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Cinese International Group Holdings Limited

富盈環球集團控股有限公司

(incorporated in Ontario, Canada and continued in the Cayman Islands with limited liability)

(Stock Code: 1620)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Cinese International Group Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”) together with the unaudited comparative figures for the six months ended 30 June 2024.

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2025	2024	Increase/
	HK\$ million	HK\$ million	(decrease)
Revenue	47.7	50.1	(4.8%)
Gross profit	15.3	18.1	(15.5%)
Loss for the period	(12.8)	(28.8)	(55.6%)
Basic and diluted losses per share (HK cents)	(1.1)	(2.4)	(54.2%)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
		HK\$'000	HK\$'000
	Notes	(Unaudited)	(Unaudited)
Revenue	4	47,680	50,053
Cost of sales	6	(32,421)	(31,911)
Gross profit		15,259	18,142
Other income	5	6	7
Other (losses)/gains, net	5	(3,562)	1,846
Provision of expected credit losses (“ECLs”) allowance on financial assets		(2,693)	(20,167)
Selling expenses	6	(866)	(1,355)
Administrative expenses	6	(22,481)	(18,154)
Operating loss		(14,337)	(19,681)
Finance income		10	3
Finance costs		(65)	(110)
Finance costs, net	7	(55)	(107)
Loss before income tax		(14,392)	(19,788)
Income tax credit/(expense)	8	1,593	(9,038)
Loss for the period attributable to owners of the Company		(12,799)	(28,826)
Other comprehensive income/(expense)			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
– Currency translation differences		3,000	(2,311)
Other comprehensive income/(expense) for the period		3,000	(2,311)
Total comprehensive income/(expense) for the period attributable to owners of the Company		(9,799)	(31,137)
Basic and diluted losses per share (HK cents)	10	(1.07)	(2.40)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		325	401
Intangible assets		—	—
Right-of-use assets		674	1,396
Financial asset at fair value through profit or loss (“FVTPL”)		1,333	—
Financial asset at fair value through other comprehensive income (“FVTOCI”)		1,644	1,542
Deferred income tax assets		15,103	12,295
		<u>19,079</u>	<u>15,634</u>
Current assets			
Trade receivables	11	32,329	43,855
Prepayments, deposits and other receivables		61,300	18,805
Financial asset at FVTPL		—	1,435
Income tax recoverable		296	295
Restricted bank deposits		438	426
Term deposits with original maturity of more than 3 months		21,977	—
Cash and cash equivalents		38,913	30,377
		<u>155,253</u>	<u>95,193</u>
Total assets		<u>174,332</u>	<u>110,827</u>

		As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
	Notes		
EQUITY			
Equity attributable to the owners of the Company			
Share capital	12	120	120
Share premium		88,248	88,248
Other reserve		(41,256)	(41,256)
Financial asset at FVTOCI reserve		(1,500)	(1,500)
Exchange reserve		4,449	1,449
Statutory reserve		1,643	1,643
Accumulated losses		(60,945)	(48,146)
(Capital deficiency)/Total equity		(9,241)	558
LIABILITIES			
Non-current liabilities			
Lease liabilities		140	286
Loan from government		1,265	1,570
		1,405	1,856
Current liabilities			
Trade payables	13	32,043	29,132
Accruals and other payables		127,500	58,692
Contract liabilities		105	279
Lease liabilities		553	1,155
Loan from government		813	751
Income taxes payable		1,654	1,404
Amount due to immediate holding company		19,500	17,000
		182,168	108,413
Total liabilities		183,573	110,269
Total equity and liabilities		174,332	110,827

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Cinese International Group Holdings Limited (the “**Company**”) was incorporated in Ontario, Canada on 18 August 2017 and continued in the Cayman Islands from 20 October 2017 as an exempted company with limited liability. The registered address of the Company is 4th Floor, Harbour Place, 103 South Church Street, PO Box 10240, Grand Cayman, KY1-1002, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are engaged in air ticket distribution, travel business process management and provision of travel products and services (the “**Business**”) in Canada, the United States (the “**U.S.**”) and the People’s Republic of China (the “**PRC**”).

The Group operates under the licenses issued by the International Air Transport Association (“**IATA**”), the Travel Industry Council of Ontario (“**TICO**”), the Québec L’Office de la protection du consommateur (“**OPC**”) and the Business Practices & Consumer Protection Authority of British Columbia in Canada, which require the Group to comply with certain industry regulations.

2 BASIS OF PREPARATION AND GOING CONCERN ASSUMPTION

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025 (the “**Interim Financial Statements**”) have been prepared in accordance with the International Accounting Standard (“**IAS**”) 34, “Interim financial reporting” issued by International Accounting Standards Board (the “**IASB**”) and the applicable disclosure required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The unaudited condensed consolidated interim financial statements is presented in Hong Kong dollar (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

The Interim Financial Statements does not include all the notes of the type normally included in an annual financial statements. Accordingly, this announcement should be read in conjunction with the annual financial statements for the year ended 31 December 2024 (“**2024 annual report**”) which have been prepared in accordance with IFRS Accounting Standards and any public announcements made by the Group during the interim reporting period.

For the six months ended 30 June 2025, the Group incurred a loss of approximately HK\$12,799,000 and, at the end of reporting period, the Group had net current liabilities and capital deficiency of approximately HK\$26,915,000 and HK\$9,241,000 respectively. These conditions may cast significant doubt on the Group’s ability to continue as a going concern.

