INDEPENDENT MARKET RESEARCH
CHINA'S WATER-BASED TOURISM SERVICE MARKET STUDY

Confidential for

江苏瘦西湖文化旅游股份有限公司

Frost & Sullivan

October 2026

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For and on behalf of
Frost & Sullivan (Beijing) Inc.

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Overview of Tourism Market in China, Jiangsu Province and Yangzhou
Definition and Classification

Definition

- **The tourism industry** refers to the collection of activities that directly provide services to tourists, including travel, accommodation, dining, sightseeing, shopping, entertainment, etc.
- **Tourism-related industries** refer to the collection of activities that provide auxiliary services for tourists' travel and government tourism management services.

The Tourism Industry Classification

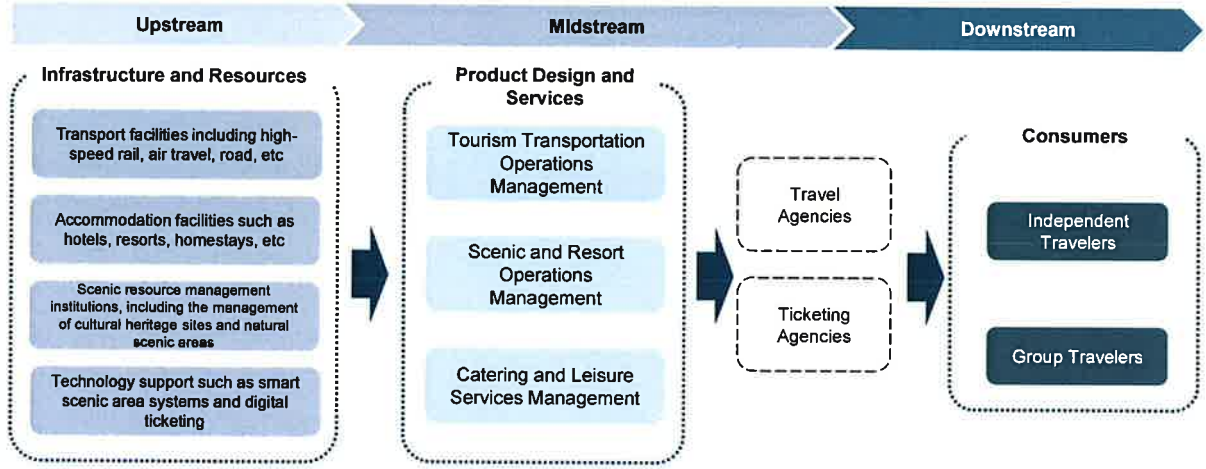
Division	Coverage
Travel Transport	Railways, roads, waterways, aviation, urban public transport, vehicle & boats rental, ticket agencies, etc.
Tourist Accommodation	Hotels, homestays, campgrounds, etc.
Tourist Catering	Restaurants, fast food, beverages, snacks, catering delivery for tour groups, etc.
Tourist Sightseeing	Park tours, ecotourism tours, museums, agricultural sightseeing and leisure tours, etc.
Tourist Entertainment	Cultural performances, sports events, indoor tourism and entertainment services, etc.

Division	Definition
Domestic Tourism	It refers to travel activities by Chinese residents within the country, including short-distance trips, nearby excursions, cultural experience tours, and themed tourism.
Inbound Tourism	It refers to travel activities by foreign tourists visiting China.
Outbound Tourism	It refers to travel activities by Chinese residents traveling abroad.

Source: Bureau of Statistics, Frost & Sullivan

Overview of Tourism Market in China, Jiangsu Province and Yangzhou
Value Chain

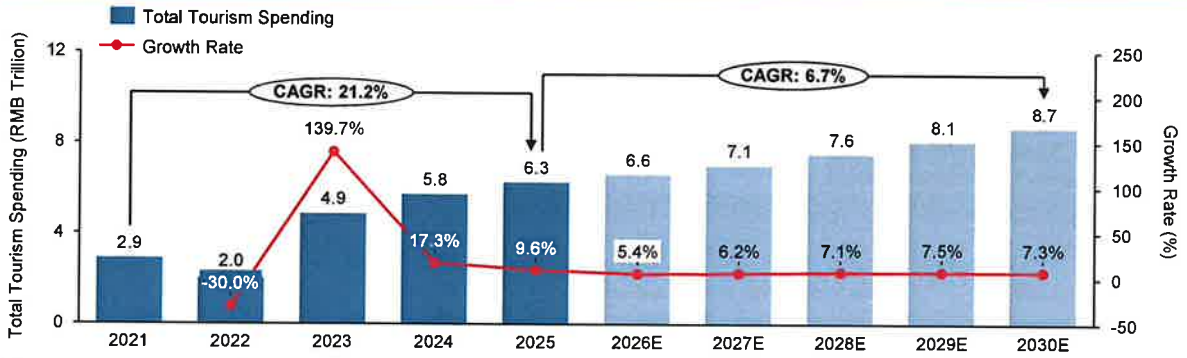
- The upstream of the tourism industry mainly involves transport facilities, accommodation facilities, scenic resource management institutions, and technology support. The upstream represents the core supply side of the tourism industry, focusing on the development of foundational infrastructure and the provision of essential tourism resources.
- The midstream of the tourism industry focuses on the management and development of transportation, scenic and resort operations, as well as catering and leisure services, representing the value-creating segment of the industry value chain.
- Midstream services are delivered to end users mainly via online and offline travel agencies as well as ticketing agents, which integrate products and offer accessible booking options through both online and offline channels.
- Downstream customers mainly include independent travelers and group travelers, who drive demand for diverse tourism products and services.



Source: Frost & Sullivan

Overview of Tourism Market in China, Jiangsu Province and Yangzhou
Total Tourism Spending

Total Tourism Spending (China), 2021-2030E

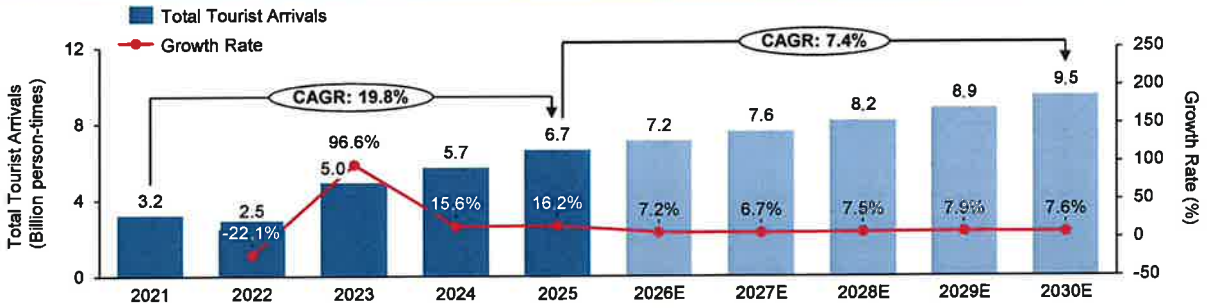


- The total tourism spending in China reached RMB6.3 trillion in 2025, rising from RMB2.9 trillion in 2021. In 2022, the total tourism spending experienced a significant decline due to pandemic control measures, including travel restrictions, lockdowns in some regions, reduced spending on transportation, accommodation, sightseeing, etc. However, with the relaxation of these controls, the market began to rebound in 2023, recovering to RMB4.9 trillion. This momentum continued into 2025, reflecting a notable increase from the 2022 downturn.
- The government has introduced a series of policies to promote market growth. According to the *"Domestic Tourism Enhancement Plan (2023–2025)"* (*《國內旅遊提升計畫（2023—2025年）》*) issued by the Ministry of Culture and Tourism in 2023, the plan aims for the domestic tourism market to maintain reasonable growth by 2025, with further improvements in quality and an enriched supply of high-quality tourism offerings. In 2025, the General Office of the State Council issued the *"Several Measures on Further Cultivating New Growth Drivers and Promoting the Prosperity of Cultural and Tourism Consumption"*(*《關於進一步培育新增長點繁榮文化和旅遊消費的若干措施》*), which proposed organizing a series of cultural and tourism consumption promotion activities, launching distinctive tourism products, and developing the night-time cultural and tourism economy. By 2030, the total tourism spending in China is projected to reach RMB8.7 trillion, growing at a CAGR of 6.7% from 2025.

Source: Ministry of Culture and Tourism of the PRC, Frost & Sullivan

Overview of Tourism Market in China, Jiangsu Province and Yangzhou
Total Tourist Arrivals

Total Tourist Arrivals (China), 2021-2030E



- Along with changes and growth in total tourism spending, the total tourist arrivals in China has shown similar changes in recent years. The total tourist arrivals in China increased from 3.2 billion person-times in 2021 to 6.7 billion person-times in 2025, rising at a CAGR of 19.8%. According to the "*Several Measures on Unlocking Tourism Consumption Potential and Promoting the High-quality Development of the Tourism Industry*" (*《關於釋放旅遊消費潛力推動旅遊業高品質發展的若干措施》*) issued by the General Office of the State Council, the measures aims at strengthening the construction of leisure facilities such as greenways, cycling paths and parking facilities, improving the tourism consumption environment, and enhancing consumer-benefit policies.
- In addition to favorable policies, the promotion of cultural products such as games, television dramas and variety shows has driven the continuous emergence of popular domestic tourist cities and attractions in recent years, becoming a new engine for the development of culture and tourism in many regions. Furthermore, China has further relaxed and optimized its visa-free policies and introduced a series of measures to facilitate foreign visitors, with continued benefits from policies easing visas, payments and accommodation for tourism in China.
- These have not only stimulated people's willingness to travel but also facilitated the expansion of the tourism sector, further improving the development of the tourism market and driving up tourist numbers. By 2030, the total tourist arrivals are expected to rise to 9.5 billion person-times, with a CAGR of 7.4% from 2025.

Source: Ministry of Culture and Tourism of the PRC, Frost & Sullivan

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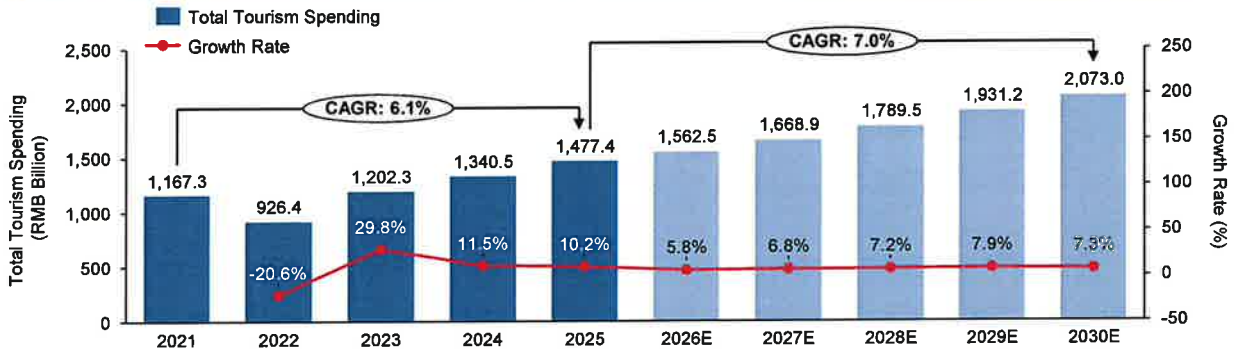
Overview of Tourism Market in China, Jiangsu Province and Yangzhou
Total Tourism Spending

Total Tourism Spending (Jiangsu Province), 2021-2030E



- From 2021 to 2022, total tourism spending in Jiangsu Province experienced fluctuations due to COVID-19 and has subsequently gradually recovered from the COVID-19 impacts since 2023. Tourism spending reached RMB1,167.3 billion in 2021. However, repeated COVID-19 outbreaks, travel restrictions, and weakened consumer confidence led to a decline of total tourism spending to RMB926.4 billion in 2022. In 2025, the total tourism spending in Jiangsu province reached RMB1,477.4 billion driven by the gradual recovery of domestic travel demand, rising consumer confidence, and supportive government policies promoting cultural and tourism development, growing at a CAGR of 6.1% from 2021.
- With the deepening integration of culture and tourism, the upgrading of tourism infrastructure, and the expansion of high-quality cultural and leisure offerings, the total tourism spending in Jiangsu Province is projected to reach RMB2,073.0 billion by 2030, representing a CAGR of 7.0% from 2025.

