香港中旅國際投資有限公司
CHINA TRAVEL INTERNATIONAL INVESTMENT HONG KONG LIMITED
(Stock Code : 308)

2026
INTERIM REPORT

Summer Scenery of
Lake Songhua Resort

CONTENTS

CORPORATE INFORMATION

DIRECTORS

Mr. Wu Qiang *(Chairman)*
Mr. Feng Gang *(General Manager)*
Mr. Li Pengyu
Mr. Tsang Wai Hung#
Mr. Zheng Jiang# *(Resigned on 29 July 2026)*
Mr. Fan Zhishi#
Mr. Song Dawei*
Ms. Fang Xuan*
Mr. Qian Jiannong*

Non-Executive Director
* Independent Non-Executive Director

AUDIT COMMITTEE

Ms. Fang Xuan *(Chairman)*
Mr. Song Dawei
Mr. Qian Jiannong

REMUNERATION COMMITTEE

Ms. Fang Xuan *(Chairman)*
Mr. Song Dawei
Mr. Qian Jiannong

NOMINATION COMMITTEE

Mr. Wu Qiang *(Chairman)*
Mr. Song Dawei
Ms. Fang Xuan
Mr. Qian Jiannong

COMPANY SECRETARY

Mr. Lai Siu Chung

AUDITORS

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance
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
Bank of Communications Co., Ltd., Hong Kong Branch
DBS Bank (Hong Kong) Limited

FINANCIAL CALENDAR

Announcement of 2026 Interim Results	31 August 2026
Announcement of 2025 Final Results	31 March 2026
Announcement of 2025 Interim Results	28 August 2025
Announcement of 2024 Final Results	26 March 2025

DIVIDENDS

2026 Interim	HK1.0 cent per share payable on 20 October 2026
2025 Final	HK1.0 cent per share paid on 30 June 2026
2025 Special	Distribution in Specie: 1 share of CTG Wellness Retreat Holding Ltd share for every 1 share held, with cash alternative of HK$0.336 per share
2025 Interim	Nil
2024 Final	Nil

REGISTERED OFFICE

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

SHARE REGISTRAR

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

COMPANY WEBSITE

www.irasia.com/listco/hk/ctii

STOCK CODE

308

LISTING DATE

11 November 1992

ISSUED SHARES

5,536,633,709 (as at 30 June 2026)

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

Ernst & Young
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Quarry Bay, Hong Kong

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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 34, 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 2026 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 period 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

31 August 2026

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2026 – unaudited (Expressed in Hong Kong dollars)

	Notes	Six months ended 30 June 2026 (Unaudited) HK$'000	2025 (Unaudited) (Restated) HK$'000
Continuing operations			
Revenue	6	**2,056,170**	1,826,685
Cost of sales		**(1,467,943)**	(1,257,548)
Gross profit		**588,227**	569,137
Other income and gains, net	7(a)	**21,403**	23,050
Changes in fair value of investment properties		**(91,476)**	(123,328)
Selling and distribution costs		**(80,589)**	(88,234)
Administrative expenses		**(295,248)**	(291,764)
Operating profit	7	**142,317**	88,861
Finance income		**14,308**	12,701
Finance costs		**(34,212)**	(17,200)
Finance costs, net	8	**(19,904)**	(4,499)
Share of profits and losses of joint ventures		**5,280**	431
Share of profits and losses of associates		**47,233**	45,245
Profit before taxation from continuing operations		**174,926**	130,038
Tax expense	9	**(72,567)**	(67,405)
Profit for the period from continuing operations		**102,359**	62,633
Discontinued operations			
Loss for the period from discontinued operations		**–**	(137,393)
Profit/(loss) for the period		**102,359**	(74,760)
Attributable to:			
Equity owners of the Company		**112,046**	(86,853)
Non-controlling interests		**(9,687)**	12,093
Profit/(loss) for the period		**102,359**	(74,760)
Earnings/(losses) per share (HK cents)	12		
Basic and diluted earnings/(losses) per share			
– For profit/(loss) for the period		**2.02**	(1.57)
– For profit from continuing operations		**2.02**	0.86

The notes on pages 12 to 34 form part of this interim financial information. Details of dividends payable to equity shareholders of the Company are set out in note 11.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026 – unaudited (Expressed in Hong Kong dollars)

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

The notes on pages 12 to 34 form part of this interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 – unaudited (Expressed in Hong Kong dollars)

	Notes	At 30 June 2026 (Unaudited) HK$'000	At 31 December 2025 (Audited) HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	**8,022,121**	7,999,620
Investment properties	14	**3,246,758**	3,120,124
Prepaid land lease payments		**550,941**	540,379
Goodwill		**1,359,241**	1,357,413
Other intangible assets		**121,301**	121,301
Investments in associates		**929,078**	913,625
Investments in joint ventures		**72,685**	69,482
Other financial assets		**58,809**	52,602
Prepayments and other receivables		**205,314**	145,254
Deferred tax assets		**241,510**	252,256
Total non-current assets		**14,807,758**	14,572,056
Current assets			
Inventories		**138,138**	136,875
Trade receivables	15	**202,754**	231,022
Deposits, prepayments and other receivables	16	**262,040**	228,514
Amounts due from holding companies		**13,715**	13,960
Amounts due from fellow subsidiaries		**158,433**	150,092
Tax recoverable		**36**	27
Pledged and restricted deposits	17	**1,206**	1,086
Cash and bank balances	17	**2,885,467**	2,991,767
Total current assets		**3,661,789**	3,753,343
Total assets		**18,469,547**	18,325,399
Equity attributable to equity owners of the Company			
Share capital		**722,295**	722,295
Reserves		**10,761,905**	10,547,726
		11,484,200	11,270,021
Non-controlling interests		**2,052,488**	1,997,502
Total equity		**13,536,688**	13,267,523