In view of these circumstances, the directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in the preparation of a cash flow forecast covering a 18-month period from the end of the reporting period for assessing whether the Group will have sufficient financial resources to continue as a going concern. In particular, the directors have considered the following:

- (a) The expected continuous growth in revenue generated from its travel products and services segment for provision of company-operated tours in the Greater Bay Area of Mainland China; and
- (b) The unutilised banking facilities approximately HK\$8,899,000 in total, which are available for the Group to finance its future operations and financial obligations.

Based on the cash flow forecast, the directors are of the opinion that the Group would have sufficient liquidity to finance its operations and meet its financial obligations as and when they fall due for the at least twelve months subsequent to end of reporting period. Accordingly, the directors consider that it is appropriate to continue to prepare the Interim Financial Statements on a going concern basis.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted are consistent with those of the 2024 annual report, except for the application of certain accounting policies which became relevant to the Group and the adoption of revised standards as set out below.

3.1 Adoption of revised IFRS Accounting Standards

In the current interim period, the Group has applied, for the first time, the following amended IFRS Accounting Standards issued by the IASB that are potentially relevant to and effective for the annual period beginning on or after 1 January 2025 for the preparation of the Interim Financial Statements.

Amendments to IAS 21 and IFRS 1	Lack of Exchangeability
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The adoption of the above amended IFRS Accounting Standards has no material impact on the Group's result and financial position for the current or prior periods.

The Group has not early applied any new standards or interpretation that is not yet effective for the current accounting period.

3.2 Use of judgements and estimates

In preparing the Interim Financial Statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2024 annual report.

4 REVENUE AND SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision makers that are used for making strategic decisions. The chief operating decision makers are identified as the executive directors of the Company. The chief operating decision makers regularly monitor and receive reports relating to the performance of the three lines of business the Group operates during the six months ended 30 June 2025. In this regard, management has identified three reportable operating segments, namely (1) Air ticket distribution, (2) Travel business process management, and (3) Travel products and services.

The major business activities for the three segments are summarised as follows:

- Air ticket distribution: The Group sells air tickets on behalf of airlines in exchange for margin income and incentive commissions from airlines.
- Travel business process management: The Group performs certain administrative and management services mainly for travel agencies in exchange for travel business process management fees.
- Travel products and services: The Group packages various travel products from suppliers into company-operated tours. The Group also sells other travel products and services, where the travellers are responsible for their trips using travel services sourced by the Group.

The performance of the operating segments is assessed based on segment revenue and a measure of segment operating results. Unallocated administrative expenses, unallocated other income, other (losses)/gains, net, ECLs allowance on financial assets, finance costs, net and income tax credit/(expense) are not included in the segment results. No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the Group's chief operating decision makers.

Six months ended 30 June 2025 (Unaudited)

	Air ticket distribution HK\$'000	Travel business process management HK\$'000	Travel products and services HK\$'000	Total HK\$'000
Revenue from external customers	<u>2,215</u>	<u>10,803</u>	<u>34,662</u>	<u>47,680</u>
Timing of revenue recognition				
At a point in time	2,215	10,803	—	13,018
Over time	<u>—</u>	<u>—</u>	<u>34,662</u>	<u>34,662</u>
Segment results	(6,055)	3,809	5,329	3,083
Other income				6
Other losses, net				(3,562)
Provision of ECLs allowance on financial assets				(2,693)
Employee benefit expenses (including directors' emoluments)				(9,001)
Depreciation of property, plant and equipment				(89)
Depreciation of right-of-use assets				(587)
Legal and professional fees				(1,030)
Other administrative expenses				(464)
Finance costs, net				<u>(55)</u>
Loss before income tax				(14,392)
Income tax credit				<u>1,593</u>
Loss for the period				<u><u>(12,799)</u></u>
Other segment items:				
Depreciation of property, plant and equipment	5	11	—	16
Capital expenditure	2	4	—	6
Depreciation of right-of-use assets	<u>27</u>	<u>150</u>	<u>—</u>	<u>177</u>

Six months ended 30 June 2024 (Unaudited)

	Air ticket distribution HK\$'000	Travel business process management HK\$'000	Travel products and services HK\$'000	Total HK\$'000
Revenue from external customers	6,174	11,150	32,729	50,053
Timing of revenue recognition				
At a point in time	6,174	11,150	77	17,401
Over time	—	—	32,652	32,652
Segment results	982	4,833	4,950	10,765
Other income				7
Other gains, net				1,846
Provision of ECLs allowance on financial assets				(20,167)
Employee benefit expenses (including directors' emoluments)				(9,750)
Depreciation of property, plant and equipment				(122)
Depreciation of right-of-use assets				(491)
Legal and professional fees				(963)
Other administrative expenses				(806)
Finance costs, net				(107)
Loss before income tax				(19,788)
Income tax expense				(9,038)
Loss for the period				(28,826)
Other segment items:				
Depreciation of property, plant and equipment	19	33	—	52
Capital expenditure	4	7	—	11
Depreciation of right-of-use assets	116	355	—	471

Revenue from external parties contributing 10% or more of the total revenues of the Group is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Company A - travel business process management segment	10,803	11,150
Company B - travel products and services (note)	6,994	N/A
Company C - travel products and services (note)	6,139	N/A
Company D - travel products and services (note)	N/A	8,696
Company E - travel products and services (note)	N/A	6,684

Note: The customer did not contribute 10% or more of the total revenue of the Group in respective period.