Source: Jiangsu Provincial Department of Culture and Tourism, Frost & Sullivan

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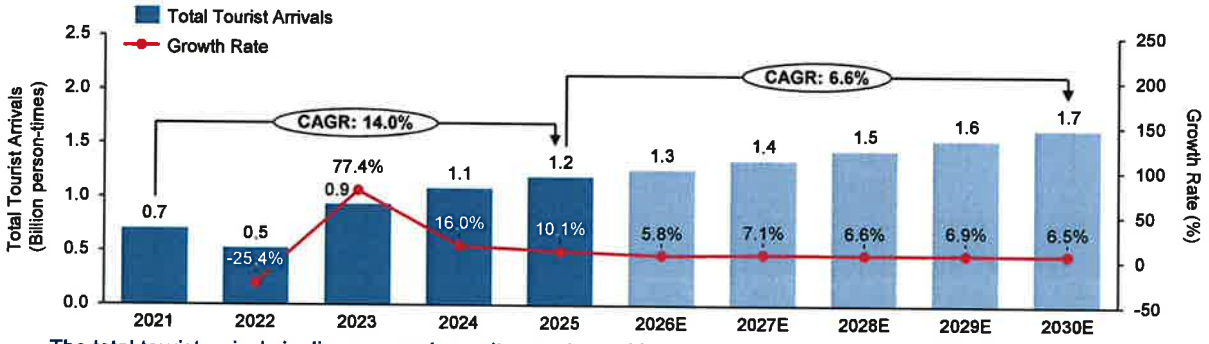
Overview of Tourism Market in China, Jiangsu Province and Yangzhou
Total Tourist Arrivals

Total Tourist Arrivals (Jiangsu Province), 2021-2030E

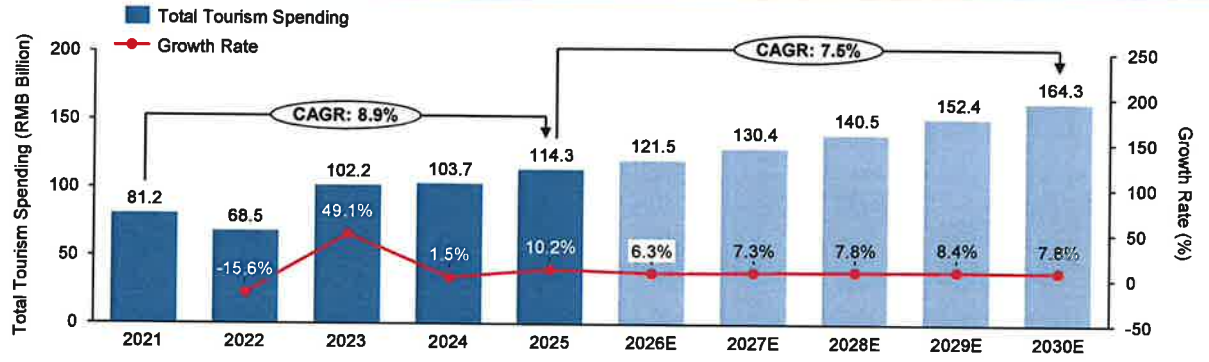


- The total tourist arrivals in Jiangsu province witnessed a rapid growth over the past years, rising from 0.7 billion person-times in 2021 to 1.2 billion person-times in 2025, representing a CAGR of 14.0% from 2021.
- According to the "*Specific Policy Measures on Promoting the Accelerated and Comprehensive Recovery of the Province's Cultural and Tourism Market*"(《关于促进全省文旅市场加快全面复苏的具体政策举措》) issued by the Jiangsu Provincial Department of Culture and Tourism and the Jiangsu Provincial Department of Finance, it aims at promoting the accelerated and comprehensive recovery of the cultural and tourism market. The measures mention accelerating the allocation of RMB90 million of provincial cultural and tourism development funds, with a focus on supporting projects such as consumption boosting, industrial integration, and digital development. Additionally, it includes holding the 5th Grand Canal Cultural and Tourism Expo and tourism consumption promotion activities. These events not only enhance tourism visibility in Jiangsu province but also encourage more tourists to travel there.
- By 2030, the total tourist arrivals in Jiangsu province is expected to increase to 1.7 billion person-times , with a CAGR of 6.6% from 2025.

Source: Jiangsu Provincial Department of Culture and Tourism, Frost & Sullivan

Overview of Tourism Market in China, Jiangsu Province and Yangzhou
Total Tourism Spending

Total Tourism Spending (Yangzhou City), 2021-2030E

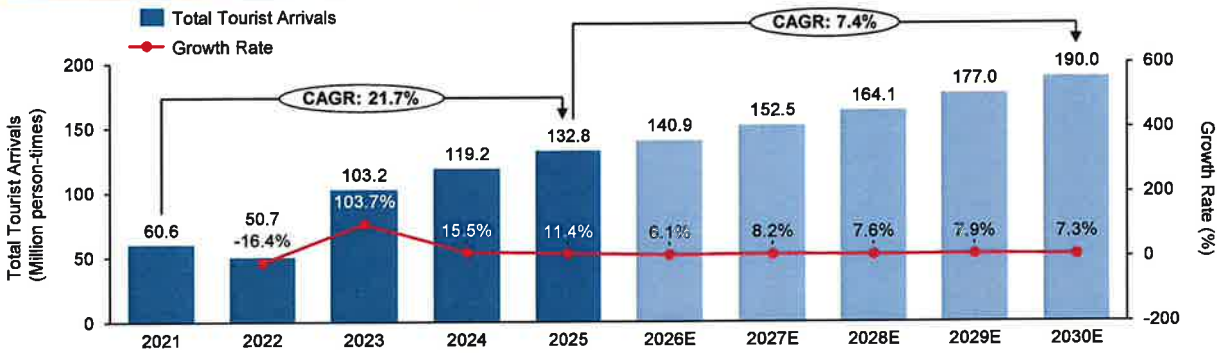


- Along with the continuous growth of total tourism spending in Jiangsu Province, tourism spending in Yangzhou has also increased at a CAGR of 8.9% from 2021, reaching RMB114.3 billion in 2025. This upward trend is closely tied to Yangzhou's unique tourism strengths and targeted development efforts. As a city renowned for its rich cultural heritage, from the Slender West Lake to its food culture, and supported by local policies promoting cultural tourism integration, Yangzhou has successfully attracted more visitors.
- In the future, the total tourism spending in Yangzhou is expected to continue growing steadily, rising from RMB114.3 billion in 2025 to RMB164.3 billion in 2030.

Source: Jiangsu Provincial Department of Culture and Tourism, Frost & Sullivan

Overview of Tourism Market in China, Jiangsu Province and Yangzhou
Total Tourist Arrivals

Total Tourist Arrivals (Yangzhou City), 2021-2030E



- In 2025, the total tourist arrivals in Yangzhou increase to 132.8 million person-times from 60.6 million person-times in 2021, representing a CAGR of 21.7% from 2021 to 2025. The local government is improving tourism infrastructure, upgrading transport, and enhancing visitor facilities. Support for cultural tourism projects and events such as festivals and exhibitions has further attracting more visitors to Yangzhou. In relation to the number and demands of visitors, the total number of visitors to Yangzhou City increased from approximately 103.2 million in 2023 to approximately 119.2 million in 2024, and further to approximately 132.8 million in 2025, demonstrating growing demand of visitors for tourism consumption within the city.
- With Yangzhou's growing popularity as tourist destination in China, Yangzhou had over 100 million visitors in 2023, providing a substantial visitor base and supporting continued opportunities for the development of diversified tourism services and products. However, existing tourism services remain concentrated in core scenic areas, highlighting the growing market demand for new tourism services and products. It is predicted that the total tourist arrivals in Yangzhou is expected to grow at a CAGR of 7.4%, rising from 132.8 million person-times in 2025 to 190.0 million person-times in 2030.

Source: Jiangsu Provincial Department of Culture and Tourism, Frost & Sullivan

Overview of Tourism Market in China, Jiangsu Province and Yangzhou
Market Drivers

	Key Drivers	Impact (1-2 years)	Impact (3-5 years)
1	Urbanization and the improvement of transportation infrastructure	Medium	Medium
2	Upgrading of tourism consumption and social media sharing	Medium	High
3	Technological advancements and digitalization	High	High
4	The development of inbound tourism	Medium	High

Urbanization and the improvement of transportation infrastructure	China's urbanization has significantly expanded the base of tourism consumers. According to the National Bureau of Statistics, the urbanization rate in China reached 67.9% in 2025. The concentration of population from rural to urban areas has further stimulated the rapid growth of local and short-distance tourism. In addition, improvements in transportation infrastructure have lowered travel barriers. For instance, the extensive highway network has facilitated road trips, driving the growth of local tourism and family travel. In the aviation sector, the government has accelerated the development of aviation hubs and regional airports, with increasingly comprehensive route coverage, which has supported the growth of long-distance, inter-provincial, and international travel.
Upgrading of tourism consumption and social media sharing	With the improvement of living standards and the optimization of consumption structure, tourists are no longer satisfied with visiting traditional attractions alone. They increasingly value comfort, cultural significance, and personalized experiences, such as immersive performances, theme parks, outdoor adventures, etc. In addition, the widespread use of digital social platforms has amplified the social aspect of travel, as users share their experiences online, driving the rapid popularity of personalized and niche destinations. Collectively, these trends have supported the expansion of China's tourism industry.
Technological advancements and digitalization	The rapid development of information technology has enhanced both the efficiency and experience of the tourism industry. Tourists can easily access destination information, book flights and hotels online, and complete the entire payment process through mobile platforms. At the same time, the application of big data and artificial intelligence enables tourism companies to analyze visitor preferences more accurately, facilitating personalized product recommendations and price optimization, thereby promoting the personalization of tourism products and services. In addition, the introduction of emerging technologies such as VR and AR has created new experiential scenarios, including immersive museums, virtual exhibitions, and online travel live streams, expanding the range of offerings in the tourism market.
The development of inbound tourism	With China's increasing level of openness, inbound tourism has become an important driver of the tourism market growth. Visa facilitation policies continue to be optimized, and the scope of visa-free and visa-on-arrival programs has steadily expanded, lowering the barriers for international visitors. China has also established multiple international air hubs, making it more convenient for foreign tourists to travel to the country while also facilitating Chinese tourists' access to global destinations. In addition, the hosting of international sporting events, cultural exchange activities, and large-scale exhibitions has enhanced China's global appeal as a tourist destination, showcasing the diversity and inclusiveness of its tourism resources.

Source: Frost & Sullivan

Overview of Tourism Market in China, Jiangsu Province and Yangzhou
Future Trends

Short trips and surrounding-area tours

- The tourism market is showing a development trend dominated by short-distance and regional travel. With the continuous improvement of transportation networks, including expressways and high-speed rail, tourists are showing a preference for flexible, convenient, and frequent travel options. Short-distance trips not only cater to weekend cross-regional leisure and vacation needs but also drive the development of tourism in areas surrounding cities and nearby suburbs, such as high-quality homestays, specialty dining, and cultural-creative experiences. This trend has further given rise to emerging formats such as weekend getaways, day trips, and micro-vacations, fostering a sustainable pattern of high-frequency consumption and becoming one of the important trends for the future development of the tourism market.

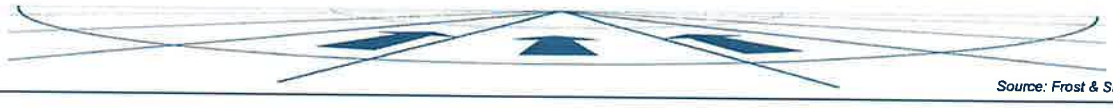
Theme-oriented and experiential tourism

- With the growing demand from tourists for cultural, educational, immersive, and interactive experiences, tourism products represented by theme parks and characteristic towns are attracting visitors through unique IPs and story-driven settings. Nighttime tourism, performance-based travel, and culture-tourism integration projects are rapidly emerging, offering diversified and in-depth experiences for tourists. This trend encourages tourism enterprises to continuously innovate in content creation and service design to meet the personalized experience needs of different visitor groups.

Refined and personalized tourism services

- The tourism market is expected to evolve towards a trend of personalization and refined services. Tourism products and offerings is expected to place emphasis on meeting the differentiated needs of groups with varying ages and interests. For instance, senior tourists tend to prefer leisure, wellness, and safety-oriented trips, such as itineraries featuring low-salt nutritious meals or traditional Chinese medicine wellness services. In contrast, younger tourists are drawn to niche and "Guochao" experiences. These include traditional flower hairpins, Hanfu styling, and the combination of popular IPs with scenic attractions, offering fresh and immersive experiences. Refined and personalized tourism services are not only emerging as key development trends, but are also expected to shape new service standards and operating models in the tourism market.

