details of amounts due from fellow subsidiaries, see "—Related Party Transactions."

Except for those that had been settled under the Spin-off Reorganization, we expect all non-trade balances with related parties as of April 30, 2026 to be settled upon the Listing, primarily using our internal resources and cash generated from operating activities, or through waiver arrangement.

**Trade Payables**

Our trade payables primarily related to the purchase of energy and petroleum products, public utilities and other operational services. Our trade payables decreased from HKD81.3 million as of December 31, 2023 to HKD58.9 million as of December 31, 2024, primarily due to the settlement of outstanding payables to our suppliers. Our trade payables then increased to HKD71.6 million as of December 31, 2025, primarily due to the increased purchases from suppliers to support the operational needs associated with the Guangdong-Hong Kong-Macao Greater Bay Area National Games. Our trade payables then increased to HKD73.2 million as of April 30, 2026, primarily due to higher amounts payable to fuel suppliers as a result of the higher fuel purchase price. The credit period granted by our suppliers was generally between 30 to 90 days during the Track Record Period.

Our trade payables turnover days, which are calculated as the average of the beginning and ending balance of trade payables for the year/period divided by cost of sales for that year/period and multiplied by 365 days for a year or 120 days for the four-month period, remained relatively stable at 16 days in 2023, 17 days in 2024, 15 days in 2025 and 16 days for the four months ended April 30, 2026. The following table sets forth an aging analysis of our trade payables as of the dates indicated based on invoice date:

| | As of December 31, | | | As of April 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(HKD in thousands)* | | | |
| Within 3 months | 61,188 | 42,125 | 55,935 | 48,327 |
| Over 3 months to 6 months | 906 | 2,302 | 1,531 | 9,248 |
| Over 6 months to 12 months | 2,028 | 1,097 | 1,154 | 2,168 |
| Over 1 year to 2 years | 378 | 750 | 419 | 513 |
| Over 2 years | 16,840 | 12,597 | 12,608 | 12,982 |
| **Total** | **81,340** | **58,871** | **71,647** | **73,238** |

As of August 31, 2026, approximately HKD54.5 million, or 74.5% of our trade payables as of April 30, 2026, had been settled.

**Other Payables and Accruals**

Our other payables and accruals primarily consisted of (i) construction in progress payables; (ii) accrued employee benefits; (iii) contract liabilities, mainly representing deposits from customers who purchased transportation tickets and hotel services. We recognize contract liabilities as revenue when the relevant services are provided to customers; (iv) amounts due to non-controlling shareholders, which were non-trade, unsecured, interest-free and with no fixed repayment term; and (v) other payable and accruals mainly including receipts in advance in connection with our membership program of our hotel operation, accruals, deposit and others. The following table sets out a breakdown of our other payables and accruals as of the dates indicated:

| | As of December 31, | | | As of April 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(HKD in thousands)* | | | |
| Construction in progress payables | 40,744 | 145 | 21,632 | 21,451 |
| Accrued employee benefits | 114,291 | 104,063 | 101,255 | 89,136 |
| Contract liabilities | 13,319 | 15,608 | 21,788 | 20,832 |
| Amounts due to non-controlling shareholders | 34,001 | 31,580 | 168,347 | 161,098 |
| Other payable and accruals | 305,163 | 340,237 | 348,335 | 428,854 |
| **Total** | **507,518** | **491,633** | **661,357** | **721,371** |

Our other payables and accruals decreased from HKD507.5 million as of December 31, 2023 to HKD491.6 million as of December 31, 2024, primarily due to a decrease in construction in progress payables, following the completion and settlement of construction costs relating to the Metropark Hung Hom project, partially offset by an increase in receipts in advance mainly attributable to our business expansion of hotel operations. Our other payables and accruals increased to HKD661.4 million as of December 31, 2025, primarily due to (i) an increase in amounts due to non-controlling shareholders, mainly due to the dividends declared by our subsidiaries to their shareholders; (ii) an increase in construction in progress payables, mainly due to renovation of our complex building; and (iii) an increase in receipts in advance attributable to our business expansion of hotel operations. Our other payables and accruals increased to HKD721.4 million as of April 30, 2026, primarily due to increases in other payables and accruals related to our passenger transportation and hotel operations, mainly attributable to the business expansion of our bus transportation and hotel operations.

As of August 31, 2026, approximately HKD178.7 million, or 24.8% of our other payables and accruals as of April 30, 2026, had been settled.

**Amounts Due to Holding Companies**

Amounts due to holding companies primarily represented trade-related balances, intra-group funding arrangements and declared dividends payable to our holding companies. The following table sets out a breakdown of amounts due to holding companies by nature as of the dates indicated:

| | As of December 31, | | | As of April 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(HKD in thousands)* | | | |
| Amounts due to holding companies | | | | |
| trade nature | 5,935 | 1,970 | 1,200 | 419 |
| non-trade nature | 1,963,132 | 1,627,757 | 3,831,085 | 3,691,967 |
| **Total** | **1,969,067** | **1,629,727** | **3,832,285** | **3,692,386** |

Amounts due to holding companies increased significantly to HKD3,832.3 million as of December 31, 2025 mainly due to the declared dividend by our subsidiaries in 2025. Amounts due to holding companies remained relatively stable at HKD3,692.4 million as of April 30, 2026. For details of amounts due to holding companies, see "—Related Party Transactions."

**Amounts Due to Fellow Subsidiaries**

Amounts due to fellow subsidiaries primarily consisted of trade and non-trade balances payables to our fellow subsidiaries. Our non-trade amounts due to fellow subsidiaries primarily represented intra-group funding arrangements that were unsecured, interest-free and repayable on demand. The following table sets out a breakdown of amounts due to fellow subsidiaries by nature as of the dates indicated:

| | As of December 31, | | | As of April 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(HKD in thousands)* | | | |
| Amounts due to fellow subsidiaries | | | | |
| trade nature | 1,669 | 5,358 | 1,658 | 8,285 |
| non-trade nature | 24,995 | 20,228 | 24,719 | 22,192 |
| **Total** | **26,664** | **25,586** | **26,377** | **30,477** |

For details of amounts due to fellow subsidiaries, see "—Related Party Transactions."

Except for those that had been settled under the Spin-off Reorganization, we expect all non-trade balances with related parties as of April 30, 2026 to be settled upon the Listing, primarily using our internal resources and cash generated from operating activities, or through waiver arrangement.

## LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of cash are to fund the daily operations of our business. During the Track Record Period, we financed our capital expenditures and working capital requirements principally with cash generated from our operations and borrowings. Going forward, we believe that our liquidity requirements will be satisfied with a combination of cash flows generated from our operating activities, and other future equity or debt financings. As of December 31, 2023, 2024, 2025, April 30, 2026 and August 31, 2026, we had cash and bank balances of HKD541.3 million, HKD508.9 million, HKD467.9 million, HKD506.6 million and HKD569.8 million, respectively.

### Net Current (Liabilities)/Assets

| | As of December 31, | | | As of April 30, | As of August 31, |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 | 2026 |
| | *(HKD in thousands)* | | | | |
| | | | | | *(unaudited)* |
| **Current assets** | | | | | |
| Inventories | 133,497 | 129,553 | 118,845 | 122,326 | 121,259 |
| Trade receivables | 105,129 | 102,648 | 129,737 | 94,583 | 97,840 |
| Deposits, prepayments and other receivables | 174,373 | 144,972 | 162,922 | 174,056 | 182,698 |
| Amounts due from holding companies | 26,821 | 20,076 | 14,982 | 21,476 | 27,405 |
| Amounts due from fellow subsidiaries | 47,921 | 61,167 | 64,314 | 74,340 | 88,347 |
| Pledged and restricted deposits | 830 | 516 | 533 | 630 | 642 |
| Cash and bank balances | 541,344 | 508,873 | 467,890 | 506,626 | 569,832 |
| **Total current assets** | **1,029,915** | **967,805** | **959,223** | **994,037** | **1,088,023** |
| **Current liabilities** | | | | | |
| Trade payables | 81,340 | 58,871 | 71,647 | 73,238 | 47,082 |
| Other payables and accruals | 507,518 | 491,633 | 661,357 | 721,371 | 707,742 |
| Amounts due to holding companies | 1,969,067 | 1,629,727 | 3,832,285 | 3,692,386 | 449 |
| Amounts due to fellow subsidiaries | 26,664 | 25,586 | 26,377 | 30,477 | 31,444 |
| Loans from a holding company | 204,869 | 237,869 | 499,869 | 499,869 | – |
| Lease liabilities | 24,501 | 35,546 | 35,811 | 36,069 | 34,438 |
| Tax payables | 62,629 | 32,332 | 30,458 | 39,637 | 71,411 |
| Bank and other borrowings | 327,500 | 233,000 | 213,000 | 193,000 | 193,000 |
| **Total current liabilities** | **3,204,088** | **2,744,564** | **5,370,804** | **5,286,047** | **1,085,566** |
| **Net current (liabilities)/assets** | **(2,174,173)** | **(1,776,759)** | **(4,411,581)** | **(4,292,010)** | **2,457** |

As of December 31, 2023, 2024, 2025 and April 30, 2026, we recorded net current liabilities of HKD2,174.2 million, HKD1,776.8 million, HKD4,411.6 million and HKD4,292.0 million, respectively. Our net current liabilities position was primarily attributable to amounts due to holding companies and loans from a holding company. Amounts due to holding companies primarily represented trade-related balances, and other balances which are non-trade in nature, unsecured, interest-free and repayable on demand. The increase in our net current liabilities as of December 31, 2025 was mainly due to the increase in amounts due to holding companies as a result of the dividends declared by our subsidiaries to their shareholders, amounting to HKD2,625.0 million as of December 31, 2025. For details of amounts due to holding companies and loans from a holding company, see "—Related Party Transactions." As of August 31, 2026, we recorded net current assets of HKD2.5 million.

Our net current liabilities position has been improved since May 13, 2026 because non-trade amounts due to holding companies and loans from a holding company of HKD4,333.9 million as of April 30, 2026 were assigned to the Company on May 13, 2026, in consideration of which the Company allotted and issued a certain number of Shares to China Travel HK. Following the debt assignment and the share allotment, the amounts previously owed by us to China Travel HK were capitalized and extinguished. See "History and Development—The Spin-off Reorganization" and Notes 2.2 and 25 to the Accountants' Report set out in Appendix I to this listing document for details. As a result, the amounts due to holding companies decreased to HKD0.4 million as of August 31, 2026 and loans from a holding company decreased to nil as of the same date, and we recorded net current assets of HKD2.5 million as of August 31, 2026.

Further, taking into account, the financial resources available to us, including cash flows from operating activities, and cash and cash equivalents at the end of the Track Record Period, our Directors are of the view that we will have sufficient funds to meet our working capital requirements and financial requirements for capital expenditure for at least the next 12 months from the date of this listing document.

Our net assets increased from HKD6,860.9 million as of December 31, 2023 to HKD7,038.9 million as of December 31, 2024, primarily attributable to the profit for the year of HKD194.1 million in 2024, partially offset by net exchange differences on translation of foreign operations of HKD16.7 million. Our net assets decreased from HKD7,038.9 million as of December 31, 2024 to HKD4,417.2 million as of December 31, 2025, primarily attributable to (i) dividends declared to the then shareholders of HKD2,625.0 million, and (ii) the dividends declared to non-controlling shareholders of HKD131.5 million, partially offset by the profit for the year of HKD117.5 million in 2025 and net exchange differences on translation of foreign operations of HKD15.7 million. Our net assets increased from HKD4,417.2 million as of December 31, 2025 to HKD4,451.3 million as of April 30, 2026, primarily attributable to (i) the profit for the period of HKD23.1 million for the four months ended April 30, 2026, and (ii) net exchange differences on translation of foreign operations of HKD10.6 million.

**Cash Flows**

The following table sets out our cash flows for the periods indicated:

| | Year ended December 31, | | | Four months ended April 30, | |
|---|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2025** | **2026** |
| | *(HKD in thousands)* | | | | |
| | | | | *(unaudited)* | |
| Net cash flows from operating activities | 825,659 | 675,489 | 560,880 | 180,566 | 219,884 |
| Net cash flows used in investing activities | (1,589,673) | (147,754) | (39,004) | (28,806) | (626) |
| Net cash flows from/(used in) financing activities | 528,230 | (558,329) | (572,118) | (136,368) | (183,864) |
| Net (decrease)/increase in cash and cash equivalents | (235,784) | (30,594) | (50,242) | 15,392 | 35,394 |
| Cash and cash equivalents at beginning of year/period | 781,212 | 541,344 | 508,284 | 508,284 | 467,301 |
| Effect of foreign exchange rate changes, net | (4,084) | (2,466) | 9,259 | 7,407 | 3,342 |
| **Cash and cash equivalents at end of year/period** | **541,344** | **508,284** | **467,301** | **531,083** | **506,037** |

***Net Cash Flows from Operating Activities***

Our net cash flows generated from operating activities of HKD219.9 million for the four months ended April 30, 2026 primarily reflect our profit before taxation of HKD37.0 million, as adjusted by (A) certain non-cash or non-operating items which mainly consisted of (i) depreciation of HKD101.2 million, (ii) fair value loss of investment properties of HKD56.5 million and (iii) share of profits of associates of HKD20.9 million; (B) changes in working capital which mainly consisted of (i) decrease in trade receivables, deposits, prepayments and other receivables of HKD24.2 million, (ii) an increase in trade payables, other payables and accruals of HKD44.8 million and (iii) an increase in inventories of HKD3.5 million; and (C) Hong Kong, PRC and Macao profits taxes paid of HKD12.9 million.

Our net cash flows generated from operating activities of HKD560.9 million in 2025 primarily reflect our profit before taxation of HKD196.3 million, as adjusted by (A) certain non-cash or non-operating items which mainly consisted of (i) depreciation of HKD300.4 million, (ii) fair value loss of investment properties of HKD182.3 million and (iii) share of profits of associates of HKD48.1 million; (B) changes in working capital which mainly consisted of (i) an increase in trade receivables, deposits, prepayments and other receivables of HKD44.1 million, (ii) a decrease in inventories of HKD10.7 million, and (iii) an increase in trade payables, other payables and accruals of HKD5.1 million; and (C) Hong Kong, PRC and Macao profits taxes paid of HKD72.5 million.

Our net cash flows generated from operating activities of HKD675.5 million in 2024 primarily reflect our profit before taxation of HKD303.7 million, as adjusted by (A) certain non-cash or non-operating items which mainly consisted of (i) depreciation of HKD299.9 million, (ii) fair value loss of investment properties of HKD206.7 million and (iii) gain on disposal of property, plant and equipment of HKD23.6 million; (B) changes in working capital including (i) a decrease in trade receivables, deposits, prepayments and other receivables of HKD38.2 million, and (ii) a decrease in trade payables, other payables and accruals of HKD23.2 million; and (C) Hong Kong, PRC and Macao profits taxes paid of HKD108.1 million.

Our net cash flows generated from operating activities of HKD825.7 million in 2023 primarily reflect our profit before taxation of HKD567.8 million, as adjusted by (A) certain non-cash or non-operating items which mainly consisted of (i) depreciation of HKD256.7 million, (ii) share of profits of associates of HKD33.9 million, (iii) finance costs of HKD31.0 million and (iv) fair value loss of investment properties of HKD21.5 million; (B) changes in working capital which mainly consisted of (i) an increase in trade payables, other payables and accruals of HKD148.9 million; and (ii) an increase in trade receivables, deposits, prepayments and other receivables of HKD131.1 million; and (C) Hong Kong, PRC and Macao profits taxes paid of HKD12.9 million.

***Net Cash Flows Used in Investing Activities***

Our net cash flows used in investing activities for the four months ended April 30, 2026 were HKD0.6 million, primarily attributable to purchases of property, plant and equipment and other intangible assets of HKD17.6 million and purchase of investment properties of HKD7.1 million, partially offset by dividends received from an associate of HKD22.7 million.

Our net cash flows used in investing activities in 2025 were HKD39.0 million, primarily attributable to purchases of property, plant and equipment and other intangible assets of HKD57.5 million and purchase of investment properties of HKD17.8 million, partially offset by dividends received from an associate of HKD30.4 million.

Our net cash flows used in investing activities in 2024 were HKD147.8 million, primarily attributable to purchases of property, plant and equipment and other intangible assets of HKD223.3 million, partially offset by proceeds from disposal of property, plant and equipment of HKD65.7 million.

Our net cash flows used in investing activities in 2023 were HKD1,589.7 million, primarily attributable to acquisition of a subsidiary, net of HKD897.9 million, purchases of property, plant and equipment and other intangible assets of HKD663.8 million, and purchase of investment properties of HKD31.5 million.

***Net Cash Flows from/(Used in) Financing Activities***

Our net cash flows used in financing activities for the four months ended April 30, 2026 were HKD183.9 million, primarily attributable to net repayment of bank and other borrowings of HKD20.0 million, repayment to a holding company of HKD139.1 million, payment of principal element of lease rental of HKD15.4 million and payment of finance costs of HKD8.3 million.

Our net cash flows used in financing activities in 2025 were HKD572.1 million, primarily attributable to repayment to a holding company of HKD421.6 million, repayment of bank and other borrowings of HKD50.0 million, payment of principal element of lease rental of HKD43.8 million and payment of finance costs of HKD36.7 million.

Our net cash flows used in financing activities in 2024 were HKD558.3 million, primarily attributable to repayment to a holding company of HKD335.4 million, repayment of bank and other borrowings of HKD172.5 million, payment of finance costs of HKD54.2 million and payment of principal element of lease rental of HKD37.2 million.

Our net cash flows from financing activities in 2023 were HKD528.2 million, primarily attributable to advances from a holding company of HKD298.4 million, partially offset by repayment of bank and other borrowings of HKD40.0 million, payment of finance costs of HKD29.3 million and payment of principal element of lease rental of HKD26.7 million.

## INDEBTEDNESS

The following table sets forth the breakdown of our indebtedness as of the dates indicated:

| | As of December 31, | | | As of April 30, | As of August 31, |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 | 2026 |
| | *(HKD in thousands)* | | | | *(unaudited)* |
| **Current** | | | | | |
| Bank and other borrowings | 327,500 | 233,000 | 213,000 | 193,000 | 193,000 |
| Lease liabilities | 24,501 | 35,546 | 35,811 | 36,069 | 34,438 |
| Amounts due to holding companies (non-trade) | 1,963,132 | 1,627,757 | 3,831,085 | 3,691,967 | – |
| Amounts due to fellow subsidiaries (non-trade) | 24,995 | 20,228 | 24,719 | 22,192 | 21,113 |
| Loans from a holding company | 204,869 | 237,869 | 499,869 | 499,869 | – |
| **Non-current** | | | | | |
| Other borrowings | 183,882 | 150,882 | 150,882 | 150,882 | 150,882 |
| Lease liabilities | 33,481 | 54,727 | 37,350 | 30,815 | 25,525 |
| Loans from a holding company | 493,882 | 460,882 | 150,882 | 150,882 | – |
| **Total** | **3,256,242** | **2,820,891** | **4,943,598** | **4,775,676** | **424,958** |

## Bank and Other Borrowings

As of December 31, 2023, 2024, 2025 and April 30, 2026, all our bank and other borrowings were unsecured. The following table sets forth our borrowings as of the dates indicated:

| | As of December 31, | | | As of April 30, | As of August 31, |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 | 2026 |
| | *(HKD in thousands)* | | | | *(unaudited)* |
| **Current** | | | | | |
| Bank loan | 327,500 | 200,000 | 180,000 | 160,000 | 160,000 |
| Other loan | – | 33,000 | 33,000 | 33,000 | 33,000 |
| **Non-current** | | | | | |
| Other loan | 183,882 | 150,882 | 150,882 | 150,882 | 150,882 |
| **Total** | **511,382** | **383,882** | **363,882** | **343,882** | **343,882** |

Our bank and other borrowings during the Track Record Period were primarily used to supplement our working capital and meet our capital expenditure requirements. During the Track Record Period, the effective interest rate for our interest-bearing borrowings ranged from 1.40% to 6.37%. As of August 31, 2026, we had interest-bearing borrowings of HKD343.9 million. As of August 31, 2026, we had unutilized bank facilities of HKD140.0 million.

No guarantees were provided to us by related parties or by us to related parties during the Track Record Period.

## Lease Liabilities

Our lease liabilities increased from HKD58.0 million as of December 31, 2023 to HKD90.3 million as of December 31, 2024, primarily due to an increase in our leased properties, in line with our business expansion. It then decreased to HKD73.2 million as of December 31, 2025, primarily due to the lease payments made during the year. Our lease liabilities decreased from HKD73.2 million as of December 31, 2025 to HKD66.9 million as of April 30, 2026 and further to HKD60.0 million as of August 31, 2026, primarily due to lease payment made during the respective periods.

## Loans from a Holding Company

As of December 31, 2023, 2024, 2025 and April 30, 2026, we had certain loans from our holding company China Travel HK, which were non-trade in nature. These loans were made to us to support our operations and working capital requirements. As part of the Spin-off Reorganization, such loans were assigned to the Company, in consideration of which the Company allotted and issued a certain number of Shares. As a result, loans from a holding company decreased to nil as of August 31, 2026. See "History and Development—The Spin-off Reorganization" and Note 25 to the Accountants' Report set out in Appendix I to this listing document for details.

### Indebtedness Statement

Our Directors further confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

As of August 31, 2026, being the most recent practicable date for purposes of the indebtedness disclosures in this listing document, except as discussed above, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Since August 31, 2026, and up to the date of this listing document, there had been no material change to our indebtedness.

## CAPITAL EXPENDITURES

Our capital expenditure primarily consisted of additions of property, plant and equipment (including right-of-use assets), investment properties and assets from the acquisition of a subsidiary. We funded our capital expenditure primarily with cash generated from operating activities and borrowings.

Our total capital expenditure was HKD1,644.8 million, HKD281.5 million and HKD115.1 million in 2023, 2024, 2025 and HKD37.8 million for the four months ended April 30, 2026, respectively.

We plan to finance our future capital expenditures primarily with available financial resources, including cash generated from operations, and potential future financing.

## CAPITAL COMMITMENTS

As of December 31, 2023, 2024, 2025 and April 30, 2026, we had capital commitments of HKD149.6 million, HKD84.1 million, HKD27.7 million and HKD40.5 million, respectively, primarily related to (i) property projects, land and buildings, and (ii) the acquisition of plant and equipment and motor vehicles.

## CONTINGENT LIABILITIES

We had a performance bond of HKD0.3 million as of each of December 31, 2023, 2024, 2025 and April 30, 2026, which was provided by us to secure our obligations in connection with the lease of one sales stand.

Except as discussed above, we did not have any material contingent liabilities as of December 31, 2023, 2024, 2025 and April 30, 2026. We confirm that as of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

## OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

During the Track Record Period and up to the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

## KEY FINANCIAL RATIOS

The table below sets forth the key financial ratios of our Group as of the dates indicated:

| | As of December 31, | | | As of April 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| Current ratio [(1)] | 0.3 | 0.4 | 0.2 | 0.2 |
| Quick ratio[(2)] | 0.3 | 0.3 | 0.2 | 0.2 |
| Gearing ratio[(3)] | 17.6% | 15.4% | 23.0% | 22.3% |

*Notes:*

(1) Current ratio represents current assets divided by current liabilities as of the same date.

(2) Quick ratio represents current assets less inventories, divided by current liabilities as of the same date.

(3) Gearing ratio represents total borrowings divided by total equity as of the same date.

## RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. The following table sets forth a breakdown of our amounts due to and amounts due from as well as loans from related parties, classified as trade and non-trade balances, as of the dates indicated:

| | As of December 31, | | | As of April 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(HKD in thousands)* | | | |
| **Amounts due from holding companies** | | | | |
| trade nature | 26,821 | 20,076 | 14,982 | 21,476 |
| **Amounts due from fellow subsidiaries** | | | | |
| trade nature | 31,134 | 22,646 | 23,231 | 24,738 |
| non-trade nature | 16,787 | 38,521 | 41,083 | 49,602 |
| | **47,921** | **61,167** | **64,314** | **74,340** |
| **Amounts due to holding companies** | | | | |
| trade nature | 5,935 | 1,970 | 1,200 | 419 |
| non-trade nature | 1,963,132 | 1,627,757 | 3,831,085 | 3,691,967 |
| | **1,969,067** | **1,629,727** | **3,832,285** | **3,692,386** |
| **Amounts due to fellow subsidiaries** | | | | |
| trade nature | 1,669 | 5,358 | 1,658 | 8,285 |
| non-trade nature | 24,995 | 20,228 | 24,719 | 22,192 |
| | **26,664** | **25,586** | **26,377** | **30,477** |
| **Loans from a holding company** | | | | |
| non-trade nature | 698,751 | 698,751 | 650,751 | 650,751 |

During the Track Record Period, our related party transactions of a trade nature primarily arose from the provision of travel-document and related services, hotel operation services and passenger transportation services.

The following table sets forth the movement in balances with related parties as of April 30, 2026:

| | As of April 30, 2026 | Amounts Settled under the Spin-off Reorganization | Upon Completion of Spin-off Reorganization on May 13, 2026 |
|---|---|---|---|
| | | *(HKD in thousands)* | |
| **Amounts due from holding companies** | | | |
| trade nature | 21,476 | – | 21,476 |
| **Amounts due from fellow subsidiaries** | | | |
| trade nature | 24,738 | – | 24,738 |
| non-trade nature | 49,602 | – | 49,602 |
| **Amounts due to holding companies** | | | |
| trade nature | 419 | – | 419 |
| non-trade nature | 3,691,967 | 3,683,181 | 8,786 |
| **Amounts due to fellow subsidiaries** | | | |
| trade nature | 8,285 | – | 8,285 |
| non-trade nature | 22,192 | – | 22,192 |
| **Loans from a holding company** | | | |
| non-trade nature | 650,751 | 650,751 | – |

***Trade Balances***

The following table sets forth a breakdown of balances with related parties of trade nature by the business segment where they arose from as of the dates indicated:

| | As of December 31, | | | As of April 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | | *(HKD in thousands)* | | |
| Amounts due from holding companies and fellow subsidiaries | **57,955** | **42,722** | **38,213** | **46,214** |
| – passenger transportation | 8,276 | 2,640 | 3,761 | 4,933 |
| – hotel operations | 808 | 3,636 | 6,157 | 7,691 |
| – travel-document and related services | 34,057 | 27,679 | 22,063 | 27,458 |
| – corporate and others | 14,814 | 8,767 | 6,232 | 6,132 |
| Amounts due to holding companies and fellow subsidiaries | **7,604** | **7,328** | **2,858** | **8,704** |
| – passenger transportation | 1,386 | 5,055 | 1,351 | 2,955 |
| – hotel operations | – | – | 39 | 5,168 |
| – travel-document and related services | 6,218 | 2,273 | 1,468 | 433 |
| – corporate and others | – | – | – | 148 |

Our amounts due from holding companies and fellow subsidiaries primarily arose from transactions in our passenger transportation, hotel operations, travel-document and related services, and corporate and others. For passenger transportation, certain holding companies and fellow subsidiaries act as agents for the sale of tickets for our bus and ferry transportation services. For hotel operations, certain holding companies and fellow subsidiaries act as agents for hotel room bookings. For travel-document and related services, we act as an agent in providing travel-document administration services. For corporate and others, we lease properties to certain holding companies and fellow subsidiaries.

***Passenger transportation.*** The balance of amounts due from holding companies and fellow subsidiaries related to passenger transportation decreased from HKD8.3 million as of December 31, 2023 to HKD2.6 million as of December 31, 2024, primarily due to a decrease in ticket sales through one of our fellow subsidiaries acting as our sales agent for bus and ferry tickets.

***Hotel operations.*** The balance of amounts due from holding companies and fellow subsidiaries related to hotel operations increased from HKD0.8 million as of December 31, 2023 to HKD3.6 million as of December 31, 2024, further to HKD6.2 million as of December 31, 2025, and further to HKD7.7 million as of April 30, 2026, primarily due to changes in hotel room bookings made through fellow subsidiaries acting as our hotel booking agents.

***Travel-document and related services.*** The balance of amounts due from holding companies and fellow subsidiaries related to travel-document and related services decreased from December 31, 2023 to December 31, 2025, primarily due to a decrease in agency fees receivable for travel-document administration services.

***Corporate and others.*** The balance of amounts due from holding companies and fellow subsidiaries related to corporate and others decreased from December 31, 2023 to April 30, 2026, primarily due to the continued settlement of rental payments owed to us by fellow subsidiaries.

Our amounts due to holding companies and fellow subsidiaries primarily arose from services provided to us by our holding companies and fellow subsidiaries in connection with our passenger transportation, travel-document and related services, and hotel operations. The balance of amounts due to holding companies and fellow subsidiaries related to passenger transportation increased as of December 31, 2024, primarily due to the acquisition of one of our joint ventures. The balance of amounts due to holding companies and fellow subsidiaries related to travel-document and related services decreased from December 31, 2023 to April 30, 2026, primarily due to a decrease in service fees payable in connection with travel-document administration services.

Our Directors are of the view that each such transaction was conducted in the ordinary course of business on an arm's length basis and on normal commercial terms between the relevant parties. Our Directors are also of the view that these transactions did not distort our results during the Track Record Period or render our historical results non-reflective of our future performance.

***Non-trade Balances***

Our non-trade balances with related parties primarily represented intra-group funding arrangements, dividends payable and shareholder loans. Our non-trade amounts due from and due to fellow subsidiaries primarily represented intra-group funding arrangements, which were unsecured, interest-free and repayable on demand.

Our non-trade amounts due to holding companies primarily represented (i) intra-group funding arrangements, which were unsecured, interest-free and repayable on demand; and (ii) dividends declared by our subsidiaries to their shareholders, totally amounting to HKD3,692.0 million as of April 30, 2026. Loans from a holding company represented shareholder loans from China Travel HK. As part of the Spin-off Reorganization, non-trade amounts due to holding companies and the loans from China Travel HK of HKD4,333.9 million as of April 30, 2026 were assigned to the Company on May 13, 2026, in consideration of which the Company allotted and issued a certain number of Shares to China Travel HK. Following the debt assignment and the share allotment, the amounts previously owed by us to China Travel HK were capitalized and extinguished. See "History and Development—The Spin-off Reorganization" and Notes 2.2, 11 and 25 to the Accountants' Report set out in Appendix I to this listing document for details. Our non-trade amounts due to fellow subsidiaries primarily represented intra-group funding arrangements, which were unsecured, interest-free and repayable on demand.

Except for those that had been settled under the Spin-off Reorganization, we expect all non-trade balances with related parties as of April 30, 2026 to be settled upon the Listing, primarily using our internal resources and cash generated from operating activities, or through waiver arrangement.

## MARKET RISK DISCLOSURE

### Liquidity Risk

Liquidity risk is the risk of non-availability of funds to meet all contractual financial commitments as they fall due. Our objective is to maintain a prudent financial policy, to monitor liquidity ratios against risk limits and to maintain a contingency plan for funding to ensure that we maintain sufficient cash to meet our liquidity requirements.

### Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to us. Our credit risk is primarily attributable to trade and other receivables and balances with group companies. Our exposure to credit risk arising from cash and cash balance is limited because the counterparties are banks and financial institutions with sound credit ratings, for which we consider to have low credit risk.

For detailed discussion of these risks, see Note 39 to the Accountants' Report set out in Appendix I to this listing document.

### Foreign Currency Risk

The monetary assets and transactions of several subsidiaries of us are principally denominated in foreign currencies, which exposes us to foreign currency risk. We currently have no particular hedging vehicles to hedge the exposure to foreign exchange risk. It is our policy to monitor foreign exchange exposure and to make use of appropriate hedging measures when required.

For detailed discussion of these risks, see Note 39 to the Accountants' Report set out in Appendix I to this listing document.

### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Our exposure to changes in interest rates relates primarily to our bank loans. We do not use financial derivatives to hedge against the interest rate risk. For details, see Note 39 to the Accountants' Report set out in Appendix I to this listing document.

## DISTRIBUTABLE RESERVES

As of April 30, 2026, we did not have any distributable reserves.

## DIVIDEND

In 2023, 2024, 2025 and for the four months ended April 30, 2026, no dividends were declared or distributed by our Company.

Currently, we do not have a formal dividend policy or a fixed or predetermined dividend distribution ratio. In determining or recommending the frequency, amount and form of any dividend in any financial year, the Board shall consider factors including, but not limited to, our actual and expected financial performance of our Group, economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of our Group, our business strategies and operations, including future cash commitments and investment needs to sustain the long-term growth aspect of the business, the current and future liquidity position and capital requirements and any other factors that the Board deems appropriate. The dividend payout ratio will vary from year to year. There is no assurance that dividends will be paid in any particular amount for any given period. As we are a holding company incorporated under the laws of the Cayman Islands, the payment and amount of any future dividends will be subject to certain restrictions under Cayman Islands law, namely that our Company may only pay dividends either out of profits and/or share premium account, and provided always that in no circumstances may a dividend be paid out of share premium if this would result in our Company being unable to pay its debts as they fall due in the ordinary course of business. Our future declarations of dividends may or may not reflect our historical declarations of dividends.

## LISTING EXPENSES

The total listing expenses for the Listing are estimated to be approximately HKD54.3 million, including (i) professional fees of the professional parties for their services rendered in relation to the Listing, including sponsor fees, fees for legal advisors, reporting accountants, the internal control consultant and the independent industry consultant of approximately HKD46.8 million; and (ii) other fees and expenses of approximately HKD7.5 million. Listing expenses of HKD8.8 million were charged to our combined income statements for the four months ended April 30, 2026. We estimate that HKD45.5 million of listing expenses will be charged to our combined income statements for the year ending December 31, 2026.

## UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

For details, see "Appendix II—Unaudited Pro Forma Financial Information."

## PROPERTY INTERESTS AND VALUATION

Jones Lang LaSalle Limited, an independent property valuation company, has valued our property interests of our properties as of July 31, 2026 and is of the opinion that our property interests were valued at an aggregate amount of approximately HKD5,232.9 million as of July 31, 2026. Texts of its letter, valuation report and valuation certificate in connection with such property interests are set out in Appendix III to this listing document.

The table below sets forth the reconciliation between the net book value of our property interests as of April 30, 2026 reflected in our combined statements of financial position as set out in the Accountants' Report in Appendix I to this listing document and the market value as of July 31, 2026 as stated in the property valuation report in Appendix III to this listing document:

| | *(HKD in thousands)* |
|---|---|
| Net book value of the property interests as of April 30, 2026 | 4,301,936 |
| Less: Depreciation for the three months ended July 31, 2026 (1) | (16,319) |
| Exchange realignment | 7,563 |
| Net book value of the property interests as of July 31, 2026 (1) | 4,293,180 |
| Valuation surplus (1) | 939,691 |
| Valuation of the property interests as of July 31, 2026 (1) | 5,232,871 |

*Note:*

(1) For illustration purposes only, Renminbi amounts have been translated into Hong Kong dollar at the rate of RMB0.86559 to HKD1.00, being the exchange rate published by the People's Bank of China on July 31, 2026.

## NO MATERIAL ADVERSE CHANGE

Our Directors confirm that up to the date of this listing document, there had been no material adverse change in our financial condition, operations, or prospects since April 30, 2026, being the latest balance sheet date of our combined financial statements as set out in the Accountants' Report included in Appendix I to this listing document.

## DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

*The following is the text of a report, prepared for the purpose of incorporation in this document, received from the Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong*

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道 979 號
太古坊一座 27 樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

**ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF CTG HONGKONG AND MACAO CULTURE AND TOURISM HOLDING LIMITED AND CHINA GALAXY INTERNATIONAL SECURITIES (HONG KONG) CO., LIMITED**

**Introduction**

We report on the historical financial information of CTG Hongkong and Macao Culture and Tourism Holding Limited (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-4 to I-86, which comprises the combined income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 and the four months ended 30 April 2026 (the "**Relevant Periods**"), and the combined statements of financial position of the Group as at 31 December 2023, 2024 and 2025 and 30 April 2026, the statements of financial position of the Company as at 31 December 2025 and 30 April 2026 and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-4 to I-86 forms an integral part of this report, which has been prepared for inclusion in the listing document of the Company dated 30 October 2026 (the "**Listing Document**") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

**Directors' responsibility for the Historical Financial Information**

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

**Reporting accountants' responsibility**

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group as at 31 December 2023, 2024 and 2025 and 30 April 2026 and the Company as at 31 December 2025 and 30 April 2026 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

**Review of interim comparative financial information**

We have reviewed the interim comparative financial information of the Group which comprises the combined income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the four months ended 30 April 2025 and other explanatory information (the "**Interim Comparative Financial Information**"). The directors of the Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

**Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance**

**Adjustments**

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

**Dividends**

We refer to note 11 to the Historical Financial Information which contains information about the dividends declared by subsidiaries of the Company to China Travel International Investment Hong Kong Limited, their then immediate holding company and non-controlling shareholders during the year ended 31 December 2025.

**No historical financial statements for the Company**

As at the date of this report, no statutory financial statements have been prepared for the Company since its date of incorporation.

**Ernst & Young**
*Certified Public Accountants*
Hong Kong
30 October 2026

## I HISTORICAL FINANCIAL INFORMATION

### Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The combined financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Hong Kong dollars and all values are rounded to the nearest thousand ("**HK$'000**") except when otherwise indicated.

