FROST & SULLIVAN

Market Engineering

Market Study of Hotel Service and Passenger Transportation Service Market

Presented to

中旅国际
CTG INTERNATIONAL

October 30, 2026

Confidential

Date : October 30, 2026

For and on behalf of
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.

Name: Charles Lau
Title: Executive Director

© 2026 Frost & Sullivan. All rights reserved. This document contains highly confidential information and is the sole property of Frost & Sullivan.
No part of it may be circulated, quoted, copied or otherwise resold without the written approval of Frost & Sullivan.

Assumptions and Methodology

Assumptions:

The market size and forecasts were modeled by Frost & Sullivan based on the following assumptions.

- The social, economic and political conditions in China discussed will remain stable during the forecast period;
- Government policies on comprehensive internet mobility services and civil aviation digital infrastructure market in China will remain consistent during the forecast period;
- Comprehensive internet mobility services and civil aviation digital infrastructure market will be driven by the factors which are stated in this report.

Methodology:

In preparing the report, Frost & Sullivan has relied on the statistics and information obtained through primary and secondary research.

- Primary research includes interviewing industry participants, competitors, downstream customers and recognized third-party industry associations.
- Secondary research includes reviewing corporate annual reports, databases of relevant official authorities, as well as the exclusive database established by Frost & Sullivan over the past decades.

Research Scope

Research Period	• Base year: 2025 • Historical: 2015 to 2025 • Forecasting: 2026E to 2030E
Service Market Scope	• Hotel Service Market • Passenger Transportation Service Market
Geographical Scope	• Chinese Mainland, Hong Kong, Macao

Content

Chapter	Section
1	Analysis of Hotel Service Market
2	Analysis of Passenger Transportation Service Market
5	Competitive Analysis

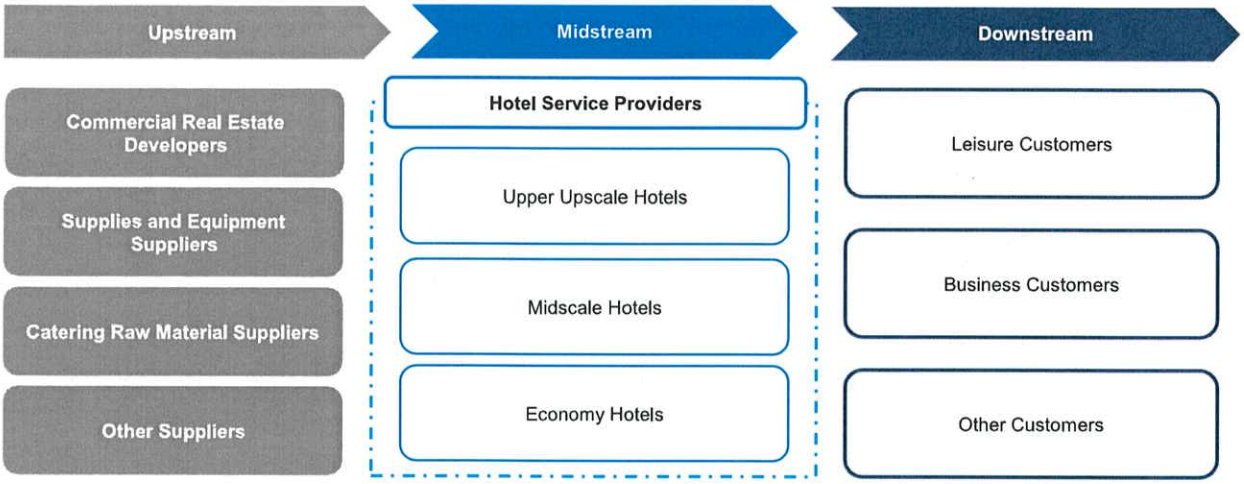
1. Analysis of Hotel Service Market

Analysis of Hotel Service Market

Definition, Classification and Value Chain of Hotel Service Market (1/2)

- Hotel service refers to a comprehensive service activity with accommodation as the core, providing services around travelers' living, catering and related supporting needs during their trips, usually including room service, catering service, leisure and entertainment, and retail.
- The upstream of the value chain of the hotel service market mainly includes commercial real estate developers, supplies and equipment suppliers, catering raw material suppliers and other suppliers that support hotel operations. The midstream segment of the hotel service market is mainly composed of various hotel operating entities such as upper upscale hotels, midscale hotels and economy hotels. Customers can choose hotels of different grades according to their own needs and enjoy related supporting services such as accommodation, catering and leisure. The downstream segment includes various end customers with accommodation needs such as leisure customers, business customers and other customers.

Value Chain of Hotel Service Market



Source: Frost & Sullivan

Analysis of Hotel Service Market

Definition, Classification and Value Chain of Hotel Service Market (2/2)

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

Comparison Between Different Tiers of Hotels in Hong Kong

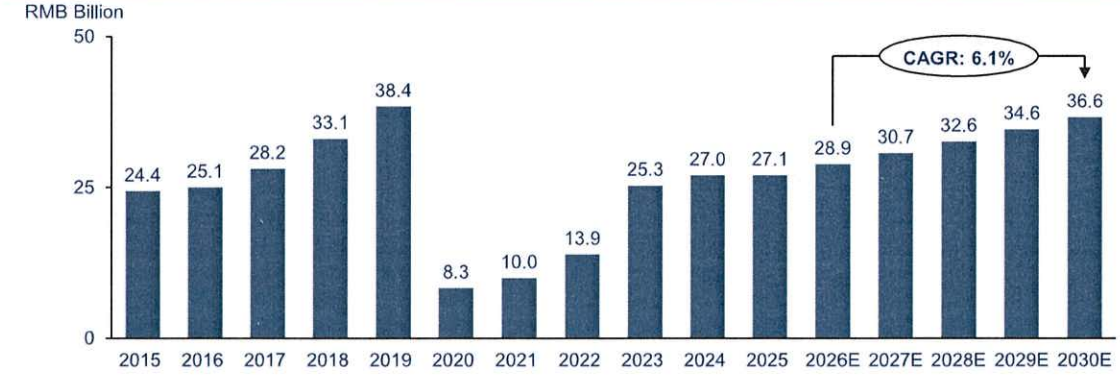
Hotel Type	ADR	RevPAR
Economy Hotel	Below HKD650	Below HKD600
Mid-tier Hotel	HKD650 – HKD1500	HKD600 – HKD1500
High-end hotel	Above HKD1500	Above HKD1500

Source: Frost & Sullivan

Analysis of Hotel Service Market
Market Size of Hong Kong and Macao Hotel Service Market (1/2)

- The Hong Kong hotel service market registered an overall rising trend with obvious fluctuations within the period. From 2015 to 2025, the market size increased from RMB24.4 billion to RMB27.1 billion. Affected by pandemic travel restrictions, the market experienced a significant downturn starting in 2020. Following the full relaxation of relevant controls in 2023, rebounding cross-border and tourist flow drove market recovery, supported by consumption upgrading, optimized hotel operations, improved digital services, and growing demand for business and mid-to-high-end accommodation.
- This market fluctuation is further reflected in Hong Kong's inbound tourism expenditure. Hong Kong's inbound tourism expenditure recorded notable swings amid the pandemic and changing economic conditions, falling from approximately HKD256.2 billion in 2019 to HKD9.4 billion in 2022 and recovering to HKD217.5 billion in 2025.
- Looking ahead to 2026 to 2030, underpinned by recovering inbound visitor traffic, improved cross-boundary connectivity in the Greater Bay Area and gradual restoration of MICE and business activities, the market size of Hong Kong's hotel service market is expected to grow steadily, with a CAGR of 6.1%.