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 – unaudited (Expressed in Hong Kong dollars)

	Notes	**At 30 June 2026 (Unaudited) HK$'000**	At 31 December 2025 (Audited) HK$'000
LIABILITIES			
Non-current liabilities			
Deferred income		**72,095**	71,715
Lease liabilities		**384,901**	225,220
Bank and other borrowings	19	**1,155,781**	1,138,431
Deferred tax liabilities		**427,217**	448,618
Total non-current liabilities		**2,039,994**	1,883,984
Current liabilities			
Trade payables	18	**214,638**	235,146
Other payables and accruals		**1,295,422**	1,410,708
Loans from holding companies		**321,719**	309,369
Loans from a fellow subsidiary		**28,784**	27,679
Amounts due to holding companies		**23,013**	2,789
Amounts due to fellow subsidiaries		**46,666**	48,635
Lease liabilities		**116,973**	105,503
Tax payables		**138,070**	107,414
Bank and other borrowings	19	**707,580**	926,649
Total current liabilities		**2,892,865**	3,173,892
Total liabilities		**4,932,859**	5,057,876
Total equity and liabilities		**18,469,547**	18,325,399

The notes on pages 12 to 34 form part of this interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026 – unaudited (Expressed in Hong Kong dollars)

	Attributable to equity owners of the Company					
	Share capital	Other reserves	Retained profits	Total	Non-controlling interests	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2026 (audited)	**722,295**	**632,121***	**9,915,605***	**11,270,021**	**1,997,502**	**13,267,523**
Comprehensive income						
Profit/(loss) for the period	–	–	112,046	112,046	(9,687)	102,359
Other comprehensive income for the period:						
Equity investments at fair value through other comprehensive income - net movement in fair value reserve (non-recycling), net of tax	–	2,399	–	2,399	2,902	5,301
Exchange differences on translation of foreign operations, net	–	166,031	–	166,031	49,077	215,108
Total other comprehensive income for the period, net of tax	–	168,430	–	168,430	51,979	220,409
Total comprehensive income for the period	–	168,430	112,046	280,476	42,292	322,768
Transactions with owners						
Transfer from retained profits	–	3,232	(3,232)	–	–	–
Dividends paid to non-controlling shareholders	–	–	–	–	(38,618)	(38,618)
Contributions from non-controlling shareholders	–	–	–	–	51,312	51,312
Equity-settled share option arrangement	–	(10,931)	–	(10,931)	–	(10,931)
2025 final dividend	–	–	(55,366)	(55,366)	–	(55,366)
Total transactions with owners for the period	–	(7,699)	(58,598)	(66,297)	12,694	(53,603)
At 30 June 2026 (unaudited)	**722,295**	**792,852***	**9,969,053***	**11,484,200**	**2,052,488**	**13,536,688**

* These reserve accounts comprise the consolidated reserves of HK$10,761,905,000 (31 December 2025: HK$10,547,726,000) in the condensed consolidated statement of financial position as at 30 June 2026.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026 – unaudited (Expressed in Hong Kong dollars)

	Attributable to equity owners of the Company					
	Share capital	Other reserves	Retained profits	Total	Non-controlling interests	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2025 (audited)	9,222,295	288,877	6,594,838	16,106,010	2,025,883	18,131,893
Comprehensive income						
(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
Transactions with owners						
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
At 30 June 2025 (unaudited)	9,222,295	506,948	6,500,975	16,230,218	2,181,447	18,411,665

The notes on pages 12 to 34 form part of this interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026 – unaudited (Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Cash flows from operating activities		
Cash flows from operations	**357,201**	345,419
Income tax paid	**(42,663)**	(25,680)
Net cash flows from operating activities	**314,538**	319,739
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	**7,749**	72,023
Dividends received from associates	**63,237**	15,200
Finance income received	**14,308**	13,295
Purchases of property, plant and equipment and prepaid land lease payments	**(289,674)**	(412,415)
Placement in pledged and restricted time deposits	**(120)**	(397)
Placement in time deposits with original maturity of more than three months when acquired	**(468,300)**	(175,686)
Net cash flows used in investing activities	**(672,800)**	(487,980)
Cash flows from financing activities		
Finance cost paid	**(25,564)**	(27,087)
Capital element of lease rentals paid	**(35,229)**	(42,294)
Interest element of lease rentals paid	**(8,648)**	(6,088)
Dividends paid	**(24,960)**	–
Dividends paid to non-controlling shareholders	**(38,618)**	(1,198)
Proceeds of new bank and other borrowings	**5,678**	460,833
Repayment of bank and other borrowings	**(271,368)**	(131,415)
Repayment of loans from a fellow subsidiary	**–**	(43,417)
Contribution from non-controlling shareholders	**51,312**	127,647
Net cash flows (used in)/from financing activities	**(347,397)**	336,981
Net (decrease)/increase in cash and cash equivalents	**(705,659)**	168,740
Cash and cash equivalents at 1 January	**2,856,106**	2,288,129
Effect of foreign exchange rate changes, net	**131,059**	64,964
Cash and cash equivalents at 30 June	**2,281,506**	2,521,833
Analysis of balances of cash and cash equivalents		
Cash and bank balances	**2,885,467**	2,853,580
Deposits with maturity of more than three months	**(603,961)**	(331,747)
Cash and cash equivalents	**2,281,506**	2,521,833