### COMBINED INCOME STATEMENTS

| | | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|---|
| | *Notes* | **2023** | **2024** | **2025** | **2025** | **2026** |
| | | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| | | | | | *(unaudited)* | |
| **Revenue** | *5* | 2,191,133 | 2,241,940 | 2,197,836 | 734,266 | 720,881 |
| Cost of sales | | (1,385,156) | (1,493,198) | (1,573,853) | (502,368) | (553,706) |
| **Gross profit** | | 805,977 | 748,742 | 623,983 | 231,898 | 167,175 |
| Other income and gains, net | *7* | 85,307 | 83,871 | 74,497 | 22,944 | 24,808 |
| Fair value loss of investment properties | *14* | (21,500) | (206,701) | (182,270) | (121,187) | (56,450) |
| Selling and distribution costs | | (64,096) | (67,901) | (67,949) | (21,182) | (21,231) |
| Administrative expenses | | (256,409) | (259,563) | (273,480) | (81,029) | (91,634) |
| **Operating profit** | *7* | 549,279 | 298,448 | 174,781 | 31,444 | 22,668 |
| Finance income | *6* | 19,137 | 12,369 | 7,950 | 3,387 | 1,450 |
| Finance costs | *6* | (30,967) | (51,451) | (38,694) | (15,481) | (9,313) |
| Finance costs, net | *6* | (11,830) | (39,082) | (30,744) | (12,094) | (7,863) |
| Share of profits and losses of: | | | | | | |
| – associates | | 33,916 | 46,664 | 48,137 | 17,756 | 20,893 |
| – joint ventures | | (3,559) | (2,349) | 4,087 | 2,199 | 1,335 |
| **Profit before taxation** | | 567,806 | 303,681 | 196,261 | 39,305 | 37,033 |
| Tax expense | *10* | (88,521) | (109,595) | (78,779) | (37,600) | (13,900) |
| **Profit for the year/period** | | 479,285 | 194,086 | 117,482 | 1,705 | 23,133 |
| **Attributable to:** | | | | | | |
| Equity owners of the Company | | 486,377 | 207,258 | 133,853 | 8,708 | 34,515 |
| Non-controlling interests | | (7,092) | (13,172) | (16,371) | (7,003) | (11,382) |
| **Profit for the year/period** | | 479,285 | 194,086 | 117,482 | 1,705 | 23,133 |
| **Earnings per share for profit attributable to equity owners of the Company (HK cents)** | | | | | | |
| Basic and diluted earnings per share | *12* | N/A | N/A | N/A | N/A | N/A |

## COMBINED STATEMENTS OF COMPREHENSIVE INCOME

| | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| | | | | *(unaudited)* | |
| **Profit for the year/period** | 479,285 | 194,086 | 117,482 | 1,705 | 23,133 |
| Other comprehensive income/(loss) for the year/period | | | | | |
| *Items that will not be reclassified subsequently to profit or loss:* | | | | | |
| Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling), net of tax | 45 | 593 | 1,649 | 999 | 331 |
| Exchange differences on translation of foreign operations attributable to non-controlling interests, net | (9) | (532) | 2 | (425) | 546 |
| *Items that may be reclassified subsequently to profit or loss:* | | | | | |
| Exchange differences on translation of foreign operations attributable to equity owners of the Company, net | (7,454) | (16,179) | 15,718 | (417) | 10,069 |
| **Other comprehensive income/(loss) for the year/period, net of tax** | (7,418) | (16,118) | 17,369 | 157 | 10,946 |
| **Total comprehensive income for the year/period** | 471,867 | 177,968 | 134,851 | 1,862 | 34,079 |
| **Attributable to:** | | | | | |
| Equity owners of the Company | 478,946 | 191,375 | 150,396 | 8,791 | 44,750 |
| Non-controlling interests | (7,079) | (13,407) | (15,545) | (6,929) | (10,671) |
| Total comprehensive income for the year/period | 471,867 | 177,968 | 134,851 | 1,862 | 34,079 |

## COMBINED STATEMENTS OF FINANCIAL POSITION

| | Notes | As at 31 December | | | As at 30 April |
|---|---|---|---|---|---|
| | | 2023 | 2024 | 2025 | 2026 |
| | | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | *13* | 5,230,210 | 5,156,799 | 5,002,140 | 4,934,611 |
| Investment properties | *14* | 3,312,483 | 3,097,458 | 2,918,329 | 2,889,339 |
| Goodwill | *15* | 1,292,923 | 1,292,923 | 1,292,923 | 1,292,923 |
| Other intangible assets | *16* | 112,734 | 121,301 | 121,301 | 121,301 |
| Investments in associates | *18* | 90,670 | 133,072 | 154,946 | 153,179 |
| Investments in joint ventures | *19* | 25,410 | 23,061 | 27,148 | 28,483 |
| Equity investments | *20* | 903 | 1,496 | 3,145 | 3,476 |
| Deposits | *23* | 1,556 | 1,351 | 1,998 | 1,610 |
| Deferred tax assets | *31* | 114,070 | 71,731 | 55,835 | 53,972 |
| Total non-current assets | | 10,180,959 | 9,899,192 | 9,577,765 | 9,478,894 |
| **Current assets** | | | | | |
| Inventories | *21* | 133,497 | 129,553 | 118,845 | 122,326 |
| Trade receivables | *22* | 105,129 | 102,648 | 129,737 | 94,583 |
| Deposits, prepayments and other receivables | *23* | 174,373 | 144,972 | 162,922 | 174,056 |
| Amounts due from holding companies | *25* | 26,821 | 20,076 | 14,982 | 21,476 |
| Amounts due from fellow subsidiaries | *25* | 47,921 | 61,167 | 64,314 | 74,340 |
| Pledged and restricted deposits | *24* | 830 | 516 | 533 | 630 |
| Cash and bank balances | *24* | 541,344 | 508,873 | 467,890 | 506,626 |
| Total current assets | | 1,029,915 | 967,805 | 959,223 | 994,037 |
| **Total assets** | | 11,210,874 | 10,866,997 | 10,536,988 | 10,472,931 |

| | Notes | As at 31 December 2023 | 2024 | 2025 | As at 30 April 2026 |
|---|---|---|---|---|---|
| | | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| **EQUITY AND LIABILITIES** | | | | | |
| **EQUITY** | | | | | |
| **Equity attributable to equity owners of the Company** | | | | | |
| Share capital | *32* | 234 | 234 | 234 | 234 |
| Reserves | | 6,112,980 | 6,304,355 | 3,829,777 | 3,874,527 |
| | | 6,113,214 | 6,304,589 | 3,830,011 | 3,874,761 |
| **Non-controlling interests** | | 747,705 | 734,298 | 587,229 | 576,558 |
| **Total equity** | | 6,860,919 | 7,038,887 | 4,417,240 | 4,451,319 |
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| Deferred income | *28* | 7,823 | 2,572 | 460 | 420 |
| Loans from a holding company | *25* | 493,882 | 460,882 | 150,882 | 150,882 |
| Lease liabilities | *30* | 33,481 | 54,727 | 37,350 | 30,815 |
| Other borrowings | *29* | 183,882 | 150,882 | 150,882 | 150,882 |
| Deferred tax liabilities | *31* | 426,799 | 414,483 | 409,370 | 402,566 |
| Total non-current liabilities | | 1,145,867 | 1,083,546 | 748,944 | 735,565 |
| **Current liabilities** | | | | | |
| Trade payables | *26* | 81,340 | 58,871 | 71,647 | 73,238 |
| Other payables and accruals | *27* | 507,518 | 491,633 | 661,357 | 721,371 |
| Amounts due to holding companies | *25* | 1,969,067 | 1,629,727 | 3,832,285 | 3,692,386 |
| Amounts due to fellow subsidiaries | *25* | 26,664 | 25,586 | 26,377 | 30,477 |
| Loans from a holding company | *25* | 204,869 | 237,869 | 499,869 | 499,869 |
| Lease liabilities | *30* | 24,501 | 35,546 | 35,811 | 36,069 |
| Tax payables | | 62,629 | 32,332 | 30,458 | 39,637 |
| Bank and other borrowings | *29* | 327,500 | 233,000 | 213,000 | 193,000 |
| Total current liabilities | | 3,204,088 | 2,744,564 | 5,370,804 | 5,286,047 |
| **Total liabilities** | | 4,349,955 | 3,828,110 | 6,119,748 | 6,021,612 |
| **Net current liabilities** | | 2,174,173 | 1,776,759 | 4,411,581 | 4,292,010 |
| **Total equity and liabilities** | | 11,210,874 | 10,866,997 | 10,536,988 | 10,472,931 |

## COMBINED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

| | Attributable to equity owners of the Company | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Merger reserve[1] | Building revaluation reserve[3] | Capital reserve[4] | PRC reserve funds[2] | Exchange fluctuation reserve | Fair value reserve (non-recycling) | Retained profits | Total | Non-controlling interests | Total equity |
| | *HK$'000* (note 32) | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| **At 1 January 2023** | 234 | 1,642,810 | 937,670 | (4,031) | 4,407 | (50,055) | 858 | 3,102,375 | 5,634,268 | 754,784 | 6,389,052 |
| **Comprehensive income/(loss)** | | | | | | | | | | | |
| Profit/(loss) for the year | – | – | – | – | – | – | – | 486,377 | 486,377 | (7,092) | 479,285 |
| Other comprehensive income/(loss) for the year: | | | | | | | | | | | |
| Fair value changes of equity investments at fair value through other comprehensive income, net of tax | – | – | – | – | – | – | 23 | – | 23 | 22 | 45 |
| Exchange differences on translation of foreign operations, net | – | – | – | – | – | (7,454) | – | – | (7,454) | (9) | (7,463) |
| Total other comprehensive income/(loss) for the year, net of tax | – | – | – | – | – | (7,454) | 23 | – | (7,431) | 13 | (7,418) |
| Total comprehensive income/(loss) for the year | – | – | – | – | – | (7,454) | 23 | 486,377 | 478,946 | (7,079) | 471,867 |
| **Transactions with owners** | | | | | | | | | | | |
| Transfer from retained profits | – | – | – | – | 25 | – | – | (25) | – | – | – |
| **At 31 December 2023** | 234 | 1,642,810* | 937,670* | (4,031)* | 4,432* | (57,509)* | 881* | 3,588,727* | 6,113,214 | 747,705 | 6,860,919 |

Year ended 31 December 2024

| | Attributable to equity owners of the Company | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Merger reserve[1] | Building revaluation reserve[3] | Capital reserve[4] | PRC reserve funds[2] | Exchange fluctuation reserve | Fair value reserve (non-recycling) | Retained profits | Total | Non-controlling interests | Total equity |
| | *HK$'000 (note 32)* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| **At 1 January 2024** | 234 | 1,642,810 | 937,670 | (4,031) | 4,432 | (57,509) | 881 | 3,588,727 | 6,113,214 | 747,705 | 6,860,919 |
| **Comprehensive income/(loss)** | | | | | | | | | | | |
| Profit/(loss) for the year | – | – | – | – | – | – | – | 207,258 | 207,258 | (13,172) | 194,086 |
| Other comprehensive income/(loss) for the year: | | | | | | | | | | | |
| Fair value changes of equity investments at fair value through other comprehensive income, net of tax | – | – | – | – | – | – | 296 | – | 296 | 297 | 593 |
| Exchange differences on translation of foreign operations, net | – | – | – | – | – | (16,179) | – | – | (16,179) | (532) | (16,711) |
| Total other comprehensive income/(loss) for the year, net of tax | – | – | – | – | – | (16,179) | 296 | – | (15,883) | (235) | (16,118) |
| Total comprehensive income/(loss) for the year | – | – | – | – | – | (16,179) | 296 | 207,258 | 191,375 | (13,407) | 177,968 |
| **Transactions with owners** | | | | | | | | | | | |
| Transfer from retained profits | – | – | – | – | 1,152 | – | – | (1,152) | – | – | – |
| **At 31 December 2024** | 234 | 1,642,810* | 937,670* | (4,031)* | 5,584* | (73,688)* | 1,177* | 3,794,833* | 6,304,589 | 734,298 | 7,038,887 |

Year ended 31 December 2025

| | Attributable to equity owners of the Company | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Merger reserve[1] | Building revaluation reserve[3] | Capital reserve[4] | PRC reserve funds[2] | Exchange fluctuation reserve | Fair value reserve (non-recycling) | Retained profits | Total | Non-controlling interests | Total equity |
| | *HK$'000 (note 32)* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| **At 1 January 2025** | 234 | 1,642,810 | 937,670 | (4,031) | 5,584 | (73,688) | 1,177 | 3,794,833 | 6,304,589 | 734,298 | 7,038,887 |
| **Comprehensive income/(loss)** | | | | | | | | | | | |
| Profit/(loss) for the year | – | – | – | – | – | – | – | 133,853 | 133,853 | (16,371) | 117,482 |
| Other comprehensive income/(loss) for the year: | | | | | | | | | | | |
| Fair value changes of equity investments at fair value through other comprehensive income, net of tax | – | – | – | – | – | – | 825 | – | 825 | 824 | 1,649 |
| Exchange differences on translation of foreign operations, net | – | – | – | – | – | 15,718 | – | – | 15,718 | 2 | 15,720 |
| Total other comprehensive income/(loss) for the year, net of tax | – | – | – | – | – | 15,718 | 825 | – | 16,543 | 826 | 17,369 |
| Total comprehensive income/(loss) for the year | – | – | – | – | – | 15,718 | 825 | 133,853 | 150,396 | (15,545) | 134,851 |
| **Transactions with owners** | | | | | | | | | | | |
| Transfer from retained profits | – | – | – | – | 337 | – | – | (337) | – | – | – |
| Dividends declared to non-controlling shareholders | – | – | – | – | – | – | – | – | – | (131,524) | (131,524) |
| Dividends declared to the then shareholders *(note 11)* | – | – | – | – | – | – | – | (2,624,974) | (2,624,974) | – | (2,624,974) |
| **At 31 December 2025** | 234 | 1,642,810* | 937,670* | (4,031)* | 5,921* | (57,970)* | 2,002* | 1,303,375* | 3,830,011 | 587,229 | 4,417,240 |

Four months ended 30 April 2026

| | Attributable to equity owners of the Company | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Merger reserve[1] | Building revaluation reserve[3] | Capital reserve[4] | PRC reserve funds[2] | Exchange fluctuation reserve | Fair value reserve (non-recycling) | Retained profits | Total | Non-controlling interests | Total equity |
| | *HK$'000* (note 32) | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| **At 1 January 2026** | 234 | 1,642,810 | 937,670 | (4,031) | 5,921 | (57,970) | 2,002 | 1,303,375 | 3,830,011 | 587,229 | 4,417,240 |
| **Comprehensive income/(loss)** | | | | | | | | | | | |
| Profit/(loss) for the period | – | – | – | – | – | – | – | 34,515 | 34,515 | (11,382) | 23,133 |
| Other comprehensive income for the period: | | | | | | | | | | | |
| Fair value changes of equity investments at fair value through other comprehensive income, net of tax | – | – | – | – | – | – | 166 | – | 166 | 165 | 331 |
| Exchange differences on translation of foreign operations, net | – | – | – | – | – | 10,069 | – | – | 10,069 | 546 | 10,615 |
| Total other comprehensive income for the period, net of tax | – | – | – | – | – | 10,069 | 166 | – | 10,235 | 711 | 10,946 |
| Total comprehensive income/(loss) for the period | – | – | – | – | – | 10,069 | 166 | 34,515 | 44,750 | (10,671) | 34,079 |
| **At 30 April 2026** | 234 | 1,642,810* | 937,670* | (4,031)* | 5,921* | (47,901)* | 2,168* | 1,337,890* | 3,874,761 | 576,558 | 4,451,319 |

Four months ended 30 April 2025 (unaudited)

| | Attributable to equity owners of the Company | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Merger reserve[1] | Building revaluation reserve[3] | Capital reserve[4] | PRC reserve funds[2] | Exchange fluctuation reserve | Fair value reserve (non-recycling) | Retained profits | Total | Non-controlling interests | Total equity |
| | *HK$'000 (note 32)* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| **At 1 January 2025** | 234 | 1,642,810 | 937,670 | (4,031) | 5,584 | (73,688) | 1,177 | 3,794,833 | 6,304,589 | 734,298 | 7,038,887 |
| **Comprehensive income/(loss)** | | | | | | | | | | | |
| Profit/(loss) for the period | – | – | – | – | – | – | – | 8,708 | 8,708 | (7,003) | 1,705 |
| Other comprehensive income/(loss) for the period: | | | | | | | | | | | |
| Fair value changes of equity investments at fair value through other comprehensive income, net of tax | – | – | – | – | – | – | 500 | – | 500 | 499 | 999 |
| Exchange differences on translation of foreign operations, net | – | – | – | – | – | (417) | – | – | (417) | (425) | (842) |
| Total other comprehensive income/(loss) for the period, net of tax | – | – | – | – | – | (417) | 500 | – | 83 | 74 | 157 |
| Total comprehensive income/(loss) for the period | – | – | – | – | – | (417) | 500 | 8,708 | 8,791 | (6,929) | 1,862 |
| **At 30 April 2025 (unaudited)** | 234 | 1,642,810 | 937,670 | (4,031) | 5,584 | (74,105) | 1,677 | 3,803,541 | 6,313,380 | 727,369 | 7,040,749 |

*Notes:*

1 The merger reserve represents the difference between the share capital of China Travel HK (defined in note 1) issued in exchange for the net assets of the subsidiaries acquired under common control arising from the group reorganisation in the prior years.

2 The PRC reserve funds are reserves set aside in accordance with the Companies Laws of the People's Republic of China as applicable to the Company's subsidiaries. Pursuant to the relevant laws and regulations for Sino-foreign joint venture enterprises, a portion of the profits of the Group's subsidiaries in the Chinese mainland has been transferred to the PRC reserve funds which are restricted as to use.

3 The building revaluation reserve represents surplus on revaluation of properties arising upon transfer of property, plant and equipment to investment properties in the prior years.

4 The capital reserve represents gains or losses arising on acquisition of non-controlling interests in the prior years.

* These reserve accounts comprise the total combined reserves of HK$6,112,980,000, HK$6,304,355,000, HK$3,829,777,000 and HK$3,874,527,000 in the combined statements of financial position as at 31 December 2023, 2024 and 2025, and 30 April 2026, respectively.

## COMBINED STATEMENTS OF CASH FLOWS

| | Notes | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|---|
| | | 2023 | 2024 | 2025 | 2025 | 2026 |
| | | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| | | | | | *(unaudited)* | |
| **Cash flows from operating activities** | | | | | | |
| Profit before taxation | | 567,806 | 303,681 | 196,261 | 39,305 | 37,033 |
| Adjustments for: | | | | | | |
| Finance income | *6* | (19,137) | (12,369) | (7,950) | (3,387) | (1,450) |
| Finance costs | *6* | 30,967 | 51,451 | 38,694 | 15,481 | 9,313 |
| Loss/(gain) on disposal of property, plant and equipment, net | *7(a)* | 127 | (23,610) | (939) | – | (16) |
| Depreciation | *7(b)* | 256,672 | 299,909 | 300,426 | 102,002 | 101,181 |
| Provision for impairment of trade receivables, net | *7(b)* | 546 | 23 | 5,190 | 4,272 | 222 |
| Gain on bargain purchase of a subsidiary | *7(a)* | (4,819) | – | – | – | – |
| Fair value loss of investment properties | *7(b)* | 21,500 | 206,701 | 182,270 | 121,187 | 56,450 |
| Share of profits of associates | | (33,916) | (46,664) | (48,137) | (17,756) | (20,893) |
| Share of losses/(profits) of joint ventures, net | | 3,559 | 2,349 | (4,087) | (2,199) | (1,335) |
| | | 823,305 | 781,471 | 661,728 | 258,905 | 180,505 |
| Decrease/(increase) in inventories | | 7,030 | 3,944 | 10,708 | 1,614 | (3,481) |
| (Increase)/decrease in trade receivables, deposits, prepayments and other receivables | | (131,149) | 38,182 | (44,058) | (38,560) | 24,186 |
| (Increase)/decrease in amounts due from holding companies | | (17,357) | 6,745 | 5,094 | 5,127 | (6,494) |
| Decrease/(increase) in amounts due from fellow subsidiaries | | 1,834 | (13,246) | (3,147) | 24,203 | (10,027) |
| Increase/(decrease) in trade payables, other payables and accruals | | 148,894 | (23,165) | 5,174 | (49,610) | 44,770 |
| Increase/(decrease) in amounts due to fellow subsidiaries and holding companies | | 2,556 | (5,043) | 21 | (1,374) | 3,319 |
| Increase/(decrease) in deferred income, net of sales tax | | 3,452 | (5,251) | (2,112) | (2,151) | (40) |
| Cash flows from operations | | 838,565 | 783,637 | 633,408 | 198,154 | 232,738 |
| Hong Kong, PRC and Macao profits taxes paid | | (12,906) | (108,148) | (72,528) | (17,588) | (12,854) |
| Net cash flows from operating activities | | 825,659 | 675,489 | 560,880 | 180,566 | 219,884 |

| | Notes | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|---|
| | | 2023 | 2024 | 2025 | 2025 | 2026 |
| | | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* (unaudited) | *HK$'000* |
| **Cash flows from investing activities** | | | | | | |
| Finance income received | | 19,137 | 12,369 | 7,950 | 3,387 | 1,450 |
| Dividends received from an associate | | – | 15,200 | 30,400 | 15,200 | 22,660 |
| Purchases of property, plant and equipment and other intangible assets | | (663,831) | (223,257) | (57,519) | (47,663) | (17,627) |
| Proceeds from disposal of property, plant and equipment | | 792 | 65,690 | 2,159 | 270 | 101 |
| Purchase of investment properties | *14* | (31,500) | (6,544) | (17,839) | – | (7,113) |
| Capital contributions to associates | | (15,840) | (10,937) | (4,138) | – | – |
| Acquisition of a subsidiary, net | *33* | (897,929) | – | – | – | – |
| Withdrawal of pledged and restricted deposits | | – | 314 | – | – | – |
| Placement of pledged and restricted deposits | | (502) | – | (17) | – | (97) |
| Placement of non-pledged time deposits with original maturity of more than three months when acquired | | – | (589) | – | – | – |
| Net cash flows used in investing activities | | (1,589,673) | (147,754) | (39,004) | (28,806) | (626) |
| **Cash flows from financing activities** | | | | | | |
| Principal element of lease rental paid | | (26,667) | (37,170) | (43,778) | (13,955) | (15,433) |
| Interest element of lease rental paid | | (1,672) | (4,117) | (2,017) | (1,556) | (1,057) |
| Finance costs paid | | (29,295) | (54,167) | (36,677) | (13,925) | (8,256) |
| New bank and other borrowings | | 17,500 | 45,000 | 30,000 | 150,000 | 160,000 |
| Repayment of bank and other borrowings | | (40,000) | (172,500) | (50,000) | (200,000) | (180,000) |
| New loans from a holding company | | 310,000 | – | – | – | – |
| Repayment of loans from a holding company | | – | – | (48,000) | (48,000) | – |
| Advances from a holding company | | 298,364 | 267,803 | – | – | – |
| Repayment to a holding company | | – | (603,178) | (421,646) | (8,932) | (139,118) |
| Net cash flows from/(used in) financing activities | | 528,230 | (558,329) | (572,118) | (136,368) | (183,864) |
| **Net (decrease)/increase in cash and cash equivalents** | | (235,784) | (30,594) | (50,242) | 15,392 | 35,394 |
| Cash and cash equivalents at beginning of year/period | | 781,212 | 541,344 | 508,284 | 508,284 | 467,301 |
| Effect of foreign exchange rate changes, net | | (4,084) | (2,466) | 9,259 | 7,407 | 3,342 |
| Cash and cash equivalents at end of year/period | *24(a)* | 541,344 | 508,284 | 467,301 | 531,083 | 506,037 |

## STATEMENT OF FINANCIAL POSITION OF THE COMPANY

| | As at 31 December 2025 | As at 30 April 2026 |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| **LIABILITIES** | | |
| **Current liability** | | |
| Amount due to a holding company | –* | 8,786 |
| Total current liability | –* | 8,786 |
| | –* | 8,786 |
| **Total liabilities** | –* | 8,786 |
| **EQUITY** | | |
| Share capital | –* | –* |
| Accumulated losses | –* | (8,786) |
| | –* | (8,786) |

* The balance represents an amount less than HK$1,000.

## II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

### 1. CORPORATE INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands on 12 September 2025. The registered office of the Company is located at P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 – 1205, Cayman Islands. The principal place of business of the Company is located at 12th Floor, CTG House, 78-83 Connaught Road Central, Hong Kong. In the opinion of the Company's directors, the immediate holding company of the Company is China Travel International Investment Hong Kong Limited ("**China Travel HK**"), the intermediate holding company is China Travel Service (Holdings) Hong Kong Limited ("**CTS (Holdings)**"), which are both incorporated in Hong Kong, and the ultimate holding company is China Tourism Group Corporation Limited, a People's Republic of China (the "**PRC**") state-owned enterprise.

The Company is an investment holding company. During the Relevant Periods, the Company's subsidiaries are principally engaged in the following activities (the "**Relevant Businesses**"):

- Travel document and related services
- Hotel operations
- Passenger transportation operations

Prior to incorporation of the Company and the completion of the Spin-off Reorganization, the Relevant Businesses were mainly carried out by the subsidiaries of China Travel HK.

The Company and its subsidiaries now comprising the Group underwent the Spin-off Reorganization as set out in the paragraph headed "Spin-off Reorganization" in the section headed "History and Development" in the Listing Document. Apart from the Spin-off Reorganization, the Company has not commenced any business or operation since its incorporation.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong). The particulars of the Group's principal subsidiaries are set out below:

| Name | Place of incorporation/ registration and operation | Particulars of issued share capital/(registered capital) | Proportion of ordinary shares/ equity held by the Group (%) | | | | Principal activity |
|---|---|---|---|---|---|---|---|
| | | | 2023 | 2024 | 2025 | 2026/4/30 | |
| Beijing CTS (Hong Kong) Grand Metropark Hotel Co., Ltd.[2,5] | PRC/ Chinese mainland | US$12,000,000 | 100 | 100 | 100 | 100 | Property investment holding and hotel operations |
| China Travel Service Entry Permit Service Hong Kong Limited[4] | Hong Kong | 10 ordinary shares HK$1,000 10,000 non-voting deferred shares HK$1,000,000 | 100 | 100 | 100 | 100 | Entry permit handling agency |
| China Travel Express Ltd.[3,4] | Hong Kong | 10,000 ordinary shares HK$10,000 | 50 | 50 | 50 | 50 | Passenger transportation |
| China Travel Hi-Tech Computer Hong Kong Ltd.[4] | Hong Kong | 10,000,000 ordinary shares HK$10,000,000 | 100 | 100 | 100 | 100 | Trading of computer equipment, provision of computer services and investment holding |
| China Travel Service Property Investment Hong Kong Limited[4] | Hong Kong | 11,075 ordinary shares HK$468,001,000 1,000,000 non-voting deferred shares HK$100,000,000 | 90.29 | 90.29 | 90.29 | 90.29 | Tour operations, PRC entry permit handling agency, investment holding and travel agency |
| China Travel Tours Transportation Services Hong Kong Ltd.[3,4] | Hong Kong | 2 ordinary shares HK$200 5,000 non-voting deferred shares HK$500,000 | 50 | 50 | 50 | 50 | Passenger transportation |

| Name | Place of incorporation/ registration and operation | Particulars of issued share capital/(registered capital) | Proportion of ordinary shares/ equity held by the Group (%) | | | | Principal activity |
|---|---|---|---|---|---|---|---|
| | | | 2023 | 2024 | 2025 | 2026/4/30 | |
| CTS H.K. Metropark Hotels Management Company Ltd.[4] | Hong Kong | 100,001 ordinary shares HK$100,001 | 100 | 100 | 100 | 100 | Hotel management |
| Beijing HK CTS Grand Metropark Hotels Management Co., Ltd.[2,5] | PRC/ Chinese mainland | HK$5,000,000 | 100 | 100 | 100 | 100 | Hotel management |
| Glading Development Ltd.[4] | Hong Kong | 2 ordinary shares HK$2 2 non-voting deferred shares HK$2 | 100 | 100 | 100 | 100 | Property investment holding and hotel operations |
| Guangdong CTS (HK) & Jinhuang Transportation Ltd.[1, 3, 5] | PRC/ Chinese mainland | HK$30,000,000 | 50 | 50 | 50 | 50 | Passenger transportation |
| Hotel Metropole Holdings Ltd.[4] | BVI/Hong Kong | 1 ordinary share of US$1 each 100 non-voting deferred shares of US$1 each | 100 | 100 | 100 | 100 | Property investment holding and hotel operations |
| Metrocity Hotel Ltd.[4] | BVI/Hong Kong | 1 ordinary share of US$1 each 100 non-voting deferred shares of US$1 each | 100 | 100 | 100 | 100 | Property investment holding and hotel operations |
| New Bus Holdings Ltd.[3,4] | Hong Kong | 1,000,000 ordinary shares HK$1,000,000 | 40 | 40 | 40 | 40 | Passenger transportation |
| Sociedade De Fomento Predial Fu Wa (Macao), Limitada[6] | Macao | MOP200,000 | 100 | 100 | 100 | 100 | Property investment holding and hotel operations |
| Well Done Enterprises Inc.[4] | BVI/Hong Kong | 1 ordinary share of US$1 | 100 | 100 | 100 | 100 | Property investment holding and hotel operations |
| Silver Time (H.K.) Limited[4] | Hong Kong | 100 ordinary shares of HK$10,000 | 100 | 100 | 100 | 100 | Property investment |
| CTSHK Transportation (Macao) Company Limited[3,6] | Macao | MOP5,000,000 | 50 | 50 | 50 | 50 | Passenger transportation |
| Shenzhen CTS Transportation Limited[2, 3, 5] | PRC/ Chinese mainland | RMB10,000,000 | 50 | 50 | 50 | 50 | Passenger transportation and investment holding |
| China Travel Express (Zhuhai) Co., Ltd.[1, 3, 5] | PRC/ Chinese mainland | RMB10,000,000 | 50 | 50 | 50 | 50 | Passenger transportation |
| Macao CTS Passenger Road Transport Company Limited[3,6] | Macao | MOP5,000,000 | 25 | 25 | 25 | 25 | Passenger transportation |
| Shun Tak-China Travel Shipping Investments Limited[3, 4, 7] | BVI/Hong Kong | US$10,000 | 50 | 50 | 50 | 50 | Investment holding |
| Shun Tak-China Travel Ferries Limited[3, 4] | BVI/Hong Kong | US$2 | 50 | 50 | 50 | 50 | Investment holding |
| FEH Company Limited[3, 6] | Macao | MOP10,000,000 | 50 | 50 | 50 | 50 | Shipping |

| Name | Place of incorporation/ registration and operation | Particulars of issued share capital/(registered capital) | Proportion of ordinary shares/ equity held by the Group (%) | | | | Principal activity |
|---|---|---|---|---|---|---|---|
| | | | 2023 | 2024 | 2025 | 2026/4/30 | |
| Shun Tak China Travel Ship Management (Macau) Limited[3, 6] | Macao | MOP10,000,000 | 50 | 50 | 50 | 50 | Shipping Management |
| STCT Ferry Services (Macau) Limited[3, 6] | Macao | MOP10,000,000 | 50 | 50 | 50 | 50 | Shipping |
| Far East Hydrofoil Company, Limited[3, 4] | Hong Kong | HK$2,000 | 50 | 50 | 50 | 50 | Shipping |
| Shun Tak-China Travel Ship Management Limited[3, 4] | Hong Kong | HK$200 | 50 | 50 | 50 | 50 | Ship Management |
| Celeworld Limited[3, 4] | Hong Kong | HK$10 | 50 | 50 | 50 | 50 | Fuel supply |
| Ocean Shipbuilding & Engineering Limited[3, 4] | Hong Kong | HK$200 | 50 | 50 | 50 | 50 | Ship repairing |
| Shun Tak-China Travel Turbojet Limited[3, 4] | Hong Kong | HK$20 | 50 | 50 | 50 | 50 | Provision of food and beverage services |
| Shun Tak-China Travel International Marine Consultant Limited[3, 4] | Hong Kong | HK$2 | 50 | 50 | 50 | 50 | Investment holding |
| Turbojet Ferry Services (Guangzhou) Limited[3, 4] | Hong Kong | HK$2 | 50 | 50 | 50 | 50 | Investment holding |
| Estoril Tours Travel Agency Limited[3, 6] | Macao | MOP1,000,000 | 50 | 50 | 50 | 50 | Travel Agency |
| Hongkong Macao Hydrofoil Company, Limited[3, 4] | Hong Kong | HK$10,000,000 | 50 | 50 | 50 | 50 | Shipping |
| Sino Advantage Limited[3, 4] | Hong Kong | HK$2 | 50 | 50 | 50 | 50 | Logistics and courier services |
| Shun Tak-China Travel International Logistics Investment Limited[3, 4] | Hong Kong | HK$2 | 50 | 50 | 50 | 50 | Investment holding |
| Turbojet Travel Services Limited[3, 4] | Hong Kong | HK$750,000 | 50 | 50 | 50 | 50 | Travel agency |

The above table lists the subsidiaries of the Company which, in the opinion of the Company's directors, principally affected the results for the Relevant Periods or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Company's directors, result in particulars of excessive length.

The English names of certain subsidiaries referred to in the Historical Financial Information represent management's best efforts at translating the Chinese names of these companies as no English names have been registered.

*Notes:*

1. Registered as wholly-foreign-owned enterprises under PRC law.

2. Registered as limited liability companies under PRC law.

3. Proportion of the ordinary shares or equity held by the Group is not more than 50%, but the Group remains control over the entity because the Group owns more than half of the voting rights under the contractual agreement.

4. The statutory financial statements of these entities for the years ended 31 December 2023, 2024 and 2025 prepared under HKFRS Accounting Standards were audited by Ernst & Young, certified public accountants registered in Hong Kong.

5. The statutory financial statements of these entities for the years ended 31 December 2023, 2024 and 2025 prepared under China Accounting Standards for Business Enterprises ("**CASBE**") were audited by ShineWing Certified Public Accountants (LLP), certified public accountants registered in Beijing.

6. No audited financial statements have been prepared for these entities for the years ended 31 December 2023, 2024 and 2025 and the four months ended 30 April 2026, as the entities were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of incorporation.

7. This entity is directly held by the Company.

**2.1 BASIS OF PRESENTATION**

Pursuant to the Spin-off Reorganization, as more fully explained in the paragraph headed "Spin-off Reorganization" in the section headed "History and Development" in the Listing Document, the Company became the holding company of the companies now comprising the Group subsequent to the end of the Relevant Periods on 13 May 2026. The companies now comprising the Group were under the common control of CTS (Holdings) (the "**Controlling Shareholder**") before and after the Spin-off Reorganization.

China Travel HK (the then "**Holding Company**") and its subsidiaries were principally engaged in the Relevant Businesses and other businesses (e.g., property development and investments) (the "**Non-relevant Businesses**") before the completion of the Spin-off Reorganization. For the purpose of presenting the financial position, operating results and cash flows of the Relevant Businesses, the subsidiaries of China Travel HK which solely operated in businesses unrelated to the Relevant Businesses, and the Non-relevant Businesses operated by certain subsidiaries of the Company were carved out from this Historical Financial Information.

Accordingly, for the purpose of this report, the Historical Financial Information has been prepared on a combined basis by applying the principles of merger accounting as if the Spin-off Reorganization had been completed at the beginning of the Relevant Periods.

The combined income statements, the combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of the Group for the Relevant Periods and the four months ended 30 April 2025 include the results and cash flows of all companies/businesses now comprising the Group from the earliest date presented or since the date when the subsidiaries and/or the Relevant Businesses first came under the common control of the Controlling Shareholder, where this is a shorter period. The combined statements of financial position of the Group as at 31 December 2023, 2024 and 2025 and 30 April 2026 have been prepared to present the assets and liabilities of the subsidiaries and/or the Relevant Businesses using the existing book values from the Controlling Shareholder's perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Spin-off Reorganization.

Equity interests in subsidiaries and/or businesses held by parties other than the Controlling Shareholder and changes therein, prior to the Spin-off Reorganization are presented as non-controlling interests in equity in applying the principles of merger accounting.

All intra-group transactions and balances have been eliminated on combination.

**2.2 BASIS OF PREPARATION**

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) as issued by the HKICPA. All HKFRS Accounting Standards effective for the accounting period commencing from 1 January 2026, together with the relevant transitional provisions, have been consistently adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention except that the following assets have been measured at fair value as explained in the material accounting policies in note 2.4 to the Historical Financial Information:

- investment properties, including interests in leasehold land and buildings held as investment properties where the Group is the registered owner of the property interest; and
- equity investments measured at fair value through other comprehensive income.

As at 30 April 2026, the Group has net current liabilities of approximately HK$4,292.0 million. Included within current liabilities is an amount payable to China Travel HK, the immediate holding company, of HK$4,191.7 million. Subsequent to the end of the Relevant Periods, pursuant to the Spin-off Reorganization as more fully explained in the paragraph headed "Spin-off Reorganization" in the section headed "History and Development" in the Listing Document, on 13 May 2026, the amount payable to China Travel HK was assigned by China Travel HK to the Company under debt assignment agreements, in consideration for the allotment and issue of new ordinary shares to China Travel HK ("**Debt Assignment**"). Upon completion of the Debt Assignment, except for an amount due to China Travel HK of HK$8.8 million in connection with the listing expenses, the amount previously owed by the Group to China Travel HK was capitalised and extinguished at the Group level. Taking into account the cash flows from operations for the twelve months from 30 April 2026 and the financial support from China Travel HK through the Debt Assignment, the directors of the Company believe that the Group will have sufficient financial resources to settle the financial liabilities and payments that will be due within the next twelve months. Consequently, the Historical Financial Information has been prepared on a going concern basis.

## 2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective for the Relevant Periods, in this Historical Financial Information. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

| | |
|---|---|
| HKFRS 18 | *Presentation and Disclosure in Financial Statements*[1] |
| HKFRS 19 and its amendments | *Subsidiaries without Public Accountability: Disclosures*[1] |
| HKFRS 20 | *Regulatory Assets and Regulatory Liabilities*[2] |
| Amendments to HKFRS 10 and HKAS 28 | *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3] |
| Amendments to HKAS 21 | *Translation to a Hyperinflationary Presentation Currency*[1] |
| Amendments to HKAS 28 | *Amendments to Fair Value Option for Investments in Associates and Joint Venture*[4] |

[1] Effective for annual/reporting periods beginning on or after 1 January 2027
[2] Effective for annual/reporting periods beginning on or after 1 January 2029
[3] No mandatory effective date yet determined but available for adoption
[4] Effective when an entity first applies HKFRS 18

The Group is in the process of making an assessment of the impact of these new and amended standards upon initial application. HKFRS 18 introduces new requirements for presentation within the income statement, including specified totals and subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. HKFRS 18 is not expected to have any impact on the statement of financial position of the Group but it will change the presentation in the Group's income statement and statement of cash flows and affect the disclosure in certain notes to the financial statements upon initial application. So far, the Group has expected that the other new and amended standards may result in changes in accounting policies but are unlikely to have a significant impact on the Group's results of operations and financial position in the periods of initial application.

## 2.4 MATERIAL ACCOUNTING POLICIES

### Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's profit or loss to the extent of dividends received and receivable. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

**Investments in associates and joint ventures**

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the income statement and statement of comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other case, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

**Business combinations (other than those under common control) and goodwill**

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

**Fair value measurement**

The Group measures its investment properties and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

| | | |
|---|---|---|
| Level 1 | – | based on quoted prices (unadjusted) in active markets for identical assets or liabilities |
| Level 2 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly |
| Level 3 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable |

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**Impairment of non-financial assets**

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the income statement in the period in which it arises.

**Related parties**

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

  (i) the entity and the Group are members of the same group;

  (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

  (iii) the entity and the Group are joint ventures of the same third party;

  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

  (vi) the entity is controlled or jointly controlled by a person identified in (a);

  (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

  (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

**Property, plant and equipment and depreciation**

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates or useful lives used for this purpose are as follows:

| | |
|---|---|
| Hotel properties | Over the shorter of the lease terms and 50 years |
| Leasehold land | Over the lease terms |
| Buildings | Over the shorter of the lease terms and 40 years |
| Right-of-use assets | Over the lease terms of 2 years to 8 years |
| Motor vehicles | 11.1% to 20% |
| Vessels | 6.7% |
| Furniture, fixtures and other assets | 33.3% |

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of each reporting period.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

**Investment properties**

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of each reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of the retirement or disposal.

