



香港中旅國際投資有限公司

CHINA TRAVEL INTERNATIONAL INVESTMENT HONG KONG LIMITED

(Stock Code : 308)



2025 INTERIM  
REPORT



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## CORPORATE INFORMATION

### DIRECTORS

Mr. Wu Qiang (*Chairman*)  
Mr. Feng Gang (*General Manager*)  
Mr. Li Pengyu  
Mr. Tsang Wai Hung<sup>#</sup>  
Mr. Tao Xiaobin<sup>#</sup> (*Resigned on 20 August 2025*)  
Mr. Zheng Jiang<sup>#</sup>  
Mr. Fan Zhishi<sup>#</sup>  
Mr. Tse Cho Che Edward<sup>\*</sup> (*Resigned on 20 August 2025*)  
Mr. Zhang Xiaoke<sup>\*</sup> (*Resigned on 20 August 2025*)  
Mr. Huang Hui<sup>\*</sup> (*Resigned on 20 August 2025*)  
Mr. Chen Johnny<sup>\*</sup> (*Resigned on 20 August 2025*)  
Mr. Song Dawei<sup>\*</sup>  
Ms. Fang Xuan<sup>\*</sup>  
Mr. Qian Jiannong<sup>\*</sup> (*Appointed on 20 August 2025*)

<sup>#</sup> Non-Executive Director

<sup>\*</sup> Independent Non-Executive Director

### AUDIT COMMITTEE

Mr. Chen Johnny (*Chairman*) (*Resigned on 20 August 2025*)  
Mr. Tse Cho Che Edward (*Resigned on 20 August 2025*)  
Mr. Zhang Xiaoke (*Resigned on 20 August 2025*)  
Mr. Huang Hui (*Resigned on 20 August 2025*)  
Mr. Song Dawei  
Ms. Fang Xuan (*Chairman*) (*Appointed as the Chairman of the Audit Committee on 20 August 2025*)  
Mr. Qian Jiannong (*Appointed on 20 August 2025*)

### REMUNERATION COMMITTEE

Mr. Chen Johnny (*Chairman*) (*Resigned on 20 August 2025*)  
Mr. Tse Cho Che Edward (*Resigned on 20 August 2025*)  
Mr. Zhang Xiaoke (*Resigned on 20 August 2025*)  
Mr. Huang Hui (*Resigned on 20 August 2025*)  
Mr. Song Dawei  
Ms. Fang Xuan (*Chairman*) (*Appointed as the Chairman of the Remuneration Committee on 20 August 2025*)  
Mr. Qian Jiannong (*Appointed on 20 August 2025*)

### NOMINATION COMMITTEE

Mr. Wu Qiang (*Chairman*)  
Mr. Tse Cho Che Edward (*Resigned on 20 August 2025*)  
Mr. Zhang Xiaoke (*Resigned on 20 August 2025*)  
Mr. Huang Hui (*Resigned on 20 August 2025*)  
Mr. Chen Johnny (*Resigned on 20 August 2025*)  
Mr. Song Dawei  
Ms. Fang Xuan  
Mr. Qian Jiannong (*Appointed on 20 August 2025*)

### COMPANY SECRETARY

Mr. Lai Siu Chung

### AUDITORS

Ernst & Young  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*  
27/F One Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

### LEGAL ADVISORS

Jeffrey Mak Law Firm

### PRINCIPAL BANKERS

Agricultural Bank of China Limited, Hong Kong Branch  
Bank of China (Hong Kong) Limited  
China Everbright Bank Co., Ltd., Hong Kong Branch  
Bank of Communications Co., Ltd., Hong Kong Branch  
DBS Bank (Hong Kong) Limited





## FINANCIAL CALENDAR AND INFORMATION FOR SHAREHOLDERS

### FINANCIAL CALENDAR

Announcement of 2025 Interim results	28 August 2025
Announcement Of 2024 Final Results	26 March 2025
Announcement of 2024 Interim results	28 August 2024
Announcement of 2023 Final Results	26 March 2024

### DIVIDENDS

2025 Interim	Nil
2024 Final	Nil
2024 Interim	HK\$1.5 cents per share paid on 15 October 2024
2023 Final	HK\$1 cent per share paid on 20 June 2024

### REGISTERED OFFICE

12th Floor, CTG House  
78-83 Connaught Road Central  
Hong Kong

### SHARE REGISTRAR

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

### COMPANY WEBSITE

[www.irasia.com/listco/hk/ctii](http://www.irasia.com/listco/hk/ctii)

### STOCK CODE

308

### LISTING DATE

11 November 1992

### ISSUED SHARES

5,536,633,709 (as at 30 June 2025)



## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



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### TO THE BOARD OF DIRECTORS OF CHINA TRAVEL INTERNATIONAL INVESTMENT HONG KONG LIMITED

*(Incorporated in Hong Kong with limited liability)*

### INTRODUCTION

We have reviewed the interim financial information set out on pages 5 to 32, which comprises the condensed consolidated statement of financial position of China Travel International Investment Hong Kong Limited (the “Company”) and its subsidiaries (the “Group”) as at 30 June 2025 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* (“HKAS 34”) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF 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 of interim financial information 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.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

**Ernst & Young**  
*Certified Public Accountants*  
Hong Kong

28 August 2025



## CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2025 – unaudited (Expressed in Hong Kong dollars)

		Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
	Notes		
<b>Revenue</b>	6	<b>1,973,653</b>	2,136,982
Cost of sales		(1,440,325)	(1,526,243)
Gross profit		533,328	610,739
Other income and gains, net	7(a)	52,770	73,337
Changes in fair value of investment properties		(123,328)	(99,045)
Selling and distribution costs		(101,422)	(113,918)
Administrative expenses		(405,180)	(353,560)
Operating (loss)/profit	7	(43,832)	117,553
Finance income		13,295	25,691
Finance costs		(6,088)	(5,461)
Finance income, net	8	7,207	20,230
Share of profits and losses of joint ventures		431	34
Share of profits and losses of associates		28,387	27,413
<b>(Loss)/profit before taxation</b>		<b>(7,807)</b>	165,230
Tax expense	9	(66,953)	(64,843)
<b>(Loss)/profit for the period</b>		<b>(74,760)</b>	100,387
<b>Attributable to:</b>			
Equity owners of the Company		(86,853)	63,230
Non-controlling interests		12,093	37,157
<b>(Loss)/profit for the period</b>		<b>(74,760)</b>	100,387
<b>(Losses)/earnings per share (HK cents)</b>	11		
Basic and diluted (losses)/earnings per share		(1.57)	1.14

The notes on pages 12 to 32 form part of this interim financial information. Details of dividends payable to equity shareholders of the Company are set out in note 10.





## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025 – unaudited (Expressed in Hong Kong dollars)

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

The notes on pages 12 to 32 form part of this interim financial information.



## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025 – unaudited (Expressed in Hong Kong dollars)

	Notes	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	9,633,337	9,638,670
Investment properties	13	3,129,387	3,232,813
Prepaid land lease payments		594,762	444,477
Goodwill		1,354,622	1,354,468
Other intangible assets		121,301	121,301
Investments in associates		1,368,142	1,335,883
Investments in joint ventures		79,607	78,974
Other financial assets		47,618	54,101
Prepayments and other receivables		51,913	45,846
Deferred tax assets		239,173	249,230
Total non-current assets		16,619,862	16,555,763
<b>Current assets</b>			
Inventories		146,388	147,748
Properties under development		4,107,842	3,980,836
Completed properties held for sale		401,475	418,276
Trade receivables	14	222,278	193,463
Deposits, prepayments and other receivables	15	577,426	456,690
Amounts due from holding companies		22,823	22,588
Amounts due from fellow subsidiaries		227,499	306,619
Tax recoverable		96	950
Pledged and restricted deposits	16	5,208	4,811
Cash and bank balances	16	2,853,580	2,444,190
Total current assets		8,564,615	7,976,171
<b>Total assets</b>		<b>25,184,477</b>	<b>24,531,934</b>
<b>Equity attributable to equity owners of the Company</b>			
Share capital		9,222,295	9,222,295
Reserves		7,007,923	6,883,715
		16,230,218	16,106,010
<b>Non-controlling interests</b>		<b>2,181,447</b>	<b>2,025,883</b>
<b>Total equity</b>		<b>18,411,665</b>	<b>18,131,893</b>





## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025 – unaudited (Expressed in Hong Kong dollars)

	Notes	At 30 June 2025 (Unaudited) HK\$'000	At 31 December 2024 (Audited) HK\$'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income		574,061	561,643
Loans from a fellow subsidiary		246,724	350,957
Lease liabilities		263,218	277,681
Bank and other borrowings	18	792,750	640,424
Deferred tax liabilities		625,074	624,304
Total non-current liabilities		2,501,827	2,455,009
<b>Current liabilities</b>			
Trade payables	17	721,700	763,042
Other payables and accruals		2,195,083	2,146,559
Loans from holding companies		342,412	337,202
Loans from a fellow subsidiary		153,517	86,389
Amounts due to holding companies		5,895	9,659
Amounts due to fellow subsidiaries		50,477	26,414
Lease liabilities		70,188	56,065
Tax payables		153,058	128,173
Bank and other borrowings	18	578,655	391,529
Total current liabilities		4,270,985	3,945,032
<b>Total liabilities</b>		6,772,812	6,400,041
<b>Total equity and liabilities</b>		25,184,477	24,531,934

The notes on pages 12 to 32 form part of this interim financial information.



## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025 – unaudited (Expressed in Hong Kong dollars)

	Attributable to equity owners of the Company				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>At 1 January 2025 (Audited)</b>	<b>9,222,295</b>	<b>288,877</b>	<b>6,594,838</b>	<b>16,106,010</b>	<b>2,025,883</b>	<b>18,131,893</b>
<b>Comprehensive income</b>						
(Loss)/profit for the period	-	-	(86,853)	(86,853)	12,093	(74,760)
Other comprehensive income/(loss) for the period:						
Equity investments at fair value through other comprehensive income - net movement in fair value reserve (non-recycling), net of tax	-	(6,036)	-	(6,036)	248	(5,788)
Exchange differences on translation of foreign operations, net	-	227,708	-	227,708	16,774	244,482
Total other comprehensive income for the period, net of tax	-	221,672	-	221,672	17,022	238,694
Total comprehensive income/(loss) for the period	-	221,672	(86,853)	134,819	29,115	163,934
<b>Transactions with owners</b>						
Transfer from retained profits	-	7,010	(7,010)	-	-	-
Dividends paid to non-controlling shareholders	-	-	-	-	(1,198)	(1,198)
Contributions from non-controlling shareholders	-	-	-	-	127,647	127,647
Equity-settled share option arrangement	-	(10,611)	-	(10,611)	-	(10,611)
Total transactions with owners for the period	-	(3,601)	(7,010)	(10,611)	126,449	115,838
<b>At 30 June 2025 (unaudited)</b>	<b>9,222,295</b>	<b>506,948*</b>	<b>6,500,975*</b>	<b>16,230,218</b>	<b>2,181,447</b>	<b>18,411,665</b>

\* These reserve accounts comprise the consolidated reserves of HK\$7,007,923,000 (31 December 2024: HK\$6,883,715,000) in the condensed consolidated statement of financial position as at 30 June 2025.





## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025 – unaudited (Expressed in Hong Kong dollars)

	Attributable to equity owners of the Company				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>At 1 January 2024 (Audited)</b>	9,222,295	516,673	6,615,396	16,354,364	1,897,686	18,252,050
<b>Comprehensive income</b>						
Profit for the period	–	–	63,230	63,230	37,157	100,387
Other comprehensive income/(loss) for the period:						
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)	–	(6,994)	–	(6,994)	195	(6,799)
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translation of foreign operations, net	–	(85,054)	–	(85,054)	(10,468)	(95,522)
Total other comprehensive loss for the period, net of tax	–	(92,048)	–	(92,048)	(10,273)	(102,321)
Total comprehensive loss for the period	–	(92,048)	63,230	(28,818)	26,884	(1,934)
<b>Transactions with owners</b>						
Transfer from retained profits	–	702	(702)	–	–	–
Dividends paid to non-controlling shareholders	–	–	–	–	(91,836)	(91,836)
Contribution from non-controlling shareholders	–	–	–	–	49,533	49,533
Equity-settled share option arrangement	–	6,627	–	6,627	–	6,627
Dividends paid	–	–	(55,366)	(55,366)	–	(55,366)
Total transactions with owners for the period	–	7,329	(56,068)	(48,739)	(42,303)	(91,042)
<b>At 30 June 2024 (unaudited)</b>	9,222,295	431,954	6,622,558	16,276,807	1,882,267	18,159,074

The notes on pages 12 to 32 form part of this interim financial information.



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025 – unaudited (Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
<b>Cash flows from operating activities</b>		
Cash flows from operations	345,419	306,019
Income tax paid	(25,680)	(30,861)
<b>Net cash flows from operating activities</b>	<b>319,739</b>	<b>275,158</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	72,023	34,042
Dividends received from associates	15,200	13,524
Finance income received	13,295	25,691
Purchases of property, plant and equipment and prepaid land lease payments	(412,415)	(355,670)
Investments in associates	–	(7,233)
(Placement)/withdrawal in pledged and restricted time deposits	(397)	56,722
Placement in time deposits with original maturity of more than three months when acquired	(175,686)	(263,517)
<b>Net cash flows used in investing activities</b>	<b>(487,980)</b>	<b>(496,441)</b>
<b>Cash flows from financing activities</b>		
Finance cost paid	(27,087)	(45,530)
Capital element of lease rentals paid	(42,294)	(10,339)
Interest element of lease rentals paid	(6,088)	(5,461)
Dividends paid	–	(55,366)
Dividends paid to non-controlling shareholders	(1,198)	(42,987)
Proceeds of new bank and other borrowings	460,833	226,334
Repayment of bank and other borrowings	(131,415)	(226,370)
Repayment of loans from a fellow subsidiary	(43,417)	–
Contribution from non-controlling shareholders	127,647	49,533
<b>Net cash flows from/(used in) financing activities</b>	<b>336,981</b>	<b>(110,186)</b>
Net increase/(decrease) in cash and cash equivalents	168,740	(331,469)
Cash and cash equivalents at 1 January	2,288,129	2,460,347
Effect of foreign exchange rate changes, net	64,964	(25,073)
Cash and cash equivalents at 30 June	<b>2,521,833</b>	<b>2,103,805</b>
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and bank balances	2,853,580	2,570,363
Deposits with maturity of more than three months	(331,747)	(466,558)
Cash and cash equivalents	<b>2,521,833</b>	<b>2,103,805</b>

The notes on pages 12 to 32 form part of this interim financial information.





## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

### 1 BASIS OF PREPARATION

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

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

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

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

### 2 CHANGES IN ACCOUNTING POLICIES

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

Amendments to HKAS 21

*Lack of Exchangeability*

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

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



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

### 3 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of an interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

### 4 FINANCIAL RISK MANAGEMENT

#### 4.1 Financial risk factors

The Group's principal activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, fair value risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise any potential adverse effects on the Group's financial performance. Risk management is carried out by senior management of the Group under policies approved by the Directors of the Company.

The interim financial report does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2024.

There have been no changes in the risk management since year end or in any risk management policies.

#### 4.2 Fair value estimation

Management analyses financial instruments carried at fair value, by valuation method. All assets and liabilities for which fair value is measured or disclosed in the interim financial information 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 inputs that is significant to the fair value measurement is observable, either directly or indirectly

Level 3: based on valuation techniques for which lowest level input that is significant to the fair value measurement is unobservable





## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

### 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 4.2 Fair value estimation (Continued)

The following table presents the Group's financial assets that are measured at fair values:

##### Assets

	As at 30 June 2025			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
Other financial assets	—	—	47,618	47,618
	—	—	47,618	47,618

  

	As at 31 December 2024			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
Other financial assets	—	—	54,101	54,101
	—	—	54,101	54,101

During the period, there were no transfers between Level 1 and Level 2, or transfer into or out of Level 3 (2024: Nil).

The unlisted equity securities and derivative financial instrument are measured at fair value using a valuation technique with significant unobservable inputs (Level 3).

##### Unlisted equity securities

The fair value of unlisted equity securities is determined using the enterprise value to sales 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 30 June 2025, it is estimated that with all other variables held constant, a decrease/increase in discount for lack of marketability by 1% (31 December 2024: 1%) would have decreased/increased the Group's other comprehensive loss by HK\$612,000 (31 December 2024: HK\$693,000).



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

### 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 4.2 Fair value estimation (Continued)

##### *Unlisted equity securities (Continued)*

The movement during the period in the balance of Level 3 fair value measurements is as follows:

	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Unlisted equity securities:		
At 1 January	54,101	64,400
Net unrealised losses recognised in other comprehensive loss during the period	(6,483)	(7,641)
At 30 June	47,618	56,759

Any losses arising from the remeasurement of the Group's unlisted equity securities are recognised in the fair value reserve (non-recycling) in other comprehensive loss. Upon disposal of the unlisted equity securities, the amount accumulated in other comprehensive loss is transferred directly to retained profits.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

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. Discussions of valuation processes and results are held between the management, audit committee and valuers at least once every six months, in line with the Group's interim and annual reporting dates.

At each financial period/year end the team:

- Verifies all major inputs to the independent valuation report;
- Holds discussions with the independent valuers.

The carrying amounts of the Group's financial assets and liabilities carried at cost or amortised cost approximate to their fair values as at 30 June 2025.





## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

### 5 OPERATING SEGMENT INFORMATION

Executive management is the Group's chief operating decision-maker and regularly reviews the segment results. For management purposes, the Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments. No operating segments have been aggregated to form the reporting segments. A summary of details of the operating segments is as follows:

- (a) the tourist attraction and related operations segment engages in the operation of theme parks, scenic spots, cable car systems, skiing facilities, hotspring resorts, other resorts, arts performance and tourism property development mainly located in Mainland China;
- (b) the travel document and related operations segment engages in the provision of travel document and related services in Hong Kong and Mainland China;
- (c) the hotel operations segment engages in the provision of hotel accommodation, food and beverage services in Hong Kong, Macau and Mainland China; and
- (d) the passenger transportation operations segment engages in the provision of cross-border transportation services to individuals travelling between Hong Kong, Macau and Mainland China, vehicle and vessel rental and charter operations in Hong Kong, Macau and Mainland China.