Future Trends of Tourism Market in China, Jiangsu Province and Yangzhou City



Source: Frost & Sullivan

Overview of Tourism Market in China, Jiangsu Province and Yangzhou
Policies and Regulations

Name	Issued Year	Issued Department	Key Messages
Several Measures on Further Cultivating New Growth Drivers and Promoting the Prosperity of Cultural and Tourism Consumption 《關於進一步培育新增長點繁榮文化和旅遊消費的若干措施》	2025	The General Office of the State Council 國務院辦公廳	• The policy proposes enriching consumer-oriented measures by launching a series of cultural and tourism promotional activities. It aims to address the consumption needs of different age groups by enhancing family-friendly leisure services, fostering the innovative development of study tours, and improving cultural and tourism services for the elderly. In addition, the policy emphasizes expanding the supply of distinctive and high-quality products, diversifying cultural and entertainment offerings, and developing fashionable products inspired by Guochao trends.
Advancing the Initiative of Building a "Quality Jiangsu" Cultural and Tourism System 《建設"品質江蘇"文旅系統在行動》	2025	General Office of the Jiangsu Provincial Government 江蘇省政府辦公廳	• The plan sets out six key initiatives, namely quality enhancement, brand building, technology empowerment, safety assurance, consumer confidence promotion, and joint quality governance, supported by 21 specific measures. It specifies the target of cultivating 50 night-time consumption clusters (pedestrian streets) throughout the year, while expanding consumption scenarios such as first launches, debuts, exhibitions and flagship stores, as well as night-time entertainment, tourism, shopping, dining, and fitness.
Several Measures to Promote the Development of Yangzhou as an International Cultural and Tourism City 《揚州市促進國際文化旅遊名城建設若干措施》	2024	Yangzhou Municipal People's Government 揚州市人民政府	• The policy encourages internationally and domestically renowned cultural and tourism brands to establish a presence in the city, with support provided in terms of funding, talent, and land in accordance with local policies. It also encourages state-owned enterprises to lawfully utilize existing assets such as heritage buildings, ancient architecture, and historical sites for the development of cultural and creative industries, tourism accommodation, local performing arts, intangible cultural heritage experiences, contemporary art, immersive experiences, and flagship stores of leading brands.

Source: Frost & Sullivan

Name	Issued Year	Issued Department	Key Messages
Yangzhou City Grand Canal Cultural Heritage Protection Ordinance 《扬州市大運河文化遺產保護條例》	2023	Yangzhou Municipal People's Government 扬州市人民政府	• Departments of culture, radio and television, tourism, and cultural relics are expected to promote the planning and development of all-for-one tourism along the Grand Canal. Leveraging the cultural and tourism resources of the Grand Canal, they aim to integrate related water systems and, along the route, resources such as hydraulic engineering works, gardens, post stations, docks, traditional villages, distinctive local products, and representative items of intangible cultural heritage, while developing and promoting tourism projects and products with Grand Canal characteristics.
Implementation Plan for Jiangsu Province's "14th Five-Year" Tourism Development Plan 《江蘇省貫徹"十四五"旅遊業發展規劃實施方案》	2022	General Office of the Jiangsu Provincial Government 江蘇省政府辦公廳	• Jiangsu will further promote the high-level integration and high-quality development of culture and tourism, expand the supply of premium tourism products, stimulate tourism consumption, and optimize the modern tourism system. The province aims to strengthen the "Water Charm Jiangsu" cultural and tourism brand, develop a number of world-class tourism attractions and resorts with rich cultural heritage, establish a comprehensive leisure and vacation system, accelerate the development of red tourism and rural tourism, and vigorously advance digital culture and smart tourism.
Guidelines for the Construction of Rural Tourism Homestay Clusters in Jiangsu Province (Trial) 《江苏省乡村旅游民宿集聚区建设指南（试行）》	2022	Department of Culture and Tourism of Jiangsu Province 江苏省文化和旅游厅	• The construction scope, objectives, and tasks of rural tourism homestay clusters in Jiangsu Province have been clearly defined. For natural villages, the cluster should gather approximately 20 rural tourism homestays with a total of around 200 rooms. For administrative villages (communities) and functional areas, the cluster should gather approximately 100 rural tourism homestays with a total of around 1,000 rooms.

Source: Frost & Sullivan

Content

1 Overview of Tourism Market in China, Jiangsu Province and Yangzhou

2 Overview and Competitive Landscape of Water-based Tourism Service Market in Chi Province and Yangzhou

3 Appendix

Overview and Competitive Landscape of Water-based Tourism Service Market in China, Jiangsu Province and Yangzhou

Definition and Classification

Definition

Water-based tourism services encompass leisure and sightseeing experiences conducted on designed water areas, including inland navigable waters and non-navigable waters such as rivers, lakes, and canals and scenic areas, using boats including sightseeing boats, self-driving boats, painted boats, dining boats, etc.. In this report, the scope ***excludes*** both overnight and non-overnight cruises

Water-based tourism service is not a nationally standardized industry term. However, the relevant business activities of water-based tourism service are reflected in existing industry classifications and regulatory documents.

Under the Industrial Classification for National Economic Activities (GB/T 4754-2017), "Inland waterway passenger transportation" under "water passenger transportation" includes passenger transportation services provided by inland sightseeing boats. In addition, the *"Jiangsu Provincial Measures for the Safety Administration of Inland Water-based Tourism Business Activities"* (*《江苏省内河水上游览经营活动安全管理办法》*) also uses the term "water-based tourism" when regulating relevant business activities. Therefore, "water-based tourism service" is reasonably regarded as a commonly used industry term for such business activities.

"Overnight cruises" refer to water-based tours where passengers stay onboard for one or more nights, while "non-overnight cruises" are sightseeing trips completed within the same day. Both categories were excluded from the scope of water-based tourism services covered in the report, as cruise operations generally involve large or luxury vessels and differ significantly in business model, scale, and operating nature from the Company's boat-based tourism services.

Classification

The water-based tourism service market in China can be categorized based on the water types and service offerings.

- By water type – inland waterways, coastal waters, and urban water systems, each offering distinct route designs and visitor experiences.
- By service offerings – daytime sightseeing boats, night sightseeing boats, self-driving boats, painted boats, dining boats, etc., catering to a spectrum of needs from cultural leisure to premium, customized experiences.

This multidimensional structure highlights the variety of operating models and the breadth of consumer preferences shaping China's water-based tourism market.

Source: Frost & Sullivan

Overview and Competitive Landscape of Water-based Tourism Service Market in China, Jiangsu Province and Yangzhou

Definition and Classification (Cont.)

- Rivers, lakes and canals typically represent distinct water types within China's inland water-based tourism market. Rivers, such as the Huangpu River in Shanghai, are generally located within urban areas and feature cityscapes and landmark bridges. Lakes, such as West Lake in Hangzhou and Taihu Lake in Jiangsu, are characterised by natural scenery including mountains and islands. Canals, exemplified by the Beijing–Hangzhou Grand Canal, are often situated in historical and cultural areas, featuring riverside landscapes and heritage attractions.
- China's water-based tourism market offers a diverse range of boat services, primarily including sightseeing boats, self-driving boats, painted boats and dining boats. Sightseeing boats are primarily used for short, fixed-route tours showcasing urban or natural landscapes. They generally operate on rivers, lakes, or canals, with larger passenger capacities and standardized services. Self-driving boats, usually small pedal or electric boats, allow visitors to operate vessels independently, emphasising leisure participation and personalised experiences, and are commonly found in lakes or resort areas. Painted boats, inspired by traditional Chinese architecture, integrate sightseeing with cultural and aesthetic elements, while dining boats provide onboard meal services and represent a functional sub-category applicable to different vessel types.
- Due to differing operating environments and customer segments, sightseeing, self-driving, and painted boats generally do not compete directly. Sightseeing boats mainly serve group travellers along fixed routes, self-driving boats target family and leisure visitors, and painted boats appeal to tourists seeking cultural experiences. While certain integrated scenic destinations may offer multiple service types, these typically complement rather than substitute each other.
- The specific number of each water type and service offering type available in China, Jiangsu Province and Yangzhou is not publicly disclosed by any authoritative industry source. Nevertheless, based on industry research, market observations, and information available from public databases and industry associations, a diverse range of water types (including inland waterways, coastal waters, and urban water systems) and service offerings (including daytime sightseeing boats, night sightseeing boats, self-driving boats, painted boats, and dining boats) are currently available across China, with Jiangsu Province and Yangzhou offering a representative subset of such categories

Source: Frost & Sullivan

Overview and Competitive Landscape of Water-based Tourism Service Market in China, Jiangsu Province and Yangzhou

Development History and Current Status of the Industry

Early Exploration Period (1980s-1990s)

- As domestic tourism grew, regions with abundant water resources launched basic sightseeing services. In the 1980s, Wuxi was among the first cities in China to develop canal tourism projects by leveraging its canal resources, attracting global tourists by showcasing the unique characteristics of the Grand Canal.

Expansion Period (Early 2000s-Mid 2010s)

- To meet the growing demand from tourists, water-based tourism services in multiple regions have expanded through route extensions and vessel upgrades. Night water-based tourism services have become increasingly popular, giving rise to the "boat tours + city branding" model driven by the night tourism economy.
- During this period, some cities began initial efforts to incorporate local culture into water-based tourism service.

Diversified Development Period (Mid 2010s-Present)

During this stage, the industry experienced rapid growth.

- National water cleanup efforts improved environmental conditions.
- The water-based tourism service market began introducing modern boats offering dining, entertainment, and cultural activities, such as painted barges, Jiangnan river banquets, wedding ceremonies, etc.
- Diversified routes were developed, covering urban rivers, lakes, and coastal areas.
- Policies promoting green and low-carbon development have accelerated the adoption of green facilities in the water-based tourism service market, with electric and hybrid-powered boats gradually being introduced.

Source: Frost & Sullivan

Overview and Competitive Landscape of Water-based Tourism Service Market in China, Jiangsu Province and Yangzhou

Overview of Operational Water Areas

Chongqing

- The confluence of the Yangtze and Jialing Rivers, along with the surrounding mountain scenery and unique cityscape, gives Chongqing inherent advantages for water tourism.
- With the support of government policies, Chongqing has launched night cruises centered on light shows that incorporate the local "Bashu" culture into on-board programs.

Hubei

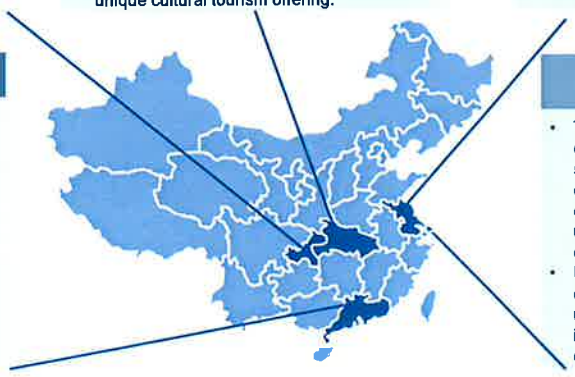
- Hubei, located at the confluence of the Yangtze and Han Rivers, features an extensive urban river network and numerous lakes, creating favorable conditions for water-based tourism in the province.
- Hubei's continuous improvements to ports and the introduction of new themed routes are facilitating the shift of its waterway network from primarily serving transportation purposes to becoming a unique cultural tourism offering.

Jiangsu

- Jiangsu features a network of the Yangtze River, Grand Canal, and Taihu Lake, offering high-quality water-based tourism resources.
- Distinctive routes include Grand Canal cultural tours, such as tours of Slender West Lake, and scenic cruises along cities on the Yangtze River. Jiangsu is advancing the deep integration of the "Shuiyun Jiangsu" culture-tourism brand with water transportation, driving high-quality development of water tourism.

Guangdong

- The interconnected waterways of the Pearl River Delta create favorable cruising conditions for Guangdong. Water-based tourism routes connect urban landmarks such as Canton Tower.
- Also, Guangdong has introduced policies supporting the development of electric boats and smart terminals to promote green Pearl River cruises.



Shanghai

- The Huangpu–Suzhou Creek system offers year-round navigability, ensuring stable water transportation. The night cruise routes connect the city landmarks of Lujiazui and the Bund, creating a unique nighttime water scenery experience.
- Under the "One River, One Creek" plan of the 14th Five-Year Plan, efforts are underway along the Suzhou Creek to improve and enhance waterfront connectivity and redevelopment.