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



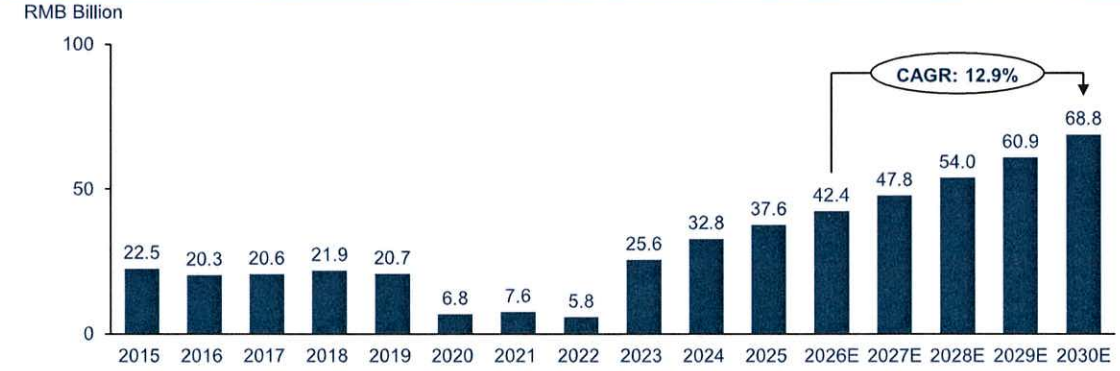
**Note: Hong Kong's hotel service market includes the room service, as well as the self-operated catering, leisure and entertainment, and retail services provided by hotels in Hong Kong and Macao.*

Source: Frost & Sullivan

Analysis of Hotel Service Market
Market Size of Hong Kong and Macao Hotel Service Market (2/2)

- The Macao hotel service market achieved overall expansion, which faced temporary setbacks due to the pandemic. From 2015 to 2025, the market size increased from RMB22.5 billion to RMB37.6 billion. Pandemic controls since 2020 suppressed market performance, while the full resumption of cross-border travel in 2023 drove industry recovery. Driven by consumption upgrading, optimized operational and digital services, and rising mid-to-high-end accommodation demand, the market maintained healthy development.
- Macao's total spending of visitors also recorded marked volatility against the backdrop of pandemic disruptions and shifting economic conditions, declining from approximately MOP64.1 billion in 2019 to MOP4.8 billion in 2022 and rebounding to MOP80.1 billion in 2025.
- Looking ahead to 2026 to 2030, supported by the recovery of inbound visitor spending, diversified development of non-gaming tourism offerings and growing MICE-related demand, the scale of Macao's hotel service market is expected to grow steadily, the scale of Macao's hotel service market is expected to further break through, with a CAGR of 12.9%.

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



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

Source: Frost & Sullivan

Analysis of Hotel Service Market
Policy and Regulation

Policy and Regulation of Hotel Service Market, Hong Kong and Macao

Policies and Regulations	Execution Date	Relative Content and Emphasis
Tourism Incentive Scheme 《旅游激励计划》	2026.03	• Aims to boost inbound tourism by offering targeted incentives to eligible group visitors, including subsidies for group stays, tourism materials, scenic spot tickets and cultural experience activities. The scheme is designed to attract high-quality tourists, extend their length of stay, and drive consumption in the Greater Bay Area.
Announcement on Implementing 10 Innovative Measures to Support High-Quality Development of Expanded Opening-Up Services 《关于实施支持扩大开放服务高质量发展 10 项创新举措的公告》	2025.06	• Includes streamlined immigration and customs clearance procedures for cross-border travelers, facilitating the flow of tourists and business personnel between Hong Kong, Macao and the Chinese Mainland. These measures aim to enhance the efficiency of cross-border travel and support the growth of the tourism and hospitality sectors.
Hotel Accommodation Tax Ordinance (Chapter 348) 《酒店房租税条例》（第 348 章）	2025.04	• Governs the taxation of hotel accommodation services in Hong Kong, including the definition of taxable accommodation, tax rates and compliance requirements. The updated ordinance clarifies tax liabilities for different types of accommodation providers and supports the sustainable development of the hotel industry through a clear regulatory framework.
Hong Kong Tourism Development Blueprint 2.0 《香港旅游业发展蓝图 2.0》	2024.10	• Sets out the strategic direction for the development of Hong Kong's tourism industry, focusing on enhancing Hong Kong's competitiveness as a world-class tourism destination. Key initiatives include promoting high-quality tourism products, strengthening infrastructure, supporting digital transformation, and enhancing visitor experience to drive sustainable growth in the hotel and tourism sectors.

Source: Government Document, Frost & Sullivan

Analysis of Hotel Service Market
Market Drivers of Hong Kong and Macao Hotel Service Market (1/2)

Market Drivers of Civil Aviation Digital Infrastructure Market

	Main Drivers	Influence (1-2 years)	Influence (3-5 years)
1	Continuous Growth of Tourism and Business Travel Demand in Hong Kong and Macao	High	High
2	Upgrading of Residents' Consumption Drives the Growth of Mid-to-High-End Accommodation Demand	High	High
3	Optimized Consumption Experience via Membership System and Service Upgrade	High	Medium