There is no material inter-segment revenue.

The Group's revenue by geographical locations (as determined by the area or country in which the Group operates) is analysed as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Canada	12,938	17,240
United States	80	161
Mainland China	34,662	32,652
	47,680	50,053

5 OTHER INCOME AND OTHER GAINS, NET

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Other income		
Sundry income	<u>6</u>	<u>7</u>
	<u>6</u>	<u>7</u>
Other (losses)/gains, net		
Foreign exchange (losses)/gains	(3,575)	1,813
Loss on disposal of property, plant and equipment	(4)	—
Fair value change in financial asset at FVTPL	<u>17</u>	<u>33</u>
	<u>(3,562)</u>	<u>1,846</u>

6 EXPENSES BY NATURE

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Cost of package tours and tickets	26,340	26,400
Employee benefit expenses (including directors' emoluments)	14,726	15,328
Office, telecommunication and utility expenses	1,065	1,342
Depreciation of right-of-use assets	764	962
Short-term leases expenses	100	193
Credit card fees	8	9
Auditor's remuneration		
– Audit service	788	788
– Non-audit service	472	483
Depreciation of property, plant and equipment	105	174
Legal and professional fees	1,030	963
Service fees	8,266	3,258
Others	2,104	1,520
	<hr/>	<hr/>
Total cost of sales, selling and administrative expenses	55,768	51,420
	<hr/>	<hr/>

7 FINANCE COSTS, NET

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Finance income		
– Bank interest income	<u>10</u>	<u>3</u>
Finance costs		
– Interest expense on lease liabilities	(32)	(64)
– Imputed interest expense on loan from government	<u>(33)</u>	<u>(46)</u>
	<u>(65)</u>	<u>(110)</u>
Finance costs, net	<u><u>(55)</u></u>	<u><u>(107)</u></u>

8 INCOME TAX EXPENSE

Canadian corporate income tax has been provided at the rate of approximately 26.5% for the six months ended 30 June 2025 (2024: approximately 26.5%) on the Group's respective taxable income. There is no assessable profit for Canadian corporate income tax for the six months ended 30 June 2025 (2024: Nil). United States federal income tax has been provided at the rate of 21% for the six months ended 30 June 2025 (2024: 21%) on the Group's respective taxable income and the United States state and city tax has been calculated on the estimated assessable profit at 14.95% for the six months ended 30 June 2025 (2024: 14.95%). PRC enterprise income tax has been provided at the rate of 25% for the six months ended 30 June 2025 (2024: 25%) on the Group's respective taxable income.

The Group operates in certain jurisdictions where the Pillar Two Rules are effective or enacted but not effective. However, as the Group's consolidated annual revenue is expected to be less than Euro 750 million (equivalent to approximately HK\$6.90 billion), the Management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current income tax		
– US state income tax	—	(1)
– PRC enterprise income tax	(330)	(282)
Deferred income tax (note)	<u>1,923</u>	<u>(8,755)</u>
Income tax credit/(expense)	<u><u>1,593</u></u>	<u><u>(9,038)</u></u>

Note: For the six months ended 30 June 2025, the deferred income tax mainly represents an increase in deductible temporary difference derived from unused tax losses and ECLs allowance on financial assets (For the six months ended 30 June 2024, the deferred income tax mainly represented a reduction of deferred income tax assets due to a reassessment of impact by a stagnated recovery in market demand of air tickets distribution services for flights between North America and Mainland China).

9 DIVIDENDS

The Board does not recommend the payment of any dividend for the six months ended 30 June 2025 (2024: Nil).

10 LOSSES PER SHARE

Basic losses per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective periods.

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company (HK\$'000)	<u>(12,799)</u>	<u>(28,826)</u>
Weighted average number of ordinary shares in issue (Number of shares in thousand)	<u>1,200,000</u>	<u>1,200,000</u>
Basic and diluted losses per share (HK cents)	<u>(1.07)</u>	<u>(2.40)</u>

Diluted losses per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Potential ordinary shares are dilutive when, and only when, their conversion to ordinary shares would increase losses per share. During the six months ended 30 June 2025 and 2024, the Group has no dilutive potential ordinary shares.

11 TRADE RECEIVABLES

	As at	As at
	30 June	31 December
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Incentive commission receivables	730	1,793
Less: ECLs allowance	<u>(213)</u>	<u>(776)</u>
	<u>517</u>	<u>1,017</u>
Other trade receivables	31,923	43,818
Less: ECLs allowance	<u>(111)</u>	<u>(980)</u>
	<u>31,812</u>	<u>42,838</u>
	<u>32,329</u>	<u>43,855</u>

The payment periods from customers is generally ranged from 30 to 90 days.