Source: Frost & Sullivan

Overview and Competitive Landscape of Water-based Tourism Service Market in China, Jiangsu Province and Yangzhou

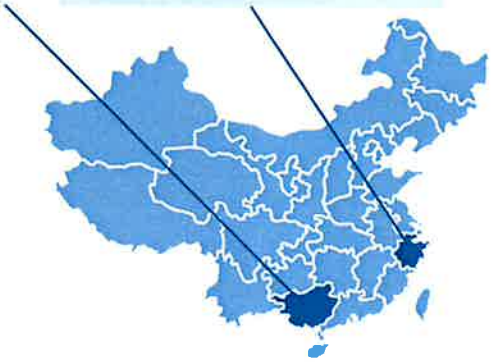
Overview of Operational Water Areas (Cont.)

Guangxi

- Guangxi is located in southern China, with major rivers including the Pearl River and its tributaries, the Li River, and the Liu River, forming a dense inland waterway network.
- Moreover, Guangxi's unique karst landscapes provide strong support for the development of water-based tourism and eco-tourism.

Zhejiang

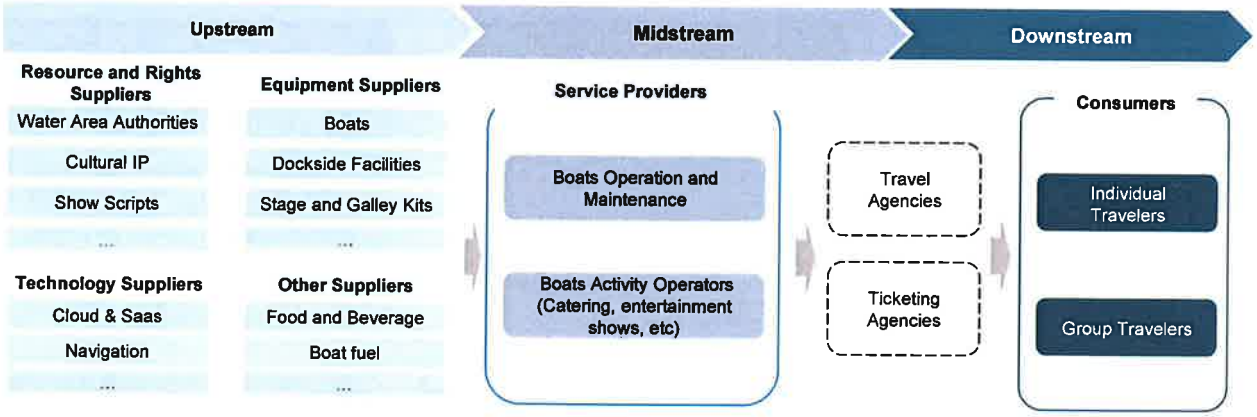
- Zhejiang is located along China's southeastern coast, featuring a dense network of rivers and numerous lakes, with the Qiantang River being particularly well-known. The province possesses abundant port resources and favorable conditions for inland water transport, providing a solid foundation for waterway transportation and port logistics.
- Zhejiang's river and lake landscapes support the development of water-based tourism resources and services.



Source: Frost & Sullivan

Overview and Competitive Landscape of Water-based Tourism Service Market in China, Jiangsu Province and Yangzhou

Value Chain



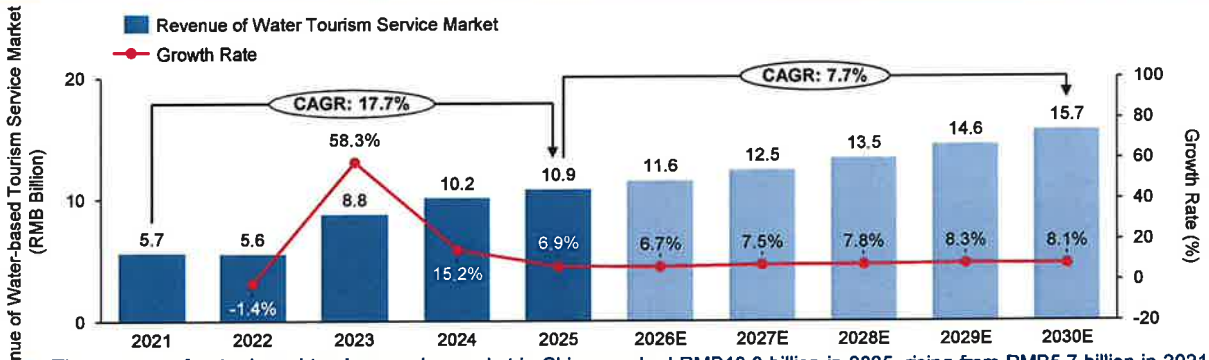
- China's water-based tourism value chain links upstream suppliers, midstream service providers and downstream end users.
- Upstream suppliers include (1) resource and rights suppliers provide water area authorities, cultural IP, show scripts, etc. (2) equipment suppliers deliver boats, dockside facilities, and stage/galley kits, ensuring the infrastructure for operations. (3) technology suppliers provide cloud & SaaS solutions and navigation systems, ensuring the safe journeys, and (4) other suppliers supply food and beverage as well as boat fuel, all ensuring the smooth operation of upstream related processes.
- Midstream service providers involve boats operation and maintenance and boats activity operators. Boats operation and maintenance are responsible for the daily scheduling and sailing arrangements, as well as inspecting, cleaning and maintaining boats. Boats activity operators design the activities on the boat, such as providing catering, themed shows or interactive events, to enrich trips.
- Before reaching end users, midstream services are primarily distributed through online travel agencies ("OTAs") and offline travel agencies, as well as online and offline ticketing agencies, which package products and provide convenient booking channels for travelers.
- The downstream includes two types of clients: (1) individual travelers, defined as a single passenger who consumes the water-based service alone; and (2) group travelers, referring to two or more passengers traveling together, including families, tour groups and event parties such as weddings, celebrations and corporate team building.

Source: Frost & Sullivan

Overview and Competitive Landscape of Water-based Tourism Service Market in China, Jiangsu Province and Yangzhou

Revenue of Water-based Tourism Service in China

Revenue of Water-based Tourism Service Market (China), 2021-2030E



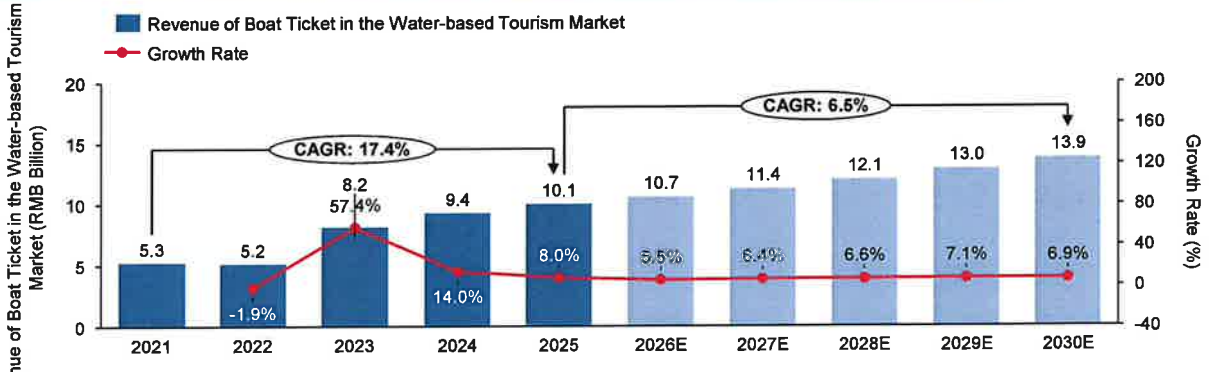
- The revenue of water-based tourism service market in China reached RMB10.9 billion in 2025, rising from RMB5.7 billion in 2021. In 2024, the National Development and Reform Commission and other relevant authorities issued the *"Implementation Plan for Promoting Equipment Upgrades in the Culture and Tourism Sectors"(《推動文化和旅遊領域設備更新實施方案》)*. The plan aims to guide and promote the nationwide renewal of facilities and equipment in the culture and tourism sectors by 2027, fully enhancing service quality and driving high-quality development. It proposes the upgrading of land-based, water-based and aerial sightseeing equipment in key tourist attractions, and the replacement of a range of advanced equipment featuring high technology, high efficiency and low energy consumption, including off-road sightseeing vehicles, sightseeing cruise ships, tourist boats, speedboats, etc.
- The revenue of water-based tourism service market in China is expected to maintain a steady growth with the continuous water-based tourism favorable policies and the upgrading of water related tourism products, and the rising consumer demand for unique water-based tourism experiences. From 2025 to 2030, the revenue of water-based tourism service market in China is projected to increase from RMB10.9 billion to RMB15.7 billion, representing a CAGR of 7.7%.

Source: Frost & Sullivan

Overview and Competitive Landscape of Water-based Tourism Service Market in China, Jiangsu Province and Yangzhou

Revenue of Boat Ticket in China

Revenue of Boat Ticket in the Water-based Tourism Market (China), 2021-2030E



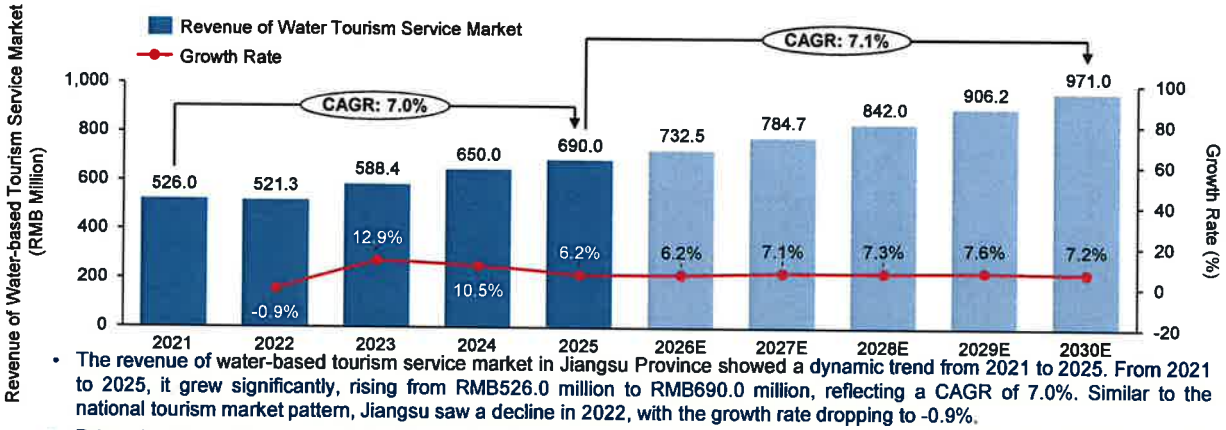
- Boat ticket revenue in the water-based tourism market in China accounts for most of the total market size. This segment grew markedly from RMB5.3 billion in 2021 to RMB10.1 billion in 2025, representing a CAGR of 17.4%. The market saw a sharp contraction in 2022 as the COVID-19 pandemic severely restricted tourism activities and visitor numbers. With the easing of pandemic-related measures and the gradual return of consumer confidence, the sector rebounded in 2023, supported by renewed travel demand and enriched service offerings, with revenue reaching RMB8.2 billion, up 57.4% year-on-year, and continuing to grow to RMB10.1 billion in 2025.
- Looking ahead, rising tourism consumption, diversification of sightseeing experiences, and continued enhancements in service quality are expected to drive steady growth. Boat ticket revenue in the water-based tourism market is projected to expand at a CAGR of 6.5% from 2025 to 2030, reaching RMB13.9 billion by the end of 2030.

