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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)**

### **2025 INTERIM RESULTS ANNOUNCEMENT**

The Board of Directors (the “**Board**”) of China Cultural Tourism and Agriculture Group Limited (the “**Company**”) hereby announces the unaudited condensed consolidated interim financial information of the Company and its subsidiaries (together the “**Group**”) for the six months ended 30 June 2025 together with the comparative figures for the corresponding period in 2024, as follows:

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
	Notes		
<b>REVENUE</b>	5	<b>35,626</b>	13,489
Cost of sales		<u>(25,543)</u>	<u>(7,702)</u>
<b>Gross profit</b>		<b>10,083</b>	5,787
Other income and gains	6	<b>547</b>	1,060
Selling expenses		<b>(381)</b>	(1,411)
Administrative and other expenses		<b>(3,644)</b>	(46,455)
Finance costs	7	<u><b>(53,563)</b></u>	<u>(52,715)</u>
<b>LOSS BEFORE TAX</b>	8	<b>(46,958)</b>	(93,734)
Income tax (expense)/credit	9	<u><b>(1,069)</b></u>	<u>224</u>
<b>LOSS FOR THE PERIOD</b>		<u><b>(48,027)</b></u>	<u>(93,510)</u>
(Loss)/profit for the period attributable to:			
Owners of the Company		<b>(52,492)</b>	(88,185)
Non-controlling interests		<u><b>4,465</b></u>	<u>(5,325)</u>
		<u><b>(48,027)</b></u>	<u>(93,510)</u>
		<i>HK cents</i>	<i>HK cents</i>
<b>LOSS PER SHARE ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF PARENT</b>	10		
— Basic		<u><b>(0.68)</b></u>	<u>(1.15)</u>
— Diluted		<u><b>N/A</b></u>	<u>N/A</u>

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<b>LOSS FOR THE PERIOD</b>	<u>(48,027)</u>	<u>(93,510)</u>
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences arising on translation of foreign operations	<u>(309)</u>	<u>8,488</u>
Other comprehensive (loss)/income for the period, net of tax	<u>(309)</u>	<u>8,488</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<u><u>(48,336)</u></u>	<u><u>(85,022)</u></u>
Total comprehensive (loss)/income for the period attributable to:		
Owners of the Company	(55,289)	(79,731)
Non-controlling interests	<u>6,953</u>	<u>(5,291)</u>
	<u><u>(48,336)</u></u>	<u><u>(85,022)</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at <b>30 June 2025</b> (Unaudited) <i>HK\$'000</i>	As at 31 December 2024 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	<i>11</i>	<b>125,188</b>	132,895
Right-of-use assets		<b>40,430</b>	40,665
Properties under development	<i>12</i>	<b>1,606,952</b>	1,567,804
Licensing rights		<b>182</b>	277
		<hr/>	<hr/>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,772,752</b>	1,741,641
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Properties held for sale	<i>13</i>	<b>836,225</b>	843,756
Inventory		<b>2,343</b>	2,575
Trade receivables	<i>14</i>	<b>2,576</b>	1,911
Prepayments, deposits and other receivables		<b>447,514</b>	378,964
Amount due from a director		<b>164</b>	159
Amounts due from non-controlling shareholders		<b>361</b>	351
Restricted bank balances		<b>1,010</b>	100,826
Cash and cash equivalents		<b>16,536</b>	8,656
		<hr/>	<hr/>
<b>TOTAL CURRENT ASSETS</b>		<b>1,306,729</b>	1,337,198
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		<b>3,079,481</b>	3,078,839
		<hr/> <hr/>	<hr/> <hr/>

		As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
	<i>Notes</i>		
<b>CURRENT LIABILITIES</b>			
Trade payables, other payables and accruals	15	658,228	641,586
Contract liabilities	16	96,889	34,634
Amounts due to non-controlling shareholders	17	13,519	13,457
Loans and borrowings	18	784,375	800,627
Tax payable		266,078	265,018
		<u>1,819,089</u>	<u>1,755,322</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,819,089</u>	<u>1,755,322</u>
<b>NET CURRENT LIABILITIES</b>		<u>(512,360)</u>	<u>(418,124)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,260,392</u>	<u>1,323,517</u>
<b>NON-CURRENT LIABILITIES</b>			
Loans and borrowings	18	624,739	713,621
Other payables		321,643	251,457
Amount due to a director	19	155,006	153,121
Promissory note payable	20	139,102	136,815
Deferred tax liabilities		86,326	86,591
		<u>1,326,816</u>	<u>1,341,605</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>1,326,816</u>	<u>1,341,605</u>
<b>NET LIABILITIES</b>		<u>(66,424)</u>	<u>(18,088)</u>
Share capital	21	76,872	76,872
Reserves		(278,107)	(222,818)
Deficit attributable to owners of the Company		(201,235)	(145,946)
Non-controlling interests		134,811	127,858
<b>TOTAL DEFICIT</b>		<u>(66,424)</u>	<u>(18,088)</u>

# NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

China Cultural Tourism and Agriculture Group Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The registered office and principal place of business of the Company are located at The Offices of JTC (Cayman) Limited, 2nd Floor, 94 Solaris Avenue, Camana Bay, P.O. Box 30745, Grand Cayman KY1-1203, Cayman Islands and Units 2105 and 2106, Far East Consortium Building, No. 121 Des Voeux Road Central, Hong Kong respectively. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

During the period, the Group’s activities mainly comprised properties development and hotel business in the People’s Republic of China (the “**PRC**”).