**Other intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with indefinite useful lives (including trademarks and passenger service licenses and quota) are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

**Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

***Group as a lessee***

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

*(a) Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease terms.

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for "investment properties".

The other right-of-use assets are presented within "Property, plant and equipment" in the statement of financial position.

*(b) Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are separately presented in the statement of financial position.

*(c) Short-term leases*

The Group applies the short-term lease recognition exemption to its short-term leases (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

***Group as a lessor***

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the combined income statement due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

***Investments and other financial assets***

*Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 *Revenue from Contracts with Customers* in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset or a debt instrument to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while debt instruments classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

**Subsequent measurement**

***Financial assets at amortised cost (debt instruments)***

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

***Financial assets designated at fair value through other comprehensive income (equity investments)***

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the income statement. Dividends are recognised as other income in the income statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment. Upon disposal of these financial assets, the amount accumulated in "Fair value reserve (non-recycling)" in other comprehensive income is transferred directly to retained profits.

**Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

**Impairment of financial assets**

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

***General approach***

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

| | | |
|---|---|---|
| Stage 1 | – | Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs |
| Stage 2 | – | Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs |
| Stage 3 | – | Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs |

***Simplified approach***

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**Financial liabilities**

***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financial liabilities at amortised cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals, amounts due to holding companies and fellow subsidiaries, loans from a holding company and bank and other borrowings.

***Subsequent measurement***

*Financial liabilities at amortised cost (trade and other payables, and borrowings)*

After initial recognition, these financial liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the income statement.

**Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and, in the case of finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

**Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits (with original maturity within three months) as defined above and form an integral part of the Group's cash management.

**Provisions**

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

**Income tax**

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except that deferred tax is not recognised for the Pillar Two income taxes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**Government grants**

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful live of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the income statement by way of a reduced depreciation charge.

**Revenue recognition**

***Revenue from contracts with customers***

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(a) revenue arising from the sale of food and beverages, and other goods is recognised when the customer takes possession of and accepts the products. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis;

(b) revenue arising from the rendering of travel document-related services, hotel services and passenger transportation services is recognised when the services have been rendered;

(c) revenue arising from the sale of fuel is recognised upon delivery to customers and recognised at a point in time.

***Revenue from other sources***

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

***Other income***

Ferry terminal operation service income is recognised when the services have been rendered.

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

**Contract assets**

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

**Contract liabilities**

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

**Employee benefits**

***Pension schemes***

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in the Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute 5% of its payroll costs to the central pension scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

***Termination benefits***

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

***Defined benefit plans***

The Group's statutory obligation to pay long service payment in Hong Kong is a defined benefit plan. The cost of providing benefits relating to long service payment is determined using the projected unit credit actuarial valuation method. The liability recognised in the statement of financial position in respect of long service payment is the net obligation, representing the present value of the future long service payment benefits reduced by entitlements from accrued benefits arising from MPF contributions made by the Group. The offsetting of the MPF employer's contributions was stopped from 1 May 2025. Remeasurements arising from the defined benefit pension plans, comprising

- actuarial gains and losses;
- investment returns associated with the MPF employer contributions and other experience adjustments (excluding amounts included in net interest on the net defined benefit liability)

are recognised immediately in the statement of financial position with a corresponding debit or credit to retained profits through other comprehensive income in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss at the earlier of:

- the date of the plan amendment or curtailment; and
- the date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under "cost of sales" and "administrative expenses" in the income statement by function:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements;
- net interest expense or income.

**Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**Foreign currencies**

The Historical Financial Information is presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain subsidiaries, joint ventures and associates are currencies other than the Hong Kong dollars. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their income statements are translated into Hong Kong dollars at the exchange rates that approximate to those prevailing at the date of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the exchange fluctuation reserve relating to that particular foreign operation is recognised in the income statement.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates of the reporting period.

## 3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

**Judgement and estimation uncertainty**

The key assumptions concerning the future, and other key sources of judgement and estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

***(i) Estimation of fair value of investment properties***

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

(a) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;

(b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the dates of the transactions that occurred at those prices; and discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The carrying amounts of investment properties as at 31 December 2023, 2024 and 2025 and 30 April 2026 were HK$3,312,483,000, HK$3,097,458,000, HK$2,918,329,000 and HK$2,889,339,000, respectively. Further details, including the key assumptions used for fair value measurement, are given in note 14 to the Historical Financial Information.

***(ii) Impairment of non-financial assets (including goodwill)***

At the end of each reporting period, the Group performs an impairment assessment of non-financial assets if necessary. For goodwill, annual impairment test is performed at the end of each reporting period or when an indication of impairment exists.

Management judgement and estimation is required in the area of asset impairment, particularly in assessing whether (a) an event has occurred that may affect asset value; (b) the carrying value of an asset can be supported by the net present value of future cash flows from the asset using estimated cash flow projections or fair value less costs of disposal of the asset; and (c) the cash flow is discounted using an appropriate rate. Changing the assumptions selected by management could significantly affect the Group's reported financial position and results of operations.

The Group performed impairment assessment by adopting the value in use model or fair value model which calculated the recoverable amount based on the lowest cash generating unit to which the asset belongs. If the recoverable amount is lower than the carrying values of the assets, an impairment loss is recognised as an expense in the income statement.

Based on the impairment assessment performed by the management, the directors of the Company are of the opinion that there was no impairment of the Group's non-financial assets as of 31 December 2023, 2024 and 2025 and 30 April 2026.

## 4 OPERATING SEGMENT INFORMATION

The directors of the Company were the Group's chief operating decision-maker and regularly reviews the segment results of the operating segments now comprising the Group. Before the completion of the Spin-off Reorganization, the directors of China Travel HK regularly reviewed the segment results of the companies now comprising the Group. For management purposes, the Group's Relevant Businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments. No operating segments have been aggregated to form the reportable segments. A summary of details of the operating segments is as follows:

(a) the travel document and related services segment engages in the provision of travel document and related services in Hong Kong and the Chinese mainland;

(b) the hotel operations segment engages in the provision of hotel accommodation, food and beverage services in Hong Kong, Macao and the Chinese mainland; and

(c) the passenger transportation operations segment engages in the provision of cross-border transportation services to individuals travelling between Hong Kong, Macao and the Chinese mainland, vehicle and vessel rental and charter operations in Hong Kong, Macao and the Chinese mainland.

Management has determined the operating segments based on the information reviewed by the chief operating decision maker and monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on the profit attributable to equity owners of the Company of each reportable operating segment excluding gain on bargain purchase of a subsidiary, changes in fair value of investment properties and results from disposal of property, plant and equipment.

Segment assets include all tangible and intangible assets and current assets with the exception of deferred tax assets, investment properties, cash and bank balances and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities include all trade payables, other payables and accruals, bank and other borrowings, except for tax payables and deferred tax liabilities and head office and corporate liabilities that are managed on a group basis.

Inter-segment sales and transfers are transacted with reference to the selling prices for sales transactions made to third parties at the prevailing market prices.

**Year ended 31 December 2023**

| | Travel document and related services | Hotel operations | Passenger transportation operations | Total of reportable segments | Corporate and others | Total |
|---|---|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Segment revenue | | | | | | |
| Sales to external customers | 474,250 | 694,585 | 988,709 | 2,157,544 | 33,589 | 2,191,133 |
| Inter-segment revenue | 2,187 | – | – | 2,187 | 2,520 | 4,707 |
| | 476,437 | 694,585 | 988,709 | 2,159,731 | 36,109 | 2,195,840 |
| Elimination of inter-segment revenue | | | | (2,187) | (2,520) | (4,707) |
| Revenue | | | | 2,157,544 | 33,589 | 2,191,133 |
| Segment results | 250,769 | 158,754 | 19,580 | 429,103 | 74,057 | 503,160 |
| Non-controlling interests | | | | | | (7,091) |
| Profit before non-controlling interests | | | | | | 496,069 |
| Gain on bargain purchase of a subsidiary, net of tax | | | | | | 4,819 |
| Fair value loss of investment properties, net of tax | | | | | | (21,476) |
| Net loss on disposal of property, plant and equipment, net of tax | | | | | | (127) |
| Profit for the year | | | | | | 479,285 |
| Segment assets | 1,928,752 | 5,398,918 | 1,548,392 | 8,876,062 | 2,218,732 | 11,094,794 |
| Investments in associates | – | – | 90,670 | 90,670 | – | 90,670 |
| Investments in joint ventures | – | – | 25,410 | 25,410 | – | 25,410 |
| Inter-segment receivables | 79,783 | 475,302 | 164,842 | 719,927 | 411,041 | 1,130,968 |
| | 2,008,535 | 5,874,220 | 1,829,314 | 9,712,069 | 2,629,773 | 12,341,842 |
| Elimination of inter-segment receivables | | | | | | (1,130,968) |
| Total assets | | | | | | 11,210,874 |
| Segment liabilities | 267,085 | 1,609,094 | 1,392,756 | 3,268,935 | 1,081,020 | 4,349,955 |
| Inter-segment payables | 5,963 | 402,127 | 246,936 | 655,026 | 475,942 | 1,130,968 |
| | 273,048 | 2,011,221 | 1,639,692 | 3,923,961 | 1,556,962 | 5,480,923 |
| Elimination of inter-segment payables | | | | | | (1,130,968) |
| Total liabilities | | | | | | 4,349,955 |
| Other segment information: | | | | | | |
| Share of profits and losses of associates | – | – | 33,916 | 33,916 | – | 33,916 |
| Share of profits and losses of joint ventures | – | – | (3,559) | (3,559) | – | (3,559) |
| Capital expenditure *(Note (a))* | 95,174 | 1,507,951 | 17,313 | 1,620,438 | 24,356 | 1,644,794 |
| – owned property, plant and equipment | 56,223 | 563,535 | 12,473 | 632,231 | 23,262 | 655,493 |
| – right-of-use assets and prepaid land lease payments | 38,951 | 1,326 | 4,840 | 45,117 | 1,094 | 46,211 |
| – investment properties | – | 31,500 | – | 31,500 | – | 31,500 |
| – assets from acquisition of a subsidiary | – | 911,590 | – | 911,590 | – | 911,590 |
| Depreciation | 29,284 | 94,364 | 130,345 | 253,993 | 2,679 | 256,672 |
| – owned property, plant and equipment | 15,300 | 81,775 | 122,409 | 219,484 | – | 219,484 |
| – right-of-use assets and prepaid land lease payments | 13,984 | 12,589 | 7,936 | 34,509 | 2,679 | 37,188 |
| Provision for impairment of trade receivables | – | 546 | – | 546 | – | 546 |

**Year ended 31 December 2024**

| | Travel document and related services | Hotel operations | Passenger transportation operations | Total of reportable segments | Corporate and others | Total |
|---|---|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Segment revenue | | | | | | |
| Sales to external customers | 343,928 | 820,624 | 1,053,414 | 2,217,966 | 23,974 | 2,241,940 |
| Inter-segment revenue | 90 | 23 | – | 113 | 2,250 | 2,363 |
| | 344,018 | 820,647 | 1,053,414 | 2,218,079 | 26,224 | 2,244,303 |
| Elimination of inter-segment revenue | | | | (113) | (2,250) | (2,363) |
| Revenue | | | | 2,217,966 | 23,974 | 2,241,940 |
| Segment results | 176,028 | 202,845 | (10,506) | 368,367 | 14,044 | 382,411 |
| Non-controlling interests | | | | | | (11,609) |
| Profit before non-controlling interests | | | | | | 370,802 |
| Fair value loss of investment properties, net of tax | | | | | | (200,326) |
| Net gain on disposal of property, plant and equipment, net of tax | | | | | | 23,610 |
| Profit for the year | | | | | | 194,086 |
| Segment assets | 1,652,413 | 6,027,886 | 1,334,803 | 9,015,102 | 1,695,762 | 10,710,864 |
| Investments in associates | – | – | 133,072 | 133,072 | – | 133,072 |
| Investments in joint ventures | – | – | 23,061 | 23,061 | – | 23,061 |
| Inter-segment receivables | 94,707 | 788,855 | 221,633 | 1,105,195 | 1,891,130 | 2,996,325 |
| | 1,747,120 | 6,816,741 | 1,712,569 | 10,276,430 | 3,586,892 | 13,863,322 |
| Elimination of inter-segment receivables | | | | | | (2,996,325) |
| Total assets | | | | | | 10,866,997 |
| Segment liabilities | 120,276 | 2,507,271 | 1,080,619 | 3,708,166 | 119,944 | 3,828,110 |
| Inter-segment payables | 58,427 | 2,009,307 | 425,680 | 2,493,414 | 502,911 | 2,996,325 |
| | 178,703 | 4,516,578 | 1,506,299 | 6,201,580 | 622,855 | 6,824,435 |
| Elimination of inter-segment payables | | | | | | (2,996,325) |
| Total liabilities | | | | | | 3,828,110 |
| Other segment information: | | | | | | |
| Share of profits and losses of associates | – | – | 46,664 | 46,664 | – | 46,664 |
| Share of profits and losses of joint ventures | – | – | (2,349) | (2,349) | – | (2,349) |
| Capital expenditure *(Note (a))* | 53,822 | 202,604 | 25,053 | 281,479 | – | 281,479 |
| – owned property, plant and equipment | 29,861 | 173,463 | 2,137 | 205,461 | – | 205,461 |
| – right-of-use assets and prepaid land lease payments | 23,961 | 22,597 | 22,916 | 69,474 | – | 69,474 |
| – investment properties | – | 6,544 | – | 6,544 | – | 6,544 |
| Depreciation | 21,590 | 116,350 | 160,559 | 298,499 | 1,410 | 299,909 |
| – owned property, plant and equipment | 6,094 | 114,045 | 136,011 | 256,150 | 929 | 257,079 |
| – right-of-use assets and prepaid land lease payments | 15,496 | 2,305 | 24,548 | 42,349 | 481 | 42,830 |
| Provision for impairment of trade receivables | – | 23 | – | 23 | – | 23 |

**Year ended 31 December 2025**

| | Travel document and related services | Hotel operations | Passenger transportation operations | Total of reportable segments | Corporate and others | Total |
|---|---|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Segment revenue | | | | | | |
| Sales to external customers | 279,580 | 887,547 | 1,006,799 | 2,173,926 | 23,910 | 2,197,836 |
| Inter-segment revenue | – | 451 | – | 451 | – | 451 |
| | 279,580 | 887,998 | 1,006,799 | 2,174,377 | 23,910 | 2,198,287 |
| Elimination of inter-segment revenue | | | | (451) | – | (451) |
| Revenue | | | | 2,173,926 | 23,910 | 2,197,836 |
| Segment results | 111,230 | 201,034 | (9,662) | 302,602 | 1,857 | 304,459 |
| Non-controlling interests | | | | | | (15,039) |
| Profit before non-controlling interests | | | | | | 289,420 |
| Fair value loss of investment properties, net of tax | | | | | | (172,877) |
| Net gain on disposal of property, plant and equipment, net of tax | | | | | | 939 |
| Profit for the year | | | | | | 117,482 |
| Segment assets | 1,598,251 | 5,898,965 | 1,282,534 | 8,779,750 | 1,575,144 | 10,354,894 |
| Investments in associates | – | – | 154,946 | 154,946 | – | 154,946 |
| Investments in joint ventures | – | – | 27,148 | 27,148 | – | 27,148 |
| Inter-segment receivables | 55,262 | 58,247 | 253,671 | 367,180 | 2,691,705 | 3,058,885 |
| | 1,653,513 | 5,957,212 | 1,718,299 | 9,329,024 | 4,266,849 | 13,595,873 |
| Elimination of inter-segment receivables | | | | | | (3,058,885) |
| Total assets | | | | | | 10,536,988 |
| Segment liabilities | 119,588 | 2,162,370 | 720,295 | 3,002,253 | 3,117,495 | 6,119,748 |
| Inter-segment payables | 202,275 | 2,050,666 | 805,944 | 3,058,885 | – | 3,058,885 |
| | 321,863 | 4,213,036 | 1,526,239 | 6,061,138 | 3,117,495 | 9,178,633 |
| Elimination of inter-segment payables | | | | | | (3,058,885) |
| Total liabilities | | | | | | 6,119,748 |
| Other segment information: | | | | | | |
| Share of profits and losses of associates | – | – | 48,137 | 48,137 | – | 48,137 |
| Share of profits and losses of joint ventures | – | – | 4,087 | 4,087 | – | 4,087 |
| Capital expenditure *(Note (a))* | 9,759 | 14,450 | 42,082 | 66,291 | 48,816 | 115,107 |
| – owned property, plant and equipment | 3,212 | 10,854 | 23,884 | 37,950 | 34,236 | 72,186 |
| – right-of-use assets and prepaid land lease payments | 6,547 | 337 | 18,198 | 25,082 | – | 25,082 |
| – investment properties | – | 3,259 | – | 3,259 | 14,580 | 17,839 |
| Depreciation | 22,283 | 124,971 | 150,627 | 297,881 | 2,545 | 300,426 |
| – owned property, plant and equipment | 5,595 | 111,684 | 135,165 | 252,444 | 2,545 | 254,989 |
| – right-of-use assets and prepaid land lease payments | 16,688 | 13,287 | 15,462 | 45,437 | – | 45,437 |
| Provision for impairment of trade receivables | – | 5,190 | – | 5,190 | – | 5,190 |

**Four months ended 30 April 2025 (unaudited)**

| | Travel document and related services | Hotel operations | Passenger transportation operations | Total of reportable segments | Corporate and others | Total |
|---|---|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Segment revenue | | | | | | |
| Sales to external customers | 99,627 | 288,700 | 336,953 | 725,280 | 8,986 | 734,266 |
| Inter-segment revenue | – | 449 | – | 449 | – | 449 |
| | 99,627 | 289,149 | 336,953 | 725,729 | 8,986 | 734,715 |
| Elimination of inter-segment revenue | | | | (449) | – | (449) |
| Revenue | | | | 725,280 | 8,986 | 734,266 |
| Segment results | 49,866 | 71,520 | (266) | 121,120 | 648 | 121,768 |
| Non-controlling interests | | | | | | (5,486) |
| Profit before non-controlling interests | | | | | | 116,282 |
| Fair value loss of investment properties, net of tax | | | | | | (114,577) |
| Profit for the period | | | | | | 1,705 |
| Segment assets | 1,734,379 | 5,887,537 | 1,222,643 | 8,844,559 | 1,691,364 | 10,535,923 |
| Investments in associates | – | – | 135,628 | 135,628 | – | 135,628 |
| Investments in joint ventures | – | – | 25,260 | 25,260 | – | 25,260 |
| Inter-segment receivables | 51,641 | 56,047 | 217,511 | 325,199 | 2,614,660 | 2,939,859 |
| | 1,786,020 | 5,943,584 | 1,601,042 | 9,330,646 | 4,306,024 | 13,636,670 |
| Elimination of inter-segment receivables | | | | | | (2,939,859) |
| Total assets | | | | | | 10,696,811 |
| Segment liabilities | 123,456 | 2,124,569 | 842,299 | 3,090,324 | 3,081,143 | 6,171,467 |
| Inter-segment payables | 192,433 | 2,038,785 | 708,641 | 2,939,859 | – | 2,939,859 |
| | 315,889 | 4,163,354 | 1,550,940 | 6,030,183 | 3,081,143 | 9,111,326 |
| Elimination of inter-segment payables | | | | | | (2,939,859) |
| Total liabilities | | | | | | 6,171,467 |
| Other segment information: | | | | | | |
| Share of profits and losses of associates | – | – | 17,756 | 17,756 | – | 17,756 |
| Share of profits and losses of joint ventures | – | – | 2,199 | 2,199 | – | 2,199 |
| Capital expenditure *(Note (a))* | 3,357 | 604 | 21,772 | 25,733 | 12,641 | 38,374 |
| – owned property, plant and equipment | 1,686 | 267 | 13,526 | 15,479 | 12,641 | 28,120 |
| – right-of-use assets and prepaid land lease payments | 1,671 | 337 | 8,246 | 10,254 | – | 10,254 |
| – investment properties | – | – | – | – | – | – |
| Depreciation | 8,923 | 38,150 | 54,087 | 101,160 | 842 | 102,002 |
| – owned property, plant and equipment | 2,485 | 37,500 | 48,129 | 88,114 | 842 | 88,956 |
| – right-of-use assets and prepaid land lease payments | 6,438 | 650 | 5,958 | 13,046 | – | 13,046 |
| Provision for impairment of trade receivables | – | 4,272 | – | 4,272 | – | 4,272 |

**Four months ended 30 April 2026**

| | Travel document and related services | Hotel operations | Passenger transportation operations | Total of reportable segments | Corporate and others | Total |
|---|---|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Segment revenue | | | | | | |
| Sales to external customers | 81,185 | 291,557 | 340,112 | 712,854 | 8,027 | 720,881 |
| Inter-segment revenue | – | 32 | – | 32 | – | 32 |
| | 81,185 | 291,589 | 340,112 | 712,886 | 8,027 | 720,913 |
| Elimination of inter-segment revenue | | | | (32) | – | (32) |
| Revenue | | | | 713,454 | 7,427 | 720,881 |
| Segment results | 29,943 | 71,445 | (11,126) | 90,262 | (7,250) | 83,012 |
| Non-controlling interests | | | | | | (11,390) |
| Profit before non-controlling interests | | | | | | 71,622 |
| Fair value loss of investment properties, net of tax | | | | | | (48,505) |
| Net gain on disposal of property, plant and equipment, net of tax | | | | | | 16 |
| Profit for the period | | | | | | 23,133 |
| Segment assets | 1,634,591 | 5,948,813 | 1,256,082 | 8,839,486 | 1,451,783 | 10,291,269 |
| Investments in associates | – | – | 153,179 | 153,179 | – | 153,179 |
| Investments in joint ventures | – | – | 28,483 | 28,483 | – | 28,483 |
| Inter-segment receivables | 54,057 | 48,890 | 210,559 | 313,506 | 2,667,761 | 2,981,267 |
| | 1,688,648 | 5,997,703 | 1,648,303 | 9,334,654 | 4,119,544 | 13,454,198 |
| Elimination of inter-segment receivables | | | | | | (2,981,267) |
| Total assets | | | | | | 10,472,931 |
| Segment liabilities | 126,861 | 2,108,671 | 723,963 | 2,959,495 | 3,062,117 | 6,021,612 |
| Inter-segment payables | 200,921 | 2,054,274 | 726,072 | 2,981,267 | – | 2,981,267 |
| | 327,782 | 4,162,945 | 1,450,035 | 5,940,762 | 3,062,117 | 9,002,879 |
| Elimination of inter-segment payables | | | | | | (2,981,267) |
| Total liabilities | | | | | | 6,021,612 |
| Other segment information: | | | | | | |
| Share of profits and losses of associates | – | – | 20,893 | 20,893 | – | 20,893 |
| Share of profits and losses of joint ventures | – | – | 1,335 | 1,335 | – | 1,335 |
| Capital expenditure *(Note (a))* | 4,131 | – | 17,537 | 21,668 | 16,174 | 37,842 |
| – owned property, plant and equipment | – | – | 12,528 | 12,528 | 9,061 | 21,589 |
| – right-of-use assets and prepaid land lease payments | 4,131 | – | 5,009 | 9,140 | – | 9,140 |
| – investment properties | – | – | – | – | 7,113 | 7,113 |
| Depreciation | 7,984 | 38,664 | 53,556 | 100,204 | 977 | 101,181 |
| – owned property, plant and equipment | 1,736 | 37,950 | 46,496 | 86,182 | 977 | 87,159 |
| – right-of-use assets and prepaid land lease payments | 6,248 | 714 | 7,060 | 14,022 | – | 14,022 |
| Provision for impairment of trade receivables | – | 222 | – | 222 | – | 222 |

*Note:*

(a) Capital expenditure consists of additions of property, plant and equipment (including right-of-use assets), investment properties and assets from the acquisition of a subsidiary.

**Geographical information**

***(a) Revenue from external customers***

| | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2025** | **2026** |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| | | | | *(unaudited)* | |
| Hong Kong | 1,927,259 | 1,974,581 | 1,944,572 | 650,519 | 645,757 |
| Chinese mainland and Macao | 263,874 | 267,359 | 253,264 | 83,747 | 75,124 |
| | 2,191,133 | 2,241,940 | 2,197,836 | 734,266 | 720,881 |

The analysis of the Group's revenue by geographical area is based on the location of operations at which the services were provided and the location of the customers that the goods were sold.

***(b) Non-current assets***

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2026** |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Hong Kong | 9,146,757 | 8,802,688 | 8,534,826 | 8,458,074 |
| Chinese mainland and Macao | 917,673 | 1,021,926 | 981,961 | 961,762 |
| | 10,064,430 | 9,824,614 | 9,516,787 | 9,419,836 |

The information about the Group's non-current assets is based on the physical location of assets which exclude financial assets such as deposits in non-current portion and equity investments, and deferred tax assets.

**Information about major customers**

Revenue from sales to each major customer which amounted to 10% or more of the Group's total revenue during each of the Relevant Periods, including sales to a group of entities which are known to be under common control with that customer, is set out below:

| | Year ended 31 December | | | Four months ended 30 April |
|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2026** |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Travel document and related services segment: | | | | |
| Customer A | 397,669 | 302,382 | 233,196 | N/A* |
| Hotel operations segment: | | | | |
| Customer B | N/A* | N/A* | 264,751 | 101,294 |

* Less than 10% of the Group's total revenue.

## 5 REVENUE

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered during each of the Relevant Periods.

### (a) Disaggregation of revenue

| | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| | | | | *(unaudited)* | |
| Revenue from contracts with customers within the scope of HKFRS 15 | | | | | |
| Types of goods or services | | | | | |
| – Passenger transportation income | 988,709 | 1,053,414 | 1,006,799 | 336,953 | 340,112 |
| – Hotel income | 631,707 | 734,836 | 792,446 | 258,814 | 264,475 |
| – Travel document and related income | 474,250 | 343,928 | 279,580 | 99,627 | 81,185 |
| | 2,094,666 | 2,132,178 | 2,078,825 | 695,394 | 685,772 |
| Revenue from other sources | | | | | |
| Gross rental income from investment properties | | | | | |
| – Fixed lease payments | 96,467 | 109,762 | 119,011 | 38,872 | 35,109 |
| | 2,191,133 | 2,241,940 | 2,197,836 | 734,266 | 720,881 |

The Group's revenue by geographical area is disclosed in note 4(a) to the Historical Financial Information.

### (b) Performance obligations

Please refer to note 2.4 to the Historical Financial Information for the information of the Group's performance obligations.

For sales of goods, payment is generally due when the customers take possession of and accept the products, except for products with partial fulfilment of a contract covering other goods and/or services. For hotel operations, payment is generally due when the services have been rendered. For travel document and related services, payment is generally due when the services have been rendered. For passenger transportation operations, payment is generally due when the services have been rendered, except for sales of fuel, where payment is generally due upon delivery to customers.

As at the end of each of the Relevant Periods, there was no amount of the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) under the Group's existing contracts.

### (c) Timing of revenue recognition

For those revenue from contracts with customers within the scope of HKFRS 15, all the goods and services are transferred at a point in time, except for the services rendered from hotel operations which are transferred over time.

## 6 FINANCE COSTS, NET

| | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| | | | | *(unaudited)* | |
| Finance income: | | | | | |
| Bank interest income | 19,137 | 12,369 | 7,950 | 3,387 | 1,450 |
| Interest expense: | | | | | |
| Lease liabilities | (1,672) | (4,117) | (2,017) | (1,556) | (1,057) |
| Bank and other borrowings | (29,295) | (54,167) | (36,677) | (13,925) | (8,256) |
| | (30,967) | (58,284) | (38,694) | (15,481) | (9,313) |
| Less: Interest expense capitalised into property, plant and equipment | – | 6,833 | – | – | – |
| Finance costs | (30,967) | (51,451) | (38,694) | (15,481) | (9,313) |
| Finance costs, net | (11,830) | (39,082) | (30,744) | (12,094) | (7,863) |

* The borrowing costs had been capitalised during 31 December 2024 at a rate of 11.7% per annum.

## 7 OPERATING PROFIT

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

| | | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|---|
| | | 2023 | 2024 | 2025 | 2025 | 2026 |
| | | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| | | | | | *(unaudited)* | |
| (a) | Other income and gains, net | | | | | |
| | Foreign exchange differences, net | (2,701) | (64) | 3,193 | 201 | (1,855) |
| | Government grants[#] | (3,375) | – | (1,454) | (1,454) | (631) |
| | Loss/(gain) on disposal of property, plant and equipment, net | 127 | (23,610) | (939) | – | (16) |
| | Gain on bargain purchase of a subsidiary *(Note 33)* | (4,819) | – | – | – | – |
| | Other rental income, net | (12,723) | (13,009) | (13,108) | (4,230) | (4,254) |
| | Ferry terminal operation service income | (34,014) | (40,204) | (37,300) | (10,976) | (12,688) |
| | Others | (27,802) | (6,984) | (24,889) | (6,485) | (5,364) |
| | | (85,307) | (83,871) | (74,497) | (22,944) | (24,808) |
| (b) | Other items: | | | | | |
| | Depreciation charge *(Note 13)* | | | | | |
| | – owned property, plant and equipment | 219,484 | 257,079 | 254,989 | 88,956 | 87,159 |
| | – right-of-use assets | 37,188 | 42,830 | 45,437 | 13,046 | 14,022 |
| | | 256,672 | 299,909 | 300,426 | 102,002 | 101,181 |
| | Employee benefit expenses (including directors' remuneration) | | | | | |
| | – Wages and salaries | 660,262 | 678,091 | 706,845 | 221,365 | 239,061 |
| | – Retirement benefit scheme contributions | 18,653 | 16,735 | 17,788 | 5,836 | 6,788 |
| | | 678,915 | 694,826 | 724,633 | 227,201 | 245,849 |
| | Provision for impairment of trade receivables, net *(Note 22)* | 546 | 23 | 5,190 | 4,272 | 222 |
| | Lease payments not included in the measurement of lease liabilities | 6,312 | 4,258 | 6,636 | 3,247 | 1,295 |
| | Direct operating expenses of investment properties | 3,893 | 4,254 | 1,748 | 964 | 1,423 |
| | Fuel cost[##] | 250,733 | 258,966 | 236,410 | 76,309 | 105,851 |
| | Cost of inventories sold | 40,965 | 44,010 | 51,596 | 15,898 | 16,169 |
| | Auditor's remuneration | 2,246 | 3,390 | 3,867 | 1,171 | 1,335 |
| | Fair value loss of investment properties *(Note 14)* | 21,500 | 206,701 | 182,270 | 121,187 | 56,450 |
| | Listing expenses | – | – | – | – | 8,786 |

[#] The government grants received were recognised as other gain when conditions of these government grants were fulfilled. There were no unfulfilled conditions on contingencies relating to these grants as at the end of each of the Relevant Periods.

[##] The fuel cost for the Relevant Periods is included in "Cost of sales" in the combined income statements.

## 8 BENEFITS AND INTERESTS OF DIRECTORS

The Company was incorporated on 12 September 2025 and Mr. Tao Xiaobin was appointed as a director of the Company on the same day.

Save as the above, the Company did not have any chief executive, executive directors, non-executive directors or independent non-executive directors at any time during the Relevant Periods.

Subsequent to the end of the Relevant Periods, Mr. Tao Xiaobin was redesignated as an executive director of the Company and appointed as the chairman of the Company on 18 May 2026. Mr. Zhang Daorong was appointed as an executive director on the same day. Mr. Ha Yufeng and Mr. Tuen Chun Leung were appointed as non-executive directors of the Company on the same day. Ms. Lu Qiannan, Mr. Fok Kai Kong Kenneth, Ms. Liu Xinxin and Dr. Li Baolin were appointed as independent non-executive directors of the Company on the same day.

Mr. Tao Xiaobin, Mr. Zhang Daorong and Mr. Ha Yufeng received remuneration from China Travel HK for the services provided to China Travel HK and certain subsidiaries now comprising the Group. No remuneration was paid to them by these subsidiaries, as they were employees of China Travel HK during the Relevant Periods. The remuneration in respect of their services during each of the Relevant Periods was paid by China Travel HK.

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of each of the Relevant Periods or at any time during each of the Relevant Periods.

## 9 FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals during each of the Relevant Periods do not include any directors of the Company.

Details of the remuneration of the five highest paid individuals for each of the Relevant Periods are as follows:

| | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2025** | **2026** |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| | | | | *(unaudited)* | |
| Salaries, housing allowances, other allowances and benefits in kind | 4,910 | 5,772 | 5,998 | 1,847 | 1,202 |
| Discretionary bonuses | 1,570 | 2,171 | 1,037 | 860 | 1,526 |
| Retirement benefit scheme contributions | 174 | 566 | 374 | 49 | 73 |
| | 6,654 | 8,509 | 7,409 | 2,756 | 2,801 |

The number of non-director, non-chief executive highest paid employees whose emoluments fell within the following bands is as follows:

| | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | | | | *(unaudited)* | |
| HK$nil to HK$1,000,000 | – | – | – | 5 | 5 |
| HK$1,000,001 to HK$1,500,000 | 5 | 1 | 4 | – | – |
| HK$1,500,001 to HK$2,000,000 | – | 3 | 1 | – | – |
| HK$2,000,001 to HK$2,500,000 | – | 1 | – | – | – |
| | 5 | 5 | 5 | 5 | 5 |

## 10 TAX EXPENSE

(a) Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during each of the Relevant Periods and four months ended 30 April 2025. Taxes on assessable profits elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

| | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| | | | | *(unaudited)* | |
| Current – Hong Kong | | | | | |
| Charge for the year/period | 59,106 | 69,000 | 59,230 | 18,623 | 19,936 |
| Over-provision in prior years | (242) | (2,452) | (34) | – | – |
| | 58,864 | 66,548 | 59,196 | 18,623 | 19,936 |
| Current – Chinese mainland and Macao | | | | | |
| Charge for the year/period | 4,816 | 11,303 | 11,458 | 4,011 | 2,098 |
| Over-provision in prior years | – | – | – | – | – |
| | 4,816 | 11,303 | 11,458 | 4,011 | 2,098 |
| Deferred tax *(Note 31)* | 24,841 | 31,744 | 8,125 | 14,966 | (8,134) |
| Total tax expense for the year/period | 88,521 | 109,595 | 78,779 | 37,600 | 13,900 |

**Pillar Two income taxes**

The Group is a subsidiary of China Tourism Group Corporation Limited ("**China Tourism Group**"). China Tourism Group is within the scope of the Pillar Two model rules. The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes. The Group will account for the additional Pillar Two income taxes as current tax when incurred. From 1 January 2025, the Group is subject to Pillar Two rules in Hong Kong under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025.

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group as at the end of each of the Relevant Periods. As such, it may not be entirely representative of future circumstances. Based on preliminary assessment, the Group should be able to benefit from the transitional Country-by-Country Reporting (CbCR) safe harbour for most of the jurisdictions in which the Group operates during each of the Relevant Periods and four months ended 30 April 2025. The Group does not expect a material exposure to Pillar Two income taxes. The Group continues to follow Pillar Two legislative developments, as more countries prepare to enact the Pillar Two model rules, to evaluate the potential future impact on its financial statements.

(b) A reconciliation of the tax expense of the Group applicable to profit before tax at the applicable tax rates for the jurisdictions in which the majority of the Company's subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate is as follows:

| | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| | | | | *(unaudited)* | |
| Profit before taxation | 567,806 | 303,681 | 196,261 | 39,305 | 37,033 |
| Share of profits of associates, net | (33,916) | (46,664) | (48,137) | (17,756) | (20,893) |
| Share of losses/(profits) of joint ventures | 3,559 | 2,349 | (4,087) | (2,199) | (1,335) |
| | 537,449 | 259,366 | 144,037 | 19,350 | 14,805 |
| Tax at the applicable tax rates | 90,094 | 41,200 | 24,880 | 2,215 | 344 |
| Income not subject to tax | (19,031) | (14,016) | (10,663) | (5,504) | (3,638) |
| Expenses not deductible for tax purposes | 11,009 | 42,735 | 39,491 | 22,741 | 9,296 |
| Tax losses utilised from previous periods | (1,585) | (1,273) | (1,646) | (543) | (38) |
| Tax losses not recognised | 7,053 | 40,990 | 17,952 | 17,455 | 7,536 |
| Temporary difference not recognised | 1,223 | 2,411 | 8,799 | 1,236 | 400 |
| Over-provision in prior years, net | (242) | (2,452) | (34) | – | – |
| Tax expense | 88,521 | 109,595 | 78,779 | 37,600 | 13,900 |

## 11 DIVIDENDS

No dividends were declared or distributed by the Company during the years ended 31 December 2023, 2024, 2025 and the four months ended 30 April 2026. During the year ended 31 December 2025, dividends of approximately HK$2,624,974,000 and HK$131,524,000 were declared by subsidiaries of the Company to their shareholders, including their then holding company, China Travel HK and non-controlling shareholders respectively. As at 30 April 2026, the dividends amounting to HK$2,756,498,000 remained unpaid.

## 12 EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO EQUITY OWNERS OF THE COMPANY

Earnings per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful due to the Spin-off Reorganization and the presentation of the results of the Group for each of the Relevant Periods on a combined basis as disclosed in note 2.1 to the Historical Financial Information.