Management has determined the operating segments based on the information reviewed by the chief operating decision maker and monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on the profit/loss attributable to equity owners of the Company of each reportable operating segment excluding changes in fair value of investment properties, result from disposal of property, plant and equipment and equity-settled share option expenses.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

### 5 OPERATING SEGMENT INFORMATION (CONTINUED)

Six months ended 30 June 2025 (unaudited)

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





## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

### 5 OPERATING SEGMENT INFORMATION (CONTINUED)

Six months ended 30 June 2024 (unaudited)

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



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

### 6 REVENUE

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered during the period.

#### (a) Disaggregation of revenue

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

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

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

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





## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

### 7 OPERATING (LOSS)/PROFIT

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

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
<b>(a) Other income and gains, net</b>		
Foreign exchange differences, net	267	53
Government grants	19,812	17,444
(Loss)/gain on disposal of property, plant and equipment, net	(47)	277
Other rental income, net	11,149	12,535
Reversal of provision for refund of membership fee	34	6,779
Others	21,555	36,249
	<b>52,770</b>	<b>73,337</b>
	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
<b>(b) Other items</b>		
Staff costs	712,485	729,875
Depreciation		
– owned property, plant and equipment	240,949	237,324
– right-of-use assets	40,337	29,712
	<b>281,286</b>	<b>267,036</b>
Amortisation of prepaid land lease payments	11,716	15,152
Direct operating expenses of investment properties	3,898	3,717
Cost of properties sold	23,090	51,145
Provision for/(reversal of) impairment of trade receivables and other receivables, net	190	(710)
Impairment losses on completed properties held for sale	6,520	–
Impairment losses on property, plant and equipment	59,699	–
Changes in fair value of investment properties	123,328	99,045



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

### 8 FINANCE INCOME, NET

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

### 9 TAX EXPENSE

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

The Group's operations in Mainland China are subject to PRC corporate income tax at applicable tax rate. In addition, withholding income tax is imposed on dividends relating to any profits earned and under the Provisional Regulations on Land Appreciation Tax ("LAT"), all gains arising from the transfer of real estate property in Mainland China are subjected to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights, borrowing costs and all property development expenditures.

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





## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

### 9 TAX EXPENSE (CONTINUED)

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

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

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

### 10 DIVIDENDS

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

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

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

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

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

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



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

### 12 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, additions of items of owned property, plant and equipment amounted to HK\$334,725,000 (2024: HK\$690,628,000) and the Group disposed of property, plant and equipment with an aggregate net book value of HK\$72,070,000 (2024: HK\$110,546,000).

During the six months ended 30 June 2025, the Group entered into a number of lease agreements for use of hotel properties, and therefore recognised the additions to right-of-use assets of HK\$18,802,000 (2024: HK\$129,049,000).

As at 30 June 2025, the accumulated impairment losses for property, plant and equipment amounted to HK\$475,189,000 (31 December 2024: HK\$415,490,000).

During the period ended 30 June 2025, due to continued underperformance of China Travel Hong Kong (Zhuhai) Ocean Spring Co., Ltd. ("Zhuhai Resort") and CTS (Xianyang) Ocean Spring Resort Co., Ltd. ("Xianyang Resort"), the management conducted impairment assessments of cash-generating units of Zhuhai Resort and Xianyang Resort.

As at 30 June 2025, the major assets of Zhuhai Resort were land and properties with a carrying value before impairment amounting to HK\$1,114,000,000 (31 December 2024: HK\$1,140,000,000) which belong to tourist attraction and related operations segment. The recoverable amount of HK\$1,091,000,000 of relevant assets has been determined based on fair value less costs of disposal, which was less than the carrying value. Hence, an impairment loss of HK\$23 million had been recognised during the period. The impairment loss is included in "Administrative expenses" in the condensed consolidated income statement.

As at 30 June 2025, the major assets of Xianyang Resort were land and properties with a carrying value before impairment amounting to HK\$211,000,000 (31 December 2024: HK\$207,000,000) which belong to tourist attraction and related operations segment. The recoverable amount of HK\$174,000,000 of relevant assets has been determined based on fair value less costs of disposal, which was less than the carrying value. Hence, an impairment loss of HK\$37 million had been recognised during the period. The impairment loss is included in "Administrative expenses" in the condensed consolidated income statement.

In the opinion of the Company's directors, an increase of 1 percentage point in the discount rate for the impairment test of Zhuhai Resort and Xianyang Resort would cause the carrying amount of these resorts to exceed the recoverable amount by approximately HK\$160,997,000, and a decrease in both the revenue growth rate and the terminal growth rate of these resorts by 10% would cause the carrying amount of these resorts to exceed the recoverable amount by approximately HK\$175,118,000.





## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

### 12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Shenzhen Splendid China Development Co., Ltd. ("Splendid China"), a 51% owned subsidiary of the Group, is engaged in the operation of a theme park located in Shenzhen. The lease period of the land use right of this theme park was 40 years, from 11 January 1935 to 10 January 2025. The properties built on the land are depreciated over the shorter of their economic useful lives or the period till the end of the business registration certificate. As at 30 June 2025, the carrying amount of these properties amounted to approximately HK\$129 million.

As at the date of these condensed consolidated interim financial information, the land use right had expired and the shareholders of Splendid China are in the process to apply for the extension of the land use right. Splendid China has submitted the application to the local government for the renewal of the land use right for a further 40 years. Such application is pending for approval of the local government.

Based on the communications with the local government, the directors of the Company are of the view that there will be positive progress on land renewal in 2025. Hence, the Group considered that it is not necessary to revise the depreciation period of the properties to the period ended 10 January 2025 (the expiry date of the land use right).

### 13 INVESTMENT PROPERTIES

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
<b>At fair value</b>		
At the beginning of the period/year	3,232,813	3,464,007
Additions	9,211	6,544
Changes in fair value recognised in income statement of the period/year	(123,328)	(222,092)
Currency translation differences of the period/year	10,691	(15,646)
At the end of the period/year	3,129,387	3,232,813

#### Valuation

The valuations of investment properties carried at fair value were updated at 30 June 2025 by the Group's independent valuer using the same valuation techniques as in the valuation as at 31 December 2024.

As a result of the update, a net loss of HK\$123,328,000 (31 December 2024: net loss of 222,092,000), and deferred tax credit thereon of HK\$6,565,000 (31 December 2024: deferred tax of HK\$7,432,000), has been recognised in profit or loss for the period in respect of investment properties.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

### 14 TRADE RECEIVABLES

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

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

### 15 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

As at 30 June 2025, the balances included amounts due from associates of HK\$17,873,000 (31 December 2024: HK\$17,561,000), which were unsecured, interest free and repayable on demand.

### 16 CASH AND BANK BALANCES

	<b>30 June 2025 HK\$'000 (unaudited)</b>	<b>31 December 2024 HK\$'000 (audited)</b>
Cash and bank balances	<b>1,161,089</b>	1,936,565
Time deposits	<b>1,697,699</b>	512,436
	<b>2,858,788</b>	2,449,001
Less: pledged and restricted deposits	<b>(5,208)</b>	(4,811)
Cash and bank balances in the condensed consolidated statement of financial position	<b>2,853,580</b>	2,444,190
Less: deposits with maturity of more than three months	<b>(331,747)</b>	(156,061)
Cash and cash equivalents in the condensed consolidated statement of cash flows	<b>2,521,833</b>	2,288,129





## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

### 17 TRADE PAYABLES

The ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

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

### 18 BANK AND OTHER BORROWINGS

Movements in borrowings are analysed as follows:

	<b>30 June 2025 HK\$'000 (unaudited)</b>	<b>31 December 2024 HK\$'000 (audited)</b>
At the beginning of the period/year	<b>1,031,953</b>	1,143,676
Drawdown	<b>460,833</b>	237,919
Repayments	<b>(131,415)</b>	(297,118)
Currency translation differences	<b>10,034</b>	(52,524)
At the end of the period/year	<b>1,371,405</b>	1,031,953
Portion classified as non-current liabilities	<b>(792,750)</b>	(640,424)
Portion classified as current liabilities	<b>578,655</b>	391,529

The annual interest rate of bank and other borrowings as at 30 June 2025 is 1.20% to 4.30% (31 December 2024: 1.20% to 5.80%).

The Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's and subsidiaries' balance sheet ratios, as are commonly found in lending arrangements with financial institutions. 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. As at 30 June 2025, none of the covenants relating to drawn down facilities had been breached (31 December 2024: Nil).



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

### 19 PLEDGE OF ASSETS

The following assets were pledged to secure banking facilities granted to the Group:

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Bank deposits	5,208	4,811
Buildings	2,237,938	1,641,276
	<b>2,243,146</b>	<b>1,646,087</b>

### 20 CONTINGENT LIABILITIES

At the end of the reporting period, material contingent liabilities not provided for in the interim financial information were as follows:

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Performance bond given to a customer for due performance of a sales contract	300	300

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

### 21 COMMITMENTS

The Group had the following significant contractual commitments:

	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
(a)		
Property project, land and buildings	367,319	459,591
Plant and equipment and motor vehicles	68,471	26,713
Scenic spots	19,646	27,733
Leasehold improvement	1,483	—
Unpaid capital contribution of subsidiaries to third parties	658,495	551,308

#### (b)

In 2019, CTS Guangxi Detian Waterfall Tourism Development Co., Ltd., a non-wholly owned subsidiary of the Group ("Detian"), has signed a cooperation agreement with the local government about the transferal of the operating rights of the Detian Scenic Spot. The consideration is RMB130 million, which is payable upon completion of the transfer process.

As at 30 June 2025, the transfer of operating rights is yet to complete. The management is of the view that no provision is required for the consideration.





## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

### 22 RELATED PARTY TRANSACTIONS

In addition to those related party balances and transactions disclosed elsewhere in this interim financial information, the Group had the following significant transactions with related parties during the period:

#### (a) Significant transactions with related parties

	Notes	Six months ended 30 June	
		2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Travel-related income from	(a)		
– immediate holding company**		117,056	153,847
– fellow subsidiaries*		2,315	2,340
Hotel-related income from	(a)		
– immediate holding company		–	96
– fellow subsidiaries		1,508	801
Management income from	(b)		
– immediate holding company*		635	134
– fellow subsidiaries*		712	939
Rental income from	(c)		
– immediate holding company*		3,070	3,055
– fellow subsidiaries*		2,880	2,050
– a non-controlling shareholder		74	74
– other related parties		1,188	2,105
– an associate		12,222	13,183
Interest income from deposits placed to			
– fellow subsidiaries		177	12,476
Travel-related expenses paid to	(a)		
– fellow subsidiaries*		(4,878)	(4,124)
– associates		(10)	(10)
Management expenses paid to	(b)		
– fellow subsidiaries*		(1,256)	(2,335)
– other related parties		(59)	(278)



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

### 22 RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Significant transactions with related parties (Continued)

		Six months ended 30 June	
	Notes	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Related interest expense (lease liabilities):	(d)		
– immediate holding company*		(113)	(153)
– fellow subsidiaries*		(146)	(111)
– other related parties		(2,589)	(2,866)
Amount of rent payable per month:	(c)		
– immediate holding company*		(489)	(354)
– fellow subsidiaries*		(1,089)	(516)
– other related parties		(1,967)	(1,792)
Other operating expenses paid to			
– immediate holding company		(472)	–
– fellow subsidiaries		(3,346)	(1,703)
– a related party		(13,245)	(14,169)
	Note	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Lease liabilities due to:	(d)		
– immediate holding company*		2,822	5,350
– fellow subsidiaries*		21,180	10,837
– other related parties		144,188	146,955

# 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 include certain income/expenses which are exempted from the announcements and reporting requirements as they are below de minimis threshold under the Listing Rule 14A.76(1).

#### Notes:

- (a) Travel-related and hotel-related income and expenses are entered into in the normal course of business based on terms mutually agreed by the parties.
- (b) Management income and expense are charged at rates in accordance with relevant contracts.
- (c) Rental are charged in accordance with respective tenancy agreements.
- (d) The outstanding balances arising from the leasing agreement with the immediate holding company, fellow subsidiaries and other related parties are included in "lease liabilities".





## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

### 22 RELATED PARTY TRANSACTIONS (CONTINUED)

#### (b) Significant balances with related parties

- (i) On 26 May 2017, China Tourism Group Corporation Limited ("CTG"), as a lender, entered into a loan agreement with CTS (Ningxia) Shapotou Tourist Spot Co., Ltd. ("Shapotou"), as a borrower, for a term of three years commencing from 26 May 2017 and with repayable on demand clause, pursuant to which CTG, the ultimate holding company of the Company, has agreed to provide a loan of RMB30,000,000 to Shapotou, a non-wholly-owned subsidiary. On 26 May 2020 and 26 May 2023, Shapotou entered into an extension agreement with CTG to extend the loan maturity date to 25 May 2023 and 25 May 2031, respectively. The interest rate is at a fixed rate of 1.2% per annum. As at 30 June 2025 and 31 December 2024, the loan balance of RMB30,000,000 remained outstanding and unsettled.
- (ii) On 24 May 2017, CTG, as a lender, entered into a loan agreement with CTS (Anji) Tourism Development Company Limited ("Anji"), as a borrower, for a term of three years commencing from 24 May 2017 and with repayable on demand clause, pursuant to which CTG has agreed to provide a loan of RMB39,000,000 to Anji, a subsidiary of the Company. On 24 May 2020 and 24 May 2023, CTG and Anji renewed the loan agreement twice for a term commencing from 24 May 2020 and expiring on 23 May 2023, and commencing from 24 May 2023 and expiring on 23 May 2031, respectively. The interest rate of the loan made under the loan agreement is at a fixed rate of 1.2% per annum. As at 30 June 2025, the arrangement remained effective with RMB39,000,000 withdrawn (2024: RMB39,000,000).
- (iii) On 8 November 2018, the Company and CTG Finance Company Limited ("CTS Finance"), a fellow subsidiary, entered into a financial services framework agreement in respect of the provision of (i) deposit services, (ii) the comprehensive credit line services, (iii) the entrustment loan services; and (iv) the cross-border RMB cash pooling services by CTS Finance for a term commenced from 1 January 2019 and ending on 31 December 2021. On 16 November 2021, the Company entered into an extension agreement with CTS Finance to extend the terms of such services for a term of three years commencing from 1 January 2022 and ending on 31 December 2024. On 12 November 2024, the Company entered into an extension agreement with CTS Finance to extend the terms of such services for an additional of three years commencing from 1 January 2025 and ending on 31 December 2027. As at 30 June 2025, the related deposit balance was RMB237,630,000 (2024: RMB1,109,218,000). These transactions also constitute continuing connected transactions as defined under the Listing Rules.
- (iv) On 26 October 2022, China Travel Service (Holdings) Hong Kong Limited ("CTS (Holdings)"), as a lender, entered into the Loan Agreement with the Company, as a borrower, for a term of one year commencing from 26 October 2022 and ending on 26 October 2023, pursuant to which CTS (Holdings), the immediate holding company, has agreed to provide a loan of RMB230,000,000 to the Company. On 26 October 2023, CTS (Holdings) renewed the loan agreement for a term commencing from 26 October 2023, and expiring on 26 October 2024. The interest rate of the loan made under the loan agreement is at a fixed rate of 2.8% per annum. On 26 October 2024, CTS (Holdings) renewed the loan agreement for a term commencing from 26 October 2024, and expiring on 26 October 2025. The interest rate of the loan agreement had dropped to a fixed rate of 2.5% per annum. As at 30 June 2025, the arrangement remained effective with RMB243,000,000 withdrawn (2024: RMB243,000,000).
- (v) On 15 August 2023, CTS Finance entered into a loan agreement with CTS (Ningxia) Shapotou Tourist Spot Co., Ltd., a subsidiary of the Company. This loan agreement involved an amount of RMB25,000,000. The loan commenced on 15 August 2023 and is repayable in August 2026. It carries a fixed interest rate of 2.8% per annum. As at 30 June 2025, the arrangement remained effective with RMB25,000,000 withdrawn (31 December 2024: RMB25,000,000). Additionally, on 15 August 2023, CTS Finance entered into another loan agreement with CTS (Zhuhai) Haiquanwan Co., Ltd, a subsidiary of the Company, for a loan amount of RMB400,000,000. The loan term commenced on 21 September 2023 and is repayable in September 2026. This loan originally carried an interest rate of 3% per annum. On 20 September 2024, both parties duly signed a supplementary agreement revising the interest rate. Commencing on 21 September 2024, the interest rate was set at 2.6% per annum. As at 30 June 2025, the arrangement remained effective with RMB340,000,000 withdrawn (2024: RMB380,000,000) and is repayable in installments within two years, of which RMB140,000,000 is included in current liabilities to the consolidated statement of financial position.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

### 23 SHARE BASED PAYMENTS

On 20 January 2023, the Company passed a resolution in a shareholders' meeting for the adoption of a share option scheme (the "2023 Share Option Scheme") for the purpose of providing the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the directors and employees of the Group and for such other purposes as the board of directors of the Company may approve from time to time. Eligible participants of the Scheme include the directors and employees of the Group.

On 27 January 2023, the Company granted share options to certain directors and employees of the Group to subscribe for, in aggregate, up to 61,404,000 ordinary shares of the Company, subject to acceptance of the grantees under the 2023 Share Option Scheme at an exercise price of HK\$1.72 per share. The price of the Company's shares at the date of grant was HK\$1.71. For detailed information, please refer to the announcement of the Company dated 27 January 2023.

On 19 January 2024, the Company granted share options to certain employees of the Group to subscribe for, in aggregate, up to 3,980,000 ordinary shares of the Company, subject to acceptance of the grantees under the 2023 Share Option Scheme at an exercise price of HK\$1.72. For detailed information, please refer to the announcement of the Company dated 19 January 2024.

The fair value of equity-settled share options granted during the period was estimated as at the date of grant using a trinomial model, taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used:

Assumptions	Inputs 2024
Dividend yield (%)	1.20%
Volatility (%) (note)	30.77% – 32.84%
Risk-free interest rate (%)	3.21% – 3.23%
Exercise multiple	2.86 – 3.34
Forfeiture rate	0%
Share price (HK\$ per share)	1.25

Note: Volatility is determined by reference to the historical share prices of the Company before the date of grant.

The following share options were outstanding under the 2023 Share Option Scheme during the period:

	30 June 2025		31 December 2024	
	Weighted average exercise price per share HK\$	Number of options	Weighted average exercise price per share HK\$	Number of options
At the beginning of the period/year	1.72	39,421,460	1.72	58,516,000
Granted during the period/year	1.72	–	1.72	3,980,000
Cancelled/forfeited during the period/year	1.72	(20,606,540)*	1.72	(23,074,540)
At the end of the period/year	1.72	18,814,920	1.72	39,421,460

\* As at 30 June 2025, the management acknowledged that 18,261,540 share options had lapsed as the relevant performance targets were not fulfilled. These options have not yet been formally cancelled, pending the Board's approval of the lapse.





## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)

### 23 SHARE BASED PAYMENTS (CONTINUED)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

Number of options	Exercise price		Exercise period
	HK\$		
17,628,320	1.72		27 January 2027 – 26 January 2032
1,186,600	1.72		19 January 2028 – 18 January 2033
18,814,920			

The fair values of the share options granted during the year ended 31 December 2024 under the 2023 Share Option Scheme were HK\$1,341,000. The Group reversed equity-settled share option expenses under 2023 Share Option Scheme of HK\$10,611,000 for the period ended 30 June 2025 (2024: recognised share option expense of HK\$6,627,000).

At the end of the reporting period, the Company had 18,814,920 share options outstanding under the 2023 Share Option Scheme. If the outstanding share options were exercised in full, an additional 18,814,920 ordinary shares of the Company will be issued, resulting in additional share capital of approximately HK\$32,362,000 (before issue expenses).

### 24 EVENTS AFTER THE REPORTING PERIOD

On 26 August 2025, the Company entered into an equity transfer agreement with Changchun Vanke Real Estate Development Company Limited (a subsidiary of China Vanke Co., Ltd., “Changchun Vanke”) and related parties, pursuant to which the Company agreed to acquire 75% of the equity interest in Jilin Songhua Lake International Resorts Company Limited. (“Songhua Lake Company”) held by Changchun Vanke. On the same day, the Company entered into an equity transfer agreement with Vanke Hotel Management Co., Ltd. (萬科酒店管理有限公司) (a subsidiary of China Vanke Co., Ltd., “Vanke Hotel Management”) and related parties, pursuant to which the Company agreed to acquire 75% of the equity interest in Beijing Wanbingxue Sports Co., Ltd. (北京萬冰雪體育有限公司) (“Wanbingxue Company”) held by Vanke Hotel Management. Songhua Lake Company holds the Lake Songhua Resort in Jilin Province and operates the Lake Songhua Ski Resort, Seibu Prince Hotel, Zhanyun Salomon Hotel, Qingshan Apartment and a business town.



## MANAGEMENT DISCUSSION AND ANALYSIS

### RESULTS OVERVIEW

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

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

The Group’s financial position remained stable and healthy, with adequate investment and financing capabilities. As of 30 June 2025, total assets were HK\$25,184 million, a 3% increase compared with the end of last year. Equity attributable to shareholders was HK\$16,230 million, a 1% increase compared with the end of last year. The aggregate of cash and bank balances and

pledged and restricted deposits amounted to HK\$2,859 million, representing a 17% increase compared with the end of last year. After deducting HK\$2,114 million in loans from holding companies, loans from a fellow subsidiary, bank and other borrowings, net cash amounted to HK\$745 million, representing a 16% increase compared with the end of last year.

### DIVIDENDS

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

### BUSINESS REVIEW

#### (I) Tourist attractions and related operations

The Group’s tourist attractions and related operations mainly comprise:

1. Theme parks: Shenzhen The World Miniature Co., Ltd. (“**Window of the World**”) and Shenzhen Splendid China Development Co., Ltd. (“**Splendid China**”);
2. Natural and cultural scenic spots: CTS (Ningxia) Shapotou Tourist Spot Co., Ltd. and CTS (Ningxia) Shapotou Cable Car Co., Ltd. (“**Shapotou Scenic Spot**”), Jiangxi Xing Zi Lu Shan Xiu Feng Passage Cable Car Co., Ltd. (“**Xiufeng Scenic Spot**”), CTS Guangxi Detian Waterfall Tourism Development Co., Ltd. (“**Detian Scenic Spot**”), CTS Luzhou Laojiao Culture Tourism Development Company Limited (“**CTS Luzhou Culture Tourism**”), CTS Lugu Lake (Lijiang) Tourism Development Co., Ltd. (“**CTS Lugu Lake**”), CTS Xinjiang Tourism Operation Management Co., Ltd. (“**CTS Xinjiang**”), CTS Bairui Xinjiang Tourism Development Co., Ltd. (“**CTS Bairui**”), CTS (Zhejiang) Qiandao Lake Tourism Development Co., Ltd. (“**Qiandao Lake Company**”) and CTS (Yunnan) Tourism Development Co., Ltd. (“**Yunnan Company**”);





## MANAGEMENT DISCUSSION AND ANALYSIS

Non-controlling investments in scenic spots: Huangshan Yuping Cable Car Company Ltd., Huangshan Taiping Cable Car Co., Ltd., Changsha Colorful World Company Limited, Changchun Jingyuetan Youle Co., Ltd., Hangzhou New Century Senbo Tourism Investment Co., Ltd. ("**New Century Senbo**"), Changde City Taoxi Cultural Tourism Investment Company Limited ("**Changde Taoxi**", formerly known as "**CTS Taohuayuan (Changde) Cultural Tourism Development Company Limited**") and Handhuvaru Ocean Holidays Private Limited ("**HOH Company**");

3. Leisure resorts: China Travel Hong Kong (Zhuhai) Ocean Spring Co., Ltd. ("**Zhuhai OSR**"), CTS (Xianyang) Ocean Spring Resort Co., Ltd. ("**Xianyang OSR**") and CTS (Anji) Tourism Development Company Limited ("**Anji Company**"); and
4. Supplementary tourist attraction operations: China Heaven Creation International Performing Arts Co., Ltd. ("**Heaven Creation Company**"), CTS (Shenzhen) City Development Co., Ltd. ("**CTS City**"), China Travel Zhiye Culture Development (Shenzhen) Co., Ltd ("**China Travel Zhiye**"), CTS Scenery (Beijing) Tourism Management Limited ("**CTS Scenery**") and CTS Holiday Travel Management (Hainan) Co., Ltd. ("**CTS Holiday**")

In the first half of 2025, the scenic business was affected by factors such as consumption segmentation, lack of new products and activities, and climate change, resulting in a year-on-year decline in overall revenue and profit. In the first half of 2025, the Group's total revenue from tourist attractions and related operations was HK\$871 million, representing a 16% decrease compared with the corresponding period of last year. Attributable loss was HK\$112 million, compared with attributable profit of HK\$26 million for the corresponding period of last year.

### *Theme parks*

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

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

### *Natural and cultural scenic spots*

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

Revenue from Shapotou Scenic Spot amounted to HK\$139 million, representing a 1% decrease compared with the corresponding period of last year. Attributable profit amounted to HK\$5 million, a 44% decrease compared with the corresponding period of last year. At Shapotou Scenic Spot, the first "Youthful Desert Starlight Music Festival" featured a "music+starry sky+desert" theme to create an immersive cultural tourism experience. The Detian Scenic Spot cancelled its ride activity, resulting in a 27% year-on-year decrease in revenue, and planned and implemented a series of distinctive marketing activities for 3 March, May Day and the summer holiday, all using an innovative integrated model of "scenario creation+distinctive experience+on-



## MANAGEMENT DISCUSSION AND ANALYSIS

site sales". Their deep integration of folk culture experience with product sales effectively promoted sales conversion. CTS Lugu Lake has been active in integrating destination products, with revenue decreasing. CTS Bairui mainly focused on Xinjiang's 5A and 4A scenic spots and scarce core areas of major tourist destinations, and recorded an increase in revenue compared with the corresponding period of last year. CTS Bairui launched a "one-stop vacation" activity project which includes customised hiking routes, local cultural characteristics and professional guide services to attract outdoor enthusiasts, extend tourists' stay times and stimulate repeat consumption. Qiandao Lake Company is the unified operation and management entity of Qiandao Lake Scenic Spot. Its revenue decreased by 12% compared with the corresponding period of last year. Qiandao Lake Company has accelerated its project modification to strengthen the scenic area's marketing and expansion and increase the number of group and individual tourists. Yunnan Company commenced to undertake all operation and maintenance work for the Dali Erhai ecological corridor, a new tourism landmark created by Dali Prefecture. Yunnan Company's participation in the investment and operation of local tourism resources will further improve the Company's brand influence in the southwest region. In the first half of 2025, Yunnan Company launched a series of themed activities such as "Hello Dali 2025 Spring Festival Rhythm", with revenue increasing by 36% compared with the corresponding period of last year. It will continue to expand its market and business forms, enrich the diversified commercial ecosystem of the Dali Erhai ecological corridor, and further enhance the region's commercial value and influence.

### *Leisure resorts*

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

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





## MANAGEMENT DISCUSSION AND ANALYSIS

### ***Supplementary tourist attraction operations***

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

CTS Scenery was engaged in management and consulting services, and recorded a 57% decrease in revenue compared with the corresponding period of last year. It will collaborate on cultural tourism projects with other industries across various Chinese provinces. This will create complementary industrial advantages and establish a “cultural tourism+” cooperation model for joint project implementation and operation. China Travel Zhiye was engaged in providing tourism planning services and recorded a 53% increase in revenue compared with the corresponding period of last year. China Travel Zhiye continued to pursue its overall goal of developing into a first-class national tourism think-tank, and will further enhance its core business capabilities of planning, marketing and operation. Heaven Creation Company was engaged in creative planning, performing arts and management businesses. Its residence performance has come to a complete halt due to the pandemic, and development of other businesses also encountered obstacles. During the period, its revenue decreased by 87% compared with the corresponding period of last year. Heaven Creation Company plans to promote the “Kung Fu Legend: Southern Shaolin” performance project in Quanzhou.