Drivers	Description
Continuous Growth of Tourism and Business Travel Demand in Hong Kong and Macao	Before the full resumption of cross-boundary customs clearance, the scale of cross-border travel between Mainland China, Hong Kong and Macao remained constrained. As cross-border travel policies have become increasingly streamlined, such as nationwide endorsement services allowing Mainland residents to apply for Hong Kong-Macao travel permits irrespective of their place of household registration, and wider roll-out of automated clearance channels at key ports to improve cross-border travel efficiency, cross-regional transportation links have been further optimized amid the development of experiential tourism consumption has gained momentum. For example, in 2021, Macao recorded 6.6 million hotel overnight guests, of which Mainland visitors stood at 5.4 million. Driven by the rebound of international tourist arrivals after the pandemic, the overall volume of hotel overnight guests expanded significantly. In 2025, Macao recorded 14.6 million hotel overnight guests, of which Mainland visitors stood at 10.7 million. The number of mainland visitors travelling to Hong Kong and Macao has risen continuously. The sustained growth of inbound tourist arrivals has directly driven the overall demand for hotel accommodation in Hong Kong and Macao.
Upgrading of Residents' Consumption Drives the Growth of Mid-to-High-End Accommodation Demand	With growing household income of Chinese Mainland residents and shifting consumption mindsets, Chinese Mainland tourists travelling to Hong Kong and Macao place greater emphasis on accommodation quality and personalised experience, and are ready to pay extra premium for high-standard hospitality services. The average occupancy rate of five-star hotels in Macao reached approximately 50% in 2021, and reached approximately 92% in 2025. As visitors increasingly opt for mid-to-high-end, boutique and resort hotels, their overall tourism spending on hotel stays in Hong Kong and Macao has climbed continuously. This trend also fuels rising market demand for such high-tier lodging products and accelerates the quality-focused upgrade of the local hotel industry.

Source: Frost & Sullivan

Analysis of Hotel Service Market
Market Drivers of Hong Kong and Macao Hotel Service Market (2/2)

Market Drivers of Civil Aviation Digital Infrastructure Market

	Main Drivers	Influence (1-2 years)	Influence (3-5 years)
1	Continuous Growth of Tourism and Business Travel Demand in Hong Kong and Macao	High	High
2	Upgrading of Residents' Consumption Drives the Growth of Mid-to-High-End Accommodation Demand	High	High
3	Optimized Consumption Experience via Membership System and Service Upgrade	High	Medium



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

Source: Frost & Sullivan

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

1 Continuous Improvement of Branding and Chain Operation

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

2 Accelerated Application of Digital and Intelligent Services

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

3 Accelerated Development of Sustainable and Green Hotels.

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

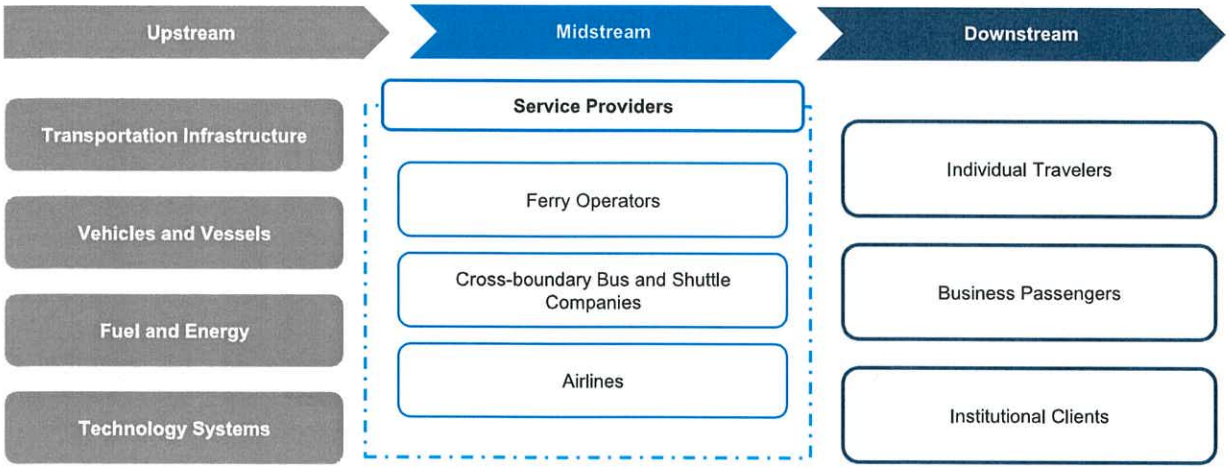
Source: Frost & Sullivan

2. Analysis of Passenger Transportation Service Market

Analysis of Passenger Transportation Service Market
Definition and Classification of Passenger Transportation Service Market (1/2)

- Passenger transportation service refers to activities that provide transportation for individuals and groups through air, rail, road, and waterway modes, along with related support services. Among them, bus and ferry services are the primary modes of passenger transportation by land and water, respectively.

Value Chain of Passenger Transportation Service Market



Source: Frost & Sullivan

Analysis of Passenger Transportation Service Market

Definition and Classification of Passenger Transportation Service Market (2/2)

- Cross-boundary ferries and buses stand apart from high-speed railways and scheduled flights in respect of terminal-related features, scheduling arrangements and fare ranges, so as to accommodate varied travel demands of passengers.

Comparison between Major Transportation Modes in the Greater Bay Area

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

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

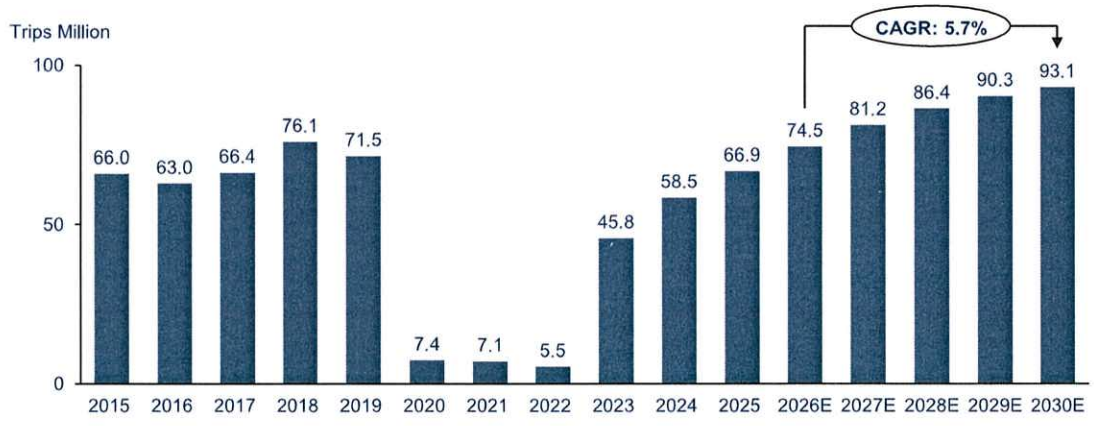
Source: Frost & Sullivan

Analysis of Passenger Transportation Service Market

Market Size of the Greater Bay Area Cross-boundary Passenger Transportation Service Market (1/3)