## 13 PROPERTY, PLANT AND EQUIPMENT

| | Hotel properties | Land and buildings | Construction in progress | Right-of-use assets | Motor vehicles | Other owned fixed assets | Total |
|---|---|---|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| 31 December 2023 | | | | | | | |
| At 1 January 2023 | | | | | | | |
| Cost | 4,396,106 | 1,658,968 | 454,041 | 140,967 | 284,370 | 2,091,456 | 9,025,908 |
| Accumulated depreciation and impairment | (1,886,650) | (580,248) | – | (83,830) | (224,914) | (1,461,821) | (4,237,463) |
| Net carrying amount | 2,509,456 | 1,078,720 | 454,041 | 57,137 | 59,456 | 629,635 | 4,788,445 |
| At 1 January 2023 | 2,509,456 | 1,078,720 | 454,041 | 57,137 | 59,456 | 629,635 | 4,788,445 |
| Additions | – | 650 | 548,962 | 46,211 | 2,896 | 102,985 | 701,704 |
| Acquisition of a subsidiary *(Note 33)* | – | – | – | – | – | 590 | 590 |
| Disposals and write-off | – | – | – | – | – | (919) | (919) |
| Depreciation | (60,528) | (31,775) | – | (37,188) | (20,915) | (106,266) | (256,672) |
| Transfer within property, plant and equipment | – | – | (1,931) | – | – | 1,931 | – |
| Currency translation differences | (672) | (206) | – | (269) | (278) | (1,513) | (2,938) |
| At 31 December 2023 | 2,448,256 | 1,047,389 | 1,001,072 | 65,891 | 41,159 | 626,443 | 5,230,210 |
| At 31 December 2023: | | | | | | | |
| Cost | 4,394,824 | 1,659,010 | 1,001,072 | 186,370 | 286,364 | 2,190,455 | 9,718,095 |
| Accumulated depreciation and impairment | (1,946,568) | (611,621) | – | (120,479) | (245,205) | (1,564,012) | (4,487,885) |
| Net carrying amount | 2,448,256 | 1,047,389 | 1,001,072 | 65,891 | 41,159 | 626,443 | 5,230,210 |

| | Hotel properties | Land and buildings | Construction in progress | Right-of-use assets | Motor vehicles | Other owned fixed assets | Total |
|---|---|---|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| 31 December 2024 | | | | | | | |
| At 31 December 2023 and at 1 January 2024 | | | | | | | |
| Cost | 4,394,824 | 1,659,010 | 1,001,072 | 186,370 | 286,364 | 2,190,455 | 9,718,095 |
| Accumulated depreciation and impairment | (1,946,568) | (611,621) | – | (120,479) | (245,205) | (1,564,012) | (4,487,885) |
| Net carrying amount | 2,448,256 | 1,047,389 | 1,001,072 | 65,891 | 41,159 | 626,443 | 5,230,210 |
| At 1 January 2024 | 2,448,256 | 1,047,389 | 1,001,072 | 65,891 | 41,159 | 626,443 | 5,230,210 |
| Additions | – | 15,307 | 150,807 | 69,474 | 12,523 | 26,824 | 274,935 |
| Disposals and write-off | – | – | – | (9,390) | (2,226) | (30,464) | (42,080) |
| Depreciation | (70,362) | (34,074) | – | (42,830) | (14,425) | (138,218) | (299,909) |
| Transfer within property, plant and equipment | 1,058,490 | 89,158 | (1,147,648) | – | – | – | – |
| Currency translation differences | (2,709) | (2,279) | – | (83) | (572) | (714) | (6,357) |
| At 31 December 2024 | 3,433,675 | 1,115,501 | 4,231 | 83,062 | 36,459 | 483,871 | 5,156,799 |
| At 31 December 2024: | | | | | | | |
| Cost | 5,449,106 | 1,754,805 | 4,231 | 240,245 | 295,799 | 2,177,146 | 9,921,332 |
| Accumulated depreciation and impairment | (2,015,431) | (639,304) | – | (157,183) | (259,340) | (1,693,275) | (4,764,533) |
| Net carrying amount | 3,433,675 | 1,115,501 | 4,231 | 83,062 | 36,459 | 483,871 | 5,156,799 |

| | Hotel properties | Land and buildings | Construction in progress | Right-of-use assets | Motor vehicles | Other owned fixed assets | Total |
|---|---|---|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| 31 December 2025 | | | | | | | |
| At 31 December 2024 and at 1 January 2025 | | | | | | | |
| Cost | 5,449,106 | 1,754,805 | 4,231 | 240,245 | 295,799 | 2,177,146 | 9,921,332 |
| Accumulated depreciation and impairment | (2,015,431) | (639,304) | – | (157,183) | (259,340) | (1,693,275) | (4,764,533) |
| Net carrying amount | 3,433,675 | 1,115,501 | 4,231 | 83,062 | 36,459 | 483,871 | 5,156,799 |
| At 1 January 2025 | 3,433,675 | 1,115,501 | 4,231 | 83,062 | 36,459 | 483,871 | 5,156,799 |
| Additions | – | 105 | 14,878 | 25,082 | 26,187 | 31,016 | 97,268 |
| Disposals and write-off | – | – | – | (1) | (44) | (1,175) | (1,220) |
| Depreciation | (79,406) | (39,293) | – | (45,437) | (15,493) | (120,797) | (300,426) |
| Transfer from investment properties *(Note 14)* | – | – | 31,200 | – | – | – | 31,200 |
| Currency translation differences | 6,511 | 6,023 | – | 1,843 | 2,796 | 1,346 | 18,519 |
| At 31 December 2025 | 3,360,780 | 1,082,336 | 50,309 | 64,549 | 49,905 | 394,261 | 5,002,140 |
| At 31 December 2025: | | | | | | | |
| Cost | 5,457,392 | 1,762,509 | 50,309 | 267,910 | 325,185 | 2,211,664 | 10,074,969 |
| Accumulated depreciation and impairment | (2,096,612) | (680,173) | – | (203,361) | (275,280) | (1,817,403) | (5,072,829) |
| Net carrying amount | 3,360,780 | 1,082,336 | 50,309 | 64,549 | 49,905 | 394,261 | 5,002,140 |

| | Hotel properties | Land and buildings | Construction in progress | Right-of-use assets | Motor vehicles | Other owned fixed assets | Total |
|---|---|---|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| 30 April 2026 | | | | | | | |
| At 31 December 2025 and at 1 January 2026 | | | | | | | |
| Cost | 5,457,392 | 1,762,509 | 50,309 | 267,910 | 325,185 | 2,211,664 | 10,074,969 |
| Accumulated depreciation and impairment | (2,096,612) | (680,173) | – | (203,361) | (275,280) | (1,817,403) | (5,072,829) |
| Net carrying amount | 3,360,780 | 1,082,336 | 50,309 | 64,549 | 49,905 | 394,261 | 5,002,140 |
| At 1 January 2026 | 3,360,780 | 1,082,336 | 50,309 | 64,549 | 49,905 | 394,261 | 5,002,140 |
| Additions | – | – | 9,061 | 9,140 | 9,278 | 3,250 | 30,729 |
| Disposals and write-off | – | – | – | – | (85) | – | (85) |
| Depreciation | (26,548) | (13,490) | – | (14,022) | (4,393) | (42,728) | (101,181) |
| Currency translation differences | 1,268 | 986 | – | 24 | 46 | 684 | 3,008 |
| At 30 April 2026 | 3,335,500 | 1,069,832 | 59,370 | 59,691 | 54,751 | 355,467 | 4,934,611 |
| At 30 April 2026: | | | | | | | |
| Cost | 5,461,650 | 1,765,109 | 59,370 | 270,230 | 335,663 | 2,220,414 | 10,112,436 |
| Accumulated depreciation and impairment | (2,126,150) | (695,277) | – | (210,539) | (280,912) | (1,864,947) | (5,177,825) |
| Net carrying amount | 3,335,500 | 1,069,832 | 59,370 | 59,691 | 54,751 | 355,467 | 4,934,611 |

**Right-of-use assets and leases**

The analysis of the net book value of right-of-use assets by class of underlying assets as at each reporting date is as follows:

| | Notes | As at 31 December | | | As at 30 April |
|---|---|---|---|---|---|
| | | 2023 | 2024 | 2025 | 2026 |
| | | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Properties leased for own use | *(i)* | 64,858 | 82,625 | 63,846 | 59,123 |
| Office equipment | *(ii)* | 1,033 | 437 | 703 | 568 |
| | | 65,891 | 83,062 | 64,549 | 59,691 |

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

| | Year ended 31 December | | | Four months ended 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Depreciation charge of right-of-use assets by class of underlying asset: | | | | |
| Properties leased for own use | 35,939 | 42,033 | 44,876 | 13,856 |
| Office equipment | 1,249 | 797 | 561 | 166 |
| | 37,188 | 42,830 | 45,437 | 14,022 |
| Interest on lease liabilities *(Note 6)* | 1,672 | 4,117 | 2,017 | 1,057 |
| Expenses relating to short-term leases | 6,312 | 4,258 | 6,636 | 1,295 |

During the years ended 31 December 2023, 2024 and 2025 and the four months ended 30 April 2026, additions to right-of-use assets were HK$46,211,000, HK$69,474,000, HK$25,082,000 and HK$9,140,000, respectively. This amount primarily related to the capitalised lease payments payable under new tenancy agreements.

***(i) Properties leased for own use***

The Group has obtained the right to use properties through tenancy agreements. The leases typically run for an initial period of 2 to 8 years.

***(ii) Other leases***

The Group leases office equipment under lease terms from 2 to 5 years. None of the leases include an option to renew the lease when all terms are renegotiated or to purchase the leased equipment at the end of the lease term at a price deemed to be a bargain purchase option. None of the leases includes variable lease payments.

***(iii) Lease liabilities***

Details of total cash outflow for leases, the movements of lease liabilities and the maturity analysis of lease liabilities are included in notes 24(c), 24(b) and 30 to the Historical Financial Information, respectively.

The contractual undiscounted lease payments of lease liabilities are disclosed in note 39 to the Historical Financial Information.

*(iv) The Group as a lessor*

The Group leases its investment properties under operating lease arrangements, details of which are included in note 14 to the Historical Financial Information. Other operating lease arrangements are included in note 35 to the Historical Financial Information.

**14 INVESTMENT PROPERTIES**

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| **At fair value** | | | | |
| At 1 January | 2,402,961 | 3,312,483 | 3,097,458 | 2,918,329 |
| Additions | 31,500 | 6,544 | 17,839 | 7,113 |
| Changes in fair value recognised in income statement | (21,500) | (206,701) | (182,270) | (56,450) |
| Acquisition of a subsidiary *(Note 33)* | 911,000 | – | – | – |
| Transfer to property, plant and equipment *(Note 13)* | – | – | (31,200) | – |
| Currency translation differences | (11,478) | (14,868) | 16,502 | 20,347 |
| At 31 December | 3,312,483 | 3,097,458 | 2,918,329 | 2,889,339 |

**Fair value hierarchy**

The fair value of investment properties is determined by using valuation techniques. The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

| | Fair value measurement as at 31 December 2023 using | | | |
|---|---|---|---|---|
| | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| **Recurring fair value measurement for:** | | | | |
| Hong Kong: | | | | |
| – Commercial properties | – | – | 2,541,000 | 2,541,000 |
| Outside Hong Kong: | | | | |
| – Commercial properties | – | – | 771,483 | 771,483 |
| | – | – | 3,312,483 | 3,312,483 |

| | Fair value measurement as at 31 December 2024 using | | | |
|---|---|---|---|---|
| | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| **Recurring fair value measurement for:** | | | | |
| Hong Kong: | | | | |
| – Commercial properties | – | – | 2,369,851 | 2,369,851 |
| Outside Hong Kong: | | | | |
| – Commercial properties | – | – | 727,607 | 727,607 |
| | – | – | 3,097,458 | 3,097,458 |

| | Fair value measurement as at 31 December 2025 using | | | |
|---|---|---|---|---|
| | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| **Recurring fair value measurement for:** | | | | |
| Hong Kong: | | | | |
| – Commercial properties | – | – | 2,213,860 | 2,213,860 |
| Outside Hong Kong: | | | | |
| – Commercial properties | – | – | 704,469 | 704,469 |
| | – | – | 2,918,329 | 2,918,329 |

| | Fair value measurement as at 30 April 2026 using | | | |
|---|---|---|---|---|
| | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| **Recurring fair value measurement for:** | | | | |
| Hong Kong: | | | | |
| – Commercial properties | – | – | 2,196,900 | 2,196,900 |
| Outside Hong Kong: | | | | |
| – Commercial properties | – | – | 692,439 | 692,439 |
| | – | – | 2,889,339 | 2,889,339 |

During each of the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

| | Hong Kong | Outside Hong Kong |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| Carrying amount at 1 January 2023 | 1,619,800 | 783,161 |
| Additions | 31,500 | – |
| Changes in fair value recognised in income statement | (21,300) | (200) |
| Acquisition of a subsidiary | 911,000 | – |
| Currency translation differences | – | (11,478) |
| Carrying amount at 31 December 2023 and 1 January 2024 | 2,541,000 | 771,483 |
| Additions | 6,485 | 59 |
| Changes in fair value recognised in income statement | (177,634) | (29,067) |
| Currency translation differences | – | (14,868) |
| Carrying amount at 31 December 2024 and 1 January 2025 | 2,369,851 | 727,607 |
| Additions | 17,839 | – |
| Changes in fair value recognised in income statement | (142,630) | (39,640) |
| Transfer to property, plant and equipment | (31,200) | – |
| Currency translation differences | – | 16,502 |
| Carrying amount at 31 December 2025 and 1 January 2026 | 2,213,860 | 704,469 |
| Additions | 7,113 | – |
| Changes in fair value recognised in income statement | (24,073) | (32,377) |
| Currency translation differences | – | 20,347 |
| Carrying amount at 30 April 2026 | 2,196,900 | 692,439 |

The Group measures their investment properties at fair value. The investment properties were revalued on 31 December 2024 and 2025 and 30 April 2026 by Jones Lang LaSalle Limited and 31 December 2023 by RHL Appraisal Limited, both of which are independent professionally qualified valuers.

The Group assigns a team that reviews the valuations performed by the independent valuers for financial reporting purposes. This team reports directly to the senior management and the audit committee of the Company's parent. Discussions of valuation processes and results are held between management, audit committee of the Company's parent and valuers at least once every six months.

At the end of each of the Relevant Periods, the team:

- Verify all major inputs of the independent valuation report;
- Assess property valuation movements by comparing the prior year valuation report; and
- Hold discussions with the independent valuers.

The fair value of investment properties are determined by direct comparison approach, on the market basis assuming sale with immediate vacant possession and taking reference to their respective existing states and comparable sales evidence.

The valuation premiums/discounts adopted by the valuers represent adjustments made to the comparable transactions to reflect differences between the subject properties and the selected comparable properties. Such adjustments primarily take into account the characteristics of the properties including location, accessibility, property size, floor level, year of completion, shape, view, timing of the transactions and other property-specific characteristics collectively.

The relatively wide range of premiums and discounts adopted during the Relevant Periods reflects the diversity of the Group's investment property portfolio, which comprises properties with different uses, locations and physical characteristics. As a result, the extent of adjustments required to align the selected comparable transactions with the subject properties varied depending on the specific attributes of each property and the availability of comparable market evidence.

In general, where a subject property possesses characteristics that are considered more favourable than those of the selected comparable properties, such as superior location, accessibility, floor level, a premium adjustment would be adopted. On the other hand, where a subject property possesses less favourable characteristics, a discount adjustment would be adopted. The magnitude of the adjustments reflects the degree of differences between the subject property and the selected comparable properties.

All such adjustments were determined by the independent property valuers based on their professional judgement, prevailing market evidence and recent transaction data available, and were adopted in accordance with the direct comparison approach. The directors of the Company consider that the premiums and discounts adopted by the independent professionally qualified property valuers are fair and reasonable and consistent with market practice.

**Significant inputs used to determine fair value**

The range of premium/(discount) used in the direct comparison approach is as follows:

| | **31 December 2023 Range of premium/ (discount)** |
|---|---|
| Hong Kong | -17% to 12% |
| Outside Hong Kong | -3% to 5% |

| | **31 December 2024 Range of premium/ (discount)** |
|---|---|
| Hong Kong | -40% to 50% |
| Outside Hong Kong | -10% to 5% |

| | 31 December 2025 Range of premium/ (discount) |
|---|---|
| Hong Kong | -33% to 20% |
| Outside Hong Kong | -10% to 8% |

| | 30 April 2026 Range of premium/ (discount) |
|---|---|
| Hong Kong | -54% to 16% |
| Outside Hong Kong | -20% to 2% |

The Group leases out investment properties under operating leases. The leases typically run for an initial period of 1 to 5 years. None of the leases included variable lease payments.

The undiscounted lease payments under non-cancellable operating leases receivable by the Group in future periods are as follows:

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Within 1 year | 65,906 | 70,881 | 65,470 | 43,069 |
| In the first to second year | 57,935 | 42,630 | 11,872 | 24,455 |
| In the second to third year | 6,189 | 9,982 | 9,523 | 9,886 |
| In the third to fourth year | – | 9,290 | 560 | 48 |
| In the fourth to fifth years | – | 755 | 39 | 40 |
| | 130,030 | 133,538 | 87,464 | 77,498 |

## 15 GOODWILL

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Gross carrying amount | 1,292,923 | 1,292,923 | 1,292,923 | 1,292,923 |

**Impairment testing of goodwill**

Goodwill acquired through business combinations has been allocated to the following cash-generating units for impairment testing.

| | As at December 31 | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Travel document and related services | 1,244,769 | 1,244,769 | 1,244,769 | 1,244,769 |
| Passenger transportation operations | 48,154 | 48,154 | 48,154 | 48,154 |
| Gross carrying amount | 1,292,923 | 1,292,923 | 1,292,923 | 1,292,923 |

**Travel document and related services cash-generating unit ("CGU")**

The recoverable amount of the travel document and related services CGU has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering up to 2047 approved by senior management. The reason for using cash flow projections covering a period for more than 5 years is that: (i) the Group has been appointed as CTS (Holdings)'s exclusive agent to provide travel-document administration services in Hong Kong for a fixed term until 30 June 2047; (ii) the business is characterised by recurring demand arising from the renewal requirements of Mainland Travel Permits, which are generally renewed every five or ten years. Accordingly, a significant portion of the CGU's revenue is generated from recurring renewal applications, providing a relatively stable and predictable revenue base for the cash flow projections beyond 5 years; (iii) the management has adopted long-term growth rates ranging from 2%-5% in the cash flow projections which is supported by historical performance and expectations regarding future market development. The discount rates applied to the cash flow projections are 11%, 11% and 10% for the goodwill impairment tests as at the year end of 31 December 2023, 2024 and 2025, respectively.

Key assumptions were used in the value-in-use calculation of the travel document and related services CGU for each of the Relevant Periods. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

Revenue growth rate – Revenue growth rate is based on past performance and management's expectations of market development.

Discount rates – The discount rate used is before tax and reflects specific risks relating to the travel document and related services CGU.

The values assigned to the key assumptions on market development and discount rates are consistent with external information sources.

The amount by which the travel document and related services CGU's recoverable amount exceeds its carrying amount (the "**headroom**") is as follows:

| | As at 31 December | | |
|---|---|---|---|
| | **2023** | **2024** | **2025** |
| | *HK$'000* | *HK$'000* | *HK$'000* |
| Travel document and related services CGU | 271,365 | 165,595 | 126,666 |

The Group performs the sensitivity analysis based on the reasonable possible changes in the revenue growth rate or the pre-tax discount rate, with all other variables held constant. Had the estimated key assumptions during the forecast period been changed as below, the headroom would be decreased to as below:

| | As at 31 December | | |
|---|---|---|---|
| | **2023** | **2024** | **2025** |
| | *HK$'000* | *HK$'000* | *HK$'000* |
| Revenue growth rate decreases by 0.5% | 225,929 | 47,114 | 51,812 |
| Pre-tax discount rate increases by 1.0% | 143,281 | 43,999 | 316 |

**Impairment assessment as at 30 April 2026**

In accordance with the Group's accounting policies, goodwill is tested for impairment on an annual basis at each year end. As at 30 April 2026, the management was not aware of any significant adverse changes on the travel document and related services CGU, which indicates that the carrying amount of the travel document and related services CGU exceeds the recoverable amount. Consequently, no interim impairment assessment as at 30 April 2026 was performed.

**Passenger transportation operations CGU**

The recoverable amount of the passenger transportation operations CGU was determined based on fair value less cost of disposal calculation using replacement cost and market comparison approach performed by an independent external valuer. Key assumptions used in the replacement cost approach included replacement cost new ("**RCN**"), capitalisation rate and functional and economic obsolescence. Key assumptions used in market comparison approach included recent sales transactions of comparable vessels and motor vehicles. The fair value measurement was categorised within Level 3 of the fair value hierarchy at the end of each of the Relevant Periods. There is no change in the valuation technique during each of the Relevant Periods.

The headroom of passenger transportation operations CGU is as follows:

| | As at 31 December | | |
|---|---|---|---|
| | **2023** | **2024** | **2025** |
| | *HK$'000* | *HK$'000* | *HK$'000* |
| Passenger transportation operations CGU | 215,265 | 168,107 | 181,264 |

The fair value measurement is sensitive to changes in significant unobservable inputs, particularly RCN and capitalisation rate. An increase in RCN would generally result in an increase in the fair value measurement, whereas an increase in capitalisation rate would generally result in a decrease in the fair value measurement.

The Group performs the sensitivity analysis based on the reasonable possible changes in the RCN or the capitalisation rate, with all other variables held constant. Had the estimated key assumption during the forecast period been changed as below, the headroom would be decreased to as below:

| | As at 31 December | | |
|---|---|---|---|
| | **2023** | **2024** | **2025** |
| | *HK$'000* | *HK$'000* | *HK$'000* |
| RCN decreases by 5.0% | 209,296 | 160,842 | 175,427 |
| Capitalization rate increases by 1.0% | 151,463 | 118,644 | 132,464 |

**Impairment assessment as at 30 April 2026**

In accordance with the Group's accounting policies, goodwill is tested for impairment on an annual basis at each year end. As at 30 April 2026, the management was not aware of any significant adverse changes on the passenger transportation operations CGU, which indicates that the carrying amount of the passenger transportation operations CGU exceeds the recoverable amount. Consequently, no interim impairment assessment as at 30 April 2026 was performed.

The Company's directors are of the opinion that a reasonably possible change in a key assumption on which management has based its determination of the two CGUs' recoverable amounts would not cause each unit's carrying amount to exceed its recoverable amount.

**16 OTHER INTANGIBLE ASSETS**

| | **Trademarks** | **Passenger service licences and quota** | **Total** |
|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* |
| Cost and net book value: | | | |
| At 1 January 2023, 31 December 2023 and 1 January 2024 | 34,291 | 78,443 | 112,734 |
| Additions | – | 8,567 | 8,567 |
| At 31 December 2024, 31 December 2025 and 30 April 2026 | 34,291 | 87,010 | 121,301 |

These intangible assets have no specific maturity date pursuant to the terms and conditions. They are tested for impairment annually and whenever there is an indication that they may be impaired. The Company's directors are of the opinion that no impairment loss was incurred with reference to market values of each of the passenger service licenses and quota. In view of the cash flow projection, no provision for impairment losses of trademarks is considered necessary after reviewing the impairment assessment.

The recoverable amounts for trademarks have been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rates applied to the cash flow projections are 11%, 11% and 10% as at the year end of 31 December 2023, 2024 and 2025, respectively. Cash flows beyond the five-year period were extrapolated using growth rates of 3.0%, 3.1% and 3.8% as at the year end of 31 December 2023, 2024 and 2025, respectively.

Key assumptions were used in the value-in-use calculation of trademarks for each of the Relevant Periods. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of the trademarks.

Revenue growth rate – Revenue growth rate is based on past performance and management's expectations of market development.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the hotel operations CGU.

The headroom of trademarks is as follows:

| | As at 31 December | | |
|---|---|---|---|
| | **2023** | **2024** | **2025** |
| | *HK$'000* | *HK$'000* | *HK$'000* |
| Trademarks | 738,229 | 700,664 | 783,213 |

The Group performs the sensitivity analysis based on the reasonable possible changes in the revenue growth rate or the pre-tax discount rate, with all other variables held constant. Had the estimated key assumption during the forecast period been changed as below, the headroom would be decreased to as below:

| | As at 31 December | | |
|---|---|---|---|
| | **2023** | **2024** | **2025** |
| | *HK$'000* | *HK$'000* | *HK$'000* |
| Revenue growth rate decreases by 0.5% | 647,331 | 613,227 | 677,505 |
| Pre-tax discount rate increases by 1.0% | 655,505 | 621,076 | 686,044 |

**Impairment assessment as at 30 April 2026**

In accordance with the Group's accounting policies, trademarks are tested for impairment on an annual basis at each year end. As at 30 April 2026, the management was not aware of any significant adverse changes on trademarks, which indicates that the carrying amount of trademarks exceeds the recoverable amount. Consequently, no interim impairment assessment as at 30 April 2026 was performed.

The recoverable amount of the passenger service licenses and quota was determined based on fair value less costs of disposal with reference to market values. The fair value measurement was categorised within Level 3 of the fair value hierarchy at the end of each of the Relevant Periods. There is no change in the valuation technique during each of the Relevant Periods.

As at the year end of 31 December 2023, 2024 and 2025, it was estimated that with all other variables held constant, a decrease in market price by 4% would have decreased the recoverable amount by HK$8,768,000, HK$5,472,000 and HK$3,648,000, respectively.

The Company's directors are of opinion that a reasonably possible change in a key assumption on which management has based its determination of the recoverable amounts would not cause the carrying amount of the intangible assets with indefinite useful lives to exceed its recoverable amount.

## 17 SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Particulars of the Company's principal subsidiaries are set out in note 1 to the Historical Financial Information.

**Subsidiaries with material non-controlling interests**

The total non-controlling interests as at 31 December 2023, 2024 and 2025 and 30 April 2026 are HK$747,705,000, HK$734,298,000, HK$587,229,000 and HK$576,558,000, respectively, of which HK$440,838,000, HK$437,107,000, HK$427,826,000 and HK$430,370,000 are attributable to Shun Tak – China Travel Shipping Investments Limited and its subsidiaries ("**Shun Tak – China Travel Group**"), and HK$306,867,000, HK$297,191,000, HK$159,403,000 and HK$146,188,000 are attributed to China Travel Service Property Investment Hong Kong Limited and its subsidiaries ("**CTSPI Group**"), respectively. The non-controlling interests in respect of other subsidiaries are not material individually.

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| The percentage of equity interest held by non-controlling interests of these two subsidiaries are: | | | | |
| Shun Tak – China Travel Group | 50% | 50% | 50% | 50% |
| CTSPI Group | 9.71% | 9.71% | 9.71% | 9.71% |

**Summarised financial information of subsidiaries with material non-controlling interests**

Set out below are the summarised financial information of each of these two subsidiaries that have material non-controlling interests.

**Summarised statement of financial position**

| | Shun Tak – China Travel Group | | | | CTSPI Group | | | |
|---|---|---|---|---|---|---|---|---|
| | As at 31 December | | | As at 30 April | As at 31 December | | | As at 30 April |
| | 2023 | 2024 | 2025 | 2026 | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Non-current assets | 1,305,656 | 1,206,727 | 1,130,653 | 1,119,268 | 3,160,222 | 3,617,132 | 2,806,767 | 2,774,347 |
| Current assets | 377,521 | 316,551 | 292,330 | 298,933 | 67,623 | 127,172 | 377,582 | 394,261 |
| Non-current liabilities | (227,575) | (234,092) | (198,750) | (233,574) | (15,695) | (517,650) | (471,587) | (481,125) |
| Current liabilities | (461,592) | (326,556) | (325,515) | (323,906) | (51,831) | (165,974) | (1,071,135) | (1,058,650) |
| Net assets | 994,010 | 962,630 | 898,718 | 860,721 | 3,160,319 | 3,060,680 | 1,641,627 | 1,628,833 |

**Summarised income statement**

| | Shun Tak – China Travel Group | | | | CTSPI Group | | | |
|---|---|---|---|---|---|---|---|---|
| | Year ended 31 December | | | Four months ended 30 April | Year ended 31 December | | | Four months ended 30 April |
| | 2023 | 2024 | 2025 | 2026 | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Revenue | 679,581 | 651,928 | 542,320 | 180,888 | 31,732 | 141,269 | 180,458 | 59,970 |
| Profit/(loss) after taxation | 43,364 | (3,192) | (38,182) | (37,997) | 29,383 | (135,638) | (40,701) | (12,794) |
| Total comprehensive income/(loss) | 43,364 | (3,192) | (38,182) | (37,997) | 29,383 | (135,638) | (40,701) | (12,794) |
| Total comprehensive income/(loss) attributable to non-controlling interests | 21,682 | (1,596) | (19,091) | (18,999) | 2,853 | (13,170) | (3,952) | (1,242) |

**Summarised cash flows**

| | Shun Tak – China Travel Group | | | | CTSPI Group | | | |
|---|---|---|---|---|---|---|---|---|
| | Year ended 31 December | | | Four months ended 30 April | Year ended 31 December | | | Four months ended 30 April |
| | 2023 | 2024 | 2025 | 2026 | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Net cash flows generated from operating activities | 122,405 | 186,720 | 60,968 | 17,263 | 9,285 | 116,692 | 97,356 | 22,392 |
| Net cash flows from/(used in) investing activities | (6,311) | 24,517 | (7,227) | 9,101 | (481,864) | (131,275) | (14,080) | (8,745) |
| Net cash flows from/(used in) financing activities | (53,691) | (179,063) | (65,888) | (26,462) | 282,237 | (2,222) | (78,944) | (4,073) |
| Net increase/(decrease) in cash and cash equivalents | 62,403 | 32,174 | (12,147) | (98) | (190,342) | (16,805) | 4,332 | 9,574 |
| Cash and cash equivalents at end of year/period | 193,088 | 225,262 | 213,115 | 213,017 | 49,126 | 32,321 | 36,653 | 46,227 |

The financial information presented above reflects amounts before any inter-company elimination.

During the year ended 31 December 2025, the Group paid a dividend of approximately HK$191,000 and HK$131,333,000 to the non-controlling shareholders of Shun Tak-China Travel Group and CTSPI Group, respectively.

## 18 INVESTMENTS IN ASSOCIATES

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Share of net assets | 90,670 | 133,072 | 154,946 | 153,179 |

(a) Particulars of the principal associates, all of which are held indirectly through subsidiaries, are as follows:

| | Amounts of issued share capital | Place of incorporation/ operations | Percentage of equity and profit sharing attributable to the Group | | | | Principal activities |
|---|---|---|---|---|---|---|---|
| | | | *Year ended 31 December 2023* | *Year ended 31 December 2024* | *Year ended 31 December 2025* | *Four months ended 30 April 2026* | |
| All China Express Limited | HK$10,000 | Hong Kong | 32.37 | 32.37 | 32.37 | 32.37 | Passenger transportation |
| Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Company Limited | HK$1,000,000 | Hong Kong | 40 | 40 | 40 | 40 | Passenger transportation |
| Celelight Company Limited | HK$10,000 | Hong Kong | 33.34 | 33.34 | 33.34 | 33.34 | Trading of fuel oil |
| China Ferry Terminal Services Limited | HK$741,163 | Hong Kong | 24.87 | 24.87 | 24.87 | 24.87 | Provision of baggage handling services at the China Ferry Terminal |
| Hong Kong & Macao International Airport Transportation Service (HK) Co. Limited | HK$5,000,000 | Hong Kong | 25 | 21.56 | 21.56 | 21.56 | Investment holding |

| | Amounts of issued share capital | Place of incorporation/ operations | Percentage of equity and profit sharing attributable to the Group | | | | Principal activities |
|---|---|---|---|---|---|---|---|
| | | | *Year ended 31 December 2023* | *Year ended 31 December 2024* | *Year ended 31 December 2025* | *Four months ended 30 April 2026* | |
| Hong Kong & Macao International Airport Transportation Service Co. Ltd. | HK$100 | Hong Kong | 25 | 16.34* | 16.34* | 16.34* | Provision of cross boundary bus service between Macao Boundary Crossing Facilities and Hong Kong International Airport via Hong Kong–Zhuhai-Macao Bridge |
| China International Travel Service (Macao) Ltd. | HK$5,000,000 | Macao | 39 | 39 | 39 | 39 | Travel agency and travel relating services |
| Hong Kong International Tourist Bus Company Limited (*Note*) | HK$10,450,000 | Hong Kong | – | 36 | 38.56 | 38.56 | Passenger transportation |

* The Group had significant influence over Hong Kong & Macao International Airport Transportation Service Co. Ltd. through a representative in the board of directors of this associate.

The above table lists the associates of the Group which, in the opinion of the Company's directors, principally affected the results for the Relevant Periods or formed a substantial portion of the net assets of the Group. To give details of other associates would, in the opinion of the Company's directors, result in particulars of excessive length.

*Note:* On 31 December 2024, China Travel HK signed a cooperation agreement with China International Travel Service (Hong Kong) Holding Ltd., a fellow subsidiary to purchase 36% equity interest in Hong Kong International Tourist Bus Company Limited with a cash consideration of HK$3,704,000. On 24 September 2025, the Company entered into a capital injection agreement with Hong Kong International Tourist Bus Company Limited and its shareholders, acquiring additional 2.56% equity interest in Hong Kong International Tourist Bus Company Limited through a capital contribution of HK$4,138,000.

All of the above associates are accounted for using the equity method in the combined financial statements.

Summarised financial information of a material associate, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the combined financial statements, is disclosed below:

| | Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Company Limited | | | |
|---|---|---|---|---|
| | As at 31 December | | | As at 30 April |
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| **Gross amount of the associate** | | | | |
| Current assets | 220,828 | 345,450 | 443,418 | 505,438 |
| Non-current assets | 17,512 | 34,786 | 49,045 | 61,313 |
| Current liabilities | (109,817) | (180,170) | (255,058) | (277,132) |
| Non-current liabilities | (3,794) | (2,040) | (1,379) | (15,725) |
| Net assets | 124,729 | 198,026 | 236,026 | 273,894 |
| **Reconciliation to the Group's interest in the material associate:** | | | | |
| Gross amount of net assets of the associate | 124,729 | 198,026 | 236,026 | 273,894 |
| Percentage of equity and profit sharing attributable to the Group | 40% | 40% | 40% | 40% |
| Group's share of net assets of the associate | 49,892 | 79,210 | 94,410 | 109,558 |
| Carrying amount of the investment | 49,892 | 79,210 | 94,410 | 109,558 |

| | Year ended 31 December | | | Four months ended 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Revenue | 375,843 | 425,600 | 447,549 | 158,711 |
| Profit after taxation | 85,583 | 111,298 | 114,000 | 50,049 |
| Total comprehensive income | 85,583 | 111,298 | 114,000 | 50,049 |
| Dividends received from an associate | – | 15,200 | 30,400 | 22,660 |

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Share of the associates' profits/(losses), net and total comprehensive income/(loss) for the year/period | (317) | 2,145 | 2,537 | 873 |
| Aggregate carrying amount of the Group's investments in associates | 40,778 | 53,862 | 60,536 | 43,621 |

## 19 INVESTMENTS IN JOINT VENTURES

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Share of net assets | 25,410 | 23,061 | 27,148 | 28,483 |

(a) Details of the Group's joint ventures, which are accounted for using the equity method in the combined financial statements, are as follows:

| Name of joint venture | Amounts of issued share capital | Place of incorporation/ operations | Percentage of equity and profit sharing attributable to the Group | | | | Principal activity |
|---|---|---|---|---|---|---|---|
| | | | *Year ended 31 December 2023* | *Year ended 31 December 2024* | *Year ended 31 December 2025* | *Four months ended 30 April 2026* | |
| Hong Kong International Airport Ferry Terminal Services Limited | HK$10,000 | Hong Kong | 40 | 40 | 40 | 40 | Provision of handling services of passengers |
| Shun Tak & CITS Coach (Macao) Limited | HK$9,708,738 | Macao | 36 | 36 | 36 | 36 | Provision of coach service and coach rental services |

(b) In the opinion of the Company's directors, all of the Group's joint ventures are not individually material to the Group.

## 20 EQUITY INVESTMENTS

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Unlisted equity securities, at fair value | | | | |
| Macau Airport Express Co., Ltd. | 372 | 911 | 2,427 | 2,767 |
| Metro Express Co., Ltd. | 531 | 585 | 718 | 709 |
| | 903 | 1,496 | 3,145 | 3,476 |

The unlisted equity investments represent shares in companies engaging in the passenger transportation operations. The Group designated these investments at fair value through other comprehensive income (non-recycling) as the investments are held for strategic purposes. No dividends were received on these investments during each of the Relevant Periods. There was no disposal of unlisted equity investments during each of the Relevant Periods.

## 21 INVENTORIES

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Food and beverages | 17,760 | 5,681 | 4,106 | 4,193 |
| Fuel | 3,923 | 2,273 | 2,129 | 6,769 |
| Spare parts and consumables | 111,283 | 121,174 | 112,083 | 111,060 |
| General merchandise | 531 | 425 | 527 | 304 |
| | 133,497 | 129,553 | 118,845 | 122,326 |

## 22 TRADE RECEIVABLES

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Trade receivables | 107,541 | 104,545 | 136,946 | 102,018 |
| Less: Loss allowance | (2,412) | (1,897) | (7,209) | (7,435) |
| | 105,129 | 102,648 | 129,737 | 94,583 |

**Ageing analysis**

As of the end of each Relevant Periods, the ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Within 3 months | 40,919 | 74,349 | 94,557 | 58,112 |
| Over 3 months to 6 months | 34,016 | 15,436 | 18,996 | 19,893 |
| Over 6 months to 12 months | 28,347 | 12,863 | 15,997 | 16,577 |
| Over 1 year to 2 years | 1,716 | – | 187 | 1 |
| Over 2 years | 131 | – | – | – |
| | 105,129 | 102,648 | 129,737 | 94,583 |

Trade receivables are due within 30 to 90 days from the date of billing. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 39 to the Historical Financial Information.

The movements in the loss allowance account in respect of trade receivables are as follows:

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Balance at 1 January | 1,949 | 2,412 | 1,897 | 7,209 |
| Impairment losses recognised, net | 546 | 23 | 5,190 | 222 |
| Currency translation differences | (83) | (538) | 122 | 4 |
| Balance at end of the year | 2,412 | 1,897 | 7,209 | 7,435 |

The provision for impairment loss on trade receivables has been included in administrative expenses in the combined income statements.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

**As at 31 December 2023**

| | Within 3 months | Over 3 months to 6 months | Over 6 months to 12 months | Over 1 year to 2 years | Over 2 years | Total |
|---|---|---|---|---|---|---|
| Expected credit loss rate | 1.16% | 0.00% | 0.00% | 36.51% | 87.83% | 2.24% |
| Gross carrying amount *(HK$'000)* | 41,399 | 34,016 | 28,347 | 2,703 | 1,076 | 107,541 |
| Expected credit losses *(HK$'000)* | 480 | – | – | 987 | 945 | 2,412 |

**As at 31 December 2024**

| | Within 3 months | Over 3 months to 6 months | Over 6 months to 12 months | Over 1 year to 2 years | Over 2 years | Total |
|---|---|---|---|---|---|---|
| Expected credit loss rate | 0.02% | 0.00% | 0.00% | 0.00% | 100.00% | 1.81% |
| Gross carrying amount *(HK$'000)* | 74,366 | 15,436 | 12,863 | – | 1,880 | 104,545 |
| Expected credit losses *(HK$'000)* | 17 | – | – | – | 1,880 | 1,897 |

**As at 31 December 2025**

| | Within 3 months | Over 3 months to 6 months | Over 6 months to 12 months | Over 1 year to 2 years | Over 2 years | Total |
|---|---|---|---|---|---|---|
| Expected credit loss rate | 5.24% | 5.39% | 5.33% | 0.00% | 0.00% | 5.26% |
| Gross carrying amount *(HK$'000)* | 99,783 | 20,078 | 16,898 | 187 | – | 136,946 |
| Expected credit losses *(HK$'000)* | 5,226 | 1,082 | 901 | – | – | 7,209 |

**As at 30 April 2026**

| | Within 3 months | Over 3 months to 6 months | Over 6 months to 12 months | Over 1 year to 2 years | Over 2 years | Total |
|---|---|---|---|---|---|---|
| Expected credit loss rate | 5.44% | 10.08% | 10.09% | 0.00% | 0.00% | 7.29% |
| Gross carrying amount *(HK$'000)* | 61,457 | 22,123 | 18,437 | 1 | – | 102,018 |
| Expected credit losses *(HK$'000)* | 3,345 | 2,230 | 1,860 | – | – | 7,435 |

## 23 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

| | Note | As at 31 December | | | As at 30 April |
|---|---|---|---|---|---|
| | | 2023 | 2024 | 2025 | 2026 |
| | | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Deposits, prepayments and other receivables | | 161,889 | 128,765 | 153,458 | 161,605 |
| Amounts due from associates | *(a)* | 14,040 | 17,558 | 11,462 | 14,061 |
| | | 175,929 | 146,323 | 164,920 | 175,666 |
| Less: Non-current portion of deposits | | (1,556) | (1,351) | (1,998) | (1,610) |
| | | 174,373 | 144,972 | 162,922 | 174,056 |

Except for the amounts due from associates, none of the financial assets included above are past due. Management has monitored the above balances and concluded that the risk of recoverability is minimal.