The notes on pages 12 to 34 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 2026 has been prepared in accordance with HKAS 34 *Interim Financial Reporting* ("**HKAS 34**"). The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

The financial information relating to the year ended 31 December 2025 that is included in the interim condensed consolidated statement of financial position as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on the financial statements for the year ended 31 December 2025. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

2 CHANGES IN ACCOUNTING POLICIES

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

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

2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

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

(a) Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

(b) Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) *Annual Improvements to HKFRS Accounting Standards* – Volume 11 set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

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, except for the significant judgements relating to the tourism property business, which was presented as a Discontinued Operation for the year ended 31 December 2025, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same with those applied in the preparation of the consolidated financial statements for the year ended 31 December 2025.

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 2025.

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

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 2026			
	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**
Other financial assets	**–**	**–**	**58,809**	**58,809**
	–	**–**	**58,809**	**58,809**

	As at 31 December 2025			
	Level 1	Level 2	Level 3	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Other financial assets	–	–	52,602	52,602
	–	–	52,602	52,602

During the period, there were no transfers between Level 1 and Level 2, or transfer into or out of Level 3 (2025: 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 2026, it is estimated that with all other variables held constant, a decrease/increase in discount for lack of marketability by 1% (31 December 2025: 1%) would have increased/decreased the Group's other comprehensive income by HK$749,000 (31 December 2025: HK$669,000).

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:

	30 June 2026 HK$'000 (unaudited)	31 December 2025 HK$'000 (audited)
Unlisted equity securities:		
At 1 January	**52,602**	54,101
Net unrealised gains/(losses) recognised in other comprehensive income/(loss) during the period	**6,207**	(1,499)
At 30 June/31 December	**58,809**	52,602

Any gains/(losses) arising from the remeasurement of the Group's unlisted equity securities are recognised in the fair value reserve (non-recycling) in other comprehensive income/(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 2026.

5 OPERATING SEGMENT INFORMATION

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

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

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

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

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

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

(a) the tourist attraction and related operations segment mainly includes theme parks and natural and cultural scenic spots in the Chinese mainland;

(b) the travel document and related operations segment engages in the provision of travel document and related services in Hong Kong and the Chinese mainland;

5 OPERATING SEGMENT INFORMATION (CONTINUED)

(c) the hotel operations segment engages in the provision of hotel accommodation, food and beverage services in Hong Kong, Macau and the Chinese mainland; and

(d) the passenger transportation operations segment engages in the provision of cross-border transportation services to individuals travelling between Hong Kong, Macau and the Chinese mainland, vehicle and vessel rental and charter operations in Hong Kong, Macau and the Chinese mainland.

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

Six months ended 30 June 2026 (unaudited)

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

5 OPERATING SEGMENT INFORMATION (CONTINUED)

Six months ended 30 June 2025 (unaudited)

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

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

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

As at 30 June 2026, there were no aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts (2025: Nil).

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

7 OPERATING PROFIT

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

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
		(restated)
(a) Other income and gains, net		
Foreign exchange differences, net	**(22,533)**	760
Government grants	**10,895**	427
Gain/(loss) on disposal of property, plant and equipment, net	**398**	(47)
Other rental income, net	**8,324**	8,105
Others	**24,319**	13,805
	21,403	23,050

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

8 FINANCE COSTS, NET

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

9 TAX EXPENSE

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings. Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits for the period.

The Group's operations in the Chinese mainland are subject to PRC corporate income tax at applicable tax rate. In addition, withholding income tax is imposed on dividends relating to any profits earned.

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

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

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
		(restated)
Current taxation		
Hong Kong	**35,845**	36,054
Chinese mainland and other territories	**37,465**	17,261
	73,310	53,315
Deferred taxation	**(743)**	14,090
	72,567	67,405

The share of fair value changes in equity investments as other comprehensive income included in the condensed consolidated statement of comprehensive income comprised of related tax effect of HK$906,000 (2025: HK$695,000).

10 DISCONTINUED OPERATIONS

Since the operations and cash flows relating to the PrivateCo Group can be clearly distinguished from the rest of the Group and represented a separate major line of business of the Group, they were classified as discontinued operations. The results of the discontinued operations were presented separately in the condensed consolidated income statement and the condensed consolidated statement of comprehensive income, and the corresponding comparative information relating to the discontinued operations for the six months ended 30 June 2025 has been re-presented.