The aging analysis of trade receivables based on invoice date is as follows:

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
0 to 60 days	12,395	11,496
61 to 180 days	19,423	15,835
Over 180 days	511	16,524
	<u>32,329</u>	<u>43,855</u>

12 SHARE CAPITAL

	Number of ordinary shares (‘000)	Nominal value of ordinary shares HK\$'000
Authorised:		
Ordinary shares of HK\$0.0001 each		
As at 1 January 2024, 31 December 2024 (audited) and 30 June 2025 (unaudited)	<u>90,000,000</u>	<u>9,000</u>
Issued and fully paid:		
As at 1 January 2024, 31 December 2024 (audited) and 30 June 2025 (unaudited)	<u>1,200,000</u>	<u>120</u>

13 TRADE PAYABLES

As at 30 June 2025 and 31 December 2024, the aging analysis of trade payables based on invoice date are as follows:

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
0 to 30 days	10,005	3,053
31 to 60 days	—	3,164
61 to 90 days	4,726	1,658
Over 90 days	17,312	21,257
	<u>32,043</u>	<u>29,132</u>

14 BANKING FACILITIES

As at 30 June 2025, the Group has banking facilities available in the form of letters of guarantee of approximately HK\$14,384,000 (31 December 2024: approximately HK\$13,493,000) in which approximately HK\$5,485,000 (31 December 2024: approximately HK\$5,430,000) was utilised by the Group and secured by a Canadian Crown corporation, an enterprise wholly owned by the Government of Canada.

The Group was in compliance with all banking covenants as at 30 June 2025 and 31 December 2024.

15 SUBSEQUENT EVENT

On 29 August 2025, the Group entered into a Sales and Purchase Agreement (“SPA”) with an independent third party (“Purchaser”), in which the Group agreed to sell of and the Purchaser agreed to purchase the entire interest in an indirect wholly owned subsidiary of the Company, BVTEHC Inc. along with its subsidiary, Tour East Holidays (Canada) Inc. for a cash consideration of approximately Canadian dollars (“CAD”) 3 million (equivalent to approximately HK\$17.1 million) and the disposal has been completed on the same day. Up to the date on which these condensed consolidated interim financial statements are authorised for issue, the Company is in process of finalising the accounting impact of the transaction.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a long-established air ticket consolidator, travel business process management provider and travel products and services provider, founded in 1976 and with more than 40 years of operating history. The principal businesses of the Group during the Reporting Period included (i) air ticket distribution in which it distributes air tickets to travel agents and travellers and issues air tickets directly on behalf of contracted airlines in Canada and the United States; (ii) travel business process management in which it provides mid-office and back-office support services to travel agents; and (iii) travel products and services in which it designs, develops and sells package tours, such as company-operated cultural tours, as well as other travel products and services to travel agents and travellers.

The total revenue of the Group decreased by approximately HK\$2.4 million or approximately 4.8%, from approximately HK\$50.1 million for the six months ended 30 June 2024 to approximately HK\$47.7 million for the six months ended 30 June 2025. Such decrease was mainly attributable to the decrease in revenue generated from the air ticket distribution segment as further discussed below. Alongside the decrease in revenue, the gross profit of the Group decreased by approximately HK\$2.8 million or approximately 15.5%, from approximately HK\$18.1 million for the six months ended 30 June 2024 to approximately HK\$15.3 million for the six months ended 30 June 2025. The overall gross profit margin of the Group decreased by approximately 4.2 percentage points, from approximately 36.2% for the six months ended 30 June 2024 to approximately 32.0% for the six months ended 30 June 2025, the decrease in gross profit margin was primarily attributable to the decrease in segment gross profit margin of the air ticket distribution segment.

Considering, among others, the deteriorating performance of the Group's air ticket distribution business in Canada, and the anticipation that the operating environment will become more difficult with the Group's air ticket distribution business in Canada showing no signs of recovery in the near future, which is particularly so in light of the continued sluggishness in air transportation volume between the PRC and North America due to geopolitical tensions as well as intensified competition, the Group entered into a share purchase agreement with an affiliate of one of its customers on 29 August 2025 to sell off

the entire interest in an indirect wholly-owned subsidiary of the Company, BVTEHC Inc. along with its subsidiary, Tour East Holidays (Canada) Inc. (the “**Canada Group**”) for a consideration of CAD3.0 million (equivalent to approximately HK\$17.1 million), subject to adjustment (the “**Disposal**”). The Canada Group operates the Group’s air ticket distribution business, business process management business and travel products and services business in Canada. Completion of the Disposal took place on 29 August 2025. For details, please refer to the announcement of the Company dated 29 August 2025.

Following completion of the Disposal, the Group has ceased to operate its air ticket distribution business, business process management business and travel products and services business in Canada. The Group will from time to time monitor and reassess its business portfolio, and where appropriate, take actions to optimise and improve its business structure and seek new business drivers, with a view to create value to shareholders of the Company (“**Shareholders**”).

Travel products and services

Segment revenue increased by approximately 6.1% or approximately HK\$2.0 million from approximately HK\$32.7 million for the six months ended 30 June 2024, to approximately HK\$34.7 million for the six months ended 30 June 2025. Such increase was mainly attributable to the increase in transaction volume of company-operated cultural tours in the greater bay area (“**Greater Bay Area**”) of the People’s Republic of China (“**PRC**”) following the Group’s continued business development in this region. In such connection, the Group’s travel products and services business in the Greater Bay Area has demonstrated steady growth since its inception in 2023, and has become the largest business segment of the Group. The management will continue to consolidate and expand the Group’s presence in the Greater Bay Area through sourcing new customers and exploring new business opportunities.

Travel business process management

Under this business segment, the Group provided a range of travel business process management including air ticket transaction processing, customer contact, BSP/ARC settlement and reconciliation, software development and travel licensing, compliance and other administrative matters to its customers. Segment revenue generated from travel

business process management remained relatively stable at approximately HK\$10.8 million and HK\$11.2 million for the six months ended 30 June 2025 and 2024, respectively. The gross profit margin for the travel business process management segment remained relatively stable at approximately 72.0% and 72.5% for the six months ended 30 June 2025 and 2024, respectively. Given that the Group's travel business process management business primarily operated in Canada, the Group's travel business process management business is expected to downsize significantly following completion of the Disposal.