Source: Frost & Sullivan

Overview and Competitive Landscape of Water-based Tourism Service Market in China, Jiangsu Province and Yangzhou

Revenue of Water-based Tourism Service in Jiangsu Province

Revenue of Water-based Tourism Service Market (Jiangsu Province), 2021-2030E



- The revenue of water-based tourism service market in Jiangsu Province showed a dynamic trend from 2021 to 2025. From 2021 to 2025, it grew significantly, rising from RMB526.0 million to RMB690.0 million, reflecting a CAGR of 7.0%. Similar to the national tourism market pattern, Jiangsu saw a decline in 2022, with the growth rate dropping to -0.9%.
- Driven by the continuous recovery of the tourism market and the drive of local development initiatives, the revenue of water-based tourism service market in Jiangsu Province is projected to keep growing steadily. Moreover, the high-quality water-based tourism and integrated water-based tourism products are likely to present growth opportunities. Therefore, the market is expected to reach RMB971.0 million by 2030, representing a CAGR of 7.1% from 2025.
- Other revenue sources of the water-based tourism service market in Jiangsu Province primarily comprise a variety of innovative themed services beyond traditional boat ticket revenue. These include "Boat + Dining" experiences that integrate on-board dining and sightseeing, offering distinctive local specialties such as Yangzhou-style breakfast tea; "Boat + Corporate" services that utilize boats as unique venues for corporate gatherings and events; as well as "Boat + Education" programs designed around the rich history, culture and ecological heritage of the Grand Canal, mainly targeting primary and secondary school students.

Source: Frost & Sullivan

Overview and Competitive Landscape of Water-based Tourism Service Market in China, Jiangsu Province and Yangzhou

Revenue of Water-based Tourism Service in Jiangsu Province (Cont.)

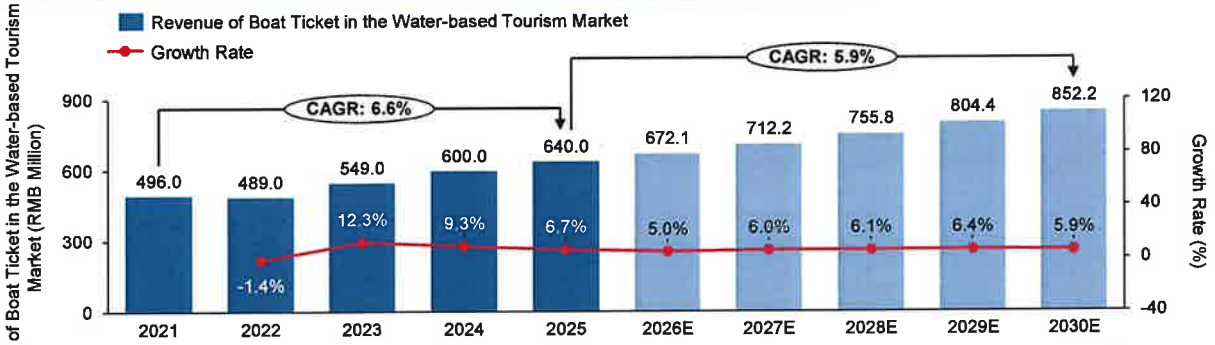
- Examples of such revenue sources in Jiangsu Province include comparable water-based tourism operators which primarily generate revenue from water sightseeing boat ticket sales and also derive ancillary revenue from value-added services. For example, (i) Company E mainly operates sightseeing boat services on the Qinhuai River and has expanded into themed and immersive boat tour offerings; (ii) Company K operates sightseeing boat services on the Wuxi Grand Canal and has disclosed revenue categories including sightseeing boat services, activity services and sales of cultural and creative products.

Source: Frost & Sullivan

Overview and Competitive Landscape of Water-based Tourism Service Market in China, Jiangsu Province and Yangzhou

Revenue of Boat Ticket in Jiangsu Province

Revenue of Boat Ticket in the Water-based Tourism Market (Jiangsu Province), 2021-2030E



- The revenue of boat ticket in the water-based tourism market in Jiangsu province grew substantially from RMB496.0 million in 2021 to RMB640.0 million in 2025, reflecting a CAGR of 6.6%. In 2025, Jiangsu accounted for approximately 6.3% of China's total boat ticket revenue in the water-based tourism market. Akin to the national market, Jiangsu experienced a notable decline in 2022 as COVID-19 restrictions curtailed tourism activity.
- In 2023, the Jiangsu provincial government issued the "Opinions on Accelerating the Development of a More Distinctive "*Water Transport Jiangsu*"（《關於加快打造更具特色的"水運江蘇"的意見》）, advocating the integration of water passenger transport with tourism, culture, and urban development. The policy emphasizes enhancing water public service quality, advancing networked ticketing, improving connections with public transportation, and creating premium water tour routes.
- Further support came in 2025, when the Standing Committee of the Jiangsu Provincial People's Congress adopted a decision to promote the construction of the Grand Canal Cultural Belt. Local governments, alongside cultural, tourism, and transportation departments, are tasked with advancing the planning and development of Grand Canal tourism routes, establishing dedicated tourist lines along the canal, and offering direct connections from city centers to the Grand Canal Scenic Area.
- Underpinned by these initiatives, boat ticket revenue in Jiangsu's water-based tourism market is projected to reach RMB852.2 million by 2030, representing a CAGR of 5.9% from 2025.

Source: Frost & Sullivan

Overview and Competitive Landscape of Water-based Tourism Service Market in China, Jia Province and Yangzhou

Market Drivers

	Key Drivers	Impact (1-2 years)	Impact (3-5 years)
1	**Rising disposable income and travel expenditure**	Medium	Medium
2	**Cultural–tourism integration and cross-industry synergy**	Medium	High
3	**Digital technology and smart platforms**	High	High

Major Driver	Description
Rising disposable income and travel expenditure	China's rising disposable income is fueling demand for tourism experiences. In 2025, per capita annual disposable income reached RMB43,377, reflecting a CAGR of 5.4% from 2021. Over the same period, Chinese tourists' total travel expenditure surged from RMB2.9 trillion to RMB6.3 trillion, a CAGR of 21.2%. This growth in spending power is driving interest in higher-quality water-based tourism activities, spurring the emergence of high-end customized boats, themed boat tours, and other upgraded offerings, thereby accelerating market expansion.
Cultural–tourism integration and cross-industry synergy	The integration of cultural heritage and tourism has become an important driver of water-based tourism services. By adding cultural content and immersive experiences to tour products, operators are enhancing visitor engagement and expanding market appeal.
Digital technology and smart platforms	Technological innovation is driving water-based tourism services toward smarter and more efficient operations. Through digital platforms and intelligent systems, operators are improving booking convenience, resource allocation and service quality.

Source: Frost & Sullivan

Overview and Competitive Landscape of Water-based Tourism Service Market in China, Jiai Province and Yangzhou

Market Drivers (Cont.)

	Key Drivers	Impact (1-2 years)	Impact (3-5 years)
4	IP content empowerment	Medium	High
5	Favorable policy support	High	High

Major Driver	Description
IP content empowerment	City-branded intellectual properties (IPs) are becoming key tourism assets. In Yangzhou, seasonal festivals, themed cultural events, and youth-oriented campaigns reinforce the city's tourism identity under the brand "Yangzhou is a Wonderful Place." Collaborations with travel influencers and immersive marketing further elevate brand visibility, driving a shift from conventional sightseeing to an integrated "culture + experience + consumption" model that supports sustainable revenue growth.
Favorable policy support	Government initiatives continue to underpin industry development. For example, according to the *"Implementation Opinions on Accelerating the Development of Cruise, Yacht Equipment and Industry"* (*《關於加快郵輪遊艇裝備及產業發展的實施意見》*), it clearly proposes to promote the development of the boat and yacht industry, providing guidance for the equipment upgrade and industrial expansion of water tourism. Also, according to the *"Guiding Opinions on Promoting High-Quality Development of Tourism Public Services"* (*《關於推進旅遊公共服務高品質發展的指導意見》*) issued by the Ministry of Culture and Tourism in 2024, support is provided for the construction and development of premium domestic waterway passenger routes. The document also emphasizes strengthening traffic management and the application of smart transportation technologies to alleviate congestion during peak tourism periods.

Source: Frost & Sullivan

Overview and Competitive Landscape of Water-based Tourism Service Market in China, Jiai Province and Yangzhou

Market Drivers (Cont.)

Major Driver	Description
Favorable policy support	In September 2017, the Ministry of Housing and Urban-Rural Development issued its approval for the *"Plan of the Shugang-Slender West Lake Scenic Area (2017–2030) "*(*《蓟門—瘦西湖風景名勝區總體規劃（2017–2030年）》*). The Ministry required strict protection of the scenic area's landscape and ecological resources, including ancient city relics, historic buildings and lakeside gardens, with particular emphasis on strengthening the protection and management of key scenic resources and preserving their authenticity and integrity. Against the backdrop of resource protection and culture-tourism integration, Yangzhou's transport authorities have continued to improve the quality of water-based tourism services. Key initiatives include comprehensive inspections of sightseeing boats, green upgrades of boats, the addition of pier facilities and the promotion of integrated development between Grand Canal culture and tourism. In December 2024, the General Office of the Ministry of Transport issued the *"Notice on Continuously Promoting the Development of Premium Domestic Waterway Tourism Passenger Routes"* (*《關於持續深入打造國內水路旅遊客運精品航線的通知》*), under which the Yangzhou Grand Canal sightseeing route was selected as a typical case of premium domestic waterway tourism passenger routes. Yangzhou places significant emphasis on the protection and development of the water systems of the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area, and has continuously promoted water-based tourism through water environment improvement, infrastructure enhancement and operational safety management. In particular, the *"Regulations on the Protection of the Yangzhou Shugang Slender West Lake Scenic Area"* (*《揚州市蓟門—瘦西湖風景名勝區保護條例》*) require strengthened water system protection, water quality improvement and ecological conservation, which help maintain the attractiveness of water-based tourism resources and enhance visitor experience. In addition, government policies supporting the renewal of tourism vessels, the adoption of clean-energy passenger boats and the upgrading of tourism routes facilitate improvements in service quality, operational efficiency and carrying capacity of water-based tourism activities. At the same time, strengthened safety supervision and management of sightseeing vessels contribute to safer and more reliable tourism operations.

Source: Frost & Sullivan

Overview and Competitive Landscape of Water-based Tourism Service Market in China, Jiangsu Province and Yangzhou

Market Drivers (Cont.)

Major Driver	Description
Favorable policy support	In addition, relevant policies have emphasized the advancement of smart scenic area development in the Slender West Lake Scenic Area, including the establishment and enhancement of information service platforms for scenic areas and the adoption of emerging technologies, such as the internet and big data, to improve the standardization, intelligence and digitalization of tourism services. Furthermore, according to the *"22 Measures for Promoting the High-quality Development of the Culture, Sports and Tourism Industries in Yangzhou in 2025"* (*《扬州市2025年促进文体旅产业高品质发展的22条措施》*) issued by the Yangzhou Municipal People's Government, university students in Yangzhou are entitled to free daytime admission to Slender West Lake within one year after enrollment upon presentation of valid credentials. The policy aims to encourage tourism engagement among university students and enhance tourism consumption. In addition, the Shugang-Slender West Lake Scenic Area was encouraged to organize 150 cultural and tourism consumption promotion activities throughout 2025. During the Cultural and Tourism Benefit Activities held from December 2025 to January 2026, eligible ticketed scenic areas, including Slender West Lake, distributed targeted tourism experience vouchers to local residents to further promote tourism participation and stimulate tourism consumption. The targeted tourism experience vouchers formed part of a government-led public cultural and tourism benefit initiative, rather than a commercial promotional activity. Under the relevant policy framework and implementation arrangements, the Yangzhou Municipal Bureau of Culture, Radio, Television and Tourism, as the competent authority for culture and tourism, coordinated with and guided the relevant scenic areas to organize and implement the cultural and tourism benefit activities. As to the distribution of the tourism experience vouchers, the Yangzhou Municipal Bureau of Culture, Radio, Television and Tourism was responsible for coordinating and promoting the relevant activities, while the Shugang-Slender West Lake Scenic Area, as one of the participating scenic areas, carried out the distribution of the tourism experience vouchers to eligible local residents in accordance with the relevant arrangements and was responsible for the relevant on-site implementation matters, including admission verification. Collectively, these measures improve the ecological environment, tourism infrastructure and operational standards of the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area, thereby supporting the sustainable development and long-term growth of water-based tourism activities.

Source: Frost & Sullivan

Overview and Competitive Landscape of Water-based Tourism Service Market in China, Jiangsu Province and Yangzhou

Future Trends

Night tours + performances

- With growing tourist demand for immersive cultural entertainment, integrating night-time water tours with live performances is emerging as a key industry focus. This approach enriches night-time experiences through coordinated lighting, sound, and stage effects, enhancing visitor engagement and interactivity.

Green and low-carbon water tourism

- The adoption of electric, hybrid-powered vessels, and solar-assisted energy systems is driving the water-based tourism industry toward reduced carbon emissions and greater sustainability. For instance, zero-emission electric boats are increasingly deployed to lower fuel consumption and exhaust output. These green initiatives align with national carbon neutrality targets while protecting aquatic ecosystems.