The carrying amounts of the Group's deposits and other receivables approximate to their fair values.

The fair values of the non-current portion of deposits have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. In the opinion of the directors of the Company, the carrying amounts of non-current portion of deposits are not significantly different from their fair values.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of assets mentioned above.

*Note:*

(a) The balances represent receivables from associates regarding the provision of passenger transportation services which are of trade nature and unsecured, interest-free and recoverable on demand.

As of the end of each Relevant Periods, the ageing analysis based on invoice dates of the amounts due from associates is as follows:

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Within 3 months | 11,173 | 13,930 | 5,343 | 7,315 |
| Over 3 months to 6 months | 95 | 250 | – | 1,683 |
| Over 6 months to 12 months | – | 1,047 | 4,618 | – |
| Over 1 year to 2 years | 60 | 240 | – | 3,562 |
| Over 2 years | 2,712 | 2,091 | 1,501 | 1,501 |
| | 14,040 | 17,558 | 11,462 | 14,061 |

An impairment analysis is performed at the end of each of the Relevant Periods using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customers with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Based on the evaluation on the provision rate and gross carrying amount, the directors of the Company are of the opinion that the financial impact of ECLs in respect of these trade balances due from associates, deposits and other receivables is considered immaterial.

## 24 CASH AND BANK BALANCES AND PLEDGED AND RESTRICTED DEPOSITS

**(a)** Cash and bank balances comprise:

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Cash and bank balances | 272,902 | 296,312 | 326,868 | 295,942 |
| Time deposits | 269,272 | 213,077 | 141,555 | 211,314 |
| | 542,174 | 509,389 | 468,423 | 507,256 |
| Less: Pledged and restricted bank deposits | (830) | (516) | (533) | (630) |
| Cash and bank balances in the statements of financial position | 541,344 | 508,873 | 467,890 | 506,626 |
| Less: Deposits with maturity of more than three months | – | (589) | (589) | (589) |
| Cash and cash equivalents in the statements of cash flows | 541,344 | 508,284 | 467,301 | 506,037 |

The Group has pledged bank deposits to banks to secure certain bank guarantees given in lieu of utility and rental deposits.

At the end of each of the Relevant Periods, the cash and bank balances of the Group denominated in Renminbi ("**RMB**") amounted to HK$47,729,000, HK$47,077,000, HK$54,170,000 and HK$71,352,000, respectively. The RMB is not freely convertible into other currencies. However, under "Chinese mainland's Foreign Exchange Control Regulations" and "Administration of Settlement, Sale and Payment of Foreign Exchange Provisions", the Group is permitted to exchange RMB for other currencies through authorised banks to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are placed for periods ranging from one day to one year, and earn interest at the respective time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

**(b)** Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's statement of cash flow as cash flows from financing activities.

| | Bank and other borrowings | Loans from a holding company | Amounts due to a holding company | Lease liabilities | Interest payable | Total |
|---|---|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| At 1 January 2023 | 533,882 | 388,751 | 1,664,768 | 38,882 | – | 2,626,283 |
| **Changes from financing cash flows:** | | | | | | |
| New loans | 17,500 | – | – | – | – | 17,500 |
| Repayments of loans | (40,000) | – | – | – | – | (40,000) |
| New loans from a holding company | – | 310,000 | – | – | – | 310,000 |
| Advances from a holding company | – | – | 298,364 | – | – | 298,364 |
| Capital element of lease rentals paid | – | – | – | (26,667) | – | (26,667) |
| Interest element of lease rentals paid | – | – | – | (1,672) | – | (1,672) |
| Finance cost paid | – | – | – | – | (29,295) | (29,295) |
| Total changes from financing cash flows | (22,500) | 310,000 | 298,364 | (28,339) | (29,295) | 528,230 |
| **Other changes:** | | | | | | |
| Finance costs *(Note 6)* | – | – | – | 1,672 | 29,295 | 30,967 |
| Increase in lease liabilities from entering into new lease during the year | – | – | – | 46,211 | – | 46,211 |
| Currency translation differences | – | – | – | (444) | – | (444) |
| **At 31 December 2023 and 1 January 2024** | 511,382 | 698,751 | 1,963,132 | 57,982 | – | 3,231,247 |
| **Changes from financing cash flows:** | | | | | | |
| New loans | 45,000 | – | – | – | – | 45,000 |
| Repayments of loans | (172,500) | – | – | – | – | (172,500) |
| Advances from a holding company | – | – | 267,803 | – | – | 267,803 |
| Repayment to a holding company | – | – | (603,178) | – | – | (603,178) |
| Capital element of lease rentals paid | – | – | – | (37,170) | – | (37,170) |
| Interest element of lease rentals paid | – | – | – | (4,117) | – | (4,117) |
| Finance cost paid | – | – | – | – | (54,167) | (54,167) |
| Total changes from financing cash flows | (127,500) | – | (335,375) | (41,287) | (54,167) | (558,329) |
| **Other changes:** | | | | | | |
| Finance costs *(Note 6)* | – | – | – | 4,117 | 54,167 | 58,284 |
| Increase in lease liabilities from entering into new lease during the year | – | – | – | 69,474 | – | 69,474 |
| Currency translation differences | – | – | – | (13) | – | (13) |
| **At 31 December 2024** | 383,882 | 698,751 | 1,627,757 | 90,273 | – | 2,800,663 |

| | Bank and other borrowings | Loans from a holding company | Amounts due to a holding company | Lease liabilities | Interest payable | Total |
|---|---|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| At 31 December 2024 and 1 January 2025 | 383,882 | 698,751 | 1,627,757 | 90,273 | – | 2,800,663 |
| **Changes from financing cash flows:** | | | | | | |
| New loans | 30,000 | – | – | – | – | 30,000 |
| Repayments of loans | (50,000) | – | – | – | – | (50,000) |
| Repayments of loans from a holding company | – | (48,000) | – | – | – | (48,000) |
| Repayment to a holding company | – | – | (421,646) | – | – | (421,646) |
| Capital element of lease rentals paid | – | – | – | (43,778) | – | (43,778) |
| Interest element of lease rentals paid | – | – | – | (2,017) | – | (2,017) |
| Finance cost paid | – | – | – | – | (36,677) | (36,677) |
| Total changes from financing cash flows | (20,000) | (48,000) | (421,646) | (45,795) | (36,677) | (572,118) |
| **Other changes:** | | | | | | |
| Finance costs *(Note 6)* | – | – | – | 2,017 | 36,677 | 38,694 |
| Dividends declared *(note 11)* | – | – | 2,624,974 | – | – | 2,624,974 |
| Increase in lease liabilities from entering into new lease during the year | – | – | – | 25,082 | – | 25,082 |
| Currency translation differences | – | – | – | 1,584 | – | 1,584 |
| **At 31 December 2025** | 363,882 | 650,751 | 3,831,085 | 73,161 | – | 4,918,879 |
| **At 31 December 2024 and 1 January 2025** | 383,882 | 698,751 | 1,627,757 | 90,273 | – | 2,800,663 |
| **Changes from financing cash flows (unaudited):** | | | | | | |
| New loans | 150,000 | – | – | – | – | 150,000 |
| Repayments of loans | (200,000) | – | – | – | – | (200,000) |
| Repayments of loans from a holding company | – | (48,000) | – | – | – | (48,000) |
| Repayment to a holding company | – | – | (8,932) | – | – | (8,932) |
| Capital element of lease rentals paid | – | – | – | (13,955) | – | (13,955) |
| Interest element of lease rentals paid | – | – | – | (1,556) | – | (1,556) |
| Finance cost paid | – | – | – | – | (13,925) | (13,925) |
| Total changes from financing cash flows | (50,000) | (48,000) | (8,932) | (15,511) | (13,925) | (136,368) |
| **Other changes:** | | | | | | |
| Finance costs *(Note 6)* | – | – | – | 1,556 | 13,925 | 15,481 |
| Increase in lease liabilities from entering into new lease during the year | – | – | – | 10,304 | – | 10,304 |
| Currency translation differences | – | – | – | 9 | – | 9 |
| **At 30 April 2025 (unaudited)** | 333,882 | 650,751 | 1,618,825 | 86,631 | – | 2,690,089 |

| | Bank and other borrowings | Loans from a holding company | Amounts due to a holding company | Lease liabilities | Interest payable | Total |
|---|---|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| **At 31 December 2025 and 1 January 2026** | 363,882 | 650,751 | 3,831,085 | 73,161 | – | 4,918,879 |
| **Changes from financing cash flows:** | | | | | | |
| New loans | 160,000 | – | – | – | – | 160,000 |
| Repayments of loans | (180,000) | – | – | – | – | (180,000) |
| Repayment to a holding company | – | – | (139,118) | – | – | (139,118) |
| Capital element of lease rentals paid | – | – | – | (15,433) | – | (15,433) |
| Interest element of lease rentals paid | – | – | – | (1,057) | – | (1,057) |
| Finance cost paid | – | – | – | – | (8,256) | (8,256) |
| Total changes from financing cash flows | (20,000) | – | (139,118) | (16,490) | (8,256) | (183,864) |
| **Other changes:** | | | | | | |
| Finance costs *(Note 6)* | – | – | – | 1,057 | 8,256 | 9,313 |
| Increase in lease liabilities from entering into new lease during the year | – | – | – | 9,140 | – | 9,140 |
| Currency translation differences | – | – | – | 16 | – | 16 |
| **At 30 April 2026** | 343,882 | 650,751 | 3,691,967 | 66,884 | – | 4,753,484 |

**(c)** Total cash outflow for leases

Amounts included in the statements of cash flows for leases for the Group as a lessee comprise the following:

| | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2025** | **2026** |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Within operating cash flows | 6,312 | 4,258 | 6,636 | 3,247 | 1,295 |
| Within financing cash flows | 28,339 | 41,287 | 45,795 | 15,511 | 16,490 |
| | 34,651 | 45,545 | 52,431 | 18,758 | 17,785 |

## 25 BALANCES WITH HOLDING COMPANIES AND FELLOW SUBSIDIARIES

### (a) Amounts due from holding companies and fellow subsidiaries

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2026** |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| **Amounts due from holding companies** | | | | |
| trade nature | 26,821 | 20,076 | 14,982 | 21,476 |
| **Amounts due from fellow subsidiaries** | | | | |
| trade nature | 31,134 | 22,646 | 23,231 | 24,738 |
| non-trade nature | 16,787 | 38,521 | 41,083 | 49,602 |
| | 47,921 | 61,167 | 64,314 | 74,340 |

Except for the below balances, the remaining balances with holding companies and fellow subsidiaries of the Company mainly represent receivables which are of non-trade nature and unsecured, interest-free and repayable on demand.

The directors of the Company expect that all non-trade balances due from holding companies and fellow subsidiaries as of 30 April 2026 will be settled before or upon the listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), primarily using the Group's internal resources and cash generated from operating activities, or through potential waiver arrangements with holding companies and fellow subsidiaries, subject to final agreement.

At the end of each of the Relevant Periods, amounts of HK$26.8 million, HK$20.1 million, HK$15.0 million and HK$21.5 million, which are amounts due from holding companies regarding the provision of services related to travel document and related operations are due within 30 to 90 days from the invoice date.

At the end of each of the Relevant Periods, amounts of HK$31.1 million, HK$22.6 million, HK$23.2 million and HK$24.7 million, which are amounts due from fellow subsidiaries regarding the provision of hotel services and passenger transportation services, are due within 30 to 90 days from the invoice date.

The ageing analysis based on invoice dates of the balances of trade nature with holding companies and fellow subsidiaries is as follows:

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| **Amounts due from holding companies** | | | | |
| Within 3 months | 26,821 | 20,076 | 14,982 | 21,476 |
| **Amounts due from fellow subsidiaries** | | | | |
| Within 3 months | 12,124 | 5,505 | 8,432 | 9,009 |
| Over 3 months to 6 months | 2,281 | 401 | 1,530 | 2,160 |
| Over 6 months to 12 months | 6,037 | 1,309 | 634 | 312 |
| Over 1 year to 2 years | 5,799 | 5,633 | 591 | 753 |
| Over 2 years | 4,893 | 9,798 | 12,044 | 12,504 |
| Total | 31,134 | 22,646 | 23,231 | 24,738 |

An impairment analysis is performed at the end of each of the Relevant Periods using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customers with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Based on the evaluation on the provision rate and gross carrying amount, the directors of the Company are of the opinion that the financial impact of ECLs in respect of the trade balances is considered immaterial. At the end of each of the Relevant Periods, the loss allowance for the non-trade balances with fellow subsidiaries was assessed to be minimal.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

**(b) Amounts due to holding companies and fellow subsidiaries**

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| **Amounts due to holding companies** | | | | |
| trade nature | 5,935 | 1,970 | 1,200 | 419 |
| non-trade nature | 1,963,132 | 1,627,757 | 3,831,085 | 3,691,967 |
| | 1,969,067 | 1,629,727 | 3,832,285 | 3,692,386 |
| **Amounts due to fellow subsidiaries** | | | | |
| trade nature | 1,669 | 5,358 | 1,658 | 8,285 |
| non-trade nature | 24,995 | 20,228 | 24,719 | 22,192 |
| | 26,664 | 25,586 | 26,377 | 30,477 |

Except for the below balances, the remaining balances with a holding company and fellow subsidiaries of the Company mainly represent payables which are of non-trade nature and unsecured, interest-free and repayable on demand. As at 31 December 2025 and 30 April 2026, included in the balance of amounts due to holding companies were a dividend payable of HK$2,625.0 million, details of which are set out in note 11 to the Historical Financial Information.

Except for those that had been derecognised and capitalised under the Debt Assignment and capitalisation arrangements for the Spin-off Reorganization (note 2.2), the directors of the Company expect that all non-trade balances due to an intermediate holding company and fellow subsidiaries as of 30 April 2026 will be settled before or upon the listing of the Company's shares on the Stock Exchange, primarily using the Group's internal resources and cash generated from operating activities, or through potential waiver arrangements with an intermediate holding company and fellow subsidiaries, subject to final agreement.

At the end of each of the Relevant Periods, amounts of HK$5.9 million, HK$2.0 million, HK$1.2 million and HK$0.4 million, which are amounts due to an intermediate holding company regarding the provision of travel permit administration services, hotel and passenger transportation services, are repayable within 30 to 90 days.

At the end of each of the Relevant Periods, amounts of HK$1.7 million, HK$5.4 million, HK$1.7 million and HK$8.3 million, which are amounts due to fellow subsidiaries regarding the provision of hotel and passenger transportation services, are repayable within 30 to 90 days.

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| **Amounts due to a holding company** | | | | |
| Within 3 months | 5,935 | 1,970 | 1,200 | 105 |
| Over 3 months to 6 months | – | – | – | 314 |
| | 5,935 | 1,970 | 1,200 | 419 |
| **Amounts due to fellow subsidiaries** | | | | |
| Within 3 months | 156 | 3,822 | 52 | 3,580 |
| Over 3 months to 6 months | 728 | – | 53 | 3,125 |
| Over 6 months to 12 months | 39 | – | 17 | 44 |
| Over 1 year to 2 years | – | 790 | 790 | – |
| Over 2 years | 746 | 746 | 746 | 1,536 |
| Total | 1,669 | 5,358 | 1,658 | 8,285 |

**(c) Loans from a holding company**

On 16 July 2020, China Travel HK, as a lender, entered into a shareholder loan agreement with Shun Tak-China Travel, a non-wholly owned subsidiary of the Company, as a borrower, with an amount of HK$73.9 million of shareholders' loan which has not been settled up to 30 April 2026. The balance is unsecured, interest-free and has no fixed term of repayment until shorter of the following (i) from 1 July 2022 to 30 June 2023; (ii) from 1 July 2022 to full resumption of normal travel of all ports related to cross-border passenger transport by vehicle and ship. After the above period, the balance is unsecured, interest-bearing at the Hong Kong Interbank Offered Rate ("**HIBOR**") plus 2.0% per annum and has no fixed term of repayment. The shareholders' loan is not repayable for the coming 12 months after 30 April 2026 as confirmed by China Travel HK. Shun Tak-China Travel applied a 50% deduction of interest rate during the Relevant Periods.

On 5 October 2020, China Travel HK, as a lender, entered into a shareholder loan agreement with Shun Tak-China Travel, as a borrower, with an amount of HK$60 million of shareholders' loan which has not been settled up to 30 April 2026. The balance is unsecured, interest-free and has no fixed term of repayment until shorter of the following (i) from 1 July 2022 to 30 June 2023 (ii) from 1 July 2022 to full resumption of normal travel of all ports related to cross-border passenger transport by vehicle and ship. After the above period, the balance is unsecured, interest-bearing at the HIBOR plus 2.0% per annum and has no fixed term of repayment. The shareholders' loan is not repayable for the coming 12 months after 30 April 2026 as confirmed by China Travel HK. Shun Tak-China Travel applied a 50% deduction of interest rate during the Relevant Periods.

On 15 December 2022, China Travel HK, as a lender, entered into a shareholder loan agreement with Shun Tak-China Travel, as a borrower, with an amount of HK$17 million of shareholders' loan which has not been settled up to 30 April 2026. The balance is unsecured, interest-bearing at the HIBOR plus 2.0% per annum and has no fixed term of repayment. The shareholders' loan is not repayable for the coming 12 months after 30 April 2026 as confirmed by China Travel HK. Shun Tak-China Travel applied a 50% deduction of interest rate during the Relevant Periods.

On 15 December 2022, China Travel HK, as a lender, entered into a shareholder loan agreement with Shun Tak-China Travel, as a borrower, with an amount of HK$33 million of shareholders' loan which has not been settled up to 30 April 2026. The balance is unsecured, interest rate at 2.8% per annum and repayable on 15 December 2025 and extended to 15 December 2026 during the year ended 31 December 2025.

On 9 October 2022, China Travel HK, as a lender, entered into a shareholder loan agreement with CTSPI, a non-wholly owned subsidiary of the Company, as a borrower, with an amount of HK$204.9 million which has not been settled up to 30 April 2026. The balance is unsecured, interest-bearing at 3.75% per annum and has no fixed term of repayment. The related interest expense for the year ended 31 December 2023 was waived by China Travel HK.

On 4 May 2023, China Travel HK, as a lender, entered into a shareholder loan agreement with CTSPI, as a borrower, with an amount of HK$310 million which is unsecured, interest-bearing at HIBOR plus 1.0% per annum and repayable in 2026. The balance was partly settled in the year ended 31 December 2025 with outstanding balance of HK$262 million at that date and on 30 April 2026. The related interest expense for the year ended 31 December 2023 was waived by China Travel HK.

## 26 TRADE PAYABLES

The ageing analysis of the trade payables as at the end of each reporting period, based on the invoice date, is as follows:

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Within 3 months | 61,188 | 42,125 | 55,935 | 48,327 |
| Over 3 months to 6 months | 906 | 2,302 | 1,531 | 9,248 |
| Over 6 months to 12 months | 2,028 | 1,097 | 1,154 | 2,168 |
| Over 1 year to 2 years | 378 | 750 | 419 | 513 |
| Over 2 years | 16,840 | 12,597 | 12,608 | 12,982 |
| | 81,340 | 58,871 | 71,647 | 73,238 |

The trade payables are interest-free and are normally settled on terms ranging from 30 to 90 days.

## 27 OTHER PAYABLES AND ACCRUALS

| | Note | As at 31 December 2023 | As at 31 December 2024 | As at 31 December 2025 | As at 30 April 2026 |
|---|---|---|---|---|---|
| | | HK$'000 | HK$'000 | HK$'000 | HK$'000 |
| Construction in progress payables | | 40,744 | 145 | 21,632 | 21,451 |
| Accrued employee benefits | | 114,291 | 104,063 | 101,255 | 89,136 |
| Contract liabilities | (a) | 13,319 | 15,608 | 21,788 | 20,832 |
| Amounts due to non-controlling shareholders | (b) | 34,001 | 31,580 | 168,347 | 161,098 |
| Other payables and accruals | | 305,163 | 340,237 | 348,335 | 428,854 |
| | | 507,518 | 491,633 | 661,357 | 721,371 |

Other payables are non-interest-bearing and are normally settled on terms ranging from 30 to 180 days.

**(a) Contract liabilities**

| | 1 January 2023 | 31 December 2023 | 31 December 2024 | 31 December 2025 | 30 April 2026 |
|---|---|---|---|---|---|
| | HK$'000 | HK$'000 | HK$'000 | HK$'000 | HK$'000 |
| Contract liabilities | | | | | |
| Service contracts | | | | | |
| – Billings in advance of performance | 20,767 | 13,319 | 15,608 | 21,788 | 20,832 |

Typical payment terms which impact on the amounts of contract liabilities recognised are as follows:

***Service contracts***

The Group receives deposits from customers when they purchase the transportation tickets and hotel services. For the contract liabilities as at 1 January 2023, 31 December 2023, 2024 and 2025, all of the balances were recognised as revenue during the year ended 31 December 2023, 2024 and 2025, and the four months ended 30 April 2026, respectively.

**(b)** Amounts due to non-controlling interests are non-trade in nature, unsecured, non-interest-bearing and have no fixed terms of repayment. As at 31 December 2025 and 30 April 2026, included in the balance were a dividend payable of HK$132 million, details of which are set out in note 11 to the Historical Financial Information.

## 28 DEFERRED INCOME

Deferred income primarily represents government grant income.

## 29 BANK AND OTHER BORROWINGS

| | As at 31 December 2023 | | | As at 31 December 2024 | | | As at 31 December 2025 | | | As at 30 April 2026 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Contractual interest rate per annum | Maturity | HK$'000 | Contractual interest rate per annum | Maturity | HK$'000 | Contractual interest rate per annum | Maturity | HK$'000 | Contractual interest rate per annum | Maturity | HK$'000 |
| **Current** | | | | | | | | | | | | |
| Bank loan – unsecured | HIBOR+1.1% | 2024 | 327,500 | HIBOR+1% | 2025 | 200,000 | HIBOR+0.9% | 2026 | 180,000 | HIBOR+0.7% | 2027 | 160,000 |
| Other loan – unsecured | N/A | N/A | – | 2.8% | 2025 | 33,000 | 2.8% | 2026 | 33,000 | 2.8% | 2026 | 33,000 |
| | | | 327,500 | | | 233,000 | | | 213,000 | | | 193,000 |
| **Non-current** | | | | | | | | | | | | |
| Other loan – unsecured | HIBOR+2% | N/A | 183,882 | HIBOR+2% | N/A | 150,882 | HIBOR+2% | N/A | 150,882 | HIBOR+2% | N/A | 150,882 |
| Bank and other borrowings | | | 511,382 | | | 383,882 | | | 363,882 | | | 343,882 |

The bank and other borrowings are all denominated in Hong Kong dollars.

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Bank loans repayable: | | | | |
| Within 1 year | 327,500 | 200,000 | 180,000 | 160,000 |
| Other borrowings from a non-controlling shareholder repayable: | | | | |
| Within 1 year | – | 33,000 | 33,000 | 33,000 |
| Between 1 and 2 years | 33,000 | – | – | – |
| More than 5 years | 150,882 | 150,882 | 150,882 | 150,882 |
| | 511,382 | 383,882 | 363,882 | 343,882 |

Other borrowings included loans from a non-controlling shareholder advanced to Shun Tak-China Travel, a non-wholly owned subsidiary amounting to HK$150,882,000. Pursuant to the loan agreements, the non-controlling shareholder shall not demand immediate repayment of the balances without the prior written consent of the borrower. The non-controlling shareholder has confirmed that the amounts will not be repayable within five years after 30 April 2026. The repayment terms are subject to agreement between the Group and the shareholder from time to time. Accordingly, the balances have been classified as non-current liabilities and are measured at their nominal values.

The carrying amounts of the Group's borrowings approximate to their fair values.

The Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's balance sheet ratios. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 39 to the Historical Financial Information. At the end of each of the Relevant Periods, none of the covenants relating to drawn down facilities had been breached.

## 30 LEASE LIABILITIES

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Within 1 year | 24,501 | 35,546 | 35,811 | 36,069 |
| After 1 year but within 2 years | 18,902 | 36,074 | 25,222 | 19,552 |
| After 2 years but within 3 years | 3,502 | 9,846 | 8,017 | 8,055 |
| After 3 years but within 4 years | 9,929 | 7,575 | 3,477 | 1,988 |
| After 4 years but within 5 years | 1,148 | 1,232 | 634 | 1,220 |
| | 57,982 | 90,273 | 73,161 | 66,884 |
| Analysed into: | | | | |
| Current portion | 24,501 | 35,546 | 35,811 | 36,069 |
| Non-current portion | 33,481 | 54,727 | 37,350 | 30,815 |
| | 57,982 | 90,273 | 73,161 | 66,884 |

**31 DEFERRED TAX**

The movements in deferred tax liabilities and assets during the year, without taking into consideration of the offsetting of balances within the same tax jurisdiction, are as follows:

**Deferred tax liabilities**

| | Depreciation allowance in excess of related depreciation | Surplus on revaluation of properties | Fair value adjustments arising from acquisition of subsidiaries | Total |
|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| At 1 January 2023 | 64,721 | 127,364 | 229,673 | 421,758 |
| Deferred tax charged/(credited) to the income statement | 6,108 | (24) | (5,159) | 925 |
| Acquisition of a subsidiary *(Note 33)* | – | – | 10,098 | 10,098 |
| Currency translation differences | – | (1,161) | – | (1,161) |
| At 31 December 2023 | 70,829 | 126,179 | 234,612 | 431,620 |
| At 1 January 2024 | 70,829 | 126,179 | 234,612 | 431,620 |
| Deferred tax charged/(credited) to the income statement | 10,202 | (6,375) | (16,571) | (12,744) |
| Currency translation differences | – | (1,721) | – | (1,721) |
| At 31 December 2024 | 81,031 | 118,083 | 218,041 | 417,155 |
| At 1 January 2025 | 81,031 | 118,083 | 218,041 | 417,155 |
| Deferred tax charged/(credited) to the income statement | 10,552 | (9,393) | (8,490) | (7,331) |
| Currency translation differences | – | 2,658 | – | 2,658 |
| At 31 December 2025 | 91,583 | 111,348 | 209,551 | 412,482 |
| At 1 January 2026 | 91,583 | 111,348 | 209,551 | 412,482 |
| Deferred tax charged/(credited) to the income statement | 1,747 | (7,945) | (2,830) | (9,028) |
| Currency translation differences | – | 3,193 | – | 3,193 |
| At 30 April 2026 | 93,330 | 106,596 | 206,721 | 406,647 |

**Deferred tax assets**

| | Provision and accruals | Depreciation in excess of related depreciation allowance | Tax losses | Total |
|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| At 1 January 2023 | – | (9,913) | (131,736) | (141,649) |
| Deferred tax charged to the income statement | – | 1,765 | 22,151 | 23,916 |
| Acquisition of a subsidiary *(Note 33)* | – | – | (1,158) | (1,158) |
| At 31 December 2023 | – | (8,148) | (110,743) | (118,891) |
| At 1 January 2024 | – | (8,148) | (110,743) | (118,891) |
| Deferred tax charged to the income statement | – | 661 | 43,827 | 44,488 |
| At 31 December 2024 | – | (7,487) | (66,916) | (74,403) |
| At 1 January 2025 | – | (7,487) | (66,916) | (74,403) |
| Deferred tax charged/(credited) to the income statement | (1,320) | 1,413 | 15,363 | 15,456 |
| At 31 December 2025 | (1,320) | (6,074) | (51,553) | (58,947) |
| At 1 January 2026 | (1,320) | (6,074) | (51,553) | (58,947) |
| Deferred tax charged/(credited) to the income statement | (41) | 273 | 662 | 894 |
| At 30 April 2026 | (1,361) | (5,801) | (50,891) | (58,053) |

The following is an analysis of the deferred tax balance of the Group for financial reporting purposes:

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Net deferred tax assets recognised in the statement of financial position | (114,070) | (71,731) | (55,835) | (53,972) |
| Net deferred tax liabilities recognised in the statement of financial position | 426,799 | 414,483 | 409,370 | 402,566 |
| Net deferred tax liabilities | 312,729 | 342,752 | 353,535 | 348,594 |

At the end of each of the Relevant Periods, the Group has tax losses arising in Hong Kong of HK$74,314,000, HK$316,963,000, HK$419,512,000 and HK$463,935,000, respectively that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. At the end of each of the Relevant Periods, the Group also has tax losses arising in the Chinese mainland of HK$57,522,000, HK$56,499,000, HK$53,830,000 and HK$55,701,000, respectively that will expire in one to five years for offsetting against future taxable profit. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

At the end of each of the Relevant Periods, the aggregate amount of temporary differences associated with investments in subsidiaries in the Chinese mainland for which deferred tax liabilities have not been recognised totalled approximately HK$23,768,000, HK$24,837,000, HK$24,258,000 and HK$21,779,000, respectively. In the opinion of the Company's directors, the Company is able to control the timing of the reversal of the temporary difference and, accordingly, the Group has taken into consideration, among others, the probability the temporary difference being reversed in the foreseeable future, and recognised for withholding taxes that would be payable in the foreseeable future on distribution of unremitted earnings by the Company's subsidiaries established in the Chinese mainland in respect of earnings generated.

## 32 SHARE CAPITAL

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 12 September 2025 with authorised share capital of HK$60,000,000 divided into 6,000,000,000 ordinary shares of a nominal or par value of HK$0.01 each. On the date of its incorporation, one share was allotted and issued by the Company to the initial subscriber at par who subsequently transferred the share to China Travel HK on the same day.

For the purpose of presentation of the statements of financial position, the balance of share capital as at 31 December 2023, 2024 and 2025 and 30 April 2026 represented the share capital of the subsidiaries now comprising the Group prior to the completion of the Spin-off Reorganization.

## 33 BUSINESS COMBINATION

**Acquisition of Silver Time (H.K.) Limited**

On 25 September 2023, Goster Resources Limited ("**Goster Resources**"), a wholly-owned subsidiary of China Travel HK, entered into an agreement with the then shareholders of Silver Time (H.K.) Limited ("**Silver Time**") to acquire the entire equity interests in Silver Time. The selling shareholders of the transaction were independent from the Group. The transaction was completed on 16 October 2023. Silver Time became an indirect wholly-owned subsidiary of China Travel HK since then.

Silver Time operated the serviced apartment business known as "De Fenwick" in Wan Chai, Hong Kong. Prior to the acquisition, Silver Time generated rental income from the leasing of serviced apartment units and commercial spaces at De Fenwick and maintained an established tenant base and an organised workforce responsible for the day-to-day operation and management of the business. The acquisition enabled the Group to acquire an established and income-generating serviced apartment business, including the property, existing tenancy arrangements, an organised workforce, employees and substantive operating processes relating to leasing, tenant management, and property operations. The acquisition complemented the Group's existing hospitality operations and strengthened its presence in the Hong Kong accommodation market. In addition, given De Fenwick's location in the core commercial district of Wan Chai and its close proximity to the Group's existing Kew Green Hotel Wanchai Hong Kong, the acquisition was believed to offer operational synergies to the Group through the sharing of operational resources, management expertise and facilities or exploring potential merger and redevelopment of the combined site, thereby enhancing operating efficiency and strengthening the Group's presence in the Hong Kong hospitality market.

The following table summarises the consideration paid for Silver Time, and the fair value of the assets acquired and liabilities assumed as at the acquisition date.

| | **Fair value recognised on acquisition** |
|---|---|
| | *HK$'000* |
| Investment properties | 911,000 |
| Property, plant and equipment | 590 |
| Deferred tax assets | 1,158 |
| Cash and bank balances | 1,725 |
| Deferred tax liabilities | (10,098) |
| Other assets and liabilities | 98 |
| Total identifiable net assets at fair value | 904,473 |
| Gain on bargain purchase recognised in other income and gains, net in the income statement | (4,819) |
| Satisfied by cash | 899,654 |

The gain on bargain purchase is mainly due to the Group's bargaining power and ability in negotiating the agreed terms with the sellers.

| | *HK$'000* |
|---|---|
| Cash consideration | (899,654) |
| Cash and cash equivalents acquired | 1,725 |
| Net cash outflow on acquisition | (897,929) |

Since the acquisition or had the combination taken place at the beginning of the year ended 31 December 2023, the revenue and profit contributed by Silver Time to the Group were minimal in that year.

## 34 CONTINGENT LIABILITY

At the end of each reporting period, the following contingent liability has not provided for in the statements of financial position:

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Performance bond given to a customer for due performance of a sales contract | 300 | 300 | 300 | 300 |

## 35 OPERATING LEASE ARRANGEMENTS

**As lessor**

The Group leases certain property, plant and equipment and investment properties (notes 13 and 14) under operating lease arrangements. Leases for investment properties are negotiated for terms ranging from one to five years, and those for certain property, plant and equipment for terms ranging from one to five years. The terms of the leases for investment properties generally require the tenants to pay security deposits.

At the end of each of the Relevant Periods, other than those as disclosed in note 14 for investment properties, the undiscounted lease payments receivable by the Group in future periods for other leases are as follows:

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Equipment and motor vehicles: | | | | |
| Within one year | 5,513 | 6,092 | 4,692 | 2,836 |
| In the second to third years, inclusive | 911 | 651 | 2,123 | 1,440 |
| In the third to fourth years, inclusive | – | 651 | 1,476 | 1,440 |
| In the fourth to fifth years, inclusive | – | 221 | 94 | 320 |
| | 6,424 | 7,615 | 8,385 | 6,036 |

## 36 COMMITMENTS

The Group had the following capital commitments at the end of each of the Relevant Periods:

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Property project, land and buildings: | | | | |
| Contracted, but not provided for | 145,954 | 62,754 | 20,520 | 24,302 |
| Plant and equipment and motor vehicles: | | | | |
| Contracted, but not provided for | 3,605 | 21,352 | 7,220 | 16,220 |

## 37 RELATED PARTY TRANSACTIONS

In addition to those related party balances and transactions disclosed elsewhere in the Historical Financial Information, the Group had the following significant transactions and balances with related parties during each reporting period:

### (a) Significant transactions with related parties

| | | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|---|
| | *Notes* | 2023 | 2024 | 2025 | 2025 | 2026 |
| | | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* (unaudited) | *HK$'000* |
| Travel-related income^ from | | | | | | |
| – intermediate holding company#* | | 380,602 | 291,425 | 216,857 | 75,884 | 64,137 |
| – fellow subsidiaries* | *(a)* | 4,006 | 4,273 | 4,075 | 1,452 | 314 |
| Hotel-related income from | | | | | | |
| – intermediate holding company | | 593 | 387 | 13 | – | – |
| – fellow subsidiaries | *(a)* | 891 | 2,042 | 1,954 | 784 | 216 |
| Management income from | | | | | | |
| – fellow subsidiaries* | *(b)* | 2,815 | 3,853 | 1,934 | 257 | 3,621 |

| | Notes | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|---|
| | | 2023 | 2024 | 2025 | 2025 | 2026 |
| | | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* (unaudited) | *HK$'000* |
| Rental income from | | | | | | |
| – intermediate holding company* | | 668 | 367 | 167 | 41 | 221 |
| – fellow subsidiaries* | *(c)* | 10,052 | 6,403 | 6,809 | 1,944 | 1,637 |
| – a non-controlling shareholder | | 2,553 | 2,523 | 1,929 | 643 | 853 |
| – associates* | *(c)* | 33,088 | 37,640 | 47,636 | 16,441 | 16,346 |
| Travel-related expenses@ paid to | | | | | | |
| – fellow subsidiaries* | *(a)* | (1,876) | (1,922) | (2,213) | (460) | (427) |
| Management expenses paid to | | | | | | |
| – fellow subsidiaries* | *(b)* | (1,456) | (2,893) | (3,053) | (1,421) | (509) |
| – a non-controlling shareholder | *(b)* | (5,579) | (6,417) | (11,205) | (3,865) | (4,020) |
| – immediate holding company* | | (4,515) | (5,272) | (9,972) | (3,454) | (3,609) |
| Interest expenses paid to | | | | | | |
| – immediate holding company* | | (5,808) | (15,931) | (23,387) | (9,616) | (5,318) |
| – a non-controlling shareholder | | (5,808) | (5,759) | (4,444) | (1,372) | (1,124) |
| Rental expenses paid to | | | | | | |
| – fellow subsidiaries* | | (1,691) | (1,304) | (663) | (240) | (120) |
| Lease liabilities due to: | | | | | | |
| – intermediate holding company* | *(d)* | (2,349) | (2,766) | (136) | (356) | (356) |
| – fellow subsidiaries* | *(d)* | – | (1,867) | (737) | – | – |
| Other operating expenses paid to | | | | | | |
| – fellow subsidiaries | | (64) | (160) | (100) | (26) | (30) |

^ The travel-related income primarily represented income from travel permit administration income, arising from the provision of general administration services in Hong Kong for application for tourist visas and travel permits for entry into the Chinese mainland for a fixed term up to 30 June 2047.

# The travel permit administration income was determined in accordance with the terms of an agency agreement entered into between the parties and was charged at 45% of the gross fee revenue from travel permit applications.

* These related party transactions contain connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The amounts disclosed above included certain income/expenses which are exempted from the announcements and reporting requirement as they are below de minimis threshold under the Rule 14A.76(1) of the Listing Rules.

@ The travel-related expenses primarily represented commission paid to agents in respect of ticket procurement services and hotel room reservation services.

*Notes:*

(a) Travel-related and hotel-related income and expenses are entered into on terms mutually agreed by the parties.

(b) Management income and expenses are charged at rates in accordance with relevant contracts.

(c) Rental income is charged in accordance with respective tenancy agreements.

(d) The outstanding balances arising from the leasing arrangement with the intermediate holding company, fellow subsidiaries and a non-controlling shareholder are included in "lease liabilities" (note 30).

**(b) Key management personnel remuneration**

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 8 is as follows:

| | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| | | | | *(unaudited)* | |
| Short term employee benefits | 25,371 | 30,958 | 28,546 | 10,516 | 11,184 |
| Post-employment benefits | 1,345 | 1,590 | 1,424 | 361 | 338 |
| Total remuneration paid to key management personnel | 26,716 | 32,548 | 29,970 | 10,877 | 11,522 |

Total remuneration is included in "employee benefit expenses" (see note 7(b)).

## 38 FINANCIAL INSTRUMENTS BY CATEGORY

Except for the equity investments, which were measured at fair value through other comprehensive income, all financial assets and financial liabilities of the Group as at the end of each of the Relevant Periods were measured at amortised cost.