Air ticket distribution

Segment revenue decreased by approximately 64.5% or approximately HK\$4.0 million, from approximately HK\$6.2 million for the six months ended 30 June 2024, to approximately HK\$2.2 million for the six months ended 30 June 2025. Such decrease was mainly attributable to the decrease in transaction volume of air tickets sales and gross sales proceeds generated from air tickets sales, primarily due to (i) the continued sluggishness in the air transportation volume between the PRC and North America due to geopolitical tensions; and (ii) the intensified competitions under the backdrop of (i) above, which affected the Group's revenue as an air ticketing consolidator. As one of the International Air Transport Association (IATA) accredited travel agents in Canada and one of the Airlines Reporting Corporation (ARC) accredited travel agents in the United States, the Group is qualified to obtain ticketing authority to issue air tickets of all available flights (origins and destinations) on behalf of IATA member airlines and ARC member airlines and secure private fare deals directly from them. As at 30 June 2025, the Group had ticketing authority for more than 100 airlines, including top airlines based in Canada, the United States and the PRC. Notwithstanding the aforesaid, following the completion of the Disposal on 29 August 2025, the Group has ceased to be a IATA accredited travel agent, and has ceased to operate its air ticket distribution business in Canada.

DIVIDENDS

In order to retain more cash to finance the working capital requirements and future development of the Group, the Board does not recommend the payment of interim dividend for the six months ended 30 June 2025 (2024: Nil). The Board will consider future dividend distribution in due course according to the Company's dividend policy.

FUTURE PROSPECT

Considering the deteriorating performance of the Group's air ticket distribution business in Canada, and the anticipation that the operating environment will become more difficult with the Group's air ticket distribution business in Canada showing no signs of recovery in the near future, which is particularly so in light of the continued sluggishness in air transportation volume between the PRC and North America due to geopolitical tensions as well as intensified competition, the Company considers that the Disposal serves to optimise the Group's business structure, thereby allowing the Group to better utilise its energy and resources to develop more promising business like the travel products and services business in the Greater Bay Area, and in capturing new business opportunities.

Going forward, the Group will continue to consolidate its presence in the travel industries of the Greater Bay Area. The Group will continue to deploy business strategies with a view to sustain its travel related businesses and endeavour to explore suitable business opportunities from time to time in the travel consultancy and other potential service industries by leveraging its knowledge and experience, so as to create business synergy, enhance earning capability and potential, and bring value to Shareholders.

FINANCIAL REVIEW

REVENUE

The following table sets forth the components of the Group's revenue by business segment for the periods indicated:

	For the six months ended 30 June			
	2025		2024	
	HK\$'000	%	HK\$'000	%
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Air ticket distribution	2,215	4.6	6,174	12.3
Travel business				
process management	10,803	22.7	11,150	22.3
Travel products and services	34,662	72.7	32,729	65.4
Total	<u>47,680</u>	<u>100.0</u>	<u>50,053</u>	<u>100.0</u>

The Group's revenue decreased by approximately HK\$2.4 million or approximately 4.8%, from approximately HK\$50.1 million for the six months ended 30 June 2024 to approximately HK\$47.7 million for the six months ended 30 June 2025. Such decrease was mainly attributable to the decrease in revenue generated from air ticket distribution segment.

Air ticket distribution

The revenue from air ticket distribution segment decreased by approximately HK\$4.0 million, or approximately 64.5%, from approximately HK\$6.2 million for the six months ended 30 June 2024, to approximately HK\$2.2 million for the six months ended 30 June 2025. Such decrease in revenue was mainly attributable to a decrease in transaction volume of air tickets sales and gross sales proceeds generated from air tickets sales, primarily due to (i) the continued sluggishness in the air transportation volume between the PRC and North America due to geopolitical tensions; and (ii) the intensified competitions in the industry under the backdrop of (i) above.

Travel business process management

The revenue from travel business process management segment remained relatively stable at approximately HK\$10.8 million and HK\$11.2 million for the six months ended 30 June 2025 and 2024, respectively.

Travel products and services

The revenue from travel products and services segment increased by approximately HK\$2.0 million or approximately 6.1%, from approximately HK\$32.7 million for the six months ended 30 June 2024, to approximately HK\$34.7 million for the six months ended 30 June 2025. Such increase was mainly attributable to the increase in transaction volume of company-operated cultural tours in the Greater Bay Area following the Group's continued business development in this region.

GROSS PROFIT AND GROSS PROFIT MARGIN

The following table sets forth the gross profit and gross profit margin of the Group's business segments for the periods indicated:

	For the six months ended 30 June			
	2025		2024	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	HK\$'000	%	HK\$'000	%
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Air ticket distribution	(131)	(5.9)	3,726	60.3
Travel business				
process management	7,782	72.0	8,087	72.5
Travel products and services	7,608	21.9	6,329	19.3
Total	<u>15,259</u>	<u>32.0</u>	<u>18,142</u>	<u>36.2</u>

The gross profit of the Group decreased by approximately HK\$2.8 million or approximately 15.5%, from approximately HK\$18.1 million for the six months ended 30 June 2024 to approximately HK\$15.3 million for the six months ended 30 June 2025, primarily attributable to the gross loss of the air ticket distribution segment.