Smart and immersive experiences

- Smart technologies and immersive experiences are transforming water-based tourism. Leveraging AR and VR, operators offer multisensory journeys featuring historical reconstructions and interactive virtual theatres onboard, deepening cultural engagement. Coupled with big data analytics, intelligent guided tour systems deliver personalized route suggestions and real-time updates, enhancing convenience and precision of service.

Source: Frost & Sullivan

Overview and Competitive Landscape of Water-based Tourism Service Market in China, Jiangsu Province and Yangzhou

Policies and Regulations (Cont.)

Name	Issued Year	Issued Department	Key Messages
Jiangsu Province Several Measures for Implementing Consumption Boosting Special Action (2025) 《江蘇省實施提振消費專項行動若干措施》	2025	Jiangsu Provincial People's Government 江苏省人民政府办公厅	• Actively expand cruise and excursion routes such as "Romance of the Yangtze," and "Grand Canal Yangzhou," and accelerate the development of water-based tourism activities including sailing, rowing, and dragon-boat racing.
Implementation Plan for Promoting Equipment Upgrades in the Culture and Tourism Sectors 《推動文化和旅遊領域設備更新實施方案》	2024	National Development and Reform Commission and other relevant authorities 国家发展改革委等其他部门	• The plan aims to guide and promote the nationwide renewal of facilities and equipment in the culture and tourism sectors by 2027, fully enhancing service quality and driving high-quality development. It proposes the upgrading of land-based, water-based and aerial sightseeing equipment in key tourist attractions, and the replacement of a range of advanced equipment featuring high technology, high efficiency and low energy consumption, including off-road sightseeing vehicles, sightseeing cruise ships, tourist boats, speedboats, etc.
Domestic Tourism Enhancement Plan (2023–2025) 《國內旅遊提升計畫（2023-2025年）》	2023	Ministry of Culture and Tourism 文化和旅游部	• By 2025, the domestic tourism market is expected to maintain steady growth with further improvements in quality. Promotion and marketing of domestic tourism will become more effective, the supply of high-quality tourism products will be further enriched, visitor consumption experiences will be effectively enhanced, satisfaction will be further improved, and the efficiency of public tourism services will continue to increase.

Source: Frost & Sullivan

Overview and Competitive Landscape of Water-based Tourism Service Market in China, Jiangsu Province and Yangzhou

Policies and Regulations (Cont.)

Name	Issued Year	Issued Department	Key Messages
Notice on Launching Pilot Programs for Developing Domestic Waterway Tourism Passenger Boutique Routes 《關於開展打造國內水路旅遊客運精品航線試點工作的通知》	2022	General Office of the Ministry of Transport 交通運輸部辦公廳	• To promote the high-quality development of domestic waterway passenger tourism and better meet the diverse leisure and travel needs of the public, pilot units for premium domestic waterway passenger routes will be established. The pilot initiatives include enhancing the quality of tourism passenger boats and facilities, renovating and upgrading aging boats. Innovative water-based tourism service products will also be introduced, leveraging the unique features of sightseeing vessels and incorporating themes such as revolutionary culture, tea and dining experiences, performance entertainment, and family-friendly activities.
Comprehensive Transport Services "14th Five-Year" Development Plan 《綜合運輸服務“十四五”發展規劃》	2021	Ministry of Transport of the People's Republic of China 交通運輸部	• Develop, according to local conditions, urban water sightseeing, canal-culture tours, and island-scenery cruises, and introduce a batch of demonstrative water-based cultural-tourism routes.
Jiangsu Province "14th Five-Year" Culture and Tourism Development Plan 《江蘇省“十四五”文化和旅遊發展規劃》	2021	Jiangsu Provincial People's Government 江蘇省人民政府辦公廳	• Leverage Jiangsu's unique endowment of rivers, seas, lakes, and distinctive natural and cultural scenery to systematically advance the distinctive development of culture and tourism along the Yangtze River, the coast, the Grand Canal, and lake areas, fully showcasing the beauty of "Water-Rhythmic Jiangsu.

Source: Frost & Sullivan

Overview and Competitive Landscape of Water-based Tourism Service Market in China, Jiangsu Province and Yangzhou

Policies and Regulations (Cont.)

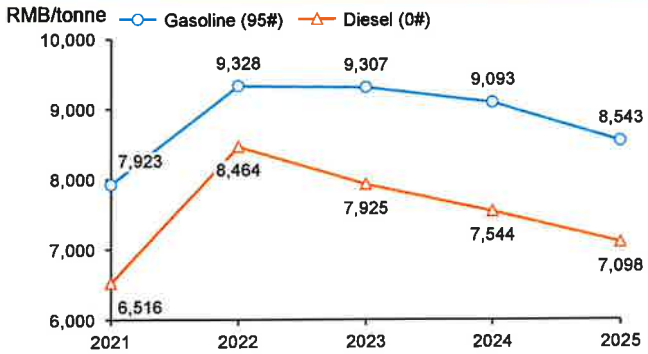
- In February 2017, during an inspection in Beijing, the General Secretary issued an important directive to "thoroughly explore historical and cultural resources centered on the Grand Canal." In June 2017, he emphasized that the Grand Canal represents a precious heritage left by our ancestors and constitutes a living culture, which should be comprehensively protected, passed on, and utilized.
- In February 2019, the General Office of the CPC Central Committee and the General Office of the State Council issued the "*Outline of the Plan for the Protection, Inheritance, and Utilization of Grand Canal Culture*" (《大運河文化保護傳承利用規劃綱要》), which set out specific arrangements for the construction of the Grand Canal cultural belt. The plan defined the planning period as 2018–2035, divided into two phases: 2018–2025 and 2026–2035, with a further outlook extending to 2050.
- In July 2019, the General Secretary presided over a meeting of the Central Committee for Deepening Overall Reform, at which the "*Construction Plan for the Great Wall, Grand Canal, and Long March National Cultural Parks*" (《長城、大運河、長征國家文化公園建設方案》) was reviewed and approved. Since then, the development of the Grand Canal cultural belt has steadily advanced, with relevant plans and implementation schemes being successively introduced.

Source: Frost & Sullivan

Overview and Competitive Landscape of Water-based Tourism Service Market in China, Jia Province and Yangzhou

Price Trends of Fuel

Price Trends of Gasoline and Diesel (China), 2021-2025



- The prices of gasoline and diesel in China fluctuated during 2021 to 2025, primarily driven by changes in international crude oil prices, global supply and demand dynamics and adjustments to domestic refined oil pricing mechanisms. In 2022, gasoline and diesel prices generally increased, mainly due to the recovery of global economic activities and transportation demand following the COVID-19 pandemic, which supported crude oil prices. From 2023 to 2025, gasoline and diesel prices decreased, primarily attributable to weaker global crude oil prices amid moderated global demand growth and increased supply conditions. From 2021 to 2025, the prices of gasoline and diesel showed an overall trend of initially increasing and subsequently declining, representing CAGRs of approximately 1.9% and 2.2%, respectively. Looking forward, gasoline and diesel prices in China are expected to remain relatively stable and show a slight upward trend, with certain fluctuations, primarily influenced by factors such as movements in international crude oil prices and global supply and demand conditions.

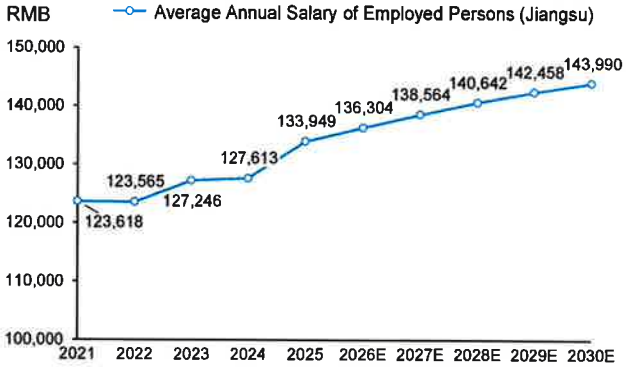
Source: National Bureau of Statistics, Frost & Sullivan

Overview and Competitive Landscape of Water-based Tourism Service Market in China, Jiai Province and Yangzhou

Price Trends of Labor

Average Annual Salary of Employed Persons in Culture, Sports and Entertainment Industry (China), 2021-2030E

Average Annual Salary of Employed Persons in Culture, Sports and Entertainment Industry (Jiangsu Province), 2021-2030E



- The average annual salary of employees in the culture, sports and entertainment industry in China and Jiangsu Province increased from RMB117,329 and RMB123,618, respectively, in 2021 to RMB129,447 and RMB133,949, respectively, in 2025, representing CAGRs of 2.5% and 2.0%, respectively, from 2021 to 2025.
- The average annual salary of employees in the culture, sports and entertainment industry in China and Jiangsu Province is expected to reach RMB142,020 and RMB143,990, respectively, by 2030, representing CAGRs of 1.9% and 1.5%, respectively, from 2025 to 2030.
- The increase was primarily driven by overall wage growth in China, rising labour costs and the recovery of demand in the culture, sports and entertainment industry following the COVID-19 pandemic.

Source: National Bureau of Statistics, Statistics Bureau of Jiangsu Province, Frost & Sullivan

Overview and Competitive Landscape of Water-based Tourism Service Market in China, Jiai Province and Yangzhou

Ranking and Market Share of Water-based Tourism Service Market in China

Top Ten Water-based Tourism Service Providers in terms of Boat Ticket Revenue (China), 2025

Ranking	Water Tourism Service Providers	Boat Ticket Revenue (RMB million)	Market Share (%)
1	Company A	600.0	5.9%
2	Company B	536.0	5.3%
3	Company C	400.0	4.0%
4	Company D	370.0	3.7%
5	Company E	206.0	2.0%
6	Company F	200.1	2.0%
7	Company G	180.0	1.8%
8	Company H	145.5	1.4%
9	Company I	127.0	1.3%
10	**The Group**	**118.2**	**1.2%**
	Top ten	**2,882.8**	**28.6%**
	Total	**10,120.0**	**100.0%**

Source: Frost & Sullivan

Ranking and Market Share of Water-based Tourism Service Market in China

Note:

1. *The Company's data is provided by the Company.*
2. *Company A is a subsidiary of a state-owned company headquartered in Shanghai. Established in 1982, it provides water-based tourism services, including daytime and nighttime river sightseeing boats along the Huangpu River.*
3. *Company B is a subsidiary of a state-owned company headquartered in Guangzhou, Guangdong Province. Established in 1974, it provides water-based tourism services, including daytime and nighttime river sightseeing boats along the Pearl River.*
4. *Company C is a state-owned company headquartered in Hangzhou, Zhejiang Province. Established in 2002, it provides water-based tourism services, including daytime and nighttime river sightseeing boats across the West Lake scenic area.*
5. *Company D is a subsidiary of a state-owned company headquartered in Chongqing. Established in 1993, it provides water-based tourism services, including daytime and nighttime river sightseeing boats along the Yangtze River.*
6. *Company E is a state-owned company headquartered in Wuhan, Hubei Province. Established in 2005, it provides water-based tourism services, including daytime and nighttime river sightseeing boats along the Yangtze River and the Han River.*
7. *Company F is a subsidiary of a state-owned company listed on the National Equities Exchange and Quotations ("NEEQ"), Jiangsu Province. Established in 2005, it provides water-based tourism services, including Qinhuai River sightseeing boats and other tourism services in the Qinhuai scenic zone.*
8. *Company G is a subsidiary of a state-owned company headquartered in Chongqing. Established in 2010, it provides water-based tourism services, including daytime and nighttime river sightseeing boats along the Yangtze River.*
9. *Company H is a subsidiary of a state-owned company listed on the NEEQ, headquartered in Tianjin. Established in 2009, it provides water-based tourism services, including daytime and nighttime river sightseeing boats along the Haihe River.*
10. *Company I is a subsidiary of a state-owned company headquartered in Guilin, Guangxi Province. Established in 1998, it provides water-based tourism services, including sightseeing boat tours that focus on Suzhou's waterway cultural tourism resources.*

- In 2025, there were approximately over 270 water-based tourism service providers in China, with state-owned operators contributing the majority of boat ticket revenue.
- The market remains relatively fragmented, as the top ten providers accounted for approximately 28.6% of total boat ticket revenue.
- The Group ranked 10th in the water-based tourism market in China, accounting for approximately 1.2% of the market share in terms of boat ticket revenue in 2025.