### **(II) Travel document and related operations**

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

In 2023, the relaxation of travel restrictions and socialisation measures related to COVID-19 in Hong Kong and Mainland China led to a significant increase in demand for the travel document business. In 2024, as most travel documents that expired during the pandemic were renewed in 2023, demand for the travel document business returned to a normal level. In the first half of 2025, the Group’s revenue from travel document and related operations was HK\$147 million, representing an 18% decrease compared with the corresponding period of last year. Attributable profit was HK\$67 million, representing a 29% decrease compared with the corresponding period of last year. China Travel Hi-Tech Computer Hong Kong Ltd. provides system maintenance and data security services for the Group’s travel document business. It continued to optimise the travel document business system and is cooperating with the Group in work related to digital transformation.

### **(III) Hotel operations**

The Group’s hotel operations comprise:

1. Six hotels and one serviced apartment in Hong Kong and Macau;
2. Beijing Guang’anmen Grand Metropark Hotel Co., Ltd. (“**Beijing Metropark Hotel**”); and
3. CTS H.K. Metropark Hotels Management Company Limited.

The outlook for hotel operations in Hong Kong is optimistic, with the opening of the Metropark Hotel Hung Hom and Green Residence Serviced Apartment in May 2024 expanding the profit growth points, and international tourist arrivals increasing due to the relaxation of travel restrictions worldwide. Hotel operations in Mainland China are also expected to maintain growth. In the first half of 2025, revenue from the Group’s hotel operations was HK\$429 million, representing a 17% increase compared with the corresponding period of last year. Attributable profit was HK\$102 million, representing a 24% increase compared with the corresponding period of last year.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Key operating data

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

#### (IV) Passenger transportation operations

The Group's passenger transportation operations comprise bus and vessel businesses operated under Shun Tak-China Travel Shipping Investments Limited ("**Shun Tak-China Travel**").

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

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

### BUSINESS DEVELOPMENT

#### Tourist attractions and related operations

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

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





## MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

Zhuhai OSR transformed and upgraded its existing products and services with a view to enriching the “Ocean Spring” brand portfolio with differentiated products and exploring its cultural characteristics. Zhuhai OSR pursues opening up and cooperation with the outside world and has connected and negotiated with multiple potential external partners to explore development models such as “tourism+health and wellness” and “tourism+education”. It is also examining strategies to drive business transformation and development. “Hot Spring World” in Xianyang OSR reopened ahead of schedule and resumed full operations in June 2025. Through precise market positioning, an upgraded product strategy, core strategies for building a livestreaming matrix and innovative marketing, and innovative operational systems, it has made thorough preparations for market reactivation. Anji Company strengthened the marketing of Elf’s Mound farm and Valley Ji City Commercial Street and leveraged the benefits of new products. CTS City’s “CTS Investment Building” project is generally positioned as a landmark urban complex of the first rank in the convention and exhibition sector, comprising a modern complex of prestigious offices and convention and exhibition and leisure areas. It has completed the main construction stage, and ongoing development work is being carried out in an orderly manner.

On 26 August 2025, the Company entered into an equity transfer agreement with Changchun Vanke Real Estate Development Company Limited (a subsidiary of China Vanke Co., Ltd., “**Changchun Vanke**”) and related parties, pursuant to which the Company agreed to acquire 75% of the equity interest in Jilin Songhua Lake International Resorts Company Limited. (“**Songhua Lake Company**”) held by Changchun Vanke. On the same day, the Company entered into an equity transfer agreement with Vanke Hotel Management Co., Ltd. ( 萬科酒店管理有限公司 ) (a subsidiary of China Vanke Co., Ltd., “**Vanke Hotel Management**”) and related parties, pursuant to which the Company agreed to acquire 75% of the equity interest in Beijing Wanbingxue Sports Co., Ltd. ( 北京萬冰雪體育有限公司 ) (“**Wanbingxue Company**”) held by Vanke Hotel Management. Songhua Lake Company holds the Lake Songhua Resort in Jilin Province and operates the Lake Songhua Ski Resort, Seibu Prince Hotel, Zhanyun Salomon Hotel, Qingshan Apartment and a business town. Wanbingxue Company’s core businesses comprise ski



## MANAGEMENT DISCUSSION AND ANALYSIS

resort development and planning, construction consulting, operation management, marketing promotion, and skiing coaching. It manages a total of nine well-known ski resorts and possesses extensive mountain teaching cooperation resources, demonstrating strong capabilities for integrating the skiing industry. This project is in line with the Company's development strategy for urban and leisure resort products. It represents an important choice to seize historic opportunities, cultivate new quality growth poles, and expand into the snow economy. The project as a whole is of high strategic significance.

### Management business

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

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

China Travel Zhiye is a fully integrated platform enterprise under the Group whose fundamental businesses comprise planning and design, investment consulting, operational management and tourism marketing. It offers one-stop services for local cultural tourism development and has extensive experience in pioneering, significant and innovative planning and creation, including "world-class tourist destinations, world-class scenic spot/resorts, first-tier tourist cities, and provincial tourism industry development".

With a goal of "leading an in-depth resort lifestyle and becoming a leader and excellent brand creator in China's tourist resort destinations", CTS Holiday focuses on the development and operation of boutique resort destinations by providing whole-cycle implementable custom solutions and full operational services. It owns three major brands, namely the boutique resort hotel Lanyue, the boutique lifestyle hotel Xingchuanshan, and the CTS Resort Hotel Alliance, as well as the "Xinlu Club" professional digital platform, and is dedicated to providing unparalleled holiday experiences to a wide range of customers.

### Digital transformation

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





## MANAGEMENT DISCUSSION AND ANALYSIS

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

### **Passenger transportation operations**

The “Hong Kong people travelling north” market trend and availability of the Shenzhen-Zhongshan Link has led the Company to adjust its Zhongshan operations line to provide users with a faster touring experience. In line with the Hong Kong Government’s carbon emissions reduction policy, the Company has accelerated procurement of electric vehicles to save on fuel and maintenance costs. It will also further explore cooperative projects and help address the operational challenges of quota shortages through mergers and acquisitions, thereby strengthening Shun Tak-China Travel’s leading position in the Greater Bay Area’s integrated cross-border transportation sector. As to its passenger vessel operation, the Company will continue to implement effective cost management and control and dispose of inefficient assets and low-yield routes toward the goal of increasing its share of the cross-border marine transportation market.

Shun Tak-China Travel will explore the low-altitude economy, leveraging interconnectivity in the Greater Bay Area to expand passenger transportation operations. The Company will continue to build its revenue foundation on cross-border passenger transportation operation in

synergy with its passenger vessel operation. It aims to seize opportunities presented by events and holiday peaks and devise diversified marketing strategies that integrate bus and ferry services. This will help to expand brand influence and realise the ambition of being “the largest cross-border passenger transportation platform in the Guangdong-Hong Kong-Macao Greater Bay Area”.

### **Hong Kong and overseas business**

The Group follows a strategy of “based in Hong Kong, deeply-rooted in Hainan, expanding into mainland China, and refining overseas operations” while exploring the potential of overseas markets. HOH Company is advancing the Maldives project in an orderly manner; at present, the hydraulic reclamation of Ambara Island is basically completed, and the hotel design programme has entered the refinement phase. We are committed to making the hotel in Maldives a distinctive high-quality island resort. Further, the corporate governance system of HOH Company is to be improved.

The Group is studying the revitalisation and optimisation of existing assets, including properties in Hong Kong, with the aim of enhancing operational efficiency and unlocking value. Commencing operation in May 2024, the Metropark Hotel Hung Hom is positioned in the medium- to high-end market, and is capable of generating stable and competitive revenue for the Company.

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



## MANAGEMENT DISCUSSION AND ANALYSIS

### INTERNAL MANAGEMENT

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

While striving to achieve performance targets through routine operation and management, the Company will simultaneously pursue a new level of development by strengthening its core competitiveness in investment, product, digital and operating capabilities. The Company consolidated the baseline for safety production by improving safety management institutions, enhancing the dual prevention system, and providing safety training and emergency drills for frontline employees.

The Company fully complies with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and regulatory requirements. It continued to optimise its governance mechanism and system, maintained a high standard of corporate governance, continuously improved its internal control management, and strengthened its system construction. The Company has enhanced its overall risk prevention and control capability and strengthened the management of operating cashflow and the control of asset-liability ratio. The Company will continue to strengthen the governance of loss-making enterprises, reduce low-efficiency enterprises, and manage both receivables and inventories.

### PROSPECTS

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

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





## MANAGEMENT DISCUSSION AND ANALYSIS

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

In Hong Kong, the stock market has regained its upward momentum with the support of continued inflow of funds, indicating the rejuvenation of the financial industry. If the Hong Kong Dollar can maintain its competitive edge and Hong Kong interbank offered rates remain low, it is expected to drive a broader economic development momentum and boost consumer sentiment. Although retail rents may face pressure due to challenges in the business

environment, the recovery of consumption and financial markets, coupled with government support measures, is expected to help stabilise the operational environment. The government has intensified efforts to promote local mega events. The number of inbound tourists has continued to grow, recording a 12% increase. There are also signs of a rebound in outbound tourism.