## 39 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial assets and liabilities mainly comprise equity investments, trade and other receivables, pledged and restricted deposits, cash and bank balances, trade payables, other payables and accruals, loans and balances with holding companies and fellow subsidiaries and bank and other borrowings. Details of these financial instruments are disclosed in the respective notes to the combined financial statements. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

**Liquidity risk**

Liquidity risk is the risk of non-availability of funds to meet all contractual financial commitments as they fall due. The Group's objective is to maintain a prudent financial policy, to monitor liquidity ratios against risk limits and to maintain a contingency plan for funding to ensure that the Group maintains sufficient cash to meet its liquidity requirements.

The maturity profile of the Group's financial liabilities as at the end of each Relevant Periods, based on the contractual undiscounted payments, is as follows:

| | 31 December 2023 | | | | |
|---|---|---|---|---|---|
| | Carrying value | Within 1 year or on demand | 1 to 5 years | Over 5 years | Total |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Trade payables | 81,340 | 81,340 | – | – | 81,340 |
| Other payables and accruals | 379,908 | 379,908 | – | – | 379,908 |
| Lease liabilities | 57,982 | 25,574 | 38,844 | – | 64,418 |
| Amounts due to holding companies | 1,969,067 | 1,969,067 | – | – | 1,969,067 |
| Amounts due to fellow subsidiaries | 26,664 | 26,664 | – | – | 26,664 |
| Loans from a holding company | 698,751 | 211,629 | 511,189 | 156,321 | 879,139 |
| Bank and other borrowings | 511,382 | 355,116 | 23,076 | 156,321 | 534,513 |
| | 3,725,094 | 3,049,298 | 573,109 | 312,642 | 3,935,049 |

| | 31 December 2024 | | | | |
|---|---|---|---|---|---|
| | Carrying value | Within 1 year or on demand | 1 to 5 years | Over 5 years | Total |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Trade payables | 58,871 | 58,871 | – | – | 58,871 |
| Other payables and accruals | 371,962 | 371,962 | – | – | 371,962 |
| Lease liabilities | 90,273 | 46,411 | 62,525 | – | 108,936 |
| Amounts due to holding companies | 1,629,727 | 1,629,727 | – | – | 1,629,727 |
| Amounts due to fellow subsidiaries | 25,586 | 25,586 | – | – | 25,586 |
| Loans from a holding company | 698,751 | 251,384 | 417,543 | 155,559 | 824,486 |
| Bank and other borrowings | 383,882 | 249,488 | 18,709 | 155,559 | 423,756 |
| | 3,259,052 | 2,633,429 | 498,777 | 311,118 | 3,443,324 |

| | 31 December 2025 | | | | |
|---|---|---|---|---|---|
| | Carrying value | Within 1 year or on demand | 1 to 5 years | Over 5 years | Total |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Trade payables | 71,647 | 71,647 | – | – | 71,647 |
| Other payables and accruals | 538,314 | 538,314 | – | – | 538,314 |
| Lease liabilities | 73,161 | 39,834 | 40,343 | – | 80,177 |
| Amounts due to holding companies | 3,832,285 | 3,832,285 | – | – | 3,832,285 |
| Amounts due to fellow subsidiaries | 26,377 | 26,377 | – | – | 26,377 |
| Loans from a holding company | 650,751 | 527,940 | 15,320 | 154,712 | 697,972 |
| Bank and other borrowings | 363,882 | 224,958 | 15,320 | 154,712 | 394,990 |
| | 5,556,417 | 5,261,355 | 70,983 | 309,424 | 5,641,762 |

| | 30 April 2026 | | | | |
|---|---|---|---|---|---|
| | Carrying value | Within 1 year or on demand | 1 to 5 years | Over 5 years | Total |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Trade payables | 73,238 | 73,238 | – | – | 73,238 |
| Other payables and accruals | 611,403 | 611,403 | – | – | 611,403 |
| Lease liabilities | 66,884 | 45,511 | 29,881 | – | 75,392 |
| Amounts due to holding companies | 3,692,386 | 3,692,386 | – | – | 3,692,386 |
| Amounts due to fellow subsidiaries | 30,477 | 30,477 | – | – | 30,477 |
| Loans from a holding company | 650,751 | 519,196 | 22,496 | 156,506 | 698,198 |
| Bank and other borrowings | 343,882 | 206,575 | 22,496 | 156,506 | 385,577 |
| | 5,469,021 | 5,178,786 | 74,873 | 313,012 | 5,566,671 |

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables and balances with group companies. The Group's exposure to credit risk arising from cash and cash balance is limited because the counterparties are banks and financial institutions with sound credit ratings, for which the Group considers to have low credit risk.

The Group has concentration of credit risk in relation to amounts due from holding companies and fellow subsidiaries which accounted for 35%, 29%, 23% and 35% of trade receivables. These counterparties have a sound financial background at the end of the reporting period by reference to their financial position and business prospects. The Group's credit risk position is monitored closely by the management.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 to 90 days from the date of billing. Debtors with balances that are more than 3 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade and other receivables and balances with group companies at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

Expected loss rates are based on actual loss experience over the past 5 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

**Foreign currency risk**

The monetary assets and transactions of several subsidiaries of the Group are principally denominated in foreign currencies, which exposes the Group to foreign currency risk. The Group currently has no particular hedging vehicles to hedge its exposure to foreign exchange risk. It is the Group's policy to monitor foreign exchange exposure and to make use of appropriate hedging measures when required.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rate, with all other variables held constant of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities). There is no impact on the Group's equity except for retained profits.

| | Increase/ decrease in RMB rate | Increase/ decrease in profit before tax |
|---|---|---|
| | *%* | *HK$'000* |
| **31 December 2023** | | |
| If Hong Kong dollar weakens/strengthens against RMB | 5 | 1,080 |
| If Hong Kong dollar weakens/strengthens against RMB | 10 | 2,160 |
| **31 December 2024** | | |
| If Hong Kong dollar weakens/strengthens against RMB | 5 | 1,482 |
| If Hong Kong dollar weakens/strengthens against RMB | 10 | 2,964 |
| **31 December 2025** | | |
| If Hong Kong dollar weakens/strengthens against RMB | 5 | 1,025 |
| If Hong Kong dollar weakens/strengthens against RMB | 10 | 2,050 |
| **30 April 2026** | | |
| If Hong Kong dollar weakens/strengthens against RMB | 5 | 1,116 |
| If Hong Kong dollar weakens/strengthens against RMB | 10 | 2,232 |

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group's exposure to changes in interest rates relates primarily to the Group's bank loans and other borrowings. The Group does not use financial derivatives to hedge against the interest rate risk. The Group's interest rate risk profile as monitored by management is set out below.

**Interest rate profile**

The following table details, as reported to the management of the Group, the interest rate profile of the Group's borrowings at the end of each reporting period.

| | 31 December 2023 | | 31 December 2024 | | 31 December 2025 | | 30 April 2026 | |
|---|---|---|---|---|---|---|---|---|
| | Effective interest rate | | Effective interest rate | | Effective interest rate | | Effective interest rate | |
| | *%* | *HK$'000* | *%* | *HK$'000* | *%* | *HK$'000* | *%* | *HK$'000* |
| **Fixed rate borrowings:** | | | | | | | | |
| Lease liabilities | 3.0-5.71% | 57,982 | 2.65-5.46% | 90,273 | 2.65-5.71% | 73,161 | 2.65-5.71% | 66,884 |
| Loans from a holding company | 1.40-3.75% | 237,869 | 1.40-3.75% | 237,869 | 1.40-3.75% | 237,869 | 1.40-3.75% | 237,869 |
| Other borrowings | 1.40% | 33,000 | 1.40% | 33,000 | 1.40% | 33,000 | 1.40% | 33,000 |
| | | 328,851 | | 361,142 | | 344,030 | | 337,753 |
| **Variable rate borrowings:** | | | | | | | | |
| Bank loans | 5.33% | 327,500 | 6.37% | 200,000 | 3.98% | 180,000 | 4.04% | 160,000 |
| Loans from a holding company | 3.60% | 460,882 | 3.10-5.34% | 460,882 | 3.10-5.61% | 412,882 | 1.73-2.50% | 412,882 |
| Other borrowings | 3.60% | 150,882 | 3.10% | 150,882 | 3.10% | 150,882 | 2.50% | 150,882 |
| | | 939,264 | | 811,764 | | 743,764 | | 723,764 |
| **Total borrowings** | | 1,268,115 | | 1,172,906 | | 1,087,794 | | 1,061,517 |
| Fixed rate borrowings as a percentage of total borrowings | | 26% | | 31% | | 32% | | 32% |

**Sensitivity analysis**

At the end of each of the Relevant Periods, it is estimated that a general increase/decrease of 0.5% in interest rates, with all other variables held constant, would have decreased/increased the Group's profit before tax by approximately HK$8,317,000, HK$7,944,000, HK$7,930,000 and HK$2,585,000 and decreased/increased the Group's retained profits by approximately HK$8,317,000, HK$7,944,000, HK$7,930,000 and HK$2,585,000, respectively.

The sensitivity analysis above has been determined assuming that the change in interest rates has occurred at the end of each reporting period.

**Capital management**

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Group prices its products and services commensurately with the level of risk and secures access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure and strives to maintain a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors its capital structure on the basis of a debt-to-capital ratio. The debt includes bank and other borrowings, trade and other payables and accruals, amounts due to holding companies and fellow subsidiaries and lease liabilities. Capital represents equity attributable to equity owners of the Company.

During the Relevant Periods, the Group assessed the range at which it maintains its adjusted net debt-to-capital ratio to be 63%, 54%, 148% and 144%. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

The Group's adjusted net debt-to-capital ratios at 31 December 2023, 2024 and 2025 and 30 April 2026 were as follows:

| | 31 December 2023 | 31 December 2024 | 31 December 2025 | 30 April 2026 |
|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Trade payables | 81,340 | 58,871 | 71,647 | 73,238 |
| Other payables and accruals | 507,518 | 491,633 | 661,357 | 721,371 |
| Amounts due to holding companies | 1,969,067 | 1,629,727 | 3,832,285 | 3,692,386 |
| Amounts due to fellow subsidiaries | 26,664 | 25,586 | 26,377 | 30,477 |
| Loans from a holding company | 698,751 | 698,751 | 650,751 | 650,751 |
| Lease liabilities | 57,982 | 90,273 | 73,161 | 66,884 |
| Bank and other borrowings | 511,382 | 383,882 | 363,882 | 343,882 |
| Debt | 3,852,704 | 3,378,723 | 5,679,460 | 5,578,989 |
| Capital | 6,113,214 | 6,304,589 | 3,830,011 | 3,874,761 |
| Debt-to-capital ratio | 63% | 54% | 148% | 144% |

**Fair value estimation**

Management has assessed that the fair values of cash and cash balances, pledged and restricted deposits, trade receivables, trade payables, financial assets included in deposits, prepayments and other receivables, financial liabilities included in other payables and accruals, amounts due/from to holding companies, amounts due from/to fellow subsidiaries, loans from a holding company and current portion of bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the non-current portion of deposits and bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. In the opinion of the directors of the Company, since their carrying amounts are not significantly different from their respective fair values, no disclosure of the fair values of these financial instruments is made. The changes in fair value as a result of the Group's own non-performance risk for bank and other borrowings as at the end of each Relevant Periods were assessed to be insignificant.

The following hierarchy is used for determining and disclosing the fair values:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

During the Relevant Periods, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

| | 31 December 2023 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Equity investments | – | – | 903 | 903 |
| | – | – | 903 | 903 |

| | 31 December 2024 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Equity investments | – | – | 1,496 | 1,496 |
| | – | – | 1,496 | 1,496 |

| | 31 December 2025 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Equity investments | – | – | 3,145 | 3,145 |
| | – | – | 3,145 | 3,145 |

| | 30 April 2026 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Equity investments | – | – | 3,476 | 3,476 |
| | – | – | 3,476 | 3,476 |

The movement during the Relevant Periods in the balance of Level 3 fair value instruments is as follow:

| | 31 December 2023 | 31 December 2024 | 31 December 2025 | 30 April 2026 |
|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Equity investments: | | | | |
| At 1 January | 858 | 903 | 1,496 | 3,145 |
| Net unrealised gains recognised on other comprehensive income | 45 | 593 | 1,649 | 331 |
| At 31 December | 903 | 1,496 | 3,145 | 3,476 |

| Equity investments | | | |
|---|---|---|---|
| Year ended 31 December 2023: | | | |
| Unlisted equity securities | Valuation technique Market comparable companies | Significant unobservable input Discount for lack of marketability | Range 16.1% |
| Year ended 31 December 2024: | | | |
| Unlisted equity securities | Valuation technique Market comparable companies | Significant unobservable input Discount for lack of marketability | Range 16.4% |
| Year ended 31 December 2025: | | | |
| Unlisted equity securities | Valuation technique Market comparable companies | Significant unobservable input Discount for lack of marketability | Range 16.4% |
| Four months ended 30 April 2026: | | | |
| Unlisted equity securities | Valuation technique Market comparable companies | Significant unobservable input Discount for lack of marketability | Range 16.4% |

The fair value of unlisted equity securities is determined using the price/earnings ratios or enterprise value/earnings before interest, taxes, depreciation and amortisation ratios of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. As at the end of the Relevant Periods, it was estimated that with all other variables held constant, a decrease/increase in discount for lack of marketability by 1% would have increased/decreased the Group's other comprehensive income by HK$11,000, HK$18,000, HK$40,000 and HK$38,000.

## 40 EVENTS AFTER THE RELEVANT PERIODS

On 24 April 2026, Shun Tak-China Travel Ship Management Limited, a non-wholly-owned subsidiary of the Company, entered into a transfer agreement with Dukling Limited, a limited company incorporated in Hong Kong to acquire the assets used in the operation of the "DUK LING" maritime cultural tourism business for a consideration of HK$10,000,000. The acquired assets principally comprised (i) the vessel "DUK LING"; and (ii) the intellectual property rights, digital accounts and records related to the business. The acquisition was completed in June 2026.

The acquisition was undertaken to further develop the Group's maritime cultural tourism business in Hong Kong by acquiring an established operator of harbour sightseeing cruises, vessel chartering services and related tourism activities. The acquisition complements the Group's existing transportation, hotel and tourism service businesses and broadens its maritime sightseeing and cultural tourism offerings. The acquisition is expected to create synergies through cross-selling opportunities among the Group's transportation, hotel and tourism platforms, enhance customer reach and enrich its tourism product portfolio. In addition, the acquisition supports the Group's strategy of preserving and promoting Hong Kong's maritime heritage and cultural tourism resources, while strengthening its presence in the local tourism market.

Following an assessment of the acquisition, management concluded that the transaction did not meet the definition of a business under HKFRS 3 *Business Combinations* as substantially all of the fair value of the gross assets acquired is concentrated in the vessel and the Group did not acquire any organised workforce, employees or substantive processes capable of generating outputs. Accordingly, the transaction was accounted for as an asset acquisition rather than a business combination.

## 41 SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 30 April 2026.

*The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this Listing Document, and is included herein for information purposes only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" and the Accountants' Report set out in Appendix I to this Listing Document.*

## A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED COMBINED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted combined net tangible assets attributable to the owners of the Company has been prepared in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for inclusion in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") to illustrate the effect of the listing by way of introduction of the shares of the Company on the Main Board of The Hong Kong Stock Exchange (the "**Introduction**") on the combined net tangible assets attributable to owners of the Company as at 30 April 2026 as if the Introduction had taken place on 30 April 2026.

The unaudited pro forma statement of adjusted combined net tangible assets attributable to owners of the Company has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the combined net tangible assets of the Group as at 30 April 2026 or any future dates.

| **Combined net tangible assets attributable to owners of the Company as at 30 April 2026** | **Estimated listing expenses** | **Unaudited pro forma adjusted combined net tangible assets** | **Unaudited pro forma adjusted combined net tangible assets attributable to owners of the Company per Share** |
|---|---|---|---|
| *HK$'000* | *HK$'000* | *HK$'000* | *HK$* |
| *(Note 1)* | *(Note 2)* | | *(Notes 3 and 4)* |
| 2,460,537 | 45,565 | 2,414,972 | 1.74 |

*Notes:*

(1) The combined net tangible assets attributable to the owners of the Company as at 30 April 2026 are calculated based on the combined net assets of the Group attributable to the owners of the Company as at that date of approximately HK$3,874,761,000 addressed for goodwill attributable to the owners of approximately HK$1,292,923,000 and intangible assets attributable to the owners of the Company of approximately HK$121,301,000, as extracted from the Accountants' Report in Appendix I to this Listing Document.

(2) The adjustment represents the estimated listing expenses mainly comprise professional fees and other listing related expenses, which are expected to be incurred by the Group subsequent to 30 April 2026.

(3) The unaudited pro forma adjusted combined net tangible assets attributable to owners of the Company per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that a total of 1,384,158,427 Shares were in issue (being the outstanding 1,384,158,427 domestic shares in issue immediately before the Introduction) assuming that the Introduction had been completed on 30 April 2026.

(4) No adjustment has been made to reflect any trading results or open transactions of the Group entered into subsequent to 30 April 2026.

## B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

*The following is the text of a report, received from the reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Listing Document, in respect of the Group's pro forma financial information.*



Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道 979 號
太古坊一座 27 樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

To the Directors of CTG Hongkong and Macao Culture and Tourism Holding Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of CTG Hongkong and Macao Culture and Tourism Holding Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma combined net tangible assets as at 30 April 2026, and related notes as set out on page II-1 of the listing document dated 30 October 2026 (the "**Listing Document**") issued by the Company (the "**Unaudited Pro Forma Financial Information**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on page II-1 of the Listing Document.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the listing by way of introduction of the shares of the Company on the Group's financial position as at 30 April 2026 as if the transaction had taken place at 30 April 2026. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the period ended 30 April 2026, on which an accountants' report has been published.

**Directors' responsibility for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

**Our independence and quality management**

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* as issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting accountants' responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* as issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 as issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Listing Document is solely to illustrate the impact of listing by way of introduction of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**Ernst & Young**
*Certified Public Accountants*
Hong Kong

30 October 2026

*The following is the text of a letter, a valuation summary and valuation certificates prepared for the purpose of incorporation in this Listing Document received from Jones Lang LaSalle Limited, an independent valuer, in connection with its valuation of the property interests held by the Group.*




仲量聯行有限公司
評估及諮詢部
香港鰂魚涌英皇道979號太古坊一座7樓
公司牌照號碼：C-003464

Jones Lang LaSalle Limited
Value and Risk Advisory
7th Floor, One Taikoo Place,
979 King's Road, Quarry Bay, Hong Kong
Company Licence No. C-003464

30 October 2026

**CTG Hongkong and Macao Culture and Tourism Holding Limited**
12/F, CTG House,
78 – 83 Connaught Road Central,
Hong Kong

Dear Sirs,

We refer to the instruction from China Travel International Investment Hong Kong Limited (the "**Company**", the "**Group**" or "**Instructing Party**") for us to provide external property asset valuation to support a spin-off and distribution of CTG Hongkong and Macao Culture and Tourism Holding Limited on The Stock Exchange of Hong Kong Limited (the "**SEHK**").

The property portfolio as identified to us for this valuation is listed in our summary of valuations and valuation certificates attached below (the "**Portfolio**").

We confirm that we have carried out external inspections and where possible internal inspections of the Portfolio in June and July 2026, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing the SEHK with our opinion of the market values of the Portfolio in existing state as at 31 July 2026 (the "**date of valuation**").

The valuations presented in this report represent the 100% interest of each of the properties and not the shareholdings of the company holding the property interest thereof.

Our valuations have been prepared in accordance with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities published by the SEHK, Rule 11 of The Code on Takeovers and Mergers published by the Securities and Futures Commission, the "HKIS Valuation Standards 2024" published by The Hong Kong Institute of Surveyors ("**HKIS**"), the "International Valuation Standards" published by the International Valuation Standards Council ("**IVSC**") and the "RICS Valuation – Global Standards" published by the Royal Institution of Chartered Surveyors ("**RICS**") subject to variation to meet local established law. Our valuations are undertaken as External Valuers as defined in the relevant valuation standards.

Our valuations are made on the basis of the "Market Value" as defined by IVSC and adopted by HKIS and RICS, set out as:

*"the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."*

We have applied the definition of market value to each property interest independently. We have ignored the potential effect of selling and leasing the entire portfolio at any one time. Likewise for property interest that comprises multiple floors or units, we have valued the property as a single property interest and have ignored the potential effect of selling and leasing the property on a strata title basis.

Our valuation services have been executed in accordance with our Quality Assurance System, accredited by HKQAA via ISO 9001:2015 and our report has been prepared with reference to the assumptions, definitions and limiting conditions.

Our valuations have been made on the assumption that the owner sells the individual property interest on the open market without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which could serve to affect the values of the property interests.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the property interests nor for any expenses or taxation that may be incurred in effecting sales or lettings. Unless otherwise stated, it is assumed that the Portfolio is free of legal complications and encumbrances, restrictions, outgoings of an onerous nature that could affect their values.

We have adopted the following valuation methodologies and have applied the most relevant valuation methods for different types of assets in the course of our valuations.

Save and except for the two hotel premises (Property Nos.1 and 2 under Group II – Owner-occupied Properties in Hong Kong), we have adopted the direct comparison method to assess the market values of the majority of the Portfolio. Direct comparison method is based on comparing the property to be valued directly with other comparable properties, which have recently transferred their legal ownership. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative differences that may affect the price likely to be achieved by the property under consideration.

We have adopted the discounted cash flow method to assess the market values of the hotel premises, which estimates a hotel's market value by forecasting net cash flows over a 10-year period-based on realistic assumptions a prospective buyer would use-and discounting them at a risk-adjusted rate reflecting inflation and operational risks. Years 1-5 use detailed projections; Years 6-10 extrapolate Year 5 cash flow with inflation adjustments. The terminal value (Year 11 onward) is capitalised using a market-derived capitalisation rate, then discounted and added to the present value. The resulting valuation is cross-checked against metrics like running yields, price per room, and leveraged IRR to ensure reasonableness relative to investor expectations and market evidence.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, tenancy schedules, area schedules, floor plans, historic trading performance of the hotel properties and all other relevant matters.

Dimensions, measurements and areas included in the valuations are based on information contained in copies of documents provided to us and are therefore only approximations. We have not carried out on-site measurements to verify the correctness of the site areas and the floor areas. We have assumed that all information provided to us is correct. However, should it be established subsequently that the details relating to the Portfolio are incorrect, we reserve the right to adjust the values reported herein. Should it be revealed that any of the provided information is inaccurate or misleading so that its use would affect our valuations, then we reserve the right to amend our opinion of value.

All measurements are carried out in accordance with the "Code of Measuring Practice" booklet published by HKIS. To suit the local practice and as agreed with the Group, we declare our departure from the "RICS property measurement" published by RICS. We do not physically measure the actual properties or verify the floor areas provided to us, although we make reference to the registered floor plans if available.

For properties in Hong Kong, we have not been provided with copies of the title documents relating to the properties but we have caused searches to be made at the Land Registry. However, we have not examined the original documents to verify ownership or to ascertain the existence of any lease amendments, which may not appear on the Land Registry search records. All documents and leases have been used for reference only and all dimensions, measurements and areas are approximate.

For properties in The People's Republic of China (the "**PRC**"), we have been shown copies of various title documents including State-owned Land Use Rights Certificates, Real Estate Title Certificates and other title documents relating to the property interests in the PRC and have made relevant enquiries. We have relied considerably on the advice given by the Group's Legal Advisor in the PRC – Jingtian & Gongcheng, concerning the validity of the property interests in the PRC.

We have not conducted formal site and structural surveys and, as such, we cannot report that the Portfolio is free from rot, infestation or any other structural defects. We have not carried out a building survey, nor have we inspected those parts of the Portfolio which are covered, unexposed or inaccessible and such parts have been assumed to be in good repair and condition. We cannot express an opinion about or advise upon the condition of uninspected parts and this report should not be taken as making any implied representation or statement about such parts. No tests have been carried out to any of the services.

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of the Portfolio, or has since been incorporated, and we are therefore unable to report that the Portfolio is free from risk in this respect.

We have not carried out any investigations on site in order to determine the suitability of ground conditions and services etc. for future redevelopment, nor did we undertake archaeological, ecological or environmental surveys. Our valuations are on the basis that these aspects are satisfactory and that where developments are contemplated, no extraordinary expenses or delays will be incurred during the construction period due to these, or to archaeological or ecological matters. In the course of our assessments, we have assumed that no contamination affecting the Portfolio or the neighbouring land. However, should it be established subsequently that contamination exists at the Portfolio or on any neighbouring land, or that the premises have been or are being put to any contaminative use, we reserve the right to adjust the values reported herein.

Our valuations normally include all plant and machinery that form part of the building services installations. However, process plant, machinery and equipment which may have been installed wholly in connection with the occupiers' commercial processes, together with furniture and furnishings, tenants' fixtures and fittings are excluded in our valuations.

For hotel assets, the reported figures include the value attributed to the real estate, goodwill, furniture, fittings and equipment used in the day-to-day operation of the business.

Our valuation assumes the hotel assets are open for business and will continue to trade normally up until the date of sale. The valuation further assumes a prospective purchaser would engage the existing staff (but not necessarily the senior management) and take over the benefit of future bookings.

We hereby confirm that we have no present or prospective interest in the properties and have carried out an independent valuation of the Portfolio.

Macro events such as geo-political disputes, wars or acts of aggression, and restrictions on trade can cause market conditions to change quickly thereby impacting real estate values. Specifically, events in Iran and the wider Middle East region may have global repercussions resulting in increased oil prices, market stagnation and general uncertainty. In recognition of this, we highlight the importance of the valuation date and confirm the conclusions in our report are valid at the time of reporting only. We advise you to keep the valuation under regular review. For the avoidance of doubt, we are not reporting material uncertainty.

A summary of valuations and the valuation certificates follow.

Yours faithfully,
For and on behalf of
**Jones Lang LaSalle Limited**

**Au Kin Keung, Alkan**
*Head of Value and Risk Advisory, Hong Kong and Macau*
*BA (Hons), MHKIS, MRICS, R.P.S. (GP), MCIREA*
*Licence No.: E-181955*

*Note:* Mr Au is a chartered surveyor who has 32 years' and 22 years' experience in the valuation of properties in Hong Kong and the PRC (including Macau) respectively. Mr Au has joined the firm since the 1990s.

## 2.0 SUMMARY OF VALUATIONS

**Group IA – Investment Properties in Hong Kong**

| No. | Property address | Market value in existing state as at the date of valuation |
|---|---|---|
| | | *(HK$)* |
| 1 | Ground Floor and Basement, China Travel Building, No. 77 Queen's Road Central, Hong Kong | 127,600,000 |
| 2 | 5th Floor, China Travel Building, No. 77 Queen's Road Central, Hong Kong | 15,500,000 |
| 3 | Shop No. 5 on G/F, Tak Bo Building, No. 62 Sai Yee Street and Whole of 1st Floor, Tak Bo Building, No. 74 Sai Yee Street, Kowloon | 219,900,000 |
| 4 | Shop No. 1 on Ground Floor, Southorn Centre, 138 Hennessy Road, Hong Kong | 102,400,000 |
| 5 | 1-2/F, China Travel Building, 75-77 Queen's Road Central, Hong Kong | 30,400,000 |
| 6 | 6-12/F, China Travel Building, 75-77 Queen's Road Central, Hong Kong | 110,700,000 |
| 7 | 2/F, Tak Bo Building, No. 74 Sai Yee Street, Kowloon | 136,600,000 |
| 8 | Nos. 8-12 Fenwick Street and Nos. 42-50 Lockhart Road, Hong Kong | 802,900,000 |
| **Aggregate of the Market Values of the Group IA – Investment Properties in Hong Kong (HK$)** | | **1,546,000,000** |

**Group IB – Investment Properties in the PRC**

| No. | Property address | Market value in existing state as at the date of valuation |
|---|---|---|
| | | *(RMB)* |
| 1 | Portion of Basement Levels 1 to 3, portions of Levels 1 to 9, 11 to 12 and 16 of Beijing Guang'anmen Grand Metropark Hotel (北京廣安門維景國際大酒店), No. 338 Guang'anmen Nei Street, Xicheng District, Beijing, The PRC | 553,000,000 |

**Group II – Owner-occupied Properties in Hong Kong**

| No. | Property address | Market value in existing state as at the date of valuation |
|---|---|---|
| | | *(HK$)* |
| 1 | No. 1 Cheong Tung Road, Kowloon (known as Metropark Hung Hom) | 2,181,000,000 |
| 2 | No. 148 Tung Lo Wan Road, Causeway Bay, Hong Kong (known as Metropark Causeway Bay) | 867,000,000 |
| **Aggregate of the Market Values of the Group II – Owner-occupied Properties in Hong Kong (HK$)** | | **3,048,000,000** |

## VALUATION CERTIFICATE

### Group IA – Investment Properties

| | Property | Description, age and tenure | Particulars of occupancy | Market value in existing state as at the date of valuation |
|---|---|---|---|---|
| 1. | Ground Floor and Basement, China Travel Building, No. 77 Queen's Road Central, Hong Kong<br><br>Sections 4 and 5 of Inland Lot No. 1622 and the Extension thereto and Sub-Section F of Section 6 of Inland Lot No. 1622 (part) | The property comprises the whole of shop units on ground floor and basement level of a 13-storey (excluding basement) commercial building completed in 1973. The subject building is located at Queen's Road Central of Central district in Hong Kong which is a traditional commercial area. Developments are mainly in the form of high-rise commercial buildings with retail space on lower floors.<br><br>The saleable area of ground floor and basement are approximately 1,470 $ft^2$ and 1,323 $ft^2$ respectively.<br><br>The flat roof on G/F and yard on basement are approximately 94 $ft^2$ and 184 $ft^2$ respectively.<br><br>The property is held under the Government Lease for a term of 999 years commencing from 26 June 1843. The annual Government rent payable for the subject lot is HK$34. | In accordance with the tenancy schedule provided by the Group, the property together with the whole unit on 1/F of the subject building is subject to a tenancy for a term of 3 years from 1 February 2026 to 31 January 2029 at a monthly rent of HK$470,000 with a 2-month rent free period from 1 February 2026 to 31 March 2026, (inclusive of Government rent, but exclusive of rates and management fee) and with an option to renew for further 3 years. | HK$127,600,000<br><br>(HONG KONG DOLLARS ONE HUNDRED TWENTY SEVEN MILLION AND SIX HUNDRED THOUSAND) |

*Notes:*

1) According to our land search record dated on 8 October 2026, only registration for titleship of Sections 4 and 5 of Inland Lot No. 1622 and the Extension thereto and Sub-Section F of Section 6 of Inland Lot No. 1622 could be conducted. The subject lots have not been sub-divided into sub-divided unit. In our valuation, we have assumed that subject property (Ground Floor and Basement of the lots) could be subdivided from the subject lots with separate undivided shares and could be registered in the Land Registry upon sale of the property.

2) The registered owner of the property is China Travel Service (Hong Kong) Limited vide Memorial No. UB948769 dated 6 December 1972.

3) According to the Certified Copy of Certificate of Change of Name vide Memorial No. 20061601690056 dated 23 December 2019, the registered owner of the property has been renamed as "China Travel Service Property Investment Hong Kong Limited (香港中旅物業投資有限公司)".

4) The property is situated in an area zoned as "Commercial" under draft Central District Outline Zoning Plan No. S/H4/17 gazetted on 24 May 2019.

5) In undertaking our valuation, we have identified and analysed various relevant sales evidences in the locality that exhibit characteristics comparable to the subject property. The transacted unit rates of these comparables ranged from HK$47,516 to HK$116,811 per $ft^2$ of saleable area. Appropriate adjustments were applied to account for differences in key factors including location, size, time and other relevant characteristics between the comparables and the subject property. The general principle of adjustments is that if a comparable property is superior to the subject property, a downward adjustment is made to its transacted rate. Alternatively, if a comparable property is inferior or less desirable, an upward adjustment is made.

| | Property | Description, age and tenure | Particulars of occupancy | Market value in existing state as at the date of valuation |
|---|---|---|---|---|
| 2. | 5th Floor, China Travel Building, No. 77 Queen's Road Central, Hong Kong<br><br>Sections 4 and 5 of Inland Lot No. 1622 and the Extension thereto and Sub-Section F of Section 6 of Inland Lot No. 1622 (part) | The property comprises a whole office unit on the 5th floor of a 13-storey (excluding basement) commercial building completed in 1973. The subject building is located at Queen's Road Central of Central district in Hong Kong which is a traditional commercial area. Developments are mainly in the form of high-rise commercial buildings with retail space on lower floors.<br><br>The saleable area of the property is approximately 1,345 $ft^2$.<br><br>The property is held under the Government Lease for a term of 999 years commencing from 26 June 1843. The annual Government rent payable to the subject lot is HK$34. | As advised by the Group, the property was vacant as at the date of valuation. | HK$15,500,000<br><br>(HONG KONG DOLLARS FIFTEEN MILLION AND FIVE HUNDRED THOUSAND) |

*Notes:*

1) According to our land search record dated on 8 October 2026, only registration for titleship of Sections 4 and 5 of Inland Lot No. 1622 and the Extension thereto and Sub-Section F of Section 6 of Inland Lot No. 1622 could be conducted. The subject lots have not been sub-divided into sub-divided unit. In our valuation, we have assumed that subject property (5/F of the lots) could be subdivided from the subject lots with separate undivided shares and could be registered in the Land Registry upon sale of the property.

2) The registered owner of the property is China Travel Service (Hong Kong) Limited vide Memorial No. UB948769 dated 6 December 1972.

3) According to the Certified Copy of Certificate of Change of Name vide Memorial No. 20061601690056 dated 23 December 2019, the registered owner of the property is renamed as "China Travel Service Property Investment Hong Kong Limited (香港中旅物業投資有限公司)".

4) The property is situated in an area zoned as "Commercial" under draft Central District Outline Zoning Plan No. S/H4/17 gazetted on 24 May 2019.

5) In undertaking our valuation, we have identified and analysed various relevant sales evidences in the locality that exhibit similar characteristics comparable to the subject property. The transacted unit rates of these comparables ranged from HK$8,007 to HK$15,315 per $ft^2$ of saleable area. Appropriate adjustments were applied to account for differences in key factors including location, size, time and other relevant characteristics between the comparables and the subject property. The general principle of adjustments is that if the comparable property is superior to the subject property, a downward adjustment is made to its transacted rate. Alternatively, if a comparable property is inferior or less desirable, an upward adjustment is made.

| | Property | Description, age and tenure | Particulars of occupancy | Market value in existing state as at the date of valuation |
|---|---|---|---|---|
| 3. | Shop No. 5 on G/F, Tak Bo Building, No. 62 Sai Yee Street and Whole of 1st Floor, Tak Bo Building, No. 74 Sai Yee Street, Kowloon<br><br>38/380 equal and undivided shares of and in Section A of Kowloon Inland Lot No. 1571 | The property comprises a retail shop unit on the ground floor and a commercial unit on the whole of 1st floor of a 23-storey composite building completed in 1979. The subject building is located at Sai Yee Street of Mong Kok district. The general locality comprises mainly of multi-storey office / commercial buildings and residential buildings intermingled with newly built residential developments.<br><br>The saleable area of the property is approximately 935 $ft^2$ for the ground floor shop unit and approximately 13,980 $ft^2$ for commercial unit on the whole of 1st floor.<br><br>Section A of Kowloon Inland Lot No. 1571 is held under Government Lease for a term of 75 years commencing from 24 March 1923 and is renewable for a further term of 75 years. The annual Government rent payable for the property is HK$129,600 (part). | In accordance with the tenancy schedule provided by the Group, portion of 1/F of the property is subject to a tenancy for a term of 3 years from 22 April 2025 to 21 April 2028 at a monthly rent of HK$170,000 for 1st year and HK$200,000 for 2nd and 3rd year with a 4-month rent free period from 22 April 2025 to 21 August 2025 (exclusive of rates and management fees and other outgoings) and with an option to renew for further 6 years. Another portion of 1/F is subject to another tenancy for a term of 3 years from 1 September 2025 to 31 August 2028 at a monthly rent of HK$120,000 for 1st year and HK$150,000 for 2nd and 3rd years with a 6-month rent free period (inclusive of Government rent, rates and management fees) and with an option to renew for further 3 years.<br><br>Shop No. 5 on G/F of the property was vacant as at the date of valuation. | HK$219,900,000<br><br>(HONG KONG DOLLARS TWO HUNDRED NINETEEN MILLION AND NINE HUNDRED THOUSAND) |

*Notes:*

1) According to the Land Registry search record dated 8 October 2026, the registered owner of the property is Tonkin Limited vide Memorial No. UB2073365 dated 10 February 1981.

2) The property is subject to the following encumbrances:

   i) Deed of Mutual Covenant with plan vide Memorial No. UB1857509 dated 29 February 1980.

   ii) Management Agreement in favour of Housing Management Agency Limited "Manager" vide Memorial No. UB2271695 dated 16 April 1980 (Re: By the Incorporated Owners of Tak Bo Building).

   iii) Notice No. WC/TF00233/14/K-T03N by The Building Authority under section 24C (1) of the Buildings Ordinance vide Memorial No. 14121201560161 dated 25 June 2014. (Remarks: with a letter issued by the Building Authority) (Re: Whole of 1st Floor only).

   iv) Notice No. UMW/MB03/2101-023/0001 by The Building Authority under section 30C(3) of the Buildings Ordinance vide Memorial No. 24012500860244 dated 17 June 2022. (Re: with a letter issued by the Building Authority dated 31 May 2023, Common Part(s) only).

   v) Notice No. UMB/MB03/2101-023/0001 by The Building Authority under section 30B(3) of the Buildings Ordinance vide Memorial No. 24012500860252 dated 17 June 2022. (Re: with a letter issued by the Building Authority dated 31 May 2023, Common Part(s) only).

3) In the course of our valuation, we have not allowed any reinstatement cost(s) that may incur to carry out the remedial works for complying the required works of the outstanding notices if so required.

4) The property is situated in an area zoned as "Residential (Group A)" under approved Mong Kok Outline Zoning Plan No. S/K3/38 gazetted on 8 November 2024.