Source: Frost & Sullivan

Ranking and Market Share of Water-based Tourism Service Market in Jiangsu Province

Top Three Water Tourism Service Providers in terms of Revenue of Boat Ticket Revenue (Jiangsu Province), 2025

Ranking	Water Tourism Service Providers	Boat Ticket Revenue (RMB million)	Market Share (%)
1	Company F	200.1	31.3%
2	**The Group**	**118.2**	**18.5%**
3	Company J	100.0	15.6%
	Top three	**418.3**	**65.4%**
	Total	**640.0**	**100.0%**

Note:

1. *The Company's data is provided by the Company.*
2. *Company J is a state-owned company headquartered in Suzhou, Jiangsu Province. Established in 2015, it provides water-based tourism services, including sightseeing boats focusing on Suzhou's waterway resources.*

- In 2025, Jiangsu Province's water tourism market was highly concentrated, with state-owned operators contributing the majority of boat ticket revenue. The top three providers collectively held a 65.4% market share.
- The Group ranked **second** in Jiangsu's water-based tourism market in 2025, generating RMB118.2 million in boat ticket revenue and capturing 18.5% of the market.
- In 2025, Yangzhou City's water tourism market was highly concentrated, the Group generating RMB118.2 million in boat ticket revenue and capturing 91.0% of the market.
- Concrete examples of such revenue sources in Jiangsu Province include comparable water-based tourism operators which primarily generate revenue from water sightseeing boat ticket sales and also derive ancillary revenue from value-added services. For example, (i) Company E mainly operates sightseeing boat services on the Qinhuai River and has expanded into themed and immersive boat tour offerings; (ii)Company K operates sightseeing boat services on the Wuxi Grand Canal and has disclosed revenue categories including sightseeing boat services, activity services and sales of cultural and creative products.

Source: Frost & Sullivan

Overview and Competitive Landscape of Water-based Tourism Service Market in China, Jiangsu Province and Yangzhou

Entry Barriers

Entry Barriers

Scarcity of navigable water resources	• Navigable inland waterways suitable for sightseeing—rivers, lakes, and canals—are limited and often tightly regulated. Many prime water systems lie within protected scenic or heritage areas, where exclusive operating rights are granted through competitive tender or administrative approval. This natural scarcity restricts new entrants, limiting qualified market participants.
Regulatory and licensing requirements	• Operating water-based tourism services requires multiple permits and approvals, including waterway usage, vessel operation licenses, safety certifications, and environmental impact assessments. The process is often complex and time-consuming, involving coordination with various government agencies. Heritage and cultural tourism zones may impose additional cultural preservation requirements, further elevating entry thresholds.
Operational capability and management expertise	• Successful operation demands expertise in fleet management, route planning, cultural integration, safety compliance, customer service, and marketing. Such capabilities develop over years of experience and strong stakeholder relationships. New entrants without this expertise face significant risks and may struggle to deliver high-quality, safe, and culturally immersive experiences.
Capital intensive investment	• Launching water-based tourism services requires substantial upfront capital for vessel acquisition or construction, wharf and dock facilities, safety equipment, ticketing systems, and supporting infrastructure such as lighting and sound for night tours. Ongoing maintenance and compliance with evolving safety and environmental standards demand continuous investment, deterring financially weaker entrants.

Source: Frost & Sullivan

Overview and Competitive Landscape of Water-based Tourism Service Market in China, Jiangsu Province and Yangzhou

Opportunities and Challenges

Opportunities

Growth of domestic tourism and night-time economy	• China's domestic tourism sector is expanding steadily, driven by rising disposable incomes, urbanization, and government policies promoting cultural and leisure consumption. The rise of night-time economy initiatives has further stimulated demand for evening and themed water sightseeing experiences.
Integration of cultural tourism and digital experiences	• Opportunities abound in blending immersive cultural storytelling, light shows, AR/VR technologies, and online ticketing into water-based tourism services. These innovations enhance visitor engagement, diversify revenue streams, and strengthen brand differentiation.

Challenges

Seasonality and weather dependence	• Water-based tourism and sightseeing boat operations are highly seasonal, with peak demand concentrated around holidays and tourist seasons. Adverse weather conditions, such as heavy rain, fog, or flooding, can disrupt schedules and destabilize revenue.
Rising operating costs and safety compliance requirements	• Strict safety and environmental regulations necessitate ongoing investments in vessel upgrades, fuel efficiency, waste management, and crew training. Concurrently, rising labor and maintenance costs may squeeze profit margins, particularly for operators lacking scale or operational efficiency.

Source: Frost & Sullivan

Content

1 Overview of Tourism Market in China, Jiangsu Province and Yangzhou

2 Overview and Competitive Landscape of Water-based Tourism Service Market in China, Jiangsu Province and Yangzhou

3 Appendix

Appendix
Abbreviations and Terms

- **CAGR**: compound annual growth rate
- **China**: if not specified refers to mainland China, excluding Hong Kong, Taiwan and Macau
- **PRC**: People's Republic of China 中华人民共和国
- **GDP:** gross domestic product
- **RMB:** Renminbi, the lawful currency of the PRC
- **IMF** (International Monetary Fund): 国际货币基金组织
- **Inland Navigable Waters:** Inland waterways that are open for public vessel navigation and transportation purposes, and are generally subject to relevant navigation and water transportation management.
- **Non-navigable Waters:** Waterways areas that are not designated for public navigation or general transportation purposes, but are designated or managed for specific activities such as water-based tourism, sightseeing and recreation.

Source: Frost & Sullivan

Appendix
Identities of Competitors

Anonymous	Company Name (Eng)	Company Name (Chi)
Company A	Shanghai Pujiang Tourism Group Co., Ltd	上海浦江游览集团有限公司
Company B	Guangzhou Public Transport Group Liner Co., Ltd.	广州公交集团客轮有限公司
Company C	Hangzhou West Lake Sightseeing Boats Co., Ltd.	杭州市西湖遊船有限公司
Company D	Chongqing Transportation Investment Co., Ltd.	重慶交通運輸投資有限公司
Company E	Wuhan Liangjiang Cruise Tourism Co., Ltd.	武漢兩江遊覽輪船旅遊有限公司
Company F	Nanjing Qinhuai Scenery Tourism Co., Ltd. (872618)	南京秦淮風光旅遊股份有限公司
Company G	Chongqing Tourism Investment Group Co.,Ltd.	重庆文化旅游集团有限公司
Company H	Tianjin Jinlv Haihe Cruises Co.,Ltd. (870350)	天津津旅海河游船股份有限公司
Company I	Guilin Two Rivers and Four Lakes (000978)	桂林旅游股份有限公司
Company J	Suzhou Water Tourism Development Co., Ltd.	蘇州水上旅遊發展有限公司
Company K	Jiangsu Jiangnan Ancient Canal Culture and Tourism Co., Ltd. (872863)	江蘇江南古運河文化旅遊股份有限公司

Source: Frost & Sullivan

Appendix
About the Industry

- It is not uncommon for agreements of providing performance services to have a term of more than three years. Such durations is not uncommon in the industry to safeguard the interests of both contracting parties and to ensure the sustainability and smooth delivery of the project.
- The water-based tourism service market in Jiangsu Province is a subsegment of the water-based tourism service market in China, which in turn is a subsegment of the broader tourism market in China.
- The employment opportunities in the local cultural and entertainment industry has increased since late 2025.
- The Ancient Canal Area attracts a total of over 200,000 visitors from January to August 2025 with an aggregate of visiting capacity of up to 6,000 visitors per day during peak tourism seasons in 2025.
- Nowadays, families and young visitors are the primary tourism consumers and they have increasing demand for immersive, cultural and interactive experiences.
- For the six months ended June 30, 2025, the total number of visitors stayed overnight in Yangzhou increased by approximately 16.3% compared to the same period in 2024, according to the statistical data published by the Jiangsu provincial government.
- Slender West Lake has become a key heritage site along the Grand Canal Cultural Belt and attracted more than seven million visitors in 2024.
- The New Water Tour Route Project at Xiaoqinhuai River is expected to broaden the range of tourism experiences available to visitors to Yangzhou, supporting by the city's substantial tourism visitor base of more than 130 million tourist visits in 2025
- In recent years, consumer demand for tourism products has become increasingly diversified, experiential and in-depth with rapid shifting towards an immersive and in-depth cultural experience. Yangzhou, renowned as a vital hub for cultural tourism as well as a popular tourist destination in China, received more than 100 million visitors in 2024.
- The Slender West Lake is recognized as a prominent tourist attraction, with demonstrable growth in the number of visitors and for night time visitors, it recorded an aggregate number of over 600,000 night-time visitors in 2023 and over 700,000 night-time visitors in each of 2024 and 2025.

Source: Frost & Sullivan

Appendix
About the Industry (Cont.)

- The Shugang-Slender West Lake Scenic Area, a UNESCO World Heritage Site as part of the Grand Canal, a national 5A-level scenic area and one of China's most renowned classical garden and lake landscapes, attracting a total of over seven million visitors in 2024, according to the Yangzhou Municipal Bureau of Culture, Radio, Television and Tourism, and had an aggregate of visiting capacity of up to 100,000 visitors per day during peak tourism seasons in 2025, according to the statistics of the Shugang-Slender West Lake Scenic Area. We also operate water sightseeing boat services within the Ancient Canal Area, a core part of the Grand Canal, the UNESCO World Heritage Site and a celebrated cultural and historical landmark renowned for its picturesque waterways, well-preserved historic architecture and vibrant local culture that reflect Yangzhou's long-standing connection to the Grand Canal. The Ancient Canal Area attracts a total of over 200,000 visitors from January to August 2025 with an aggregate of visiting capacity of up to 6,000 visitors per day during peak tourism seasons in 2025, according to the Industry Report.
- New energy boats could reduce energy costs by approximately of 40% compared to energy costs for traditional boats and significantly lower the associated maintenance costs by up to 75%.
- According to Frost & Sullivan, the commission and/or service fee rates typically charged by OTA platforms in the industry are generally in the range of approximately 5% to 10%. The Company believes that its rates with OTA platforms are in line with industry rates and therefore does not believe that such non-disclosure is material or will affect investors' assessment of the information regarding the Group.
- **Yangzhou City.** The Shugang-Slender West Lake Scenic Area and Ancient Canal Area are located in Yangzhou City, which has a history dating back 2,500 years and is one of the first Excellent Tourism Cities in China, as well as one of China's first 24 historical and cultural cities (国家历史文化名城). It is known as China's "canal city."
- **Shugang-Slender West Lake Scenic Area.** The Shugang-Slender West Lake Scenic Area is the only national 5A-level scenic area in Yangzhou City and it has been awarded honors such as National Civilized Scenic Tourist Area, National Cultural Tourism Demonstration Zone and World Cultural Heritage Site. The Shugang-Slender West Lake Scenic Area is frequently ranked as the number one tourist attraction (e.g., Tripadvisor, Trip.com, Expedia). The area possesses abundant cultural and tourism resources which fostered the development of a number of daytime tours and night tours, diversified business formats covering catering and accommodation, as well as full-scenario services on land and water. The area has built a complete tourism industrial chain integrating catering, accommodation, transportation, sightseeing, shopping and entertainment, transforming from a purely sightseeing-oriented offering into an all-round destination featuring sightseeing experience, vacation and leisure.

Source: Frost & Sullivan

Appendix
About the Industry (Cont.)