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

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



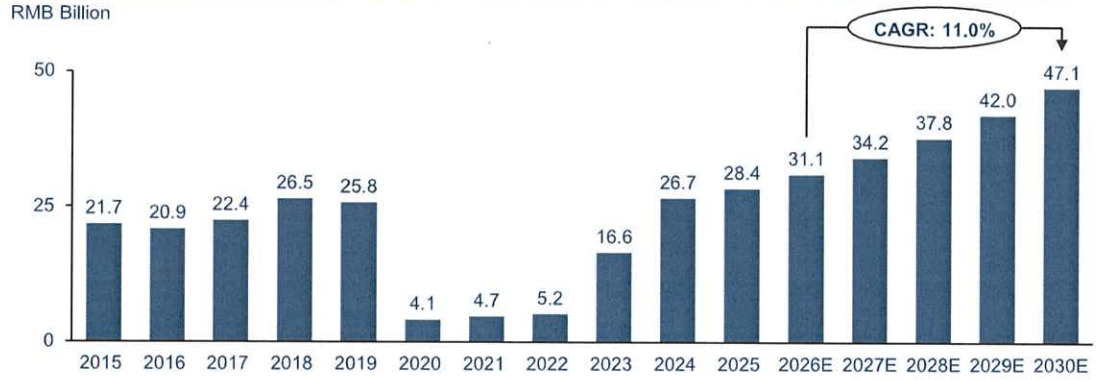
Source: Frost & Sullivan

Analysis of Passenger Transportation Service Market

Market Size of the Greater Bay Area Cross-boundary Passenger Transportation Service Market (2/3)

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

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



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

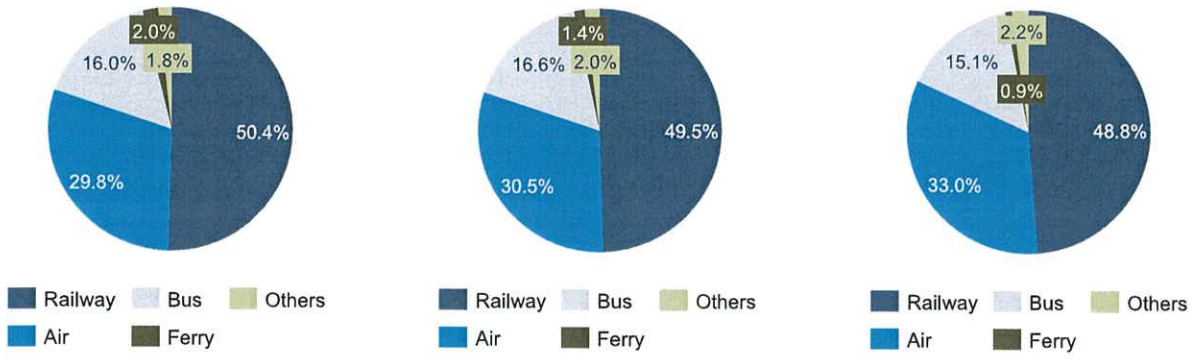
Source: Frost & Sullivan

Analysis of Passenger Transportation Service Market

Market Size of the Greater Bay Area Cross-boundary Passenger Transportation Service Market (3/3)

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

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



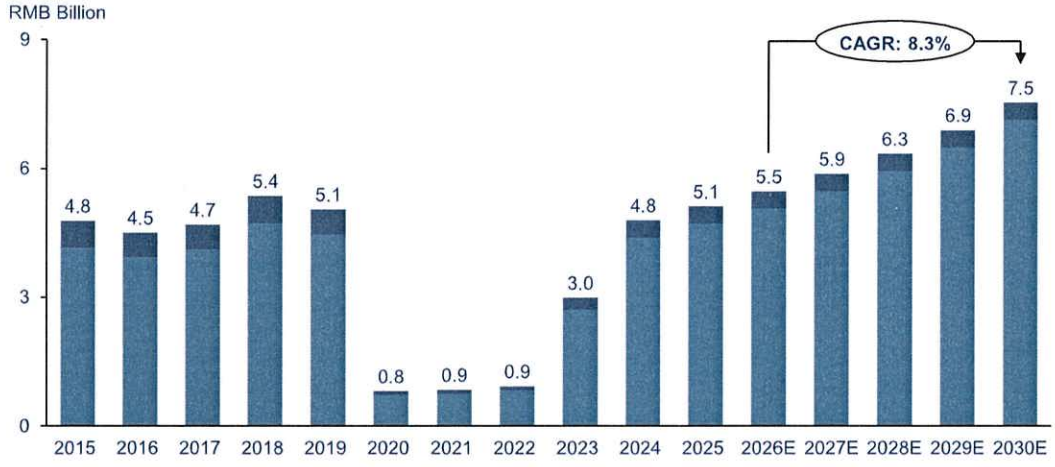
**Note: The "Others" category mainly includes cross-boundary taxi services.*

Source: Frost & Sullivan

Analysis of Passenger Transportation Service Market

Market Size of the Greater Bay Area Cross-boundary Ferry and Bus Passenger Transportation Service Market (1/2)

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



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	CAGR 15-25	CAGR 25-30
Ferry	0.6	0.6	0.6	0.6	0.6	0.1	0.1	0.1	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	-4.3%	0.3%
Bus	4.2	3.9	4.1	4.7	4.5	0.7	0.8	0.8	2.7	4.4	4.7	5.1	5.5	5.9	6.5	7.1	1.3%	8.9%

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

Source: Frost & Sullivan

Analysis of Passenger Transportation Service Market

Market Size of the Greater Bay Area Cross-boundary Ferry and Bus Passenger Transportation Service Market (2/2)

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

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

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

Source: Frost & Sullivan

Analysis of Passenger Transportation Service Market

Market Drivers of the Greater Bay Area Cross-boundary Ferry and Bus Passenger Transportation Service Market (1/2)

Market Drivers of Passenger Transportation Service Market

	Main Drivers	Influence (1-2 years)	Influence (3-5 years)
1	Upgrading of Tourism Consumption and Continuous Growth in Demand	High	High
2	Urban Cluster and Regional Integration Boosting Transport Demand	High	High
3	Ongoing Investment in Transport Infrastructure and Network Expansion	High	High



Drivers	Description
Upgrading of Tourism Consumption and Continuous Growth in Demand	With the rise in household disposable income of Chinese Mainland residents and heightened consumer propensity to spend, leisure travel and business travel activities continue to have seen sustained development. Growing overall tourism market demand has driven the steady expansion of cross-boundary ferry and bus services, boosting revenue growth of relevant operators and improving overall transport capacity. In 2023, the Zhuhai Port of the Hong Kong-Zhuhai-Macao Bridge recorded over 16.3 million cross-boundary passenger trips, and over 31.3 million in 2025, reflecting robust recovery and sustained growth in cross-border passenger flow within the Greater Bay Area.
Urban Cluster and Regional Integration Boosting Transportation Demand	The development of urban clusters and regional economic integration has strengthened connectivity among cities and regions, driving growth in cross-city commuting, tourism and business travel demand. Deepening regional integration continues to generate sustained demand for diversified passenger transportation services and supports the enhancement of industry service capabilities.

