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China Cultural Tourism and Agriculture Group Limited

中國文旅農業集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 542)

UPDATE ON THE IMPLEMENTATION OF PLANS AND MEASURES IN RESOLVING THE DISCLAIMER OF OPINION

The board (the “**Board**”) of directors (the “**Directors**”) of China Cultural Tourism and Agriculture Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) would like to provide an update in relation to the plans and measures implemented by the Group (the “**Plans and Measures**”) with a view to mitigating the liquidity pressure of the Group and resolving the disclaimer of opinion issued by the Company’s auditor relating to going concern as set out on page 37 of the Company’s annual report for the year ended 31 December 2024 (the “**Annual Report**”). Unless otherwise defined, capitalised terms used in this announcement have the same meanings as those defined in the Annual Report.

The status of the implementation of the Plans and Measures since the date of publication of the last update announcement of the Company dated 31 July 2025 and up to the date of this announcement is summarised as follows:

- (i) The Group has continued to implement measures to accelerate the pre-sales and sales of properties under development and completed properties.

As disclosed in the Company’s announcement dated 16 September 2025, the Group has recently entered into a sale and purchase agreement with an independent third party for a bulk sale of 12 buildings in German City at the total contract price of approximately RMB550 million. This transaction is expected to be completed by the end of 2025. This transaction represents a significant sales milestone for the Group. The sale proceeds are expected to significantly enhance the Group’s cash flow, strengthen its balance sheet, and positively impact its overall financial performance. It also demonstrates the Group’s capability in developing and realizing large-scale integrated projects.

- (ii) As disclosed in the Company’s announcement dated 13 October 2025, the Group has entered into a sale and purchase agreement with a buyer for the disposal of 47% equity interest in a subsidiary at the consideration of approximately RMB143 million. Up to the date of this announcement, the Group has received RMB16 million. According to the sale and purchase agreement, the remaining 90% of the consideration is due before 31 March 2026. The disposal will be completed upon full payment. The Company is actively urging the buyer to expedite payment, with the goal of completing the transaction before 31 December 2025.

Given that the said subsidiary has not been generating profits for the Group, the Group believes that divesting from such subsidiary would relieve the financial burden on the Group during the prevailing uncertain economic conditions.

It is estimated that the Group will record a gain on the disposal of approximately RMB84 million upon completion of the transaction.

- (iii) The Group continues to negotiate with various domestic lenders regarding the renewal and extension of loans.
- (iv) The Group has been actively in discussion with its controlling shareholder for the restructuring of the promissory note issued by the Company to the controlling shareholder.
- (v) The Group has been actively exploring potential asset disposal opportunities to create liquidity. The Company will make a timely announcement when substantial progress is made.

The Company will publish announcement(s) for the updates regarding the Plans and Measures as and when appropriate in accordance with the Listing Rules and/or as required by the Stock Exchange.

The above-mentioned figures are based on the summary of internal information of the Company, which may differ from figures to be disclosed in the audited or unaudited consolidated financial statements to be published by the Company on an annual or interim basis due to various uncertainties during the process of collection and collation of such information. As such, the above figures are provided for reference only.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
China Cultural Tourism and Agriculture Group Limited
YANG Lijun
Chairman

Hong Kong, 31 October 2025

As at the date of this announcement, the Board comprises Mr. YANG Lijun (Chairman) and Mr. TAM Ka Wai being the executive Directors, Mr. WONG Yuk Lun, Alan being the non-executive Director; and Ms. CHAN Hoi Ling, Ms. TSUI Wai Ting Rosalie and Mr. TSANG Ho Pong being the independent non-executive Directors.