5) In undertaking our valuation, we have identified and analysed various relevant sales evidences in the locality that exhibit similar characteristics comparable to the subject property. The transacted unit rates of these comparables ranged from HK$31,462 to HK$118,710 per $ft^2$ of saleable area for the G/F shop and HK$11,285 to HK$13,998 per $ft^2$ of saleable area for the 1/F units. Appropriate adjustments were applied to account for differences in key factors including location, size, time and other relevant characteristics between the comparables and the subject property. The general principle of adjustments is that if a comparable property is superior to the subject property, a downward adjustment is made to its transacted rate. Alternatively, if a comparable property is inferior or less desirable, an upward adjustment is made.

| | Property | Description, age and tenure | Particulars of occupancy | Market value in existing state as at the date of valuation |
|---|---|---|---|---|
| 4. | Shop No. 1 on Ground Floor, Southorn Centre, 138 Hennessy Road, Hong Kong<br><br>233/70500 equal and undivided shares of and in Inland Lot No. 8562 | The property comprises a retail shop unit on the ground floor of a composite development comprising a 44-storey commercial building and a 44-storey residential building completed in 1988. The subject building is located at Hennessy Road of Wan Chai district. The area comprises mainly a mixture of tenement style buildings, multi-storey commercial, office and domestic developments. Ground floor premises in most buildings are confined to a variety of secondary retailing and allied uses.<br><br>The saleable area of the property is approximately 2,235 $ft^2$.<br><br>Inland Lot No. 8562 is held under Conditions of Grant No. UB11830 for a term of 75 years commencing from 23 May 1985 and is renewable for a further term of 75 years. The annual Government rent payable for the subject lot is HK$1,000. | In accordance with the tenancy schedule provided by the Group, Portion A of the property is subject to a tenancy for a term of 2 years from 1 September 2024 to 31 August 2026 at a monthly rent of HK$93,000. Portion B of the property is subject to another tenancy for a term of 5 years from 1 November 2023 to 31 October 2028 at a monthly rent of HK$115,000 (1st year), HK$120,000 (2nd and 3rd years) and HK$130,000 (remaining period of the tenancy). The above rentals are inclusive of Government rent, rates and management fee. | HK$102,400,000<br><br>(HONG KONG DOLLARS ONE HUNDRED TWO MILLION AND FOUR HUNDRED THOUSAND) |

*Notes:*

1) According to the Land Registry search record dated 8 October 2026, the registered owner of the property is China Travel Service (Hong Kong) Limited vide Memorial No. UB3944444 dated 29 November 1988.

2) According to the Certified Copy of Certificate of Change of Name vide Memorial No. 20061601690056 dated 23 December 2019, the registered owner of the property has been renamed as "China Travel Service Property Investment Hong Kong Limited (香港中旅物業投資有限公司)".

3) The property is subject to the following encumbrances:

   i) Occupation Permit (Permit No. 56/88/HK (MTR)) vide Memorial No. UB3740823 dated 17 June 1988.

   ii) Deed of Mutual Covenant vide Memorial No. UB3833389 registered on 16 September 1988.

   iii) Copy Certificate of Compliance vide Memorial No. UB6266586 dated 14 October 1992.

   iv) G.N. 3082 dated 30 April 2015 under Railways Ordinance (Chapter 519) vide Memorial No. 15050801740019 dated 30 April 2015. Remarks: *Mass Transit Railway ("**MTR**") Wan Chai Station Lee Tung Street Subway with Plan No. HKM9844 Re: Creation of Rights of Temporary Occupation of Land Re Portion by Director of Lands.

   v) G.N. 7099 dated 16 December 2016 under Railways Ordinance (Chapter 519) vide Memorial No. 17011000690102 dated 16 December 2016. Remarks: *Mass Transit Railway ("**MTR**") Wan Chai Station Lee Tung Street Subway with Plan No. HKM9844A Re: Creation of Rights of Temporary Occupation of Land Re Portion by Director of Lands.

4) The property is situated in an area zoned as "Other Specified Uses (Residential Cum Commercial, Government Offices and Community Facilities)" under approved Wan Chai Outline Zoning Plan No. S/H5/33 gazetted on 24 April 2026.

5) In undertaking our valuation, we have identified and analysed various relevant sales evidences in the locality that exhibit similar characteristics comparable to the subject property. The transacted unit rates of these comparables ranged from HK$48,148 to HK$62,136 per $ft^2$ of saleable area. Appropriate adjustments were applied to account for the differences in key factors including location, size, time and other relevant characteristics between the comparables and the subject property. The general principle of adjustments is that if a comparable property is superior to the subject property, a downward adjustment is made to its transacted rate. Alternatively, if a comparable property is inferior or less desirable than the subject property, an upward adjustment is made.

| | Property | Description, age and tenure | Particulars of occupancy | Market value in existing state as at the date of valuation |
|---|---|---|---|---|
| 5. | 1st Floor and 2nd Floor, China Travel Building, No. 77 Queen's Road Central, Hong Kong<br><br>Sections 4 and 5 of Inland Lot No. 1622 and the Extension thereto and Sub-Section F of Section 6 of Inland Lot No. 1622 (part) | The property comprises of a unit on 1st Floor and a whole office levels on 2nd Floor of a 13-storey (excluding basement) commercial building completed in 1973. The subject building is located at Queen's Road Central of Central district in Hong Kong which is a traditional commercial area. Developments are mainly in the form of high-rise commercial buildings with retail space on lower floors.<br><br>The total saleable area of the property is approximately 2,434 $ft^2$ with approximately 86 $ft^2$ of flat roof on 1st Floor.<br><br>The property is held under the Government Lease for a term of 999 years commencing from 26 June 1843. The annual Government rent payable to the subject lot is HK$34. | In accordance with the tenancy schedule provided by the Group, the whole unit on 1/F of the property together with the whole of shop units on G/F and Basement of the subject building is subject to a tenancy for a term of 3 years from 1 February 2026 to 31 January 2029 at a monthly rent of HK$470,000 with a 2-month rent free period from 1 February 2026 to 31 March 2026 (inclusive of Government rent, but exclusive of rates and management fee) and with an option to renew further 3 years. The remaining portion of the property was vacant as at the date of valuation. | HK$30,400,000<br><br>(HONG KONG DOLLARS THIRTY MILLION AND FOUR HUNDRED THOUSAND) |

*Notes:*

1) According to the Land Registry search record dated on 8 October 2026, only registration for titleship of Sections 4 and 5 of Inland Lot No. 1622 and the Extension thereto and Sub-Section F of Section 6 of Inland Lot No. 1622 could be conducted. The subject lots have not been sub-divided into sub-divided unit. In our valuation, we have assumed that subject property (1st and 2nd floors of the lots) could be subdivided from the subject lots with separate undivided shares and could be registered in the Land Registry upon sale of the property.

2) The registered owner of the subject lot is China Travel Service (Hong Kong) Limited vide Memorial No. UB948769 dated 6 December 1972.

3) According to the Certified Copy of Certificate of Change of Name vide Memorial No. 20061601690056 dated 23 December 2019, the registered owner of the property has been renamed as "China Travel Service Property Investment Hong Kong Limited (香港中旅物業投資有限公司)".

4) The property is situated in an area zoned as "Commercial" under draft Central District Outline Zoning Plan No. S/H4/17 gazetted on 24 May 2019.

5) In undertaking our valuation, we have identified and analysed various relevant sales evidences in the locality that exhibit similar characteristics comparable to the subject property. The transacted unit rates of these comparables ranged from HK$8,007 to HK$15,315 per $ft^2$ of saleable area. Appropriate adjustments were applied to account for differences in key factors including location, size, time and other relevant characteristics between the comparables and the subject property. The general principle of adjustments is that if a comparable property is superior to the subject property, a downward adjustment is made to its transacted rate. Alternatively, if a comparable property is inferior or less desirable than the subject property, an upward adjustment is made.

| | Property | Description, age and tenure | Particulars of occupancy | Market value in existing state as at the date of valuation |
|---|---|---|---|---|
| 6. | 6th Floor to 12th Floor, China Travel Building, No. 77 Queen's Road Central, Hong Kong<br><br>Sections 4 and 5 of Inland Lot No. 1622 and the Extension thereto and Sub-Section F of Section 6 of Inland Lot No. 1622 (part) | The property comprises seven whole office floors from 6th to 12th floors of a 13-storey (excluding basement) commercial building completed in 1973. The subject building is located at Queen's Road Central of Central district in Hong Kong which is a traditional commercial area. Developments are mainly in the form of high-rise commercial buildings with retail space on lower floors.<br><br>The saleable area of the property is approximately 9,415 $ft^2$.<br><br>The property is held under the Government Lease for a term of 999 years commencing from 26 June 1843. The annual Government rent payable to the subject lot is HK$34. | As advised by the Group, the property was vacant as at the date of valuation. | HK$110,700,000<br><br>(HONG KONG DOLLARS ONE HUNDRED TEN MILLION AND SEVEN HUNDRED THOUSAND) |

*Notes:*

1) According to the Land Registry search record dated 8 October 2026, only registration for titleship of Sections 4 and 5 of Inland Lot No. 1622 and the Extension thereto and Sub-Section F of Section 6 of Inland Lot No. 1622 could be conducted. The subject lots have not been sub-divided into sub-divided unit. In our valuation, we have assumed that subject property (6th to 12th floors of the lots) could be subdivided from the subject lots with separate undivided shares and could be registered in the Land Registry upon sale of the property.

2) The registered owner of the subject lot is China Travel Service (Hong Kong) Limited vide Memorial No. UB948769 dated 6 December 1972.

3) According to the Certified Copy of Certificate of Change of Name vide Memorial No. 20061601690056 dated 23 December 2019, the registered owner of the property has been renamed as "China Travel Service Property Investment Hong Kong Limited (香港中旅物業投資有限公司)".

4) The property is situated in an area zoned as "Commercial" under draft Central District Outline Zoning Plan No. S/H4/17 gazetted on 24 May 2019.

5) In undertaking our valuation, we have identified and analysed various relevant sales evidences in the locality that exhibit similar characteristics comparable to the subject property. The transacted unit rates of these comparables ranged from HK$8,007 to HK$15,315 per $ft^2$ of saleable area. Appropriate adjustments were applied to account for differences in key factors including location, size, time and other relevant characteristics between the comparables and the subject property. The general principle of adjustments is that if a comparable property is superior to the subject property, a downward adjustment is made to its transacted rate. Alternatively, if a comparable property is inferior or less desirable than the subject property, an upward adjustment is made.

| | Property | Description, age and tenure | Particulars of occupancy | Market value in existing state as at the date of valuation |
|---|---|---|---|---|
| 7. | 2nd Floor, Tak Bo Building, No.74 Sai Yee Street, Kowloon<br><br>30/380 equal and undivided shares of and in Section A of Kowloon Inland Lot No. 1571 | The property comprises a commercial unit on the whole of 2nd floor of a 23-storey composite building completed in 1979. The subject building is located at Sai Yee Street of Mong Kok district. The general locality comprises mainly of multi-storey office / commercial buildings and residential buildings intermingled with newly built residential developments.<br><br>The saleable area of the property is approximately 13,920 $ft^2$.<br><br>Section A of Kowloon Inland Lot No. 1571 is held under the Government Lease for a term of 75 years commencing from 24 March 1923 and is renewable for a further term of 75 years. The annual Government rent payable for the property is HK$73,440. | As advised by the Group, the property was vacant as at valuation date. | HK$136,600,000<br><br>(HONG KONG DOLLARS ONE HUNDRED THIRTY SIX MILLION AND SIX HUNDRED THOUSAND) |

*Notes:*

1) According to the Land Registry search record dated 8 October 2026, the registered owner of the property is China Travel Service (Hong Kong) Limited vide Memorial No. UB3877184 dated 14 October 1988.

2) According to the Certified Copy of Certificate of Change of Name vide Memorial No. 20061601690056 dated 23 December 2019, the registered owner of the property has been renamed as "China Travel Service Property Investment Hong Kong Limited (香港中旅物業投資有限公司)".

3) The property is subject to the following encumbrances:

   i) Deed of Mutual Covenant with plan vide Memorial No. UB1857509 dated 29 February 1980.

   ii) Management Agreement in favour of Housing Management Agency Limited "Manager" vide Memorial No. UB2271695 dated 16 April 1980 (Re: By the Incorporated Owners of Tak Bo Building).

   iii) Notice No. WC/TF00248/14/K-T03N by The Building Authority under section 24C(1) of the Buildings Ordinance vide Memorial No. 14102001230083 dated 25 June 2014.

   iv) Notice No. UMW/MB03/2101-023/0001 by The Building Authority under section 30C(3) of the Buildings Ordinance vide Memorial No. 24012500860244 dated 17 June 2022. (Re: with a letter issued by the Building Authority dated 31 May 2023, Common Part(s) only).

   v) Notice No. UMB/MB03/2101-023/0001 by The Building Authority under section 30B(3) of the Buildings Ordinance vide Memorial No. 24012500860252 dated 17 June 2022. (Re: with a letter issued by the Building Authority dated 31 May 2023, Common Part(s) only).

4) In the course of our valuation, we have not allowed any reinstatement cost(s) that may incur to carry out the remedial works for complying the required works of the outstanding notices if so required.

5) The property is situated in an area zoned as "Residential (Group A)" under approved Mong Kok Outline Zoning Plan No. S/K3/38 gazetted on 8 November 2024.

6) In undertaking our valuation, we have identified and analysed various relevant sales evidences in the locality that exhibit the similar characteristics comparable to the subject property. The transacted unit rates of these comparables ranged from HK$11,285 to HK$13,998 per $ft^2$ of saleable area. Appropriate adjustments were applied to account for differences in key factors including location, size, time and other relevant characteristics between the comparables and the subject property. The general principle of adjustments is that if a comparable property is superior to the subject property, a downward adjustment is made to its transacted rate. Alternatively, if a comparable property is inferior or less desirable than the subject property, an upward adjustment is made.

| | Property | Description, age and tenure | Particulars of occupancy | Market value in existing state as at the date of valuation |
|---|---|---|---|---|
| 8. | Nos. 8-12 Fenwick Street and Nos. 42 – 50 Lockhart Road, Hong Kong<br><br>Remaining Portion of Inland Lot No. 2823 | The Property is a 15-storey (including basement) serviced apartment cum retail podium building, built in 1966. The serviced apartment portion was also renovated in 2024.<br><br>The Basement, Ground and 1st to 2nd floors are designated for retail use. The 3rd to 14th Floors of the building are designated as residential apartments operated by the Group under the name of Green Residence.<br><br>According to the information provided by the Group, the total approved gross floor area of the Property is approximately 56,754 $ft^2$ (5,272.58 $m^2$). There are a total of 110 apartments of average room size of 400 $ft^2$.<br><br>The Remaining Portion of Inland Lot No. 2823 is held under the Government Lease for a term of 99 years renewable for 99 years commencing from 15 April 1929. The annual Government rent payable for the lot is HK$120. | In accordance with the tenancy schedule provided by the Group, Shop A, Shop B, Shops C & D, Shop E, Shops F & G on Ground Floor, 1st Floor and 2nd Floor were leased to various tenants as at the date of valuation. The latest term is due to expire in April 2030. The total monthly rental receivable as at the date of valuation was approximately HK$ 723,000 (exclusive of Government rent, rates and management fee).<br><br>Basement was vacant as at the date of valuation.<br><br>As per information provided by the Group, the apartments generate an average monthly room revenue of about HK$2,318,700 during the period from August 2025 to July 2026. | HK$802,900,000<br><br>(HONG KONG DOLLARS EIGHT HUNDRED AND TWO MILLION AND NINE HUNDRED THOUSAND) |

*Notes:*

1) According to the Land Registry search record dated 15 October 2026, the registered owner of the property is Silver Time (H.K.) Limited vide Memorial No. 05102101390235 dated 5 October 2005.

2) The following encumbrance is registered against the property:

   - No-objection Letter from the Government of the HKSAR by the Districts Lands Officer / Hong Kong West dated 8 February 2002 vide Memorial No. UB8614430.

3) The property is zoned "Commercial" under the approved Wan Chai Outline Zoning Plan No. S/H5/33 gazetted on 24 April 2026.

4) In undertaking our valuation, we have identified and analysed various relevant sales evidences within the locality that exhibit similar characteristics comparable to the subject property. The transaction unit rates of residential comparables ranged from HK$12,000 to HK$16,000 per $ft^2$ of saleable area, while retail comparables ranged from HK$34,000 to HK$64,000 per $ft^2$ of saleable area. Appropriate adjustments were applied to account for differences in key factors including location and other relevant characteristics between the comparables and the subject property. The general principle of adjustments is that if a comparable property is superior to the subject property, a downward adjustment is made to its transacted rate. Alternatively, if a comparable property is inferior or less desirable than the subject property, an upward adjustment is made.

## Group IB – Investment Properties in the PRC

| | Property | Description, age and tenure | Particulars of occupancy | Market value in existing state as at the date of valuation |
|---|---|---|---|---|
| 1. | Portion of Basement Levels 1 to 3, portions of Levels 1 to 9, 11 to 12 and 16 of Beijing Guang'anmen Grand Metropark Hotel (北京廣安門維景國際大酒店)<br><br>No. 338 Guang'anmen Nei Street, Xicheng District, Beijing, The PRC | Beijing Guang'anmen Grand Metropark Hotel (the "**Building**") is a 14-storey composite development completed in 1999. It comprises hotel, office, retail and 3 basement levels with a total gross floor area ("**GFA**") of approximately 68,989.18 $m^2$ erected on a parcel of land with a site area of approximately 10,947.20 $m^2$.<br><br>The property comprises the commercial and office portions of the Building on Levels 1 to 9, 11 to 12 and 16, and portion of basement area on Levels 1 to 3 with a total GFA of approximately 41,312.92 $m^2$.<br><br>The land use rights of the property have been granted for a term expiring on 15 December 2044 for office uses. | As per information provided by the Group, portions of the property with a total gross lettable area ("**GLA**") of approximately 23,634.71 $m^2$ were leased to various tenants for terms with expiry dates between August 2026 and June 2029 for retail, office and storage uses. As at the date of valuation, the daily unit rent was from RMB1.0 to RMB12.1 per $m^2$, exclusive of value added tax and management fees. The remaining portion of the property was vacant as at the date of valuation. | RMB553,000,000<br><br>(RENMINBI FIVE HUNDRED AND FIFTY THREE MILLION) |

*Notes:*

1) Pursuant to a copy of Real Estate Title Certificate – Jing (2021) Xi Bu Dong Chan Quan Di No. 0002338, portion of the project with a total GFA of approximately 66,385.68 $m^2$ is owned by Beijing Guang'anmen Grand Metropark Co., Ltd. (北京廣安門維景國際大酒店有限公司, "**Beijing Grand Metropark**") and the land use rights of a parcel of land with a site area of approximately 10,947.20 $m^2$, where the property erected thereon, have been granted to Beijing Grand Metropark for a term of 50 years expiring on 15 December 2044 for office use.

2) As advised by Beijing Grand Metropark, the total GLA of the property is set out as below:

| Usage | Floor | GLA *($m^2$)* |
|---|---|---|
| Retail | Level 1 and Level 2 | 3,586.35 |
| Office | Level 3 to Level 9, Level 11 to Level 12 and Level 16 | 23,969.96 |
| Storage | B1 to B3 | 1,747.51 |
| **Total:** | | 29,303.82 |

3) We have been provided with a legal opinion regarding the property interest by the Group's PRC legal advisor, which contains, inter alia, the following:

   a. The Group is entitled to possess, use, transfer, lease, mortgage or otherwise dispose of the land use rights and building ownership of the property in accordance with the particulars stated in the Real Estate Title Certificate and the provisions of the laws and regulations of the PRC.

4) In undertaking our valuation, we have identified and analysed various relevant sales evidence in the locality that exhibit similar characteristics comparable to the subject property. The transacted unit rates of office comparables ranged from RMB12,000 to RMB16,000 per $m^2$ of GFA, while retail comparables ranged from RMB15,000 to RMB19,000 per $m^2$ of GFA. Appropriate adjustments were applied to account for differences in key factors including location and other relevant characteristics between the comparables and the subject property. The general principle of adjustments is that if a comparable property is superior to the subject property, a downward adjustment is made. Alternatively, if a comparable property is inferior or less desirable than the subject property, an upward adjustment is made.

## Group II – Owner-occupied Properties in Hong Kong

| | Property | Description, age and tenure | Particulars of occupancy | Market value in existing state as at the date of valuation |
|---|---|---|---|---|
| 1. | **Metropark Hung Hom**<br><br>No. 1 Cheong Tung Road, Kowloon<br><br>Kowloon Inland Lot No. 10663 | Metropark Hung Hom is a 26-storey hotel completed in December 2023.<br><br>The hotel consists of 536 guestrooms well-equipped with a full range of modern amenities.<br><br>General facilities include multiple restaurants and bars, function rooms, and a rooftop swimming pool along with a fitness room.<br><br>As per information provided by the Group, the total gross floor area is approximately 228,495 $ft^2$ (or 21,227.7 $m^2$), and there are a total of 9 car parking spaces.<br><br>The property is held under Conditions of Grant No. 11466 for a term of 75 years from 21 January 1981 at an annual government rent of HK$1,000. | As advised by the Group, the Property was leased to a third-party operator as at the date of valuation. We understand the lease is set to expire on 31 March 2028. After the expiry of the lease, we have assumed that the property would run as a trading operational hotel. | HK$2,181,000,000<br><br>(HONG KONG DOLLARS TWO BILLION ONE HUNDRED AND EIGHTY ONE MILLION) |

*Notes:*

1) According to the Land Registry search record dated 15 October 2026, the registered owner of the property is China Travel Service (Hong Kong) Limited granted under Conditions of Grant No. 11466 dated 21 January 1981.

2) According to the Certificate of Change of Name vide Memorial No. 20050801240018 dated 23 December 2019, the registered owner of the property has been renamed as "China Travel Service Property Investment Hong Kong Limited (香港中旅物業投資有限公司)".

3) The property is currently zoned for "Commercial" purposes under approved Hung Hom Outline Zoning Plan No. S/K9/30 (KPA No. 9) gazetted on 22 May 2026.

4) The following encumbrances are registered against the property:

   i) Modification Letter vide Memorial No. 06020901690050 dated 13 January 2006 (Re: From the Government of the Hong Kong Special Administrative Region by the District Lands Officer/ Kowloon West).

   ii) Modification Letter with Plan vide Memorial No. 18100300620039 dated 21 September 2018 (Re: From District Lands Officer/ Kowloon West).

   iii) Modification Letter with Plan vide Memorial No. 23111000320021 dated 27 October 2023 (Re: From District Lands Officer/ Kowloon West).

5) The value assessment is based on the assumption that the property is subject to existing lease and will be subject to a hotel management agreement after the lease expires. We have assumed an incoming purchaser would not be able to extend the lease after its expiry.

6) We have assumed a terminal capitalization rate of 4.5% and a discount rate of 6.5% for the Metropark Hung Hom. By Year 3 of our projections, the Metropark Hung Hom is expected to trade at an occupancy of 93% and an ADR of HK$1,101.

7) In undertaking our valuation, we have identified and analysed various relevant sales evidences in the locality that exhibit similar characteristics comparable to the subject property. The transacted unit rates of these comparables ranged from HK$6,000 to HK$15,000 per $ft^2$ of gross floor area.

| | Property | Description, age and tenure | Particulars of occupancy | Market value in existing state as at the date of valuation |
|---|---|---|---|---|
| 2. | **Metropark Causeway Bay**<br><br>No. 148 Tung Lo Wan Road, Hong Kong<br><br>Section A and Remaining Portion of Inland Lot No. 2609 | Metropark Causeway Bay is a 31-storey hotel completed in August 2001.<br><br>The hotel consists of 266 guestrooms well-equipped with a full range of modern amenities.<br><br>General facilities include a western restaurant and a bar.<br><br>As per information provided by the Group, the total gross floor area is approximately 133,312 $ft^2$ (or 12,385 $m^2$).<br><br>The property is held under the Government Lease of IL 2609 for a term of 75 years renewable for a further of 75 years from 8 June 1926. The annual government rent payable for Metropark Causeway Bay is HK$2,952. | As advised by the Group, the Property was leased to a third-party operator as at the date of valuation.<br><br>We understand the lease is set to expire on 31 March 2028. After the expiry of the lease, we have assumed that the property would run as a trading operational hotel. | HK$867,000,000<br><br>(HONG KONG DOLLARS EIGHT HUNDRED AND SIXTY SEVEN MILLION) |

*Notes:*

1) According to the Land Registry search record dated 15 October 2026, the registered owner of the property is Well Done Enterprises Inc. vide Memorial No. UB7140726 dated 28 May 1997.

2) The property is currently zoned for "Residential (Group A)" purposes under approved North Point Outline Zoning Plan No. S/H8/28 (HKPA No. 8) gazetted on 19 April 2024.

3) The following encumbrances are registered against the property:

   i) Order under Section 31(1) – of the Landlord and Tenant Ordinance vide Memorial No. UB451930 dated 28 July 1964.

   ii) Exclusion (amendment) Order No. 120 of 1967 (amending Order Mem. No. 451930) (Re: Landlord and Tenant Ordinance) vide Memorial No. UB590008 dated 11 July 1967.

   iii) No-Objection Letter from District Lands Officer/ Hong Kong East vide Memorial No. UB7554748 dated 7 August 1998.

4) The value assessment is based on the assumption that the property is subject to existing lease and will be subject to a hotel management agreement after the lease expires. We have assumed an incoming purchaser would not be able to extend the lease after its expiry.

5) We have assumed a terminal capitalization rate of 4.25% and a discount rate of 6.25% for the Metropark Causeway Bay. By Year 3 of our projections, the Metropark Causeway Bay is expected to trade at an occupancy of 94% and an ADR of HK$989.

6) In undertaking our valuation, we have identified and analysed various relevant sales evidences in the locality that exhibit similar characteristics comparable to the subject property. The transacted unit rates of these comparables ranged from HK$6,000 to HK$15,000 per $ft^2$ of gross floor area.

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of our Company and of certain aspects of the Cayman Islands company law.

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on September 12, 2025 under the Cayman Companies Act. Our Company's constitutional documents consist of its Memorandum of Association and its Articles of Association.

## 1. MEMORANDUM OF ASSOCIATION

The Memorandum states, inter alia, that the liability of members of our Company is limited to the amount from time to time unpaid on such member's shares and that the objects for which our Company is established are unrestricted (including acting as an investment company), and that our Company shall have and be capable of exercising any and all of the powers exercisable by a natural person or body corporate in any part of the world whether as principal, agent, contractor or otherwise and in view of the fact that our Company is an exempted company that our Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of our Company carried on outside the Cayman Islands.

## 2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on October 23, 2026 with effect from the Listing Date. The following is a summary of certain provisions of the Articles:

### (a) Shares

*(i) Classes of shares*

The share capital of our Company consists of ordinary shares.

*(ii) Variation of rights of existing shares or classes of shares*

Subject to the Cayman Companies Act, if at any time the share capital of our Company is divided into different classes of shares, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths of the voting rights of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will *mutatis mutandis* apply, but so that the necessary quorum (including at an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third of the issued shares (excluding treasury shares) of that class. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

*(iii) Alteration of capital*

Our Company may by ordinary resolution of its members:

(aa) increase its share capital as provided in the Articles;

(bb) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(cc) divide its shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as our Company in general meeting or as the Board may determine;

(dd) subdivide its shares or any of them into shares of smaller amount than is fixed by the Memorandum;

(ee) cancel any and diminish the amount of its share capital by the amount of the shares so cancelled;

(ff) make provision for the issue and allotment of shares which do not carry any voting rights;

(gg) change the currency of denomination of its share capital; and

(hh) reduce its share premium account in any manner authorised and subject to any conditions prescribed by law.

Our Company may by special resolution reduce its share capital or any capital redemption reserve or other undistributable reserve in any way and subject to any conditions prescribed by law.

*(iv) Transfer of shares*

All transfers of shares which are held by the transferor in uncertificated form shall be effected by a specified request from the transferor and transferee that complies with the USM rules. Notwithstanding the above, such transfer may be effected by an instrument of transfer if the Board is satisfied that it is not reasonably practicable to transfer them by means of a specified request.

All transfers of shares which are held by the transferor in certificated form shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve in compliance with the USM Rules and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), under hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.

Notwithstanding the foregoing, for so long as any shares are listed on the Stock Exchange, titles to such listed shares may be evidenced and transferred in accordance with the laws applicable to and the Listing Rules that are or shall be applicable to such listed shares. The register of members of our Company in respect of our listed shares (whether the principal register or a branch register) may be kept by recording the particulars required by Section 40 of the Cayman Companies Act in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the Listing Rules that are or shall be applicable to such listed shares.

The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee or accept mechanically executed transfers. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of that share.

The Board may, in its absolute discretion, at any time and from time to time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

Unless the Board otherwise agrees, no shares on the principal register shall be removed to any branch register nor shall shares on any branch register be removed to the principal register or any other branch register. All removals and other documents of title shall be lodged for registration, and be registered, in the case of any shares on a branch register, at the relevant registration office, and, in the case of any shares on the principal register, at the transfer office.

The Board may decline to recognise any instrument of transfer unless a fee (not exceeding the maximum sum as the Stock Exchange may determine to be payable) determined by the Board is paid to our Company, the instrument of transfer is properly stamped (if applicable), it is in respect of only one class of share, is lodged at the relevant registration office, the registered office or the transfer office accompanied by the relevant share certificate(s) (if any) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do), and the shares are free of any lien in favour of our Company.

The Board may also refuse to register the transfer of any share (a) if the share is in certificated form and a specified request is sent, (b) if the share is in uncertificated form and the specified request is not sent in accordance with the operating rules of the Company's approved securities registrar or an instrument of transfer, if applicable, is lodged, (c) if the share is in certificated form and a dematerialization request in respect of such share and any other share(s) covered by the same certificate is not received or is refused under the USM Rules, or if the share is in uncertificated form as a result of the Company having initiated its dematerialization and the relevant fee remains unpaid, or neither the transferor nor the transferee is a system-member of the UNSRT system operated by the Company's approved securities registrar, or (d) or any other ground provided under the USM Rules. Where the above applies and the Board refuses to register the share transfer, a notice of refusal must be sent to the transferor and the transferee within such period as indicated in the relevant code issued by the SFC.

The registration of transfers may be suspended and the register may be closed on giving notice by advertisement in any newspaper or by any other means (including electronic means) in accordance with the requirements of the Stock Exchange to that effect be suspended at such times and for such periods (not exceeding in the whole 30 days in any year) as the Board may determine. The period of 30 days may be extended for a further period or periods not exceeding 30 days in respect of any year if approved by members by ordinary resolution.

Fully paid shares are free from any restriction on transfer (except when permitted by the Stock Exchange) and free of all liens.

*(v) Power of our Company to purchase its own shares*

Our Company is empowered by the Cayman Companies Act and the Articles to purchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of our Company subject to any applicable requirements imposed from time to time by the Stock Exchange.

The Board may accept the surrender for no consideration of any fully paid shares.

*(vi) Power of any subsidiary of our Company to own shares in our Company*

There are no provisions in the Articles relating to the ownership of shares in our Company by a subsidiary.

*(vii) Calls on shares and forfeiture of shares*

The Board may from time to time make such calls as it thinks fit upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at a fixed time. A call may be made payable either in one lump sum or by instalments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding 20% per annum as the Board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the monies uncalled and unpaid or instalments payable upon any shares held by him.

If a member fails to pay any call or instalment of a call on the day appointed for payment, the Board may, for so long as any part of the call or instalment remains unpaid, serve notice on the member requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment. The notice shall name a further day (not earlier than the expiration of 14 days from the date of the notice) on or before which the payment required by the notice is to be made, and shall also name the place where payment is to be made. The notice shall also state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, nevertheless, remain liable to pay to our Company all monies which, at the date of forfeiture, were payable by him to our Company in respect of the forfeited shares, together with (if the Board shall in its

discretion so require) interest thereon from the date of forfeiture until the date of actual payment (including the payment of such interest) at such rate not exceeding 20% per annum as the Board may determine.

**(b) Directors**

*(i) Appointment, retirement and removal*

At each annual general meeting, one third of the Directors for the time being shall retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

Neither a Director nor an alternate Director is required to hold any shares in our Company by way of qualification. Further, a Director is not required to retire upon reaching any particular age.

The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director subject to the maximum number determined from time to time by the members in general meeting. Any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office only until the first annual general meeting of our Company after his appointment and shall then be eligible for re-election.

The members may by ordinary resolution remove any Director (including a managing Director or other executive Director) before the expiration of his term of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and our Company) and may by ordinary resolution appoint another person in his stead. Any Director so appointed shall be subject to the "retirement and rotation" provisions. The number of Directors shall not be less than two.

The office of a Director shall be vacated if:

(aa) he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally; or

(bb) he dies or becomes of unsound mind as determined pursuant to an order made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Board resolves that his office be vacated; or

(cc) if he absents himself from the meetings of the Board during a continuous period of six months, without special leave of absence from the Board, and his alternate Director (if any) shall not during such period have attended in his stead, and the Board pass a resolution that he has by reason of such absence vacated his office; or

(dd) he becomes prohibited by law from acting as a Director or he ceases to be a Director by operation of law or is removed pursuant to the Articles; or

(ee) he has been validly required by the stock exchange of the Relevant Territory (as defined in the Articles) to cease to be a Director and the relevant time period for application for review of or appeal against such requirement has lapsed and no application for review or appeal has been filed or is underway against such requirement; or

(ff) he resigns; or

(gg) he is removed from office by an ordinary resolution pursuant to the Articles; or

(hh) he is removed from office by notice in writing served on him signed by not less than three-fourths in number (or if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office.

The Board may appoint any one or more of them to the office of managing director, joint managing director, deputy managing director or other executive director and/or such other office in the management of the business of the Company as it may decide for such period and upon such terms as it thinks fit. The Board may delegate any of its powers, authorities and discretions to committees consisting of such Director(s) and other persons as it thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed must, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

*(ii) Power to allot and issue shares and warrants*

Subject to the provisions of the Cayman Companies Act, the Memorandum and Articles and without prejudice to any special rights or restrictions attaching to any shares or any class of shares, (a) any share may be issued with or have attached to it such rights, or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Directors may determine; or (b) shares may be issued on the terms that may be, or at the option of our Company or the holder are, liable to be redeemed.

The Board may issue warrants to subscribe for any class of shares or other securities of our Company on such terms as the Board may determine.

Subject to the provisions of the Cayman Companies Act and the Articles and, where applicable, the Listing Rules and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in our Company are at the disposal of the Board,

which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount to their nominal value.

Neither our Company nor the Board is obliged, when making or granting any allotment of, offer of, option over or disposal of shares or other securities of our Company, to make, or make available, any such allotment, offer, option or shares or other securities of our Company to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, and shall be deemed not to be, a separate class of members for any purpose whatsoever.

*(iii) Power to dispose of the assets of our Company or any of its subsidiaries*

There are no specific provisions in the Articles relating to the disposal of the assets of our Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by our Company and which are not required by the Articles or the Cayman Companies Act to be exercised or done by our Company in general meeting.

*(iv) Borrowing powers*

The Board may exercise all the powers of our Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and uncalled capital of our Company and, subject to the Cayman Companies Act, to issue debentures, bonds and other securities of our Company, whether outright or as collateral security for any debt, liability or obligation of our Company or of any third party.

*(v) Remuneration*

The Directors shall be entitled to receive, as ordinary remuneration for their services, such sums as shall from time to time be determined by the Board or our Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is voted) to be divided among the Directors in such proportions and in such manner as they may agree or, failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the ordinary remuneration is payable shall only rank in such division in proportion to the time during such period for which he has held office. The Directors are also entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in or about the performance of their duties as Directors.

Any Director who, at the request of our Company, goes or resides abroad for any purpose of our Company or who performs services which in the opinion of the Board go beyond the ordinary duties of such Director may be paid such extra remuneration as the Board may determine and such extra remuneration may be in addition to or in substitution for any ordinary remuneration as a Director. An executive Director or a Director appointed to be a managing director, joint managing director, deputy managing director or any other executive officer may

receive such remuneration and such other benefits and allowances as the Board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The Board may establish, either on its own or jointly with other companies (being subsidiary companies of our Company or companies with which it is associated in business) and maintain any funds or plans for providing pensions, allowances or emoluments for employees and ex-employees of our Company and their dependants.

*(vi) Compensation or payments for loss of office*

Pursuant to the Articles, payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by our Company in general meeting.

*(vii) Loans and provision of security for loans to Directors*

Except as would, if the Company were a company incorporated in Hong Kong, be permitted by the Companies Ordinance and the Cayman Companies Act, our Company shall not directly or indirectly make a loan to a Director or a director of any holding company of our Company or any of their respective close associates, enter into any guarantee or provide any security in connection with a loan made by any person to a Director or a director of any holding company of our Company or any of their respective close associates, or, if any one or more of the Directors hold(s) (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

*(viii) Disclosure of interests in contracts with our Company or any of its subsidiaries*

A Director may hold any other office or place of profit with our Company (except that of the auditor of our Company) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director or other officer of, or otherwise interested in, any other company promoted by our Company or any other company in which our Company may be interested, and shall not be liable to account to our Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. The Directors may exercise the voting power conferred by the shares in any other company held or owned by our Company in such manner in all respects as they think fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

No Director or proposed or intended Director shall be disqualified by his office from contracting with our Company either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to our Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established, provided that such Director shall declare the nature of his interest in any such contract or transaction at or prior to the consideration and vote on such contract or transaction, either specifically or by way of a general notice stating that, by reason of the facts specified in such notice, he is to be regarded as interested in any such contract or transaction.

A Director shall not vote (nor shall he be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his close associates has/have a material interest, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution), but this prohibition does not apply to any of the following matters namely:

(aa) the giving of any security or indemnity either: (x) to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of our Company or any of its subsidiaries; or (y) to a third party in respect of a debt or obligation of our Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

(bb) any proposal concerning an offer of shares or debentures or other securities of or by our Company or any other company which our Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(cc) any proposal or arrangement concerning the benefit of employees of our Company or its subsidiaries including the adoption, modification or operation of (x) any employees' share scheme, or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or (y) a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his close associates and employees of our Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates; and

(dd) any contract or arrangement in which the Director or his close associate(s) is/ are interested in the same manner as other holders of shares or debentures or other securities of our Company by virtue only of his/their interest in shares or debentures or other securities of our Company.

**(c) Proceedings of the Board**

The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

**(d) Alterations to constitutional documents and our Company's name**

To the extent that the same is permissible under Cayman Islands law and subject to the Articles, a special resolution shall be required to alter the provisions of the Memorandum, to approve any amendment of the Articles or to change the name of our Company.

**(e) Meetings of members**

*(i) Special and ordinary resolutions*

A special resolution of our Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

Under the Cayman Companies Act, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within 15 days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of our Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

*(ii) Voting rights and right to demand a poll*

Subject to any special rights or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every share of which he is the holder which is fully paid or credited as fully paid but so that no amount paid up or credited as paid up on a share in advance of calls or instalments shall be treated for the purposes of the Articles as paid on the share. On a poll, a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by poll save that the chairman of the meeting may, pursuant to the Listing Rules, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. On a show of hands every member who is present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall (save as provided otherwise in the Articles) have one vote. Votes (whether on a show of hands or by way of poll) may be cast by such means, electronic or otherwise, as the Directors or the chairman of the meeting may determine.

Where a clearing house (or its nominee(s)) is a member of our Company, it may (subject to the Articles) authorise such person or persons as it thinks fit to act as its representative or representatives, at any meeting (including but not limited to any general meeting, creditors meeting or at any meeting of any class of members) of our Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the clearing house (or its nominee(s)) as if such person were an individual member including the right to speak and vote, and where a show of hands is allowed, the right to vote individually on a show of hands.

Members must have the right to: (i) speak at general meetings of our Company; and (ii) vote at a general meeting except where a member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.