(a) The results of the discontinued operations for the six months ended 30 June 2025 are presented below:

	Six months ended 30 June 2025 HK$'000 (unaudited)
Revenue	146,968
Cost of sales	(182,777)
Gross loss	(35,809)
Other income and gains, net	29,720
Other expenses and losses	(164,969)
Finance income	33,260
Finance costs	(47)
Loss before taxation from discontinued operations	(137,845)
Tax expense	452
Loss for the period from discontinued operations	(137,393)

(b) The net cash flows incurred by the discontinued operations are as follows:

	Six months ended 30 June 2025 HK$'000 (unaudited)
Net cash flows used in operating activities	(89,803)
Net cash flows used in investing activities	(18,986)
Net cash flows from financing activities	14,669
Net decrease in cash and cash equivalents	(94,120)

11 DIVIDENDS

	For the six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Final declared and paid – HK1 cent (2025: Nil) per ordinary share	**24,960**	–

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

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

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

The share options granted by the Group had no dilutive effect during the period ended 30 June 2026. No adjustment has been made to the basic losses per share amounts presented during the period ended 30 June 2025 in respect of dilution as the calculation of diluted losses per share during the period ended 30 June 2025 does not assume the exercise of the Group's share options since their assumed exercise would result in a decrease in losses per share.

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

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Earning/(losses) per share		
Profit/(loss) attributable to equity owners of the Company, used in the basic and diluted earnings/(losses) per share calculation:		
From continuing operations	**112,046**	47,565
From discontinued operations	**–**	(134,418)
	112,046	(86,853)
Number of shares		
Shares		
Weighted average number of ordinary shares outstanding, used in the basic and diluted earnings/(losses) per share calculation	**5,536,633,709**	5,536,633,709

13 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, additions of items of owned property, plant and equipment amounted to HK$199,769,000 (2025: HK$334,725,000), including assets acquired from Dukling Limited ("**Dukling**") as further described below. During the period, the Group also disposed of property, plant and equipment with an aggregate net book value of HK$7,351,000 (2025: HK$72,070,000). In addition, properties with a total carrying amount of HK$183,329,000 (2025: Nil) were transferred from property, plant and equipment to investment properties.

On 24 April 2026, Shun Tak-China Travel Ship Management Limited, a 50%-owned subsidiary of the Group, entered into a transfer agreement with Dukling to acquire the assets used in the operation of the "DUK LING" maritime cultural tourism business for a consideration of HK$10,000,000. The acquired assets principally comprised (i) the vessel "DUK LING"; and (ii) the intellectual property rights, digital accounts and records related to the business. The acquisition was completed in June 2026. The transaction was accounted for as an asset acquisition rather than a business combination. Accordingly, the consideration transferred was allocated to the identifiable assets acquired at the acquisition date.

During the six months ended 30 June 2026, 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$197,416,000 (2025: HK$18,802,000), and the Group derecognised right-of-use assets with an aggregate net book value of HK$6,184,000 (2025: Nil).

As at 30 June 2026, the accumulated impairment losses for property, plant and equipment amounted to HK$296,964,000 (31 December 2025: HK$296,964,000).

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 1985 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 2026, the carrying amount of these properties amounted to approximately HK$121 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 2026. 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).

14 INVESTMENT PROPERTIES

During the six months ended 30 June 2026, properties with a total carrying amount of HK$183,329,000 (2025: Nil) were transferred from property, plant and equipment to investment properties. In addition, changes in fair value of investment properties amounted to HK$91,476,000 (2025: HK$123,328,000).

Valuation

The valuations of investment properties carried at fair value were updated at 30 June 2026 by the Group's independent valuer using the same valuation techniques as in the valuation as at 31 December 2025.

As a result of the update, a net loss of HK$91,476,000 (2025: net loss of HK$123,328,000), and deferred tax credit thereon of HK$15,209,000 (2025: deferred tax of HK$6,565,000), has been recognised in profit or loss for the period in respect of investment properties.

15 TRADE RECEIVABLES

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

	30 June 2026 HK$'000 (unaudited)	31 December 2025 HK$'000 (audited)
Within 3 months	**112,685**	139,352
Over 3 months to 6 months	**46,951**	43,237
Over 6 months to 12 months	**36,089**	34,767
Over 1 year to 2 years	**6,787**	13,359
Over 2 years	**242**	307
	202,754	231,022

16 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

As at 30 June 2026, the balances included amounts due from associates of HK$11,555,000 (31 December 2025: HK$11,465,000), which were unsecured, interest free and repayable on demand.

