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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.

Further details of the status of the implementation of the Plans and Measures up to the date of this announcement is summarised as follows:

- (i) Based on the unaudited management accounts of the Group for the 10 months ended 31 October 2025, the Group’s property contracted sales amounted to approximately RMB660 million, representing more than 350% of the property sales revenue of the Group in FY2024. The Group has achieved approximately 80% sales target set for year 2025. The Directors considered that the overall financial performance of the Group has significantly improved in 2025.
- (ii) The Group plans to dispose of two loss making subsidiaries in 2025. In this regard, the Group has already entered into a sale and purchase agreement for the disposal of one of these loss-making companies at the consideration of approximately RMB143 million, details of which are set out in the announcement of the Company dated 13 October 2025. As at the date of this announcement, the disposal has been completed and the Group has received the entire consideration. It is expected that the Group will record a gain on disposal of approximately RMB84 million.

The Group has also completed the disposal of the other loss-making subsidiary in November 2025. It is expected that the Group will record a gain on disposal of approximately HK\$209 million and the net liabilities of the Group will decrease by approximately HK\$209 million as a result of such disposal.

- (iii) The Group has also reached an agreement with the lender for extension of the loans and borrowings due within approximately one year of approximately HK\$200 million for two years from 31 December 2025 to 31 December 2027.

As at 31 December 2024, the Group's loans and borrowings due within one year was approximately HK\$800 million. It is expected that the Group's loans and borrowings due within one year will be reduced by at least 50% by the end of 2025, and by 80% before the first quarter of 2026, as compared with that of 31 December 2024.

- (iv) As at 30 November 2025, the Company was indebted to Yang's Development Limited ("**Yang's Development**"), a company which is the controlling shareholder of the Company and wholly-owned by Mr. Yang Lijun, an executive Director, in the aggregate amount of HK\$150,061,029 pursuant to the promissory note issued by the Company to Yang's Development dated 12 December 2023 (the "**Promissory Note**"). Such Promissory Note bore interests at the rate of 6% per annum.

In order to restructure the Promissory Note and with the view of reducing the liabilities of the Group, in December 2025, the Company has issued perpetual securities in an aggregate principal amount of HK\$150,061,029 (the "**Perpetual Securities**") to Yang's Development to replace the Promissory Note. The key terms of the Perpetual Securities are as follows:

Distribution Rate:	3% per annum
Distribution Payment:	At the discretion of the Company, with the option to defer payments without limit.
Redemption:	No fixed redemption date. The Company may, at its sole discretion, elect to defer, in whole or in part, any distribution.

The issue of the Perpetual Securities to replace the Promissory Note can strengthen the capital base, reduce the gearing ratio, and enhance the net asset position of the Group. The net liabilities of the Group will decrease by approximately HK\$150 million as a result of the issue of the Perpetual Securities.

The issue of the Perpetual Securities (i) is conducted on normal commercial terms or better; and (ii) is not secured by the assets of the Group, it is fully exempted from compliance with the requirements of reporting, annual review, announcement and approval by independent shareholders under Chapter 14A of the Listing Rules.

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, 15 December 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.