Source: Frost & Sullivan

Analysis of Passenger Transportation Service Market

Market Drivers of the Greater Bay Area Cross-boundary Ferry and Bus Passenger Transportation Service Market (2/2)

Market Drivers of Passenger Transportation Service Market

	Main Drivers	Influence (1-2 years)	Influence (3-5 years)
1	Upgrading of Tourism Consumption and Continuous Growth in Demand	High	High
2	Urban Cluster and Regional Integration Boosting Transport Demand	High	High
3	Ongoing Investment in Transport Infrastructure and Network Expansion	High	High



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

Source: Frost & Sullivan

Analysis of Passenger Transportation Service Market

Development Trends of the Greater Bay Area Cross-boundary Ferry and Bus Passenger Transportation Service Market

1 Acceleration of Integrated and Multimodal Transportation Services

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

2 Widespread Adoption of Digital Ticketing and Smart Mobility Services

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

3 Growing Focus on Service Quality and Operational Efficiency

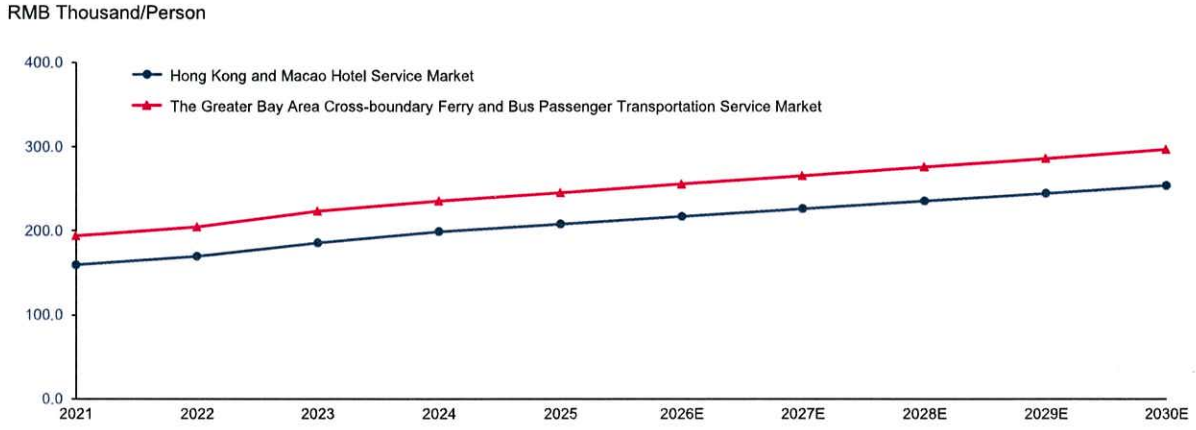
- Operators are placing greater emphasis on punctuality, safety, passenger comfort and resource allocation efficiency. Through continued investment in fleet management, staff training and process standardization, companies are improving customer satisfaction while enhancing operational efficiency and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

Source: Frost & Sullivan

Cost Analysis (1/2)

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

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

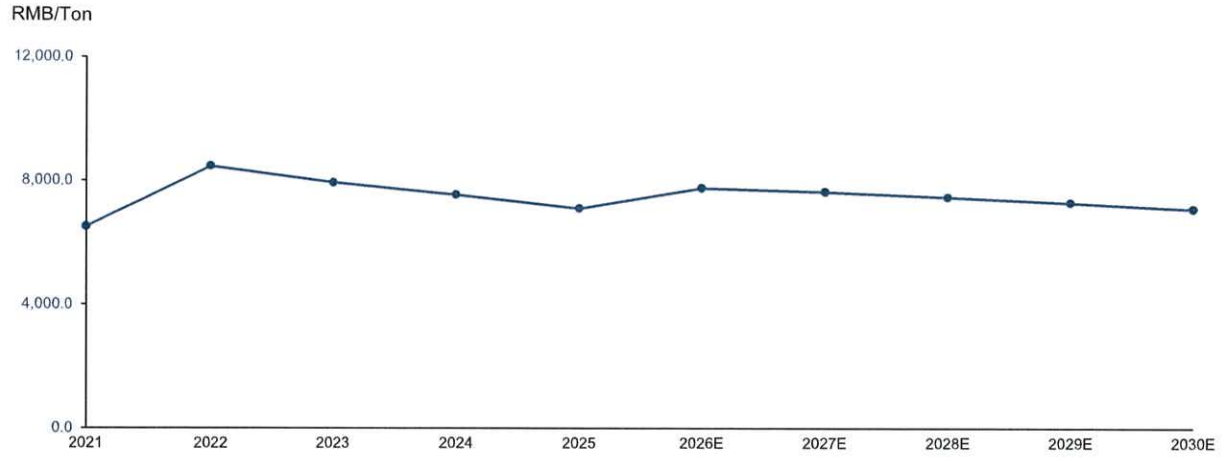


Source: Frost & Sullivan

Cost Analysis (2/2)

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

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



Source: Frost & Sullivan

3. Competitive Analysis

Competitive Analysis
Competitive Landscape of Hong Kong Hotel Service Market

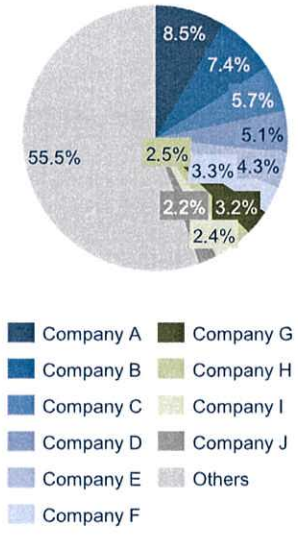
- The Hong Kong hotel service market participants can be divided into two categories: operators with self-owned properties and those without self-owned properties. Operators with self-owned properties enjoy stable operating foundations and superior anti-risk capabilities, while operators without self-owned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

Source: Frost & Sullivan

Competitive Analysis
Ranking of Hong Kong Hotel Service Providers (2/2)

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

Total Revenue of Hong Kong Hotel Service Providers: 27,083 Million RMB



Rank	Company Name	Operating Revenue (Million RMB)	Market Share
1	Company A (香格里拉集团)	2,315	8.5%
2	Company B (帝京酒店管理)	2,009	7.4%
3	Company C (富豪集团)	1,550	5.7%
4	Company D (朗廷酒店投资)	1,378	5.1%
5	Company E (香港上海大酒店)	1,176	4.3%
6	Company F (海逸国际酒店管理)	888	3.3%
7	Company G (万豪国际集团)	855	3.2%
8	Company H (信和集团)	665	2.5%
9	Company I (凯悦)	637	2.4%
10	Company J (希尔顿)	586	2.2%
	Others	15,025	55.5%
	Total	**27,083**	**100%**