The overall gross profit margin of the Group decreased by approximately 4.2 percentage points, from approximately 36.2% for the six months ended 30 June 2024 to approximately 32.0% for the six months ended 30 June 2025, which was primarily attributable to the gross loss of the air ticket distribution segment.

Air ticket distribution

The air ticket distribution segment recorded a gross loss of approximately HK\$0.1 million for the six months ended 30 June 2025, as compared to a gross profit of approximately HK\$3.7 million for the six months ended 30 June 2024, which was primarily attributable to the decrease in the transaction volume of air tickets sales and the corresponding decrease in gross sales proceeds, primarily due to (i) the continued sluggishness in the air transportation volume between the PRC and North America due to geopolitical tensions; and (ii) the intensified competitions in the industry under the backdrop of (i) above. Correspondingly, the air ticket distribution segment recorded a gross loss margin of approximately 5.9% for the six months ended 30 June 2025, as compared to the gross profit margin of approximately 60.3% for the six months ended 30 June 2024.

Travel business process management

The gross profit attributable to the travel business process management segment decreased slightly from approximately HK\$8.1 million for the six months ended 30 June 2024 to approximately HK\$7.8 million for the six months ended 30 June 2025. The gross profit margin for the travel business process management segment remained relatively stable at approximately 72.0% and 72.5% for the six months ended 30 June 2025 and 2024, respectively.

Travel products and services

The gross profit attributable to the travel products and service segment increased by approximately HK\$1.3 million or approximately 20.6%, from approximately HK\$6.3 million for the six months ended 30 June 2024 to approximately HK\$7.6 million for the six months ended 30 June 2025, which was primarily attributable to the increase in revenue of the travel products and service segment. The gross profit margin for the travel products and service segment increased by approximately 2.6 percentage points from approximately 19.3% for the six months ended 30 June 2024 to approximately 21.9% for the six months ended 30 June 2025, which was primarily attributable to a greater proportional increase in segment revenue than segment cost of sales.

Selling expenses

The selling expenses decreased from approximately HK\$1.4 million for the six months ended 30 June 2024 to approximately HK\$0.9 million for the six months ended 30 June 2025, primarily attributable to decrease in rental related expenses by adaption of remote working arrangement in Canada.

Administrative expenses

The administrative expenses increased from approximately HK\$18.2 million for the six months ended 30 June 2024 to approximately HK\$22.5 million for the six months ended 30 June 2025, primarily due to one-off early termination fee paid to a service provider.

Expected credit losses (“ECLs”) allowance on financial assets

The ECLs allowance on financial assets decreased by approximately HK\$17.5 million or approximately 86.6%, from approximately HK\$20.2 million for the six months ended 30 June 2024 to approximately HK\$2.7 million for the six months ended 30 June 2025. Such decrease was mainly attributable to the improvement on aging of receivables balances as compared to the one as at the year ended 31 December 2024. Such improvement was resulted from settlement made by debtors for certain long outstanding receivables during the six months ended 30 June 2025.

Loss for the period

The Group’s loss before income tax decreased by approximately HK\$5.4 million or approximately 27.3%, from approximately HK\$19.8 million for the six months ended 30 June 2024 to approximately HK\$14.4 million for the six months ended 30 June 2025. Such decrease was mainly attributed to:

- a decrease in the Group’s overall gross profit by approximately HK\$2.8 million or approximately 15.5%, from approximately HK\$18.1 million for the six months ended 30 June 2024 to approximately HK\$15.3 million for the six months ended 30 June 2025 as discussed in the sub-section headed “Gross profit and gross profit margin” above; and

- an increase in administrative expenses by approximately HK\$4.3 million or approximately 23.6%, from approximately HK\$18.2 million for the six months ended 30 June 2024 to approximately HK\$22.5 million for the six months ended 30 June 2025 as discussed in the sub-section headed “Administrative expenses” above,

partially offset by:

- a decrease in provision ECLs allowance on financial assets by approximately HK\$17.5 million or approximately 86.6%, from approximately HK\$20.2 million for the six months ended 30 June 2024 to approximately HK\$2.7 million for the six months ended 30 June 2025 as discussed in the sub-section headed “ECLs allowance on financial assets” above.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the six months ended 30 June 2025, the Group’s primary source of funding included, among others, its own working capital, the net proceeds from the listing and the credit facilities provided by the Group’s principal bank in Canada.

Net cash generated from operating activities was approximately HK\$27.0 million for the six months ended 30 June 2025, as compared to the net cash generated from operating activities of approximately HK\$5.5 million for the six months ended 30 June 2024. Net cash used in investing activities was approximately HK\$21.8 million for the six months ended 30 June 2025, as compared to the net cash used in investing activities of approximately HK\$17,000 for the six months ended 30 June 2024. Net cash generated from financing activities was approximately HK\$1.3 million for the six months ended 30 June 2025, as compared to the net cash generated from financing activities of approximately HK\$3.6 million for the six months ended 30 June 2024.

As at 30 June 2025, the Group’s cash and cash equivalents amounted to approximately HK\$38.9 million, representing an increase of approximately 28.0% from approximately HK\$30.4 million as at 31 December 2024.