17 CASH AND BANK BALANCES

	30 June 2026 HK$'000 (unaudited)	31 December 2025 HK$'000 (audited)
Cash and bank balances	**1,339,074**	2,064,198
Time deposits	**1,547,599**	928,655
	2,886,673	2,992,853
Less: pledged and restricted deposits	**(1,206)**	(1,086)
Cash and bank balances in the condensed consolidated statement of financial position	**2,885,467**	2,991,767
Less: deposits with maturity of more than three months	**(603,961)**	(135,661)
Cash and cash equivalents in the condensed consolidated statement of cash flows	**2,281,506**	2,856,106

18 TRADE PAYABLES

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

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

19 BANK AND OTHER BORROWINGS

Movements in borrowings are analysed as follows:

	30 June 2026 HK$'000 (unaudited)	31 December 2025 HK$'000 (audited)
At the beginning of the period/year	**2,065,080**	1,031,953
Drawdown	**5,678**	1,236,101
Repayments	**(271,368)**	(530,307)
Acquisition of a subsidiary	**–**	822,125
Derecognition of subsidiaries upon completion of the Distribution in Specie	**–**	(529,752)
Currency translation differences	**63,971**	34,960
At the end of the period/year	**1,863,361**	2,065,080
Portion classified as non-current liabilities	**(1,155,781)**	(1,138,431)
Portion classified as current liabilities	**707,580**	926,649

The annual interest rate of bank and other borrowings as at 30 June 2026 is 1.40% to 4.30% (31 December 2025: 1.40% 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 2026, none of the covenants relating to drawn down facilities had been breached (31 December 2025: Nil).

20 PLEDGE OF ASSETS

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

	30 June 2026 HK$'000 (unaudited)	31 December 2025 HK$'000 (audited)
Bank deposits	**1,539**	1,086
Buildings	**902,148**	885,495
	903,687	886,581

21 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 2026 HK$'000 (unaudited)	31 December 2025 HK$'000 (audited)
Performance bond given to a customer for due performance of a sales contract	**300**	300

22 COMMITMENTS

The Group had the following significant contractual commitments:

(a)	**30 June 2026 HK$'000 (unaudited)**	31 December 2025 HK$'000 (audited)
Property project, land and buildings	**139,421**	20,520
Plant and equipment and motor vehicles	**16,184**	8,654
Scenic spots	**33,578**	14,176
Unpaid capital contribution of subsidiaries to third parties	**339,970**	340,937

(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 2026, the transfer of operating rights is yet to complete. The management is of the view that no provision is required for the consideration.

23 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 **2026** **HK$'000** **(unaudited)**	 2025 HK$'000 (unaudited) (restated)
Travel-related income from	(a)		
– immediate holding company#*		**96,609**	117,056
– fellow subsidiaries*		**1,744**	2,315
Hotel-related income from	(a)		
– immediate holding company		**–**	–
– fellow subsidiaries		**760**	1,029
Management income from	(b)		
– immediate holding company*		**–**	–
– fellow subsidiaries*		**4,052**	712
Rental income from	(c)		
– immediate holding company*		**7**	35
– fellow subsidiaries*		**1,870**	2,880
– a non-controlling shareholder		**990**	1,188
– an associate		**24,045**	27,047
Interest income from deposits placed to			
– fellow subsidiaries		**2,529**	177
Travel-related expenses paid to	(a)		
– fellow subsidiaries*		**(1,409)**	(1,402)
– associates		**–**	(10)
Management expenses paid to	(b)		
– fellow subsidiaries*		**(1,164)**	(859)
– other related parties		**(103)**	(59)

23 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant transactions with related parties (Continued)

	Notes	Six months ended 30 June **2026** **HK$'000** **(unaudited)**	 2025 HK$'000 (unaudited) (restated)
Related interest expense (lease liabilities):	(d)		
– immediate holding company*		**(114)**	(113)
– fellow subsidiaries*		**(52)**	(146)
– other related parties		**(2,687)**	(2,589)
Amount of rent payable per month:	(c)		
– immediate holding company*		**(376)**	(489)
– fellow subsidiaries*		**(216)**	(1,089)
– other related parties		**(2,047)**	(1,967)
Other operating expenses paid to			
– immediate holding company		**–**	(472)
– fellow subsidiaries		**(43)**	(3,346)
– a related party		**(17,183)**	(13,245)

	Note	**30 June** **2026** **HK$'000** **(unaudited)**	31 December 2025 HK$'000 (audited)
Lease liabilities due to:	(d)		
– immediate holding company*		**(6,746)**	(525)
– fellow subsidiaries*		**(3,253)**	(1,564)
– other related parties		**(141,913)**	(126,851)

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 Rule 14A.76(1) of the Listing Rules.

23 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant transactions with related parties (Continued)

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".

(b) Significant balances with related parties

(i) 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 2026, the related deposit balance was RMB563,894,000 (2025: RMB238,025,000). These transactions also constitute continuing connected transactions as defined under the Listing Rules.

(ii) 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 dropped to a fixed rate of 2.5% per annum. On 26 October 2025, CTS (Holdings) renewed the loan agreement for a term commencing from 26 October 2025, and expiring on 26 October 2026. The interest rate of the loan agreement has dropped to a fixed rate of 2.1% per annum. As at 30 June 2026, the arrangement remained effective with RMB249,000,000 withdrawn (2025: RMB249,000,000).

(iii) 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 2026, the arrangement remained effective with RMB25,000,000 withdrawn (31 December 2025: RMB25,000,000).