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

Source: Frost & Sullivan

Competitive Analysis

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

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

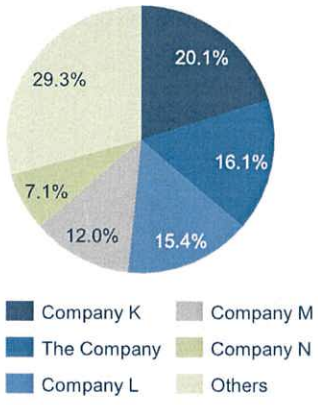
Source: Frost & Sullivan

Competitive Analysis

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

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

Total Revenue of Cross-boundary Ferry and Bus Passenger Transportation Service Providers: 5,119 Million RMB



Rank	Company Name	Revenue (Million RMB)	Market Share
1	Company K (港珠澳大桥穿梭巴士)	1,031	20.1%
2	**The Company**	**823**	**16.1%**
3	Company L (冠忠巴士)	790	15.4%
4	Company M (永东直通巴士)	616	12.0%
5	Company N (粤港汽车)	363	7.1%
	Others	1,495	29.3%
	Total	**5,119**	**100.0%**

- In 2025, the market size of the cross-boundary ferry and bus passenger transportation service market in the Greater Bay Area was RMB5,119 million, with the top five service providers collectively accounting for 70.7% of the market share.
- In terms of revenue in 2025, the Company ranked second among cross-boundary ferry and bus passenger transportation service providers in the the Greater Bay Area, generating revenue of RMB823 million and achieving a market share of 16.1%.

Source: Frost & Sullivan

Competitive Analysis
Comparison of Major Platforms (1/3)

China Travel Service (Hong Kong) Limited	Established Year	1992
香港中国旅行社 CTS CHINA TRAVEL SERVICE (HONG KONG)	Business Description	The company is a leading comprehensive tourism and related services operator in Hong Kong, providing one-stop comprehensive services such as travel, hotel accommodation and document processing for global tourists, Hong Kong residents and mainland compatriots, with business covering Hong Kong, the mainland and many countries and regions around the world.
	Headquarter	Hong Kong

Shangri-La Asia Limited	Established Year	1971
香格里拉 SHANGRI-LA	Business Description	With decades of hospitality expertise, the group operates and manages a portfolio of luxury hotels and resorts globally, providing premium accommodation, fine dining, wellness services, and bespoke event solutions for discerning leisure and business travelers.
	Headquarter	Hong Kong

Source: Public Disclosure, Frost & Sullivan

Competitive Analysis
Comparison of Major Platforms (2/3)

The Hongkong and Shanghai Hotels, Limited	Established Year	1866
THE HONGKONG AND SHANGHAI HOTELS, LIMITED 香港上海大酒店有限公司	Business Description	The company is a leading Hong Kong-based hospitality enterprise specializing in the ownership, operation and management of luxury hotels and properties globally, with decades of experience in delivering premium accommodation, fine dining and bespoke hospitality services.
	Headquarter	Hong Kong

Regal Hotels International Holdings Limited	Established Year	1979
富豪酒店國際控股有限公司 Regal Hotels International Holdings Limited	Business Description	The company is a core enterprise focusing on integrated resort, hotel and gaming businesses in the Asia-Pacific region, with strong comprehensive operational strength. It is committed to providing high-quality integrated leisure and vacation solutions for global tourists, covering gaming, luxury accommodation, high-end catering and characteristic entertainment.
	Headquarter	Hong Kong

Source: Public Disclosure, Frost & Sullivan

Competitive Analysis
Comparison of Major Platforms (3/3)

Langham Hospitality Investments Limited	Established Year	2013
LANGHAM HOSPITALITY INVESTMENTS	Business Description	The company is a leading hospitality investment entity that owns a portfolio of iconic luxury hotels globally, including the Langham and Cordis brands, and focuses on maximizing long-term returns through asset management and operational excellence.
	Headquarter	Hong Kong

Kwoon Chung Bus Holdings Limited	Established Year	1948
冠忠巴士 KWOON CHUNG BUS	Business Description	As a leading cross-boundary and public transportation service provider in Hong Kong, the company offers comprehensive passenger transportation solutions, including cross-border coach services, private hire vehicles, and airport shuttle services, catering to both leisure and business travelers in the Greater Bay Area.
	Headquarter	Hong Kong

Source: Public Disclosure, Frost & Sullivan

Competitive Analysis
Entry Barriers

1. **Regulatory and Compliance Barriers**
   - In the passenger transport market, operators are required to meet licensing, safety and operational compliance requirements. These requirements not only restrict market entry but also ensure service standards.
2. **Brand Barriers**
   - In the passenger transport sector, established operators benefit from their reputation, reliability and long-standing service track records, enabling them to attract customers and achieve higher load factors. Similarly, in the hotel services market, well-known hotel brands are more readily recognized by consumers due to their consistent service quality and strong brand reputation.
3. **Resource Barriers**
   - In the passenger transport market, key resources such as fleet size, terminal slots and access to transport infrastructure are critical factors influencing market participation and operational scale. In the hotel services market, core resources include premium property locations, professional management teams and stable supply chain support. The difficulty in acquiring these resources also creates barriers for new entrants.
4. **Capital Barriers**
   - The passenger transportation sector requires significant capital expenditure for vehicle procurement, access to infrastructure and operational setup, thereby creating financial barriers to entry. In the hotel service market, new entrants are also required to bear high costs related to property investment, renovation and refurbishment, brand licensing, and pre-opening operations.

Source: Frost & Sullivan

Competitive Analysis
Competitive Advantages of the Company

1 Long-term Operation in Hong Kong and Macao with In-depth Industry Insights

- Having been deeply engaged in operations in Hong Kong and Macao for many years, the company has a long history of industry operation. It has always rooted itself in the local market, aligned with the characteristics of regional industry development, deeply understood the policy orientation, market demand, consumption habits and industry pain points of the hotel, leisure and entertainment and related industries in Hong Kong and Macao, gained a first-mover advantage in market competition, and laid a solid foundation for the sustained and stable development of the enterprise.

2 Self-operated Management Model to Deliver High Flexibility and Control

- The company adopts a self-operated management model, independently controlling all aspects of business operations throughout the entire process. Without relying on external management teams, it effectively reduces communication costs and management losses in intermediate links. This model endows the enterprise with a high degree of operational flexibility, enabling it to quickly optimize operational strategies and adjust business layouts in response to market changes, policy adjustments, and customer demands.