The Group's gearing ratio is calculated based on total loans divided by the shareholders' equity at the end of the financial year/period and multiplied by 100%. The Group's gearing ratio was changed from positive percentage at 31 December 2024 to negative percentage as at 30 June 2025. Taking into consideration the Group's current cash and bank balances, together with the credit facilities available and the expected cash flow from operations, it is anticipated that the Group should have adequate financial resources to meet its ongoing operating and development requirements.

Net Current Liabilities

As at 30 June 2025, the Group had net current liabilities of approximately HK\$26.9 million as compared to the net current liabilities of approximately HK\$13.2 million as at 31 December 2024. Such increase was primarily attributable to the additional ECLs allowance on financial assets recognised by the Group during the period and increase in receipt in advance from a customer in relation to travel business process management, partly offset by the increase in prepayment, deposits and other receivables.

Borrowings

As at 30 June 2025, the Group had interest-free borrowings from the Government of Canada under the Regional Economic Growth Through Innovation program of approximately HK\$2.1 million (31 December 2024: HK\$2.3 million), which were denominated in Canadian dollars, of which approximately HK\$0.8 million is repayable within one year, approximately HK\$0.8 million is repayable after one year but within two years, and approximately HK\$0.5 million is repayable after two years but within five years.

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period under review. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Financial asset at FVTPL

The financial asset at FVTPL of approximately HK\$1.3 million as at 30 June 2025 (31 December 2024: HK\$1.4 million) represented a government bond issued by the Canadian government with an interest rate of 2.8% per annum with a maturity date of 8 March 2027 (31 December 2024: 3.6% per annum with a maturity date of 15 February 2025). Accordingly, the Group recorded non-current financial asset at FVTPL of approximately HK\$1.3 million as at 30 June 2025, and current financial asset at FVTPL of approximately HK\$1.4 million as at 31 December 2024.

As the highest applicable percentage ratio under Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) in respect of the subscription of government bond mentioned above was less than 5.0%, such transaction was exempted from the notification, publication and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

Amount due to immediate holding company

As at 30 June 2025, the Group had amount due to immediate holding company of HK\$19.5 million, as compared to HK\$17.0 million as at 31 December 2024. Such amount due to immediate holding company was non-trade in nature, interest-free, unsecured, repayable on demand and on normal commercial terms or better, and constituted a fully exempt financial assistance received by the Group pursuant to Rule 14A.90 of the Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

On 29 August 2025, the Group entered into a share purchase agreement with the affiliate of one of its customers for the purposes of the Disposal. Completion of the Disposal took place on the same date. For details, please refer to the announcement of the Company dated 29 August 2025.

In addition, with effect from 29 August 2025, Mr. Liu Jiefeng has been re-designated as an executive Director and has been appointed as the chief executive officer of the Company in place of Dr. Kou Chung Yin Mariana.

Save as disclosed in this announcement, there are no significant events subsequent to the end of the Reporting Period which would materially affect the Group's operating and financial performance as at the date of this announcement.

FOREIGN EXCHANGE RISKS

The Group has foreign currency exposures that mainly arise from the balance of assets and liabilities in currencies other than the respective group companies' functional currencies. The Group's policy requires the management to control the Group's foreign exchange risk to an acceptable level by ensuring that the Group is able to obtain sufficient amount of United States dollar, Canadian dollar and Renminbi at acceptable exchange rate for meeting the payment obligations arising from business operations. Net foreign exchange losses of approximately HK\$3.6 million were recorded for the six months ended 30 June 2025 and net foreign exchange gains of approximately HK\$1.8 million were recorded for the six months ended 30 June 2024.

During the six months ended 30 June 2025, the Group did not engage in any derivatives activities and did not commit to any financial instruments to hedge its exposure to foreign currency risk.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group had a total of 80 employees as compared to 82 employees as at 31 December 2024. The total staff costs incurred by the Group for the six months ended 30 June 2025 were approximately HK\$14.7 million as compared to approximately HK\$15.3 million for the six months ended 30 June 2024. The Group will regularly review its remuneration policy and the benefits to its employees with reference to market practice and the performance of individual employees. In addition, the Company has adopted a share option scheme on 7 May 2018 to attract and retain individuals with experience and ability, and to reward them for their contributions. For details, please refer to the paragraph headed "Share option scheme" below.

MATERIAL ACQUISITIONS AND DISPOSALS AND SIGNIFICANT INVESTMENTS

During the six months ended 30 June 2025, no material acquisition and disposal of subsidiaries, associates or joint ventures, or significant investments were conducted by the Group. The Group had no significant investments as at 30 June 2025.

On the other hand, as disclosed above, the Group entered into a share purchase agreement with the affiliate of one of its customers on 29 August 2025 for the purposes of the Disposal, and completion of the Disposal took place on the same date. For details, please refer to the announcement of the Company dated 29 August 2025.

PLEDGE OF ASSETS

As at 30 June 2025, the Group had government bond issued by the Canadian government of approximately HK\$1.3 million (31 December 2024: HK\$1.4 million). The bond is held as a security pledge for the operating permits required under the Quebec Travel Agents Act by the Québec L'Office de la protection du consommateur. The interest rate for the bond is 2.8 % per annum with a maturity date of 8 March 2025 (31 December 2024: 3.6% per annum with a maturity date of 15 February 2025).

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any material contingent liabilities or guarantees.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have plans for material investments and capital assets as at 30 June 2025.

USE OF PROCEEDS FROM THE LISTING

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 28 June 2018, with net proceeds received by the Company from the share offer in the amount of approximately HK\$49.7 million after deducting underwriting commission and all related listing expenses. The net proceeds received from the share offer have been and will be used in the manner consistent with that set out in the section headed “Future plans and use of proceeds” of the prospectus of the Company dated 15 June 2018.