(Expressed in Hong Kong dollars unless otherwise indicated)

24 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 2023 Share Option 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:

	Inputs
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 2026		31 December 2025	
	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**	**15,187,120**	1.72	39,421,460
Granted during the period/year	**1.72**	**–**	1.72	–
Cancelled/forfeited during the period/year	**1.72**	**(15,187,120)**	1.72	(24,234,340)
At the end of the period/year	**1.72**	**–**	1.72	15,187,120

24 SHARE BASED PAYMENTS (CONTINUED)

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$10,931,000 for the period ended 30 June 2026 (2025: HK$10,611,000).

At the end of the reporting period, the Company had no share options outstanding under the 2023 Share Option Scheme.

25 COMPARATIVE AMOUNTS

Certain comparative amounts have been re-presented to conform with the current period's presentation and disclosures, including the comparative condensed consolidated income statement and the condensed consolidated statement of comprehensive income which have been re-presented as if the operation discontinued have been discontinued at the beginning of the comparative period. Further details are included in note 5 and 10 above.

RESULTS OVERVIEW

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

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

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

DIVIDENDS

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

BUSINESS REVIEW

(1) Tourist attraction and related operations

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

1. Theme parks: Shenzhen The World Miniature Co., Ltd. ("**Window of the World**"), Shenzhen Splendid China Development Co., Ltd. ("**Splendid China**"), and CTS Southwest (Chongqing) Tourism Development Co., Ltd. ("**Chongqing Amusement Park**");

2. Natural and cultural scenic spots: CTS (Ningxia) Shapotou Tourist Spot Co., Ltd. and CTS (Ningxia) Shapotou Cable Car Co., Ltd. ("**Shapotou Scenic Spot**"), CTS Guangxi Detian Waterfall Tourism Development Co., Ltd. ("**Detian Scenic Spot**"), CTS Xinjiang Tourism Operation Management Co., Ltd. ("**CTS Xinjiang**"), CTS Bairui Xinjiang Tourism

Development Co., Ltd. ("**CTS Bairui**"), CTS (Yunnan) Tourism Development Co., Ltd. ("**Yunnan Company**"), CTS (Mangya) Tourism Development Co., Ltd. ("**CTS Mangya**"), CTS Lugu Lake (Lijiang) Tourism Development Co., Ltd. ("**CTS Lugu Lake**"), Jiangxi Xing Zi Lu Shan Xiu Feng Passage Cable Car Co., Ltd. ("**Xiufeng Cable Car**"), CTS (Zhejiang) Qiandao Lake Tourism Development Co., Ltd. ("**Qiandao Lake Company**"), China Heaven International Performing Arts Production and Exchange Co., Ltd. ("**Heaven Creation Company**"), CTS Scenery (Beijing) Tourism Management Limited ("**CTS Scenery**"), and China Travel Zhiye Culture Development (Shenzhen) Co., Ltd. ("**China Travel Zhiye**");

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

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

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

Theme parks

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

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

Natural and cultural scenic spots

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

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

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

Leisure resorts

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

(2) Travel documents and related operations

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

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

(3) Hotel operations

The Group's hotel operations comprise:

1. Six hotels and one serviced apartment in Hong Kong and Macau;

2. Beijing Guang'anmen Grand Metropark Hotel Co., Ltd. ("**Beijing Metropark Hotel**"); and

3. CTS H.K. Metropark Hotels Management Limited.

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

Key operating data

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

(4) Passenger transportation operations

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

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

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

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

BUSINESS DEVELOPMENT

Tourist attraction and related operations

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

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

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

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

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

Digital transformation

The Company continued to deepen the integration of artificial intelligence (AI) with cultural and tourism scenarios, accelerate the empowerment and upgrading of its digital platforms, and expedite the transformation of technological innovations into tangible business outcomes. In the first half of 2026, the centralized empowerment provided by the digital platforms delivered significant results. The digital platform of tourism destinations provided an integrated digital infrastructure for newly opened attractions/projects such as the Songhua Lake Resort, the Ruijin Project, the Heidushan Scenic Spot and Zhouqu County, enabling the rapid digitalization and online migration of business operations. Gross merchandise volume (GMV) generated through the platform for the first half of the year reached RMB361 million, representing a year-over-year increase of 61%, while newly acquired members totaled 1.94 million, representing a year-on-year increase of 288%. The application of AI technologies continued to deepen. The Group launched its self-developed enterprise-grade intelligent agent platform, “Xinghe Agent Space”, enabling the rapid deployment and deep integration of AI capabilities across business scenarios such as operational analysis, financial reporting and human resources management, thereby significantly improving management efficiency. Leveraging AI-assisted development, the Company independently developed and deployed a range of systems and applications, including the CTS Scenery Resort Management Dashboard, the Task Supervision and Management System, the Construction Project Progress Management System, and AI Digital Employees. These solutions not only shortened development cycles but also precisely addressed business pain points. The Company’s “Multi-Scenario Tourism Service Applications for the Cultural Tourism Industry” was successfully selected as one of the High-Value Strategic AI Application Scenario for Central Enterprises under the “100 Industry Smart Scenarios” initiative of the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council. This national-level recognition of the Group’s AI application capabilities represents a significant milestone and provides strong support for its long-term development. The Group also systematically advanced the planning and deployment of the “15th Five-Year Plan” for digitalization, intelligent transformation and scientific and technological innovation. Guided by its vision of “building an industry-leading ecosystem for immersive smart tourism experiences”, the Group established a “3+2+N+X” framework comprising three foundational platforms, two transformation pathways, N application scenarios and X smart scenic spot integrations, laying a solid foundation for the commercialization and practical application of technological achievements. The Group developed and rolled out its smart tour guide system, focusing on core visitor scenarios within scenic areas and addressing challenges associated with fragmented information access and delayed service delivery. By integrating functions such as audio guides, performance schedule inquiries and real-time vehicle location tracking, the smart guide has been deployed in scenic areas including Window of the World in Shenzhen and the Erhai Lake corridor in Dali. Through location-based service (LBS) triggered interactive audio guidance, it lays the groundwork for a comprehensive one-stop smart tourism service system covering the entire visitor journey. The Group also continued to expand its immersive digital experience offerings. We have signed a contract with Space S for the mixed reality (MR) project of “Legend of Sword and Fairy”, which has been launched and commenced operations at Erhai Lake in Dali, further enriching the Group’s immersive content ecosystem.