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

Looking ahead to the second half of the year, the Group remains cautiously optimistic while remaining vigilant to global economic turbulence. Despite the challenges ahead, the Group will continue in its corporate mission and objectives and pursue long-term business and profit growth. The Group will continue to explore diversified long-term value-added opportunities for its shareholders and endeavour to enhance its overall financial position to create greater value. While committed to achieving sustainable growth in recurring earnings, the Group will exercise stringent and prudent financial, liquidity and cashflow management to maintain a sound financial position.



## OTHER INFORMATION

### EMPLOYEES AND REMUNERATION

As of 30 June 2025, the Group employed 6,750 staff. Employees are remunerated on the basis of work performance, professional experience and prevailing industry practice. The remuneration policy and packages for the Group's employees are periodically reviewed by management. Apart from retirement benefits and in house training programmes, discretionary bonuses and share options are awarded to certain eligible employees according to assessments of individual performance and the performance of the Group.

### LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's financial position remains strong. The Group generally finances its operations with internally generated cash flows and loan facilities from banks. As of 30 June 2025, the Group's cash and bank balances and pledged and restricted deposits amounted to HK\$2,859 million, while bank and other borrowings, loans from a fellow subsidiary and loans from the holding companies amounted to HK\$2,114 million. The debt-to-capital ratio was 33%. The debt includes bank and other borrowings, lease liabilities, trade payables, other payables and accruals, loans from holding companies, loans from a fellow subsidiary and amounts due to holding companies and fellow subsidiaries.

### FOREIGN EXCHANGE RISK

The Group has certain assets, borrowings and major transactions which are denominated in foreign currencies, and are thus exposed to foreign currency risk. The Group has not engaged in any particular hedge against foreign exchange risk. It will closely monitor and manage its foreign currency exposure and take appropriate measures as required.

### CHARGE ON ASSETS

As of 30 June 2025, certain of the Group's bank deposits and land and buildings were pledged to secure bank guarantees given to suppliers in connection with credit facilities granted. Details are shown in note 19 to the condensed consolidated interim financial information.

### MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND SIGNIFICANT INVESTMENT

Save as disclosed in the "MANAGEMENT DISCUSSION AND ANALYSIS" section above, the Group did not have any material acquisitions and disposal of subsidiaries, associates and joint ventures or significant investment during the reporting period.

### FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the "MANAGEMENT DISCUSSION AND ANALYSIS" section above, the Group had no future plans for material investments or capital assets during the reporting period.

### CONTINGENT LIABILITIES

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

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





## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 30 June 2025, the interests and short positions of the Directors and the Company's Chief Executive in the shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules, were as follows:

#### Long positions in shares and underlying shares of the Company

Name of Director	Interests in shares			Interests in underlying shares pursuant to share options	Aggregate interests	% of the issued share capital as at 30 June 2025
	Corporate interest	Personal interest	Family interest			
Mr. Feng Gang	–	–	–	1,098,800	1,098,800	0.02%
Mr. Li Pengyu	–	–	–	849,560	849,560	0.02%

Save as disclosed above, as at 30 June 2025, none of the Directors or the Company's Chief Executive, had, under Divisions 7 and 8 of Part XV of the SFO, nor were they taken to or deemed to have under such provisions of the SFO, any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) or any interests which were required to be entered into the register kept by the Company pursuant to Section 352 of the SFO or any interests which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

### ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the section "Share Option Scheme" below, at no time during the six months ended 30 June 2025 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the Directors nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

### SHARE OPTION SCHEME

On 20 January 2023, the Company passed the resolution in a shareholders' meeting for the adoption of the 2023 Share Option Scheme (the "**2023 Share Option Scheme**") for the purpose of providing the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the directors and employees of the Group and for such other purposes as the Board may approve from time to time. For detailed information, please refer to the circular of the Company dated 3 January 2023 and the announcement of the Company dated 20 January 2023.

The rules of the 2023 Share Option Scheme enable the Company to grant option(s) to any directors and employees of the Group who, in the sole opinion of the Board, will contribute or have contributed to the Company and/or any of its subsidiaries (the "**Participant(s)**").



## OTHER INFORMATION

The total number of shares of the Company which may be issued in respect of all share options to be granted under the 2023 Share Option Scheme of the Company must not in aggregate exceed 10% of the shares of the Company in issue as at the date of adoption (the “**Scheme Mandate**”). The number of share options available for grant under the Scheme Mandate as at 1 January 2025 and 30 June 2025 were 514,241,910 shares and 516,586,910 shares, respectively. As at the date of this report, the total number of shares of the Company which may be issued under the 2023 Share Option Scheme is 553,663,370 shares, representing 10% of the total number of shares of the Company.

The Board shall not grant any share options to any Participant which, if exercised, would result in such Participant becoming entitled to subscribe for such number of shares as, when aggregated with the total number of shares already issued or to be issued to him under all share option or share awards granted to him (excluding any share option and awards lapsed in accordance with the terms of 2023 Share Option Scheme or other schemes) in the 12 month period up to and including the date of grant of the share option, exceed 1% of the shares in issue at such date (including cancelled, exercised and outstanding options) unless such grant has been duly approved by the shareholders in general meeting.

The share options granted under the 2023 Share Option Scheme may be exercised during a period to be determined and notified by the Board to the grantee, which period shall commence on the date of acceptance of the share options and expire in any event not later than the last day of the 10-year period thereafter (subject to the provisions for early termination).

The date or dates on which a share option vests will be set by the Board at the time of grant, which shall be not less than 12 months from the date on which the share option is accepted. The share options granted to the Participants will not be subject to a shorter vesting period.

Grantees are required to pay an amount of HK\$1.00 for each acceptance of an offer of the grant of share options payable on acceptance of such offer.

The exercise price will be determined by the Board and notified to a Participant and shall not be less than the higher of (i) the closing price of the shares of the Company as stated in the Stock Exchange’s daily quotations sheet on the date of grant, which must be a business day; and (ii) the average closing price of the shares of the Company as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant, provided that in the event of fractional prices, the exercise price per Share shall be rounded upwards to the nearest whole cent.

Subject to the Board exercising its right under the rules of the 2023 Share Option Scheme to terminate the 2023 Share Option Scheme, the 2023 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the adoption date (i.e. 20 January 2023), after which period no further share options may be granted.

On 27 January 2023, the Company granted share options to certain directors and employees of the Group to subscribe for, in aggregate, up to 61,404,000 ordinary shares of the Company, subject to acceptance of the grantees under the 2023 Share Option Scheme at an exercise price of HK\$1.72. For detailed information, please refer to the announcement of the Company dated 27 January 2023.

On 19 January 2024, the Company granted share options to certain employees of the Group to subscribe for, in aggregate, up to 3,980,000 ordinary shares of the Company, subject to acceptance of the grantees under the 2023 Share Option Scheme at an exercise price of HK\$1.72. For detailed information, please refer to the announcement of the Company dated 19 January 2024.





## OTHER INFORMATION

Details of the movement in the share options granted under the 2023 Share Option Scheme during the six months ended 30 June 2025 are set out below.

Name or category of participant	Number of share options					Balance as at 30 June 2025	Date of grant	Exercise period (Note 1)	Exercise price (HK\$)
	Balance as at 1 January 2025	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period				
<b>Director</b>									
Feng Gang	1,098,800	-	-	-	-	1,098,800	27 January 2023	27 January 2025 to 26 January 2032	1.72
Li Pengyu	849,560	-	-	-	-	849,560	27 January 2023	27 January 2025 to 26 January 2032	1.72
Sub-Total	1,948,360	-	-	-	-	1,948,360			
<b>Other employees in aggregate</b>									
	35,134,800	-	-	-	(2,345,000)	32,789,800	27 January 2023	27 January 2025 to 26 January 2032	1.72
	2,338,300	-	-	-	-	2,338,300	19 January 2024	19 January 2026 to 18 January 2033	1.72
Sub-Total	37,473,100	-	-	-	(2,345,000)	35,128,100			
Grand Total	39,421,460	-	-	-	(2,345,000)	37,076,460			

Note:

- The vesting period of the share options is from the date of grant until the commencement of the exercise period as detailed in note 5 below. The options are exercisable in the following manner subject to the achievement of certain performance targets listed in note 6 below.
- No grantees were granted and are to be granted share options in excess of the 1% individual limit.
- Related entity participants or service providers are not eligible participants under the 2023 Share Option Scheme.
- Save as disclosed above, no share options were granted and to be granted to other Directors, chief executive or substantial shareholders of the Company, or their respective associates.
- The vesting period of the share options granted under the 2023 Share Option Scheme are set out as follows:

Date of Grant	The proportion of options exercisable	Exercise period	Vesting period
27 January 2023	First 33% of the share options	27 January 2025 to 26 January 2030	27 January 2023 to 26 January 2025 (a)
	Second 33% of the share options	27 January 2026 to 26 January 2031	27 January 2023 to 26 January 2026 (b)
	Remaining 34% of the share options	27 January 2027 to 26 January 2032	27 January 2023 to 26 January 2027 (c)
19 January 2024	First 33% of the share options	19 January 2026 to 18 January 2031	19 January 2024 to 18 January 2026 (a)
	Second 33% of the share options	19 January 2027 to 18 January 2032	19 January 2024 to 18 January 2027 (b)
	Remaining 34% of the share options	19 January 2028 to 18 January 2033	19 January 2024 to 18 January 2028 (c)



## OTHER INFORMATION

6. The performance targets to be fulfilled before vesting of the share options granted on 27 January 2023 and 19 January 2024 are as follows:

Vesting Period	Performance Targets
Vesting Period (a)	<ul style="list-style-type: none"> <li>Return on invested capital shall be no less than 1.0% in 2023 and no less than the 75th percentile of benchmarked companies;</li> <li>Based on the net profit* of 2021, the compound growth rate of net profit of 2023 shall be no less than 5.0% and no less than the 75th percentile of the benchmark companies; and</li> <li>In 2023, the Group's economic value added ("EVA") assessment target shall be achieved and the increase rate of the economic value added ("Δ EVA") shall be greater than 0.</li> </ul>
Vesting Period (b)	<ul style="list-style-type: none"> <li>Return on invested capital shall be no less than 1.5% in 2024 and no less than the 75th percentile of benchmarked companies;</li> <li>Based on the net profit of 2021, the compound growth rate of net profit of 2024 shall be no less than 5.0% and no less than the 75th percentile of the benchmark companies; and</li> <li>In 2024, the Group's EVA assessment target shall be achieved and Δ EVA shall be greater than 0.</li> </ul>
Vesting Period (c)	<ul style="list-style-type: none"> <li>Return on invested capital shall be no less than 2.0% in 2025 and no less than the 75th percentile of benchmarked companies;</li> <li>Based on the net profit of 2021, the compound growth rate of net profit of 2025 shall be no less than 5.0% and no less than the 75th percentile of the benchmark companies; and</li> <li>In 2025, the Group's EVA assessment target shall be achieved and Δ EVA shall be greater than 0.</li> </ul>

\* the net profit mentioned above refers to the profit attributable to shareholders of the Company.

The proportion of the share options to be vested in the grantees on each vesting date will be subject to the performance appraisal results of the grantees for the immediately preceding year, details of which are set out below:

Results of Personal Appraisal	% of the share options granted to the grantee to be vested on a vesting date
Excellent and Good	100%
Competent	90%
Basically Competent	60%
Incompetent	0%

The personal appraisal takes into account indicators including but not limited to qualitative and quantitative performance indicators, qualifications, education background, contribution, experience and loyalty.

Save for the 2023 Share Option Scheme, the Company does not have other share schemes (as defined in Chapter 17 of the Listing Rules) nor other outstanding share option/award as at 30 June 2025.





## OTHER INFORMATION

### INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2025, the following shareholders (other than Directors or Chief Executive of the Company) had interests, directly or indirectly, and short positions in the shares and underlying shares of the Company which were recorded in the register of interest required to be kept by the Company under Section 336 of the SFO:

#### Long position in the ordinary shares of the Company

Name of shareholders	Capacity	Number of shares held	% of the issued share capital as at 30 June 2025
China Tourism Group Corporation Limited ("CTG")	Interest of controlled corporation (Note 1)	3,385,492,610	61.15%
China Travel Service (Holdings) Hong Kong Limited ("CTS (Holdings)")	Interest of controlled corporation and beneficial owner (Note 1 and 2)	3,385,492,610	61.15%
Hongkong New Travel Investments Ltd.	Beneficial owner (Note 2)	1,136,254,901	20.52%
CTS Asset Management (I) Limited	Interest of controlled corporation (Note 2)	1,136,254,901	20.52%
Kwok Hoi Hing	Interest of controlled corporation (Note 3)	105,592,000	1.91%
	Beneficial owner	282,004,000	5.09%
Surpassing Investment Limited	Beneficial owner (Note 3)	105,592,000	1.91%

Note 1: The entire issued share capital of CTS (Holdings) is beneficially owned by CTG. CTS (Holdings) is the immediate holding company of the Company. Accordingly, CTG is taken to be interested in the shares in which CTS (Holdings) is interested pursuant to Part XV of the SFO.

Note 2: Of these 3,385,492,610 shares, 2,249,237,709 shares are held directly by CTS (Holdings). 1,136,254,901 shares are held directly by Hongkong New Travel Investments Ltd., which is owned directly as to 100% by CTS Asset Management (I) Limited. CTS Asset Management (I) Limited is 100% directly owned by CTS (Holdings), and CTS (Holdings) and CTS Asset Management (I) Limited are deemed to be interested in the shares in which Hongkong New Travel Investments Ltd. is interested pursuant to Part XV of the SFO.

Note 3: As Surpassing Investment Limited is owned directly as to 100% by Kwok Hoi Hing, Kwok Hoi Hing is deemed to be interested in the 105,592,000 shares in which Surpassing Investment Limited is interested pursuant to Part XV of the SFO.

Save as aforesaid, as at 30 June 2025, the Directors are not aware of any other person (other than Directors or Chief Executive of the Company) who had any interest, directly or indirectly, or short position in the shares, underlying shares or debentures of the Company recorded in the register required to be kept by the Company under Section 336 of the SFO.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.



## OTHER INFORMATION

### DISCLOSURES PURSUANT TO RULE 13.21 OF THE LISTING RULES

On 11 September 2019, the Company, as borrower, entered into a facility agreement with a bank for an uncommitted revolving loan up to an aggregate amount of HK\$1,000,000,000. The bank may at any time without prior notice modify, cancel or suspend the facility(ies) at its sole discretion including, without limitation, cancelling any unutilized facilities, and declaring any outstanding amount to be immediately due and payable. On 21 September 2021, the bank adjusted the aggregate amount of the uncommitted revolving loan under the facility agreement from HK\$1,000,000,000 to HK\$500,000,000. Pursuant to the terms of the facility agreement, the Company undertook with the bank, inter alia, that (i) CTS (Holdings) shall hold, directly or indirectly, more than 40% of the issued share capital of the Company and maintain as a single largest beneficial shareholder of the Company; and (ii) CTS (Holdings) shall be wholly-owned, indirectly or directly, by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC ("**SASAC**") and is under the direct or indirect management control by SASAC.

On 2 February 2024, the Company, as one of the borrowers, and China Travel Service Property Investment Hong Kong Limited ("**CTSPI**"), a non-wholly owned subsidiary of the Company, as the other borrower, entered into a facility agreement with DBS Bank Limited, Hong Kong Branch ("**DBS**") for an uncommitted revolving term loan facility in an aggregate amount of up to HK\$300,000,000. DBS may at any time immediately terminate, cancel or suspend the facility or any part of it. Pursuant to the terms of the facility agreement, the Company has undertaken to DBS that, inter alia, it will (i) ensure and procure that CTS (Holdings) holds not less than 40% of the share capital in the Company at all times; and (ii) ensure CTS (Holdings) shall remain to be under the direct or indirect management and 100% ownership of the State Council of the People's Republic of China. In the event of any breach of the undertaking provided by the Company, DBS may by notice to the Company and/or CTSPI terminate the facility and/or declare all amounts owing from the Company and CTSPI arising out of or in connection with the facility to be immediately due and payable to DBS.

On 21 March 2024, the Company (as borrower) and Industrial and Commercial Bank of China (Asia) Limited ("**ICBC**") (as lender) have entered into a facility letter relating to an uncommitted revolving loan facility in an aggregate amount of up to HK\$500,000,000 (or its equivalent in RMB). All outstanding principal amount and accrued interest under the facility shall be repayable on or before the date of the first anniversary of the initial drawdown date. Pursuant to the terms of the facility letter, the Company has undertaken to ICBC that, inter alia, CTG and CTS (Holdings) shall remain to be the single largest shareholder of the Company during the term of the facility. Any breach of the above undertaking provided by the Company will constitute an event of default, in the event of which ICBC may declare all outstanding amounts of owing from the Company (regardless of actual or contingent, current or future) arising out of or in connection with the facility will become immediately due and payable, except as otherwise waived or demanded by ICBC.

### CHANGES IN DIRECTORS' INFORMATION

There was no changes in Directors' or chief executives' information since the last disclosure which need to be disclosed pursuant to Rules 13.51B(1) of the Listing Rules.

### CORPORATE GOVERNANCE

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





## OTHER INFORMATION

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

- Code Provision C.3.3 specifies that the Company should have formal letters of appointment for Directors setting out the key terms and conditions of their appointment. The Company did not have formal letters of appointment for Mr. Tsang Wai Hung, Mr. Tao Xiaobin and Mr. Fan Zhishi. However, the said Directors are subject to retirement by rotation at least once every three years in accordance with the Company’s articles of association (the “**Articles**”). In addition, the Directors are expected to refer to the guidelines set out in “A Guide on Directors’ Duties” issued by the Companies Registry and “Guidelines for Directors” and “Guide for Independent Non-Executive Directors” (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors of the Company. Besides, the Directors are required to comply with the requirements under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company’s business and governance policies.
- Code Provision F.2.2 specifies that the Chairman of the Board should attend the annual general meeting. The Chairman of the Board was unable to attend the Company’s annual general meeting held on 21 May 2025 (the “**AGM**”) due to his other business commitments. Mr. Feng Gang, the General Manager and an Executive Director, took chair of the AGM. He, together with other members of the Board and committees of the Board who attended the AGM, were of sufficient calibre and knowledge for answering questions at the AGM, through which the Company maintained effective communication with its shareholders at the AGM.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted a code of conduct regarding directors’ securities transactions on terms no less exacting than the required standard of the Model Code. Having made specific enquiry of all Directors, the Directors confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 June 2025.

## DIVIDENDS

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

## REVIEW OF INTERIM FINANCIAL RESULTS

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

By order of the Board

**Wu Qiang**  
*Chairman*

Hong Kong, 28 August 2025