Where our Company has any knowledge that any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

Our Company shall be entered in the register of members of our Company as the holder of the treasury shares.

However:

(a) our Company shall not be treated as a Member for any purpose and shall not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void; and

(b) a treasury share shall not be voted, directly or indirectly, at any meeting of our Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of the Articles or the Companies Act.

Nothing in this paragraph prevents an allotment of Shares as fully paid up bonus shares in respect of a treasury share and Shares allotted as fully paid up bonus shares in respect of a treasury share shall be treated as treasury shares.

*(iii) Annual general meetings and extraordinary general meetings*

In each financial year during the Relevant Period (as defined in the Articles), our Company shall hold an annual general meeting within six months after the end of each financial year in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it.

Extraordinary general meetings shall be convened on the requisition of one or more members holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of our Company having the right of voting at general meetings, on a one vote per share basis in the share capital of our Company (excluding treasury shares) and the foregoing members shall be able to add resolutions to the meeting agenda. Such requisition shall be made in writing to the Board or the secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by our Company.

A meeting of the members or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meetings. Unless otherwise determined by the Directors, the manner of convening and the proceedings at a general meeting set out in the Articles shall, mutatis mutandis, apply to a general meeting held wholly by or in-combination with electronic means.

*(iv) Notices of meetings and business to be conducted*

An annual general meeting shall be called by a notice in writing of not less than 21 days. All other general meetings shall be called by notice in writing of at least 14 days. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time and place and the agenda of the meeting and particulars of resolutions to be considered at the meeting and, in the case of special business, the general nature of that business.

In addition, notice of every general meeting must be given to all members of our Company other than to such members as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from our Company, and also to, among others, the auditors for the time being of our Company.

Any notice or document to be given to or by any person pursuant to the Articles may be served on or delivered to any member of our Company personally, by post to such member's registered address or by advertisement in newspapers in accordance with the requirements of the Stock Exchange. Subject to the Cayman Companies Act and the Listing Rules, a notice or document may also be served or delivered by our Company to any member by electronic means.

All business that is transacted at an extraordinary general meeting shall be deemed special. All business shall be deemed special that is transacted at an annual general meeting with the exception of the following, each of which shall be deemed an ordinary business:

(aa) the declaration and sanctioning of dividends;

(bb) the consideration and adoption of the accounts and balance sheets and the reports of the Directors and the auditors and other documents required to be annexed to the balance sheets;

(cc) the election of Directors whether by rotation or otherwise in place of those retiring;

(dd) the appointment of auditors and other officers;

(ee) the fixing of, or the determining of the method of fixing of the remuneration of the Directors and of the auditors;

(ff) the granting of any mandate or authority to the Board to offer, allot, grant options over, or otherwise dispose of the unissued shares representing not more than 20% (or such other percentage as may from time to time be specified in the Listing Rules) in nominal value of its then existing issued share capital and the number of any securities repurchased pursuant to paragraph (gg); and

(gg) the granting of any mandate or authority to the Board to repurchase securities of our Company.

*(v) Quorum for meetings and separate class meetings*

No business shall be transacted at any general meeting unless the requisite quorum is present at the time when the meeting proceeds to business and continues to be present until the conclusion of the meeting.

The quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (including an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third of the issued shares (excluding treasury shares) of that class.

*(vi) Proxies*

Any member of our Company entitled to attend and vote at a meeting of our Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of our Company or at a class meeting. A proxy need not be a member of our Company and is entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, every member being a corporation shall be entitled to appoint a representative to attend and vote at any general meeting of our Company and, where a corporation is so represented, it shall be treated as being present at any meeting in person. A corporation may execute a form of proxy under the hand of a duly authorised officer and such a proxy is entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise as if it were an individual member. On a poll or a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

**(f) Accounts and audit**

The Board shall cause true accounts to be kept of the sums of money received and expended by our Company, and the matters in respect of which such receipt and expenditure take place, and of the assets and liabilities of our Company and of all other matters required by the Cayman Companies Act or necessary to give a true and fair view of the state of our Company's affairs and to show and explain its transactions.

The accounting records shall be kept at the head office or at such other place or places as the Board thinks fit and shall always be open to inspection by the Directors. No member (other than a Director) or other person shall have any right to inspect any account or book or document of our Company except as conferred by the Cayman Companies Act or ordered by a court of competent jurisdiction or authorised by the Board or our Company in general meeting. However, an exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority of the Cayman Islands pursuant to the Tax Information Authority Act of the Cayman Islands.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before our Company at its annual general meeting, together with a copy of the Directors' report and a copy of the auditors' report, shall not less than 21 days before the date of the meeting and at the same time as the notice of annual general meeting be sent to every person entitled to receive notices of general meetings of our Company under the provisions of the Articles; however, subject to compliance with the Cayman Companies Act and all applicable rules, including the Listing Rules, our Company may send to such persons summarised financial statements derived from our Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on our Company, demand that our Company sends to him, in addition to summarised financial statements, a complete printed copy of our Company's annual financial statement and the Directors' report thereon.

At the annual general meeting in each year, the members shall by ordinary resolution appoint an auditor to audit the accounts of our Company and such auditor shall hold office until the next annual general meeting. Moreover, the members may, at any general meeting, by ordinary resolution remove the auditor at any time before the expiration of his term of office and shall, by ordinary resolution, at that meeting appoint another auditor for the remainder of his term. The remuneration of the auditors shall be fixed and approved by our Company by an ordinary resolution passed at a general meeting or in such manner as the members may by ordinary resolution determine.

The auditor shall audit the financial statements of our Company in each year in accordance with generally accepted auditing standards and prepare an auditors' report thereon to be annexed thereto. Such report shall be submitted to the members and laid before our Company in the annual general meeting.

**(g) Dividends and other methods of distribution**

Our Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Board.

The Articles provide dividends may be declared and paid out of the profits of our Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed. With the sanction of an ordinary resolution, dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Cayman Companies Act.

Unless and to the extent that the rights attaching to, or the terms of issue of, any share may otherwise provide: (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share; and (ii) all dividends shall be (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Board may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to our Company on account of calls or otherwise.

Whenever the Board or our Company in general meeting has resolved that a dividend be paid or declared on the share capital of our Company, the Board may further resolve either (i) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the members entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (ii) that members entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit.

Our Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of our Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Unless otherwise directed by the Board, any dividend, interest or other moneys payable in cash to the holder of shares may be paid by cheque or warrant sent through post. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to our Company. Any one of two or more joint holders may give effectual receipts for any dividends and other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever the Board or our Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends, bonuses or other distributions or the proceeds of the realisation of any of the foregoing unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of our Company until claimed and our Company shall not be constituted a trustee in respect thereof. All dividends or bonuses or other distributions unclaimed for six years after having been declared may be forfeited by the Board and shall revert to our Company.

No dividend or other monies payable by our Company on or in respect of any share shall bear interest against our Company.

**(h) Inspection of corporate records**

Pursuant to the Articles, our Company's register and branch register of members shall be open to inspection during business hours by any members without charge, or by any other person upon a maximum payment of HK$2.50 or such lesser sum specified by the Board, at the registered office or such other place at which the register is kept in accordance with the Cayman Companies Act or, upon a maximum payment of HK$1.00 or such lesser sum specified by the Board, at the office where the branch register of members is kept, except the register is closed in accordance with the Articles.

**(i) Rights of minorities in relation to fraud or oppression**

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of our Company under Cayman Islands law, as summarised in paragraph 3(f) of this Appendix IV.

**(j) Procedures on liquidation**

Subject to the Cayman Companies Act, our Company may at any time and from time to time be wound up voluntarily by a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

(i) if our Company is wound up and the assets available for distribution amongst the members of our Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the surplus assets remaining after payment to all creditors shall be distributed *pari passu* and divided among the members in proportion to the amount paid up on the shares held by them respectively; and

(ii) if our Company is wound up and the assets available for distribution amongst the members shall be insufficient to repay the whole of the paid-up capital, they shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If our Company is wound up (whether the liquidation be voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Cayman Companies Act, divide among the members in specie or kind the whole or any part of the assets of our Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no members shall be compelled to accept any shares or other assets upon which there is a liability.

**(k) Subscription rights reserve**

The Articles provide that to the extent that they are not prohibited by and are in compliance with the Cayman Companies Act, if warrants to subscribe for shares have been issued by our Company and our Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the nominal value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the nominal value of a share on any exercise of the warrants.

## 3. CAYMAN ISLANDS COMPANY LAW

Our Company is incorporated in the Cayman Islands subject to the Cayman Companies Act and, therefore, operates subject to Cayman Islands law. Set out below is a summary of certain provisions of the Cayman company law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the Cayman Islands company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar. For the avoidance of doubt, special resolution used in the below summary shall have the meaning as set out in the Cayman Companies Act.

**(a) Company operations**

As an exempted company, our Company's operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

**(b) Share capital**

The Cayman Companies Act provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium.

The Cayman Companies Act provides that the share premium account may be applied by a company subject to the provisions, if any, of its memorandum and articles of association in (i) paying distributions or dividends to members; (ii) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (iii) the redemption and repurchase of shares (subject to the provisions of section 37 of the Cayman Companies Act); (iv) writing-off the preliminary expenses of the company; and (v) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

The Cayman Companies Act provides that a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution supported by a solvency statement to reduce its share capital in any way.

**(c) Financial assistance to purchase shares of a company or its holding company**

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

**(d) Purchase of shares and warrants by a company and its subsidiaries**

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder and the Cayman Companies Act expressly provides that it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorise the manner and terms of purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorised by an ordinary resolution of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares purchased by a company are to be treated as cancelled unless, subject to the memorandum and articles of association of the company, the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the purchase. Where shares of a company are held as treasury shares, the company shall be entered in the register of members as holding those shares, however, notwithstanding the foregoing, the company is not to be treated as a member for any purpose and must not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void, and a treasury share must not be voted, directly or indirectly, at any meeting of the company and must not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company's articles of association or the Cayman Companies Act.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

**(e) Dividends and distributions**

The Cayman Companies Act permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account. With the exception of the foregoing, there are no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits.

No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of a company's assets (including any distribution of assets to members on a winding up) may be made to the company, in respect of a treasury share.

**(f) Protection of minorities and shareholders' suits**

The Grand Court of the Cayman Islands (the "**Court**") ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (i) an act which is ultra vires the company or illegal; (ii) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company; and (iii) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the Court may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up or, as an alternative to a winding up order: (i) an order regulating the conduct of the company's affairs in the future; (ii) an order requiring the company to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do; (iii) an order authorising civil proceedings to be brought in the name and on behalf of the company by the shareholder petitioner on such terms as the Court may direct; or (iv) an order providing for the purchase of the shares of any shareholders of the company by other shareholders or by the company itself and, in the case of a purchase by the company itself, a reduction of the company's capital accordingly.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

**(g) Disposal of assets**

The Cayman Companies Act contains no specific restrictions on the power of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

**(h) Accounting and auditing requirements**

A company must cause proper books of account to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company; and (iii) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

An exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority of the Cayman Islands pursuant to the Tax Information Authority Act of the Cayman Islands.

**(i) Exchange control**

There are no exchange control regulations or currency restrictions in the Cayman Islands.

**(j) Taxation**

Pursuant to the Tax Concessions Act (As Revised) of the Cayman Islands, the Company has obtained an undertaking:

(i) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Company or its operations; and

(ii) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:

(A) on or in respect of the shares, debentures or other obligations of the Company; or

(B) by way of the withholding in whole or in part of any relevant payment as defined in the Tax Concessions Act.

The undertaking for our Company is for a period of 20 years from May 25, 2026.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are a party to a double tax treaty entered into with the United Kingdom in 2010 but otherwise is not party to any double tax treaties.

**(k) Stamp duty on transfers**

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

**(l) Loans to directors**

There is no express provision in the Cayman Companies Act prohibiting the making of loans by a company to any of its directors.

**(m) Inspection of corporate records**

The notice of registered office is a matter of public record. A list of the names of the current directors and alternate directors (if applicable) is made available by the Registrar of Companies for inspection by any person on payment of a fee. The register of mortgages is open to inspection by creditors and members.

Members of the Company have no general right under the Cayman Companies Act to inspect or obtain copies of the register of members or corporate records of the Company. They will, however, have such rights as may be set out in the Company's articles of association.

**(n) Register of members**

An exempted company may maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. The register of members shall contain such particulars as required by section 40 of the Cayman Companies Act. A branch register must be kept in the same manner in which a principal register is by the Cayman Companies Act required or permitted to be kept. The company shall cause to be kept at the place where the company's principal register is kept a duplicate of any branch register duly entered up from time to time.

There is no requirement under the Cayman Companies Act for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of members, as may be required of it upon service of an order or notice by the Tax Information Authority of the Cayman Islands pursuant to the Tax Information Authority Act of the Cayman Islands.

**(o) Register of directors and officers**

A company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within 30 days of any change in such directors or officers.

**(p) Beneficial ownership register**

An exempted company is required to identify its beneficial owners and provide details of these beneficial owners to its corporate service provider (the "**CSP**") which maintain its beneficial ownership register in the Cayman Islands. A beneficial owner is defined as an individual who (a) ultimately owns or controls, whether through director or indirect ownership or control 25% or more of the shares, voting rights, or partnership interests in the company, (b) otherwise exercises ultimate effective control over the management of the company, or (c) is identified as exercising control of the company through other means. The beneficial ownership register is not a public document and is only accessible by a designated competent authority of the Cayman Islands although the Cayman Islands government may introduce regulations to allow for public access in the future. An exempted company with its shares listed on an approved stock exchange, which includes the Stock Exchange, may provide its registered office provider with details of its listed status as an alternative compliance route instead of providing details of its beneficial owners. Accordingly, as long as the shares of the Company remain listed on the Stock Exchange, the Company may opt for this alternative compliance route rather than maintain a beneficial ownership register.

**(q) Winding up**

A company may be wound up (i) compulsorily by order of the Court; (ii) voluntarily; or (iii) under the supervision of the Court.

The Court has authority to order winding up in a number of specified circumstances including where the members of the company have passed a special resolution requiring the company to be wound up by the Court, or where the company is unable to pay its debts, or where it is, in the opinion of the Court, just and equitable to do so. Where a petition is presented by members of the company as contributories on the ground that it is just and equitable that the company should be wound up, the Court has the jurisdiction to make certain other orders as an alternative to a winding-up order, such as making an order regulating the conduct of the company's affairs in the future, making an order authorising civil proceedings to be brought in the name and on behalf of the company by the petitioner on such terms as the Court may direct, or making an order providing for the purchase of the shares of any of the members of the company by other members or by the company itself.

A company (save with respect to a limited duration company) may be wound up voluntarily when the company so resolves by special resolution or when the company in general meeting resolves by ordinary resolution that it be wound up voluntarily because it is unable to pay its debts. In the case of a voluntary winding up, such company is obliged to cease to carry on its business (except so far as it may be beneficial for its winding up) from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

For the purpose of conducting the proceedings in winding up a company and assisting the Court therein, there may be appointed an official liquidator or official liquidators; and the court may appoint to such office such person, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court must declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court.

As soon as the affairs of the company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and how the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. This final general meeting must be called by at least 21 days' notice to each contributory in any manner authorised by the company's articles of association and published in the Gazette.

**(r) Reconstructions**

There are statutory provisions which facilitate reconstructions and amalgamations approved by (i) 75% in value of shareholders or class of shareholders, or (ii) a majority in number representing 75% in value of creditors, as the case may be, as are present at a meeting called for such purpose and thereafter sanctioned by the Court. Whilst a dissenting shareholder would have the right to express to the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management.

The Cayman Companies Act also contains statutory provisions which provide that a company may present a petition to the Court for the appointment of a restructuring officer on the grounds that the company (i) is or is likely to become unable to pay its debts within the meaning of section 93 of the Cayman Companies Act; and (ii) intends to present a compromise or arrangement to its creditors (or classes thereof) either, pursuant to the Cayman Companies Act, the law of a foreign country or by way of a consensual restructuring. The petition may be presented by a company acting by its directors, without a resolution of its shareholders or an express power in its articles of association. On hearing such a petition, the Court may, among other things, make an order appointing a restructuring officer or make any other order as the Court thinks fit.

**(s) Take-overs**

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may at any time within two months after the expiration of the said four months, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

**(t) Indemnification**

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Court to be contrary to public policy (e.g., for purporting to provide indemnification against the consequences of committing a crime).

**(u) Economic substance requirements**

Pursuant to the International Tax Cooperation (Economic Substance) Act (As Revised) of the Cayman Islands (the "**ES Act**") that came into force on January 1, 2019, a "relevant entity" is required to satisfy the economic substance test set out in the ES Act. A "relevant entity" includes an exempted company incorporated in the Cayman Islands as is the Company; however, it does not include an entity that is tax resident outside the Cayman Islands. Accordingly, for so long as the Company is a tax resident outside the Cayman Islands, including in Hong Kong, it is not required to satisfy the economic substance test set out in the ES Act.

## 4. GENERAL

Ogier, our Company's legal counsel as to Cayman Islands law, have sent to our Company a letter of advice summarising certain aspects of Cayman Islands company law. This letter, together with a copy of the Cayman Companies Act, is available on display as referred to in the paragraph headed "Documents available on display—Documents available on display" in Appendix VI to this listing document. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

## A. FURTHER INFORMATION ABOUT OUR GROUP

### 1. Incorporation

Our Company was established as a limited liability company under the laws of the Cayman Islands on September 12, 2025. Our registered office is located at P. O. Box 31119 Grand Pavilion, Hibiscus Bay, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands. Accordingly, our Company's corporate structure and Memorandum and Articles of Association are subject to the relevant laws of the Cayman Islands. A summary of our Memorandum and Articles of Association is set out in the section headed "Summary of the Constitution of our Company and Company Law of the Cayman Islands" in Appendix IV to this listing document.

We have established a place of business in Hong Kong and were registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on June 11, 2026. Mr. Tao Xiaobin and Mr. Zhang Daorong have been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for service of process on our Company in Hong Kong is 12th Floor, CTG House, 78-83 Connaught Road Central, Hong Kong.

As of the date of this listing document, our Company's head office is located at 12th Floor, CTG House, 78-83 Connaught Road Central, Hong Kong.

### 2. Further information on Share Capital of our Company and our Subsidiaries

As of the date of our Company's incorporation, the authorized share capital of our Company was HKD60,000,000.00 divided into 6,000,000,000 Shares with a par value of HKD0.01 each. Upon incorporation, one Share was allotted and issued to the initial subscriber, an Independent Third Party, and such Share was transferred to China Travel HK on the same date. As of the date of completion of the Spin-off Reorganization (i.e., May 13, 2026), 20 Shares were allotted and issued to China Travel HK credited as fully paid at par.

The interests of China Travel Tours Transportation Development (HK) Limited in Guangdong CTS (HK) Travel Tours Co., Ltd. which is a limited company established in the PRC as a sino-foreign cooperative and a non-key subsidiary of our Group, and operates cross-boundary transportations services between Chinese Mainland and Macao are represented by Grand Tour & Travel Limited, the foreign partner of the cooperative and a subsidiary of CTG in order to comply with relevant requirements for the mainland cross-boundary vehicle allocations.

Save as disclosed above and in the section headed "History and Development", there has been no alteration in the share capital of our Company and our major subsidiaries within the two years immediately preceding the date of this listing document.

### 3. Written Resolutions of our sole Shareholder

Pursuant to the written resolutions of our sole Shareholder passed on October 23, 2026, among others:

(a) the Memorandum of Association and the Articles of Association were adopted in substitution for and to the exclusion of the existing memorandum of association and articles of association of our Company with effect from the Listing Date, and our Board has been authorized to amend the Articles of Association to the extent necessary in accordance with any comments from the relevant regulatory authorities; and

(b) subject to the Stock Exchange granting approval of the listing of, and permission to deal in, our Shares in issue and Shares to be issued as mentioned in this listing document:

(i) the Spin-off and the separate Listing of our Shares on the Main Board of the Stock Exchange were approved;

(ii) our Board or any committee established by our Board was authorized and directed to allot and issue such number of new Shares as will enable China Travel HK to effect the Distribution on the basis of one Share for every four China Travel HK Shares held as at the Record Date. Pursuant to the Distribution, subject to the terms and conditions thereof as set out in this listing document and such modifications, amendments, variations or otherwise as may be made by any Director (or any committee established by our Board) in their absolute discretion, and our Board or any committee established by our Board or any Director be and is hereby authorized and directed to effect such modifications, amendments, variations or otherwise as appropriate;

(iii) our Board or any such committee of our Board or any Director was authorized and directed to sign and execute such documents and do all such acts and things incidental to the Spin-off and separate Listing or as he/she/it considers necessary, desirable or expedient in connection with the implementation of or giving effect to the Spin-off and separate Listing;

(iv) a general unconditional mandate was given to our Directors to allot, issue and deal with, otherwise than by way of rights issue, scrip dividend schemes or similar arrangement providing for the allotment and issue of our Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association, or the exercise of any subscription or conversion rights attaching to any warrants or any securities which are convertible into Shares, Shares of an aggregate number not exceeding 20% of the aggregate number of Shares in issue immediately following completion of the Spin-off. Such mandate will expire at the conclusion of the next annual general meeting of our Company; or the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable law of the Cayman Islands to be held; or when revoked, varied or renewed by an ordinary resolution of our Shareholders in a general meeting, whichever occurs first;

(v) a general unconditional mandate was given to our Directors authorizing the repurchase by our Company on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, in accordance with all applicable laws and the requirements of the Listing Rules (or of such other stock exchange), of such number of Shares not exceeding 10% of the number of our Shares in issue immediately following completion of the Spin-off. Such mandate will expire at the conclusion of the next annual general meeting of our Company; or the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable law of the Cayman Islands to be held; or when revoked, varied or renewed by an ordinary resolution of our Shareholders in a general meeting, whichever occurs first; and

(vi) the general unconditional mandate as mentioned in sub-paragraph (iv) above was extended by the addition to the aggregate number of our Shares which may be allotted or agreed to be allotted by our Directors pursuant to such general mandate of an amount representing the aggregate number of Shares of our Company repurchased by our Company pursuant to the mandate to repurchase Shares referred to in sub-paragraph (v) above, provided that such extended amount shall not exceed 10% of the aggregate number of Shares of our Company in issue immediately following completion of the Spin-off.

## 4. Corporate reorganization

In preparation for the Spin-off, the companies comprising our Group underwent the reorganization as disclosed in the section headed "History and Development" in this listing document.

## 5. Repurchase by our Company of our own securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this listing document concerning the repurchase of our own securities.

### *(a) Provisions of the Listing Rules*

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their own securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

*(i) Shareholders' Approval*

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders in a general meeting, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to a resolution passed by our sole Shareholder on October 23, 2026, the Repurchase Mandate was given to our Directors authorizing them to exercise all powers of our Company to repurchase Shares on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, in accordance with all applicable laws and the requirement of the Listing Rules with a total nominal value up to 10% of the number of issued Shares immediately following completion of the Spin-off with such mandate to expire at (1) the conclusion of the next annual general meeting of our Company (unless otherwise renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions), (2) the expiration of the period within which our Company's next annual general meeting is required by the Articles of Association or any other applicable laws to be held, and (3) the date on which it is varied or revoked by an ordinary resolution of our Shareholders in a general meeting, whichever occurs first.

*(ii) Source of Funds*

Purchases must be funded out of funds legally available for the purpose in accordance with the Articles of Association and the applicable laws and regulations of Hong Kong and the Cayman Islands. A listed company may not purchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. As a matter of Cayman law, any purchases by our Company may be made out of profits or share premium or out of the proceeds of a new issue of shares made for the purpose of the purchase or from sums standing to the credit of our share premium account. Any premium payable on the purchase over the par value of the shares to be purchased must have been provided for out of profits or from sums standing to the credit of our share premium account. Subject to the Cayman Companies Act, a purchase of shares may also be made out of capital.

*(iii) Trading Restrictions*

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a listed company from repurchasing its securities if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A listed company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

*(iv) Status of Repurchased Shares*

The listing of all purchased securities (whether on the Stock Exchange or otherwise) is automatically canceled and the relevant certificates (if any) must be canceled and destroyed. Under the laws of the Cayman Islands, unless, prior to the purchase the directors of our Company resolve to hold the shares purchased by our Company as treasury shares, shares purchased by our Company shall be treated as canceled and the amount of our Company's issued share capital shall be diminished by the nominal value of those shares. However, the purchase of shares will not be taken as reducing the amount of the authorized share capital under laws of the Cayman Islands.

*(v) Suspension of Repurchase*

A listed company may not make any repurchase of securities after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (1) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (2) the deadline for publication of an announcement of a listed company's results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

*(vi) Reporting Requirements*

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate prices paid.

*(vii) Core Connected Persons*

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a "core connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or a close associate of any of them (as defined in the Listing Rules) and a core connected person shall not knowingly sell his or her securities to the company.

*(b) Reasons for Repurchases*

Our Directors believe that it is in the best interests of our Company and our Shareholders to have a general authority from our Shareholders to enable our Directors to repurchase securities of our Company in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the value of our Company's securities and/or its earnings per Share and will only be made when our Directors believe that such repurchases will benefit our Company and Shareholders.

*(c) Funding of Repurchases*

Repurchase of the Shares must be funded out of funds legally available for such purpose in accordance with the Articles of Association and the applicable laws of the Cayman Islands, being out of profits or share premium or out of the proceeds of a new issue of shares made for the purpose of the purchase or from sums standing to the credit of our share premium account, and it is envisaged that the funds required for any repurchases would be derived from such sources.

However, our Directors do not propose to exercise the general mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or its gearing levels which, in the opinion of our Directors, are from time to time appropriate for our Company.

*(d) General*

The exercise in full of the Repurchase Mandate, on the basis of 1,384,158,427 Shares in issue immediately following the completion of the Spin-off and Listing, could accordingly result in up to approximately 138,415,842 Shares being repurchased by our Company during the period prior to the earliest of (1) the conclusion of the next annual general meeting of our Company unless renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions; (2) the expiration of the period within which our Company's next annual general meeting is required by the Articles of Association or any other applicable laws to be held; or (3) the date on which it is varied or revoked by an ordinary resolution of our Shareholders in a general meeting. None of our Directors nor, to the best of their knowledge having made all reasonable inquiries, any of their associates currently intends to sell any Shares to our Company.

Our Directors have undertaken that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws in the Cayman Islands. Upon the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company will increase. Such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder or a group of Shareholders, acting in concert could, depending on the level of increase of shareholding interest obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code. Upon Listing, CTG and CTS (Holdings) will beneficially own, directly and indirectly, an aggregate of approximately 61.53% of the issued share capital of our Company. If the Repurchase Mandate is exercised in full, the beneficial interests of CTG and CTS (Holdings) in our Company may be increased to approximately 68.37% of the issued share capital of our Company. The Directors consider that such repurchases

made under the Repurchase Mandate will not give rise to an obligation for CTG or CTS (Holdings) to make a mandatory offer under Rule 26 of the Takeovers Code.

Any repurchase of Shares that results in the number of our Shares held by the public being reduced to less than 25% of our Shares then in issue could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be granted other than in exceptional circumstances. No core connected person of our Company has notified our Company that he or she has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

## B. FURTHER INFORMATION ABOUT OUR BUSINESS

### 1. Summary of Material Contracts

The following contract (not being contracts entered into in the ordinary course of business) was entered into by our Company within the two years immediately preceding the date of this listing document and are or may be material:

(i) a transfer agreement dated April 24, 2026 entered into between Dukling Limited (as transferor) and Shun Tak-China Travel Ship Management Limited (as transferee) in respect of the business of Dukling Limited;

(ii) the Deed of Non-competition; and

(iii) the Sponsor Agreement.

### 2. Intellectual Property Rights

***Trademarks***

As of the Latest Practicable Date, our Group had registered the following trademarks which we consider to be or may be material to our business:

| | Trademark | Place of registration | Registration number | Class | Name of registered owner | Expiry date |
|---|---|---|---|---|---|---|
| 1. | METROpark HOTEL | Hong Kong | 2002B07847 | 43, 44 | CTS H.K. Metropark Hotels Management Company Limited (香港中旅維景國際酒店管理有限公司) | June 28, 2028 |
| 2. | METROpark HOTEL 維景酒店 | Hong Kong | 2002B10842 | 43, 44 | CTS H.K. Metropark Hotels Management Company Limited (香港中旅維景國際酒店管理有限公司) | June 28, 2028 |
| 3. | METROpark | Hong Kong | 2002B10842 | 43, 44 | CTS H.K. Metropark Hotels Management Company Limited (香港中旅維景國際酒店管理有限公司) | June 28, 2028 |

| | Trademark | Place of registration | Registration number | Class | Name of registered owner | Expiry date |
|---|---|---|---|---|---|---|
| 4. | 維景酒店 | Hong Kong | 300464030 | 43, 44 | CTS H.K. Metropark Hotels Management Company Limited (香港中旅維景國際酒店管理有限公司) | July 24, 2035 |
| 5. |  | Hong Kong | 301778860 | 43, 44 | CTS H.K. Metropark Hotels Management Company Limited (香港中旅維景國際酒店管理有限公司) | December 1, 2030 |
| 6. |  | Hong Kong | 300093429 | 43 | CTS H.K. Metropark Hotels Management Company Limited (香港中旅維景國際酒店管理有限公司) | October 13, 2033 |
| 7. |  | Hong Kong | 300093438 | 43 | CTS H.K. Metropark Hotels Management Company Limited (香港中旅維景國際酒店管理有限公司) | October 13, 2033 |
| 8. |  | Hong Kong | 302867211 | 35, 43 | CTS H.K. Metropark Hotels Management Company Limited (香港中旅維景國際酒店管理有限公司) | January 14, 2034 |
| 9. | 睿景 | Hong Kong | 301901691 | 35, 43 | CTS H.K. Metropark Hotels Management Company Limited (香港中旅維景國際酒店管理有限公司) | April 27, 2031 |
| 10. | METRO | Hong Kong | 300202977AA | 39 | Allied Well Holdings Ltd. | April 23, 2034 |
| 11. | METRO | Hong Kong | 300202977AB | 25, 35 | Allied Well Holdings Ltd. | April 23, 2034 |
| 12. | METRO | Hong Kong | 300202977AD | 3, 18, 24, 43, 45 | Allied Well Holdings Ltd. | April 23, 2034 |

***Domain Name***

As of the Latest Practicable Date, we had been authorized to use the following domain name which we consider to be material in relation to our business:

| Domain Name | Registered Owner | Expiry Date |
|---|---|---|
| www.ctghkm.com | China Travel HK | May 14, 2028 |

The above domain name will be registered in our Company's name prior to the Listing.

## C. FURTHER INFORMATION ABOUT OUR DIRECTORS, CHIEF EXECUTIVES AND SUBSTANTIAL SHAREHOLDERS

### 1. Particulars of Directors' Contracts and Appointment Letters

We have entered into a contract with each of Directors in respect of, among other things, (i) the term of office, and (ii) termination provisions. Save as disclosed above, none of our Directors has or is proposed to enter into a service contract with any member of our Company other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation).

### 2. Remuneration of Directors

Save as disclosed in the section headed "Directors and Senior Management—Remuneration of Directors and Senior Management" in this listing document, none of our Directors received other remuneration from our Company for each of the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026.

### 3. Disclosure of Interests of Directors and Chief Executives

Save as disclosed below, immediately following the completion of the Spin-Off and upon Listing, so far as our Directors are aware, none of our Directors or chief executives has any interest and/or short position in the Shares, underlying Shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short position which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules to be notified to our Company, once the Shares are listed on the Stock Exchange.

| Name | Position | Nature of Interest | Number of Shares | Approximate Percentage of Equity Interest in the Company Immediately after the Spin-off and upon Listing |
|---|---|---|---|---|
| Mr. Zhang Daorong | Executive Director | Beneficial owner | 25,000 | 0.0018% |
| Mr. Ha Yufeng | Non-executive Director | Beneficial owner | 62,500 | 0.0045% |

### 4. Disclosure of Interests of Substantial Shareholders

For information on the persons who will, immediately following the completion of the Spin-off and upon Listing, have or be deemed or taken to have beneficial interests or short position in our Shares or underlying Shares which would fall to be disclosed to our Company under Divisions 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Company, see "Substantial Shareholders."

Save as disclosed in the section headed "Substantial Shareholders" of this listing document, as at the Latest Practicable Date, our Directors were not aware of any persons who would, upon Listing, be interested, directly or indirectly, in 10% or more of the nominal of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Company or had option in respect of such capital.

## D. OTHER INFORMATION

### 1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our Directors.

### 2. Litigation

As of the Latest Practicable Date, we were not aware of any litigation or arbitration of material importance pending or threatened against us or any of our Directors that could have a material adverse effect on our financial condition or results of operations.

### 3. Sole Sponsor

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letter entered into between our Company and the Sole Sponsor, we have agreed to pay the Sole Sponsor a fee of HKD8,250,000 to act as the sponsor of our Company in connection with the proposed Listing on the Stock Exchange.

## 4. Compliance Advisor

Our Company has appointed Somerley Capital Limited as its Compliance Advisor upon Listing in compliance with Rule 3A.19 of the Listing Rules.

## 5. Preliminary Expenses

Our Company did not incur any material preliminary expenses in relation to our incorporation.

## 6. Promoters

We have no promoter for the purpose of the Listing Rules.

## 7. Qualifications of Experts

The qualifications of the experts which have given opinions or advice which are contained in, or referred to in, this listing document are as follows:

| Name of Expert | Qualifications |
|---|---|
| China Galaxy International Securities (Hong Kong) Co., Limited | A licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) of the regulated activities under the SFO |
| Ernst & Young | Certified Public Accountants and Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Ordinance |
| Jingtian & Gongcheng LLP | Legal advisor to our Company as to Hong Kong laws |
| Jingtian & Gongcheng | Legal advisor to our Company as to PRC laws<br><br>Legal advisor to our Company as to PRC data compliance laws |
| Ogier | Legal advisor to our Company as to Cayman Islands laws |
| TH Lawyers and Private Notary | Legal advisor to our Company as to Macao laws |
| Mr. Dixon Y. T. Co | Legal advisor to our Company as to Hong Kong data compliance laws |
| Frost & Sullivan Limited | Independent industry consultant |
| Jones Lang LaSalle Limited | Property valuer |

## 8. Consents of Experts

Each of the experts as referred to in the paragraph headed "—7. Qualifications of Experts" in this Appendix has given and has not withdrawn their respective written consents to the issue of this listing document with the inclusion of their reports and/or letters the references to its name included herein in the form and context in which it is respectively included.

None of the experts named above has any shareholding interests in any member of our Company or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Company.

## 9. No Material Adverse Change

Our Directors confirm that, up to the date of this listing document, there has been no material adverse change in the financial or trading position or prospect of our Company since April 30, 2026 (being the date to which the latest combined financial statements of our Company were prepared).

## 10. Taxation of holders of Shares

***Hong Kong***

The sale, purchase and transfer of Shares registered with our Hong Kong branch register of holders will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration or, if higher, of the value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

***Cayman Islands***

Under present Cayman Islands law, there is no stamp duty payable in the Cayman Islands on transfers of Shares if they are executed and remain outside the Cayman Islands and our Company does not hold any interest in land in Cayman Islands.

## 11. Share Registrars

The register of holders of our Company will be maintained in the Cayman Islands by Vistra (Cayman) Limited and a branch register of holders of our Company will be maintained in Hong Kong by its ASR, Tricor Investor Services Limited. Save where our Directors otherwise agree, all transfers and other documents of title to Shares must be lodged for registration with, and registered by our Company's ASR in Hong Kong and may not be lodged in the Cayman Islands.

## 12. Miscellaneous

(i) Save as disclosed in the section headed "History and Development", within the two years preceding the date of this listing document, (i) no share or loan capital of our Company or any of its subsidiary has been issued or has been agreed to be issued fully or partly paid either for cash or for a consideration other than cash; and (ii) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any shares of our Company;

(ii) no share or loan capital of our Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;

(iii) no founder, management or deferred shares of our Company or any of its subsidiary have been issued or have been agreed to be issued;

(iv) our Company is not presently listed on any stock exchange or traded on any trading system;

(v) our Company has no outstanding convertible debt securities or debentures;

(vi) none of the experts listed under "7. Qualifications of Experts" and "8. Consents of Experts" in this Appendix is interested beneficially or non-beneficially in any shares in any member of our Company or has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Company;

(vii) all necessary arrangements have been made enabling our Shares to be admitted into CCASS;

(viii) there has not been any interruption in the business of our Company which may have or has had a significant effect on the financial position of our Company in the 12 months preceding the date of this listing document;

(ix) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;

(x) there is no arrangement under which future dividends are waived or agreed to be waived; and

(xi) in case of any discrepancies, the English text of this listing document shall prevail over their respective Chinese text.

## DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.ctghkm.com** during a period of 14 days from the date of this listing document:

(i) the Memorandum of Association and the Articles of Association;

(ii) the Accountants' Report of our Company from Ernst & Young for the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026, the text of which is set out in Appendix I to this listing document;

(iii) the audited combined financial statements of our Company for the three financial years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026;

(iv) the report from Ernst & Young on the unaudited pro forma financial information of our Company, the text of which is set out in Appendix II to this listing document;

(v) the legal opinions issued by Jingtian & Gongcheng LLP, our legal advisor as to Hong Kong laws, in respect of general matters of our Hong Kong business operations;

(vi) the legal opinions issued by Jingtian & Gongcheng, our legal advisor as to PRC laws, in respect of general matters of our PRC business operations;

(vii) the letter of advice prepared by Ogier, our legal advisor as to Cayman Islands law, summarizing certain aspects of the company law of Cayman Islands referred to in Appendix IV to this listing document;

(viii) the Macao legal opinion issued by TH Lawyers & Private Notary, our legal advisor as to Macao laws, in respect of general matters of our Macao business operations;

(ix) the legal opinions issued by Jingtian & Gongcheng, our legal advisor as to PRC data compliance laws, in respect of, among other things, certain data privacy, cybersecurity and cross-border data matters of our Group under PRC laws;

(x) the legal opinion issued by Mr. Dixon Y. T. Co, our legal advisor as to Hong Kong data compliance laws, in respect of, among other things, certain data privacy, cybersecurity and cross-border data matters of our Group under Hong Kong laws;

(xi) the Cayman Companies Act;

(xii) the written consents referred to in "General Information—D. Other Information—7. Qualifications of Experts" in Appendix V to this listing document;

(xiii) the material contract referred to in "General Information—B. Further Information about Our Business—1. Summary of Material Contracts" in Appendix V to this listing document;

(xiv) the service contracts of our Directors in "General Information—C. Further Information about Our Directors, Chief Executives and Substantial Shareholders—1. Particulars of Directors' Contracts and Appointment Letters" in Appendix V to this listing document;

(xv) the industry report prepared by Frost & Sullivan; and

(xvi) the property valuation report prepared by the Property Valuer.

# CTG Hongkong and Macao Culture and Tourism Holding Limited
# 中旅港澳文旅控股有限公司