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

Passenger transportation operations

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

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

Hong Kong and overseas operations

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

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

The Company achieved a significant breakthrough in its capital operations, effectively unlocking the pathway for value realization. It plans to spin off CTG Hongkong and Macao Culture and Tourism Holding Limited (中旅港澳文旅控股有限公司) ("**HKM Culture and Tourism**", a wholly-owned subsidiary of the Company) by way of a distribution in specie and separate listing of the shares of HKM Culture and Tourism by way of introduction on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Proposed Spin-off**"). The Company has submitted a spin-off proposal to the Stock Exchange pursuant to Practice Note 15 of the Rules Governing the

Listing of Securities on the Stock Exchange (the "**Listing Rules**") in relation to the Proposed Spin-off, and the Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off. On 20 May 2026, a listing application was submitted to the Stock Exchange by HKM Culture and Tourism. The principal businesses of HKM Culture and Tourism and its subsidiaries include passenger transportation operations, hotel operations, and travel documents and related services. Upon completion of the Proposed Spin-off, the Group will retain its tourist attraction and related operations and supplementary tourist attraction operations. The Proposed Spin-off would enable investors to better value the Company with its dedicated natural and cultural scenic spot and theme parks destinations businesses which are predominantly located in the Chinese mainland. Following the Proposed Spin-off, both the Group and HKM Culture and Tourism will operate with clearly delineated business lines. This separation will enable each entity to focus on its core competencies, thereby enhancing strategic clarity, strengthening management's focus on its respective business operations, improving the decision-making process, enabling a more agile response to market changes and increasing operational efficiency. For further details, please refer to the announcement of the Company dated 20 May 2026. As at the date of this report, the Proposed Spin-off remained subject to, among other things, regulatory approvals and the satisfaction of other conditions precedent.

INTERNAL MANAGEMENT

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

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

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

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

PROSPECTS

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

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

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

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

EMPLOYEES AND REMUNERATION

As of 30 June 2026, the Group employed 5,574 staff. Employees are remunerated on the basis of work performance, professional experience and prevailing industry practice. The remuneration policy and packages for the Group's employees are periodically reviewed by management. Apart from retirement benefits and in house training programmes, discretionary bonuses and share options are awarded to certain eligible employees according to assessments of individual performance and the performance of the Group.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's financial position remains strong. The Group generally finances its operations with internally generated cash flows and loan facilities from banks. As of 30 June 2026, the Group's cash and bank balances and pledged and restricted deposits amounted to HK$2,887 million, while bank and other borrowings, loans from a fellow subsidiary and loans from the holding companies amounted to HK$2,214 million. The debt-to-capital ratio was 32%. The debt includes bank and other borrowings, lease liabilities, trade payables, other payables and accruals, loans from holding companies, loans from a fellow subsidiary and amounts due to holding companies and fellow subsidiaries.

FOREIGN EXCHANGE RISK

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

CHARGE ON ASSETS

As of 30 June 2026, certain of the Group's bank deposits and land and buildings were pledged to secure bank guarantees given to suppliers in connection with credit facilities granted.

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

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

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

CONTINGENT LIABILITIES

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

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 30 June 2026, 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

	Interests in shares					
Name of Director	Corporate interest	Personal interest	Family interest	Interests in underlying shares pursuant to share options	Aggregate interests	% of the issued share capital as at 30 June 2026
Mr. Feng Gang	–	250,000	–	–	250,000	0.005%
Mr. Li Pengyu	–	250,000	–	–	250,000	0.005%

Save as disclosed above, as at 30 June 2026, 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 2026 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)**").

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 2026 and 30 June 2026 were 538,476,250 shares and 553,663,370 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.

Details of the movement in the share options granted under the 2023 Share Option Scheme during the six months ended 30 June 2026 are set out below.