3 Business Operation on Owned Properties to Ensure Stability and Rent-free Control

- The company owns owned properties in the areas where its core business is laid out and conducts various business operations based on these owned properties, which significantly reduces its dependence on leased properties, eliminates the operational pressure caused by rent fluctuations, and effectively lowers the uncertainty of operational costs. These owned properties not only provide the enterprise with a stable place of business, but also enhance its control over the business layout.

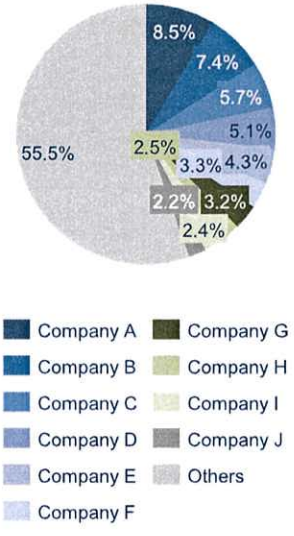
4 First-class Management and Operation Teams to Drive High-quality Development

- The company has a first-class management and operation team with excellent professional quality and rich industry experience. Its core members have many years of local industry experience in Hong Kong and Macao, are familiar with industry rules, proficient in operation and management, and can accurately formulate enterprise development strategies and grasp the operation direction.

Source: Frost & Sullivan

Appendix (1/8)

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

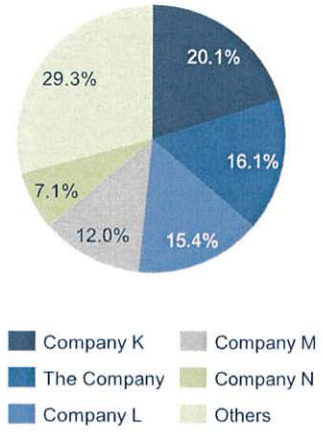


Rank	Company Name	Revenue (Million RMB)	Market Share
1	Company A	2,315	8.5%
2	Company B	2,009	7.4%
3	Company C	1,550	5.7%
4	Company D	1,378	5.1%
5	Company E	1,176	4.3%
6	Company F	888	3.3%
7	Company G	855	3.2%
8	Company H	665	2.5%
9	Company I	637	2.4%
10	Company J	586	2.2%
	Others	15,025	55.5%
	Total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

Source: Frost & Sullivan

Appendix (2/8)

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



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

Source: Frost & Sullivan

Appendix (3/8)

- Company A is a company headquartered in Hong Kong, China, and listed on the Hong Kong Stock Exchange. It was established in 1971 and primarily specializes in hotel ownership, operation and management, as well as related property investment.
- Company B is a company headquartered in Hong Kong, China, and listed on the Hong Kong Stock Exchange. It was established in 1996 and primarily specializes in property development, investment and hotel operations.
- Company C is a company headquartered in Hong Kong, China, and listed on the Hong Kong Stock Exchange. It was established in 1979 and primarily specializes in hotel ownership, operation and related hospitality services.
- Company D is a company headquartered in Hong Kong, China, and listed on the Hong Kong Stock Exchange. It was established in 2013 and primarily specializes in the ownership and operation of premium hotels in Asia and globally.
- Company E is a company headquartered in Hong Kong, China, and listed on the Hong Kong Stock Exchange. It was established in 1866 and primarily specializes in diversified business operations including property development and hotel investment.
- Company F is a company headquartered in Hong Kong, China, and a subsidiary of an enterprise listed on the Hong Kong Stock Exchange. It was established in 1997 and primarily specializes in property development, investment and hotel operations in Hong Kong and Chinese Mainland.
- Company G is headquartered in the United States, and listed on the Nasdaq Stock Market. It was established in 1927 and primarily specializes in hotel operation, brand licensing and hospitalityasset management.
- Company H is a company headquartered in Hong Kong, China, and listed on the Hong Kong Stock Exchange. It was established in 1971 and primarily specializes in the ownership and management of luxury hotels and residences worldwide.
- Company I is headquartered in the United Kingdom, and listed on the London Stock Exchange. It was established in 1777 and primarily specializes in hotel ownership, franchise operation and hotel brand management.
- Company J is headquartered in the United States, and listed on the New York Stock Exchange. It was established in 1919 and primarily specializes in hotel management, franchise licensing and global hospitality brand operation.

Source: Frost & Sullivan

Appendix (4/8)

- Company K is a company headquartered in Guangdong Province, China, established in 2017 and primarily specializes in operating cross-boundary shuttle bus services in the Greater Bay Area.
- Company L is a company headquartered in Hong Kong, China, and listed on the Hong Kong Stock Exchange. It was established in 1948 and primarily specializes in operating cross-boundary and local bus services in Hong Kong.
- Company M is a company headquartered in Hong Kong, China, established in 1992 and primarily specializes in operating cross-boundary direct bus services between Hong Kong and Chinese Mainland.
- Company N is a company headquartered in Hong Kong, China, established in 1980 and primarily specializes in operating cross-boundary shuttle bus services between Hong Kong and Chinese Mainland.

Source: Frost & Sullivan

Appendix (5/8)

- We provide passenger transportation services in Hong Kong, Macao and Chinese Mainland and face intense and fragmented competition.
- In the hotels markets of Hong Kong, Macao and Chinese Mainland, we compete on location, room rates, brand recognition, accommodation, service quality, geographic coverage, guest amenities and reservation system convenience.
- China's nominal GDP increased from RMB104.2 trillion in 2020 to RMB140.2 trillion in 2025, and is projected to reach to RMB180.0 trillion in 2030, and the total domestic travel expenditure of China's residents increased from RMB2.2 trillion in 2020 to approximately RMB6.8 trillion in 2025, and is projected to reach approximately RMB14.4 trillion in 2030.
- Looking ahead, the 15th Five-Year Plan emphasizes deeper integration of culture and tourism and the goal of building China into a "strong tourism nation." Against this policy backdrop, the tourism market in China has expanded in recent periods. For instance, the number of China's domestic tourist trips increased from 2.9 billion in 2020 to approximately 6.3 billion in 2025, and the total domestic travel expenditure of China's residents increased from RMB2.2 trillion in 2020 to approximately RMB6.8 trillion in 2025. These macro trends have provided supportive market conditions for demand growth in transportation and accommodation, which are core pillars of our business.
- In this context, the Outline Development Plan for Cultural and Tourism Development in the Guangdong-Hong Kong-Macao Greater Bay Area （《粵港澳大灣區文化和旅遊發展規劃》）, or the Outline, explicitly identifies the enhancement of transportation and infrastructure connectivity within the region as a key policy objective. Additionally, amendments to the Mainland and Hong Kong Closer Economic Partnership Arrangement （《內地與香港關於建立更緊密經貿關係的安排》） further optimize the 144-hour visa-free policy for inbound foreign tour groups entering the Pearl River Delta and Shantou via Hong Kong, including an expanded list of eligible ports of entry and permitted areas of stay. These national and regional policy initiatives have been material contextual factors supporting the expansion of the travel and tourism sector and, in turn, have created conditions under which the our business has scaled to its current level. The extent to which these supportive conditions will persist may depend on ongoing policy priorities and implementation, the evolution of cross-boundary travel arrangements, and broader macroeconomic and industry dynamics.
- In 2023, 2024 and 2025, revenue derived from travel-document and related operations amounted to HKD474.3 million, HKD343.9 million and HKD279.6 million, respectively, representing 21.6%, 15.3% and 12.7%, respectively, of our total revenue. Revenue from this segment declined over the period primarily due to one-off timing effects associated with COVID-19. When travel restrictions first eased, a backlog of renewals and new applications built up during the pandemic drove a temporary surge in 2023. As that backlog was largely cleared, demand normalized and revenue trended back toward historical levels in subsequent periods.