- **Ancient Canal Area**. With respect to the Ancient Canal Area, as one of the world cultural heritage sites, the Ancient Canal continues to develop water tours and night tourism economy. Among its featured programs, the itinerant cruise night show "Grand Canal Yangzhou" has become a benchmark of Yangzhou's night economy and a typical example of immersive cultural tourism experience. The Grand Canal Yangzhou night show has won numerous awards successively. For example, it was awarded the 9th Longque Awards in 2026 and was shortlisted for the Annual Night-time Economic Demonstration Zone award. In addition, the Grand Canal Yangzhou night show has been selected into the second batch of the National Excellent Tourism Performance List issued by the PRC Ministry of Culture and Tourism. It has also received other national, provincial and municipal awards including the Best Night Tourism Project Award at the 14th China Tourism Investment ITIA Awards.
- **Visitor Numbers.** In 2025, the number of tourist arrivals in Jiangsu Province is the largest in the PRC. Yangzhou City ranks the 4th among cities in Jiangsu Province in terms of tourist arrivals. According to the Department of Culture and Tourism of Jiangsu Province, total tourist arrivals in Yangzhou reached 132.8 million in 2025, increasing from 60.6 million in 2021, representing a CAGR of approximately 21.7% from 2021 to 2025. It is estimated that the total tourist arrivals in Yangzhou is expected to grow at a CAGR of approximately 7.4%, rising from 132.8 million in 2025 to 190.0 million in 2030, according to the Company's industry consultant, Frost & Sullivan. Specifically, in terms of tourist arrivals in the Shugang-Slender West Lake Scenic Area and the Ancient Canal Scenic Area, official statistics from the Jiangsu Provincial Department of Culture and Tourism show that the Shugang-Slender West Lake Scenic Area attracted over 7.0 million visitors in 2024. In 2025, the scenic area attracted a total of over 7.3 million visitors, representing a year-on-year increase of approximately 4.3%. Meanwhile, during the peak tourism seasons in 2025, the scenic area had an aggregate visiting capacity of up to 100,000 visitors per day.
- The Ancient Canal Area attracted a total of over 275,000 visitors in 2025 (based on number of ticket sales on Piaofutong system) with an aggregate of visiting capacity of up to 6,000 visitors per day during peak tourism seasons in 2025. Since the official operation of the Grand Canal Yangzhou night show in October 2024, it has enhanced the cultural tourism appeal of the Ancient Canal area and driven passenger growth. Visitor arrivals of its cruise performance have increased by 65% since August 2025. During the 2026 Spring Festival holiday (January 28 to February 4, 2026), Yangzhou received approximately 1.6 million tourists, representing a year-on-year increase of 16.6%, reflecting the strong appeal of the city's cultural tourism market. Among them, visitor volume of Grand Canal Yangzhou night show increased by approximately 65%, while its revenue rose by around 80%.
- The popularity of the Shugang-Slender West Lake Scenic Area and the Ancient Canal area is primarily reflected by the number of visitors, market recognition and tourist traffic during peak travel periods as well as scenic area operating revenue, which is highly correlated with the number of visitors. The visitor numbers are mainly derived from official statistics published by local culture and tourism authorities, as well as data compiled by scenic area management entities.

Source: Frost & Sullivan

Appendix
About the Industry (Cont.)

- **Methodology and Statistics.** Official statistics are generally compiled based on multiple data sources, including electronic ticket verification, online reservation records and visitor flow statistics collected by scenic area operators. Gate turnstiles and real-name ticketing through online reservation platforms serve as core data sources, directly generating visitor entry counts. Certain local culture and tourism authorities may also conduct periodic cross-checking and reconciliation of visitor statistics through transportation flow data, hotel occupancy levels and historical visitor trends to enhance the reliability and consistency of the aggregated visitor data. Finally, scenic areas are required to consolidate daily visitor data, which is preliminarily reviewed by county-level culture and tourism authorities and then submitted to the municipal culture and tourism commission for aggregation and verification, ultimately resulting in the cumulative visitor statistics. Rankings and recognitions relating to the popularity of the relevant scenic areas are generally derived from official tourism authority publications, government announcements, industry association reports and publicly available tourism statistics. The underlying assumptions include that ticket validation at scenic area turnstiles and real-name registration on online reservation platforms are not subject to material discrepancies or systematic errors, and reasonably reflect overall visitor traffic patterns within the relevant scenic areas. It is further assumed that the statistical methodologies adopted by the relevant local authorities and scenic area operators are generally consistent and applied on a substantially uniform basis over the relevant periods.
- The Company submits that, given the significant differences in geographical locations, tourism positioning, tourism resources, target visitor groups, and service capacity, Gaoyou City Lake Tourism Resort does not directly compete against the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area; instead, they form part of the overall tourism resources and experiences of Jiangsu Province.
- **Geographical locations.** The Shugang-Slender West Lake Scenic Area and the Ancient Canal Area are located in the urban area of Yangzhou City and are part of Yangzhou City's core urban scenic attractions, therefore benefiting from relatively strong natural visitor traffic in the urban area of the city. In contrast, Gaoyou City Lake Tourism Resort is located in Gaoyou City, approximately 55 kilometres in straight-line distance from Yangzhou urban area.
- **Tourism positioning.** The Shugang-Slender West Lake Scenic Area and the Ancient Canal Area integrate rich historical and cultural heritage, lakeside garden landscapes, humanistic ecology, and recreational and sports functions, and represent key tourism landmarks of Yangzhou. In particular, the Shugang-Slender West Lake Scenic Area is one of the core tourism landmarks of Yangzhou, which is designated as a national 5A-level tourist attraction. Relying on the rich tourism resources (as elaborated below), the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area primarily focus on historical and cultural sightseeing and urban tourism experiences, positioning as a core cultural tourism destination in Yangzhou, and mainly attracting tourists seeking cultural and heritage-related travel experiences. Tourists visiting the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area generally engage in more in-depth sightseeing activities.
- In contrast, Gaoyou City Lake Tourism Resort is primarily positioned as a county-level ecological and supporting cultural tourism project focusing on leisure-oriented development, and its development positioning is not directly comparable to that of the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area.

Source: Frost & Sullivan

Appendix
About the Industry (Cont.)

- **Tourism Resources and Service Capacity.** The Shugang-Slender West Lake Scenic Area covers a total area of approximately 168 hectares, including around 132 hectares of land area and 36 hectares of water area. It features more than 20 key attractions, such as Lotus Bridge and White Pagoda. The Shugang-Slender West Lake Scenic Area hosts a variety of seasonal and holiday-themed events, including the Slender West Lake Lotus Festival, the Slender West Lake Flower Festival, and the Intangible Cultural Heritage Month, with a relatively well-developed cultural tourism event system. The Ancient Canal Area also presents immersive cultural performances under the "Grand Canal Yangzhou" brand, using painted boats as audience platforms and the Ancient Canal as the stage to showcase over 2,500 years of Yangzhou's historical and cultural heritage, further highlighting the city's cultural depth. In addition, the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area are supported by relatively well-developed infrastructure and tourism facilities, including well-developed transport accessibility, hospitality and catering services, and systematic visitor management and reception arrangements, which together enable the scenic area to effectively handle a large volume of tourist inflows and ensure strong overall visitor reception capacity.
- On the other hand, Gaoyou City Lake Tourism Resort is positioned as a reed wetland park. The tourism offerings in Gaoyou City Lake Tourism Resort are more oriented towards the utilization of natural ecological resources and the development of lake-based recreational activities, primarily providing relatively basic tourism experiences such as fishing, amusement facilities, and lake sightseeing. Compared to the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area, Gaoyou City Lake Tourism Resort does not offer large-scale immersive cultural performances centered on historical and cultural themes. Therefore, its overall tourism product diversity and depth of cultural experience are relatively limited, and it is more positioned as a regional leisure and resort destination rather than a city-level cultural tourism landmark.
- **Target visitor groups.** Given the national reputation and historical significance of the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area as part of the Grand Canal cultural heritage, as well as the core cultural tourism landmarks of Yangzhou City, their target visitor groups extend beyond local and regional tourists to nationwide and overseas visitors seeking historical, cultural and urban tourism experiences.
- In contrast, Gaoyou City Lake Tourism Resort primarily serves regional customers who seek short-distance leisure demand, mainly attracting local residents and visitors from surrounding cities seeking recreational and leisure travel. As a result, its visitor scale remains relatively smaller, and its supporting tourism infrastructure and service capacity are correspondingly less developed compared with national-level core scenic areas.
- On the basis above, the Company considers that Gaoyou City Lake Tourism Resort is differentiated from the the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area in geographical locations, tourism positioning, tourism resources, service capacity and target visitor groups, and serve complementary roles within the regional tourism landscape, rather than competing directly with each other.
- Xiaoqinhuai River is a 2km waterway running from north to south through the heart of Yangzhou's ancient city, connecting the Northern Moat (北城河) in the north and the Grand Canal at Longtouguan (龙头关) in the south.
- The water sightseeing boat operation is a market with high barriers to entry as it is subject to stringent qualification requirements, including rigorous qualified personnel and safety management standards as well as a track record of operational expertise over an extended period of time.
- In 2025, Guangling ancient city* (广陵古城) received over 30 million visitors according to Yangzhou Culture and Tourism Bureau, and Xiaoqinhuai River is one of the core routes within the ancient city.
- According to the Cultureand Tourism Bureau of Haishu District, Ningbo* (宁波市海曙区文化和广电旅游体育局), Nantang Old Street recorded over 4.0 million visitors in 2024.
- The six months ended June 30, 2025 covered Yangzhou's peak tourism season, which generally falls from March to May.

Source: Frost & Sullivan

Appendix
About the Company

- As advised by our industry consultant, Frost & Sullivan, that our refund policy is in line with the industry practice.
- There are sufficient water resources available for the Company's water sightseeing boat service operation within such area.
- Our gross profit margin for chartered boat service increased from 69.5% in 2023 to 71.7% in 2024 primarily because revenue increased by RMB3.4 million as visitors increasingly preferred chartered boat while cost of sales increased by only RMB0.3 million.
- Our revenue decreased slightly by approximately 1.5% fromRMB84.5 million for the six months ended June 30, 2025 to RMB83.2 million for the six months ended June 30, 2026, primarily due to decrease in, revenue from sightseeing boat and sightseeing tour bus services as frequent rainfall and high temperatures in the six months ended June 30. 2026 adversely affected visitor traffic.
- The monthly revenue generated from our "Boat+" services also generally reflected the spring tourism peak.
- The monthly revenue generated from our chartered boat services generally demonstrated seasonal fluctuations with higher demand during peak tourist periods, particularly in spring, major holidays and school breaks.
- Such weather conditions have affected our operations during the Track Record Period. In particular, extreme hot weather during the summer holiday in August 2024 led to a decrease in revenue from our standard sightseeing boat services during that period as compared with August 2023. Further, for the six months ended June 30, 2026, our overall revenue decreased by approximately 1.5% from RMB84.5 million for the six months ended June 30, 2025 to RMB83.2 million for the corresponding period in 2026, primarily due to decreases in revenue from our water sightseeing boat service and sightseeing tour bus service as frequent rainfall and high temperatures adversely affected visitor traffic.
- The monthly revenue generated from standard sightseeing boat service and chartered boat services was generally demonstrated seasonal fluctuations, with higher demand during peak tourist period, particularly in spring, major holidays and school breaks.

Source: Frost & Sullivan

Appendix
Abbreviations and Terms

Limitations in Source of Information

- Interviews with end-users, venders and distributors are conducted to collect information for this report, based on a best-efforts basis.
- Frost & Sullivan will not be responsible for any information gaps where interviewees have refused to divulge confidential data or figures.
- In instances where information is not available, figures based on similar indicators combined with Frost & Sullivan in-house analysis will be deployed to arrive at an estimate.
- Frost & Sullivan will state the information sources at the bottom right-hand corner of each slide for easy reference.

Note to Numeric Calculations

- Value and percentage figures in this report are all rounded. Figures may not add up to the respective totals owing to rounding.
- The base year is 2025. The historic period is from 2021 to 2024. The forecast period is from 2026 to 2030.

Source: Frost & Sullivan

Appendix
Methodologies

- Frost & Sullivan is an independent global consulting firm, which was founded in 1961 in New York. It offers industry research and market strategies and provides growth consulting and corporate training. Its industry coverage in the PRC includes automotive and transportation, chemicals, materials and food, commercial aviation, consumer products, energy and power systems, environment and building technologies, healthcare, industrial automation and electronics, industrial and machinery, and technology, media and telecom.
- The Frost & Sullivan Report is prepared through extrapolating publicly available data such as information provided by governments, industry associations, annual reports of public companies, industry reports and other available information gathered by non-profit organizations.
- The market research process for this study has been undertaken through detailed primary research which involves discussing the status of the industry with leading industry participants and industry experts. Secondary research involved reviewing company reports, independent research reports and data based on Frost & Sullivan's own research database.
- Projected total market size was obtained from historical data analysis plotted against macroeconomic data as well as specific related industry drivers.
- Frost & Sullivan's report was compiled based on the below assumptions:

  (i) the overall social, economic, and political environment in China is expected to remain stable during the forecast period;

  (ii) China's economic and industrial development is likely to maintain a steady growth in the forecast period;

  (iii) related industry key drivers are likely to drive the growth of water tourism service market in China in the forecast period; and

  (iv) there is no extreme force majeure or industry regulation which may affect the market dramatically or fundamentally.
- All the data and information regarding the Group is provided by the Group.

Source: Frost & Sullivan

Thanks!