	Number of share options								
Name or category of participant	Balance as at 1 January 2026	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Balance as at 30 June 2026	Date of grant	Exercise period (Note 1)	Exercise price (HK$)
Director									
Feng Gang	557,600	–	–	–	(557,600)	–	27 January 2023	27 January 2025 to 26 January 2032	1.72
Li Pengyu	431,120	–	–	–	(431,120)	–	27 January 2023	27 January 2025 to 26 January 2032	1.72
Sub-Total	988,720	–	–	–	(988,720)	–			
Other employees in aggregate	13,205,600	–	–	–	(13,205,600)	–	27 January 2023	27 January 2025 to 26 January 2032	1.72
	992,800	–	–	–	(992,800)	–	19 January 2024	19 January 2026 to 18 January 2033	1.72
Sub-Total	14,198,400	–	–	–	(14,198,400)	–			
Grand Total	15,187,120	–	–	–	(15,187,120)	–			

Notes:

1. 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.

2. No grantees were granted and are to be granted share options in excess of the 1% individual limit.

3. Related entity participants or service providers are not eligible participants under the 2023 Share Option Scheme.

4. 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.

5. 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)

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)	– Return on invested capital shall be no less than 1.0% in 2023 and no less than the 75th percentile of benchmarked companies; – 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 – In 2023, the Group's economic value added ("**EVA**") assessment target shall be achieved and the increase rate of the economic value added ("△**EVA**") shall be greater than 0.
Vesting Period (b)	– Return on invested capital shall be no less than 1.5% in 2024 and no less than the 75th percentile of benchmarked companies; – 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 – In 2024, the Group's EVA assessment target shall be achieved and △EVA shall be greater than 0.
Vesting Period (c)	– Return on invested capital shall be no less than 2.0% in 2025 and no less than the 75th percentile of benchmarked companies; – 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 – In 2025, the Group's EVA assessment target shall be achieved and △EVA shall be greater than 0.

* 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 2026.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

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

DISCLOSURES PURSUANT TO RULE 13.21 OF THE LISTING RULES

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.

On 17 October 2025, the Company (as borrower) and Bank of China (Hong Kong) Limited (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 certain other currencies). All amounts borrowed under the facility (including interest accrued thereon) shall be repaid or reborrowed at the end of each interest period but in any event that each advance must be repaid not later than one year from the date of the relevant drawdown by the Company's own source of fund. Notwithstanding the foregoing, all amounts borrowed under the facility (include interest accrued thereon) shall be repaid in full on demand. Pursuant to the terms and conditions of the facility letter, the Company has undertaken with the bank, among others, that: (1) CTS (Holdings), a controlling shareholder of the Company) 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 (2) CTS (Holdings) shall be owned, indirectly or directly, by the State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China (國務院國有資產監督管理委員會) and maintain as a single largest beneficial shareholder of the Company.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in the Directors' information since the date of the 2025 Annual Report are set out below:

Name of Director	Change
Fang Xuan	– Appointed as an independent director of Yonyou Network Technology Co., Ltd., a company listed on the Shanghai Stock Exchange (600588.SH), with effect from 8 May 2026.
	– Appointed as an independent director of ACM Research (Shanghai), Inc., a company listed on the Shanghai Stock Exchange (688082.SH), with effect from 16 June 2026.

CORPORATE GOVERNANCE

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

For the six months ended 30 June 2026, the Company has adopted and complied with the code provisions (the "**Code Provision(s)**") of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, except for the following deviations:

– Code Provision C.3.3 specifies that the Company should have formal letters of appointment for Directors setting out the key terms and conditions of their appointment. The Company did not have formal letters of appointment for Mr. Tsang Wai Hung and Mr. Fan Zhishi. However, the said Directors are subject to retirement by rotation at least once every three years in accordance with the Company's articles of association (the "**Articles**"). The key terms and conditions of the appointment of the Directors are subject to the determination and review of the Board (at the recommendation of the relevant committees of the Board) from time to time, and are recorded in the relevant Board minutes/ resolutions. In addition, the Directors are expected to refer to the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry and "Guidelines for Directors" and "Guide for Independent Non-Executive Directors" (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors of the Company. Besides, the Directors are required to comply with the requirements under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

– Code Provision F.1.3 specifies that the Chairman of the Board should attend the annual general meeting. The Chairman of the Board was unable to attend the Company's annual general meeting held on 28 May 2026 (the "**AGM**") due to his other commitment. Ms. Fang Xuan, an Independent Non-executive Director, took chair of the AGM. She, together with other members of the Board and committees of the Board who attended the AGM, were of sufficient calibre and knowledge for answering questions at the AGM, through which the Company maintained effective communication with its shareholders at the AGM.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of the Model Code. Having made specific enquiry of all Directors, the Directors confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 June 2026.

DIVIDENDS

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

CLOSURE OF REGISTER OF MEMBER

For the purposes of ascertaining shareholders' entitlement to the interim dividend, the Register of Members of the Company will be closed from Monday, 21 September 2026 to Wednesday, 23 September 2026 (both dates inclusive). In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 18 September 2026.

REVIEW OF INTERIM FINANCIAL RESULTS

The unaudited condensed consolidated interim financial results of the Group and this interim report for the six months ended 30 June 2026 have been reviewed by the Audit Committee of the Company. The condensed consolidated interim financial results for the six months ended 30 June 2026 are unaudited, but have been reviewed by the Company's external auditors, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the Hong Kong Institute of Certified Public Accountants.

By order of the Board

Wu Qiang
Chairman

Hong Kong, 31 August 2026