Source: Frost & Sullivan

Appendix (6/8)

- The market in which we operate is characterized by a high degree of concentration, in 2025, the total market size for ferry and bus passenger transportation in the Greater Bay Area reached RMB5.1 billion, with the top five service providers collectively accounting for 80.7% of the total market share.
- The market in which the Group's hotel accommodation business remains relatively stable, supported by the limited supply of new hotel sites in prime districts of Hong Kong and Macao.
- While the industry is influenced by macroeconomic conditions and tourism demand, the high entry barriers and scarcity of land for hospitality development provide a degree of resilience against significant supply-driven volatility.
- Competition is primarily concentrated among established hotel operators in key urban hubs, where we maintain a strong market presence.
- In addition, international and regional factors, such as geopolitical uncertainties, global economic volatility and changes in the distribution of major conventions, exhibitions and sports and entertainment events, may affect travel sentiment and visitor mix, thereby intensifying competition within the industry.
- With changes in demand structure and increased market transparency, certain customer segments have become increasingly sensitive to various factors relevant to hotel services, including hotel location and the attractiveness of the surrounding area, the condition and level of modernisation of guestrooms and public facilities, the quality of accommodation and related ancillary services, brand image and market recognition, pricing strategies and value-for-money considerations, as well as the ability to attract different types of customers, including business and leisure travellers.
- Such shifts in customer preferences and sensitivities have further increased the complexity of competition within the hotel industry.
- TurboJET maintained the largest jetfoil fleet in Asia and was among the world's largest cross-boundary high-speed passenger ferry operators as of the Latest Practicable Date.
- In 2025, we held a market share of approximately 50% of the Hong Kong–Macao maritime passenger transportation market, with annual passenger volume of approximately 3.0 million.
- In compiling and preparing the F&S Report, Frost & Sullivan adopted the following assumptions: (i) the social, economic and political conditions globally currently discussed will remain stable during the forecast period, (ii) China's government policies on Hong Kong and Macao hotel service market and the Greater Bay Area cross-boundary ferry and bus passenger transportation service market will remain consistent during the forecast period, (iii) Hong Kong and Macao China's hotel service market and the Greater Bay Area cross-boundary ferry and bus passenger transportation service market will be driven by the factors which are stated in the report in the forecast period.

Source: Frost & Sullivan

Appendix (7/8)

- Total tourism expenditure associated with inbound tourism in Hong Kong declined from approximately HKD256.2 billion in 2019 to HKD9.4 billion in 2022 amid the COVID-19 pandemic and adverse economic conditions, before recovering to HKD195.0 billion in 2024.
- The cross-boundary ferry and bus passenger transportation services market in the Greater Bay Area is highly competitive and relatively concentrated.
- The five largest service providers collectively accounted for approximately 70% of the market share in 2025, indicating that the market was led by a limited number of well-established competitors with significant market presence and resources according to the same source.
- The Hong Kong hotel service market is fragmented, with a large number of market participants.
- As of December 31, 2025, approximately 333 hotel operators collectively offered approximately 93,472 hotel rooms in Hong Kong.
- The number of visitor arrivals to Hong Kong decreased from approximately 55.9 million in 2019 to approximately 0.4 million in 2020 and remained at historically low levels during the period when travel restrictions and border control measures were in place, before recovering to approximately 34.0 million in 2023 following the relaxation of such measures.
- At the national level, China's tourism industry has received sustained, policy-backed support for more than a decade. Most notably, the national 14th Five-Year Plan included a dedicated Tourism Development Plan（《"十四五"旅遊業發展規劃》）to guide the industry's development.
- Looking ahead, the 15th Five-Year Plan emphasizes deeper integration of culture and tourism and the goal of building China into a "leading tourism nation."
- At the regional level, the Guangdong-Hong Kong-Macao Greater Bay Area has been a key focus of policy initiatives aimed at strengthening cross-boundary mobility and promoting integrated cultural and tourism development.
- Additionally, amendments to the Mainland and Hong Kong Closer Economic Partnership Arrangement（《內地與香港關於建立更緊密經貿關係的安排》） further optimize the 240-hour visa-free policy for inbound foreign tour groups entering the Pearl River Delta and Shantou via Hong Kong, including an expanded list of eligible ports of entry and permitted areas of stay.
- The Hong Kong and Macao governments have emphasized tourism development and introduced policies that support the cross-boundary transportation services industry. In 2025, the Hong Kong government released the Hong Kong Tourism Industry Development Blueprint 2.0, or the Blueprint, and the "Tourism is Everywhere" initiative, to position Hong Kong as an international urban tourism hub and a "multi-destination" travel model.
- Macao is also enhancing its efforts to expand non-gaming offerings and develop culture- and creative-themed hotels.

Source: Frost & Sullivan

Appendix (8/8)

- Our hotels in Hong Kong demonstrated robust operational strength, achieving an average occupancy rate significantly exceeding the industry average of approximately 80% during the same periods, which underscores the prime locations and market appeal of our core hospitality assets. According to Frost & Sullivan, the occupancy rates of comparable hotels in Beijing generally ranged from 60% to 85% during the Track Record Period, and the occupancy rates of Beijing Guang'anmen Grand Metropark were in line with those of comparable hotels in Beijing. According to Frost & Sullivan, the occupancy rates of comparable hotels in Macao generally ranged from 82% to 97% during the Track Record Period, and the occupancy rate of Metropark Macao were in line with those of comparable hotels in Macao.

Source: Frost & Sullivan

Thank You