An analysis of the utilisation of the net proceeds received from the share offer from the listing date up to 30 June 2025 is set out below:

	Net proceeds from the share offer HK\$ million	Actual utilisation up to 30 June 2025 HK\$ million	Unutilised amounts as at 30 June 2025 HK\$ million	Expected year of full utilisation of remaining balance
Use of net proceeds				
Repayment of bank borrowings	21.5	21.5	—	—
Expansion of air ticket distribution business	13.4	1.0	12.4	2026
Upgrade the information technology infrastructure	6.7	4.8	1.9	2026
Expansion of the travel business process management business	6.9	6.9	—	—
Advertising and promotion	1.2	1.2	—	—
	<u>49.7</u>	<u>35.4</u>	<u>14.3</u>	

In light of the Disposal and to cope with the development strategy of the Group, the Company will reassess the timeline and/or usage of net proceeds from the share offer. The Company will make further announcement(s) in accordance with the Listing Rules should there be any change to the usage of net proceeds from the share offer.

SHARE OPTION SCHEME

The Company has adopted a share option scheme on 7 May 2018 (the “**Share Option Scheme**”). Other than the Share Option Scheme, the Group has no share schemes under Chapter 17 of the Listing Rules. The Share Option Scheme is designed to motivate eligible participants, including executives and key employees, who may make a contribution to the Group, and enables the Group to attract and retain individuals with experience and ability and to reward them for their contributions. Since the adoption of the Share Option Scheme and up to the date of this announcement, no share options had been granted, exercised, lapsed or cancelled under the Share Option Scheme. There were 120,000,000 share options available for grant as at both 1 January 2024 and 30 June 2024, as no share options had been granted during the six months ended 30 June 2025.

INTERIM DIVIDENDS

The Board resolved not to declare any payment of interim dividend for the six months ended 30 June 2025 and 2024.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules during the six months ended 30 June 2025 except the following deviation:

Code Provision C.2.1

CG Code provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Dr. Kou Chung Yin Mariana is the chairperson of the Board and the chief executive officer of the Company. The Board is of the opinion that vesting the roles of both chairman and chief executive in Dr. Kou has the benefit of ensuring consistent leadership within the Group thus enabling more effective and efficient strategic planning for the Group. The Board also believes that the balance of power and authority is not compromised and is adequately ensured by the composition of the existing Board. Therefore, the Directors consider that the deviation from the CG Code provision C.2.1 is appropriate in such circumstances.

In such connection, effective from 29 August 2025, Mr. Liu Jiefeng has been re-designated as an executive Director, and has been appointed as the chief executive officer of the Company in place of Dr. Kou Chung Yin Mariana, whereas Dr. Kou Chung Yin Mariana continues to serve as an executive Director and chairperson of the Board. There has not been any deviation from CG Code provision C.2.1 since then.

The Board will continue to review and monitor the corporate governance status of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules (the “**Model Code**”). The Company has made specific enquiries to all Directors, and all Directors have confirmed that they have complied with the Model Code and its code of conduct during the six months ended 30 June 2025 and up to the date of this announcement.

The Board has also adopted the Model Code as the guidelines for its relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the securities of the Company. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company.

AUDIT COMMITTEE

The Company has established an audit committee on 7 May 2018 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and CG Code provision C.3 as set out in Appendix C1 to the Listing Rules. The primary duties of the audit committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management system of the Group, to oversee the audit process, to develop and review the policies and to perform other duties and responsibilities as assigned by the Board. It also acts as an important link between the Board and the Company's auditor in matters within the scope of the group audit. Meetings of the audit committee shall be held at least twice a year. The audit committee currently consists of three independent non-executive Directors, namely Ms. Kwan Ka Yee, Mr. Tan Wentao and Ms. Suen Yin Wah Chloe, with Ms. Kwan Ka Yee serving as the chairperson.

REVIEW OF ACCOUNTS

The unaudited interim results and financial report of the Group for the six months ended 30 June 2025 have been reviewed by the audit committee and the audit committee is of the view that the interim results and financial report for the six months ended 30 June 2025 are prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made. The external auditor has also reviewed the interim financial information of the Group for the six months ended 30 June 2025 in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by Independent Auditor of the Entity" issued by the International Auditing and Assurance Standard Board.

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

During the six months ended 30 June 2025 and up to the date of this announcement, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the websites of both the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.cighl.com>). The interim report of the Company for the period containing all the information required by Appendix D2 to the Listing Rules will be dispatched to the Shareholders and available on the same websites in due course.

The exchange rate of CAD1.00 = HK\$5.70 has been adopted for translating CAD into HK\$ in this announcement, which is an approximate and for illustration only, and the Company makes no representation that such currencies could actually be converted at the rate indicated or at all.

By Order of the Board

Cinese International Group Holdings Limited

富盈環球集團控股有限公司

Dr. Kou Chung Yin Mariana

Chairperson and executive Director

Hong Kong, 29 August 2025

As at the date of this announcement, the executive Directors are Mr. Liu Xue Bin, Dr. Kou Chung Yin Mariana and Mr. Liu Jiefeng, and the independent non-executive Directors are Mr. Tan Wentao, Ms. Suen Yin Wah Chloe and Ms. Kwan Ka Yee.