## 2. BASIS OF PREPARATION

These condensed consolidated financial statements for the six months ended 30 June 2025 have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The accounting policies and the basis of preparation adopted in the preparation of these condensed consolidated financial statements are consistent with those adopted in the Group’s annual financial statements for the year ended 31 December 2024, except for the adoption of the amended HKFRS Accounting Standard as disclosed in Note 3 below.

These condensed consolidated financial statements for the six months ended 30 June 2025 have been prepared under the historical cost convention. These condensed consolidated financial statements are presented in Hong Kong Dollars and all values are rounded to the nearest thousand except when otherwise indicated.

### Going concern basis

For the six months ended 30 June 2025, the Group recorded a net loss of approximately HK\$48,027,000. As at 30 June 2025, the Group’s financial obligations approximately HK\$1,819,089,000, which are due for repayment within the next twelve months. Among these obligations, approximately HK\$170,345,000 of bank borrowings and HK\$64,217,000 of other borrowings are repayable on demand as at 30 June 2025, while the Group’s available cash and cash equivalents amount to approximately HK\$16,536,000 only. These events and conditions indicate the existence of material uncertainties which may cast significant doubt about the Group’s ability to continue as a going concern.

The directors of the Company have been undertaking a number of plans and measures to improve the Group's liquidity and financial position, and to remedy certain delayed repayments to financial institutions. The condensed consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these plans and measures, which are subject to material uncertainties including:

- (i) The Group has continued to implement measures to accelerate the pre-sales and sales of properties under development and completed properties;
- (ii) To control administrative expenses, the Group has been taking measures to optimise its workforce;
- (iii) The Group has been actively negotiating with various domestic lenders regarding the renewal and extension of loans; and
- (iv) The Group has been actively exploring potential asset disposal opportunities to create liquidity.

Should the Group fail to achieve the abovementioned plans and measures, it may not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effects of these adjustments have not been reflected in these condensed consolidated financial statements.

### **3. CHANGE IN ACCOUNTING POLICIES**

#### **Application of amendments to HKFRS Accounting Standards**

The Group has adopted the following amended HKFRS Accounting Standard for the first time for the current period's financial statements.

Amendments to HKAS 21	<i>Lack of Exchangeability</i>
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Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking.

The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the condensed consolidated interim financial information.

#### 4. OPERATING SEGMENT INFORMATION

For management purposes, the Group identifies reportable segments, on the basis of the products and services, for internal reports about components of the Group that are regularly reviewed by the chief operation decision makers for the purpose of allocating resources to segments and assessing their performances. There are three reportable operating segments identified as follows:

- (a) Property Development Business: Property development and provision of ancillary services including agency and clubhouse operating service;
- (b) Hotel Business: Sub-licensing rights to hotel operators and related hotel management activities; and
- (c) Other Business: Retail sales.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment results represent the profit or loss earned before tax before taking into account interest income from bank deposits, unallocated other income, unallocated corporate expenses (including central administration costs and directors' remuneration) and finance costs. This is the measure reported to the chief operation decision makers and the board of directors for the purposes of resource allocation and performance assessment.

	For the six months ended 30 June							
	Property Development		Hotel Business		Others		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
<b>Segment revenue</b>								
Revenue from contracts with customers								
— recognised at a point in time	29,956	10,507	—	—	291	1,250	30,247	11,757
— recognised over time	5,071	1,423	308	309	—	—	5,379	1,732
Total segment revenue	<u>35,027</u>	<u>11,930</u>	<u>308</u>	<u>309</u>	<u>291</u>	<u>1,250</u>	<u>35,626</u>	<u>13,489</u>
Segment profit/(loss)	<u>18,269</u>	<u>(24,564)</u>	<u>(8,231)</u>	<u>(11,560)</u>	<u>(143)</u>	<u>(2,845)</u>	<u>9,895</u>	<u>(38,969)</u>
Reconciliation:								
Bank interest income							89	131
Other income							—	354
Other unallocated expenses							(3,379)	(2,535)
Finance costs							(53,563)	(52,715)
Loss before tax							<u>(46,958)</u>	<u>(93,734)</u>

*Note:* There were no inter-segment sales for both of the six months ended 30 June 2025 and 30 June 2024.



	As at							
	Property Development		Hotel Business		Other Business		Total	
	30.6.2025	31.12.2024	30.6.2025	31.12.2024	30.6.2025	31.12.2024	30.6.2025	31.12.2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	2,886,585	2,886,590	167,359	175,517	8,242	7,848	3,062,186	3,069,955
Unallocated assets							17,295	8,884
Total assets							<u>3,079,481</u>	<u>3,078,839</u>
Segment liabilities	2,621,288	2,586,647	87,476	85,016	16,184	14,385	2,724,948	2,686,048
Unallocated liabilities							<u>420,957</u>	<u>410,879</u>
Total liabilities							<u>3,145,905</u>	<u>3,096,927</u>

For the purposes of monitoring segment performance and allocating resources between segments:

- (a) all assets are allocated to reportable segments other than certain restricted bank balances, unallocated prepayments, deposits and other receivables and cash and bank balances.
- (b) all liabilities are allocated to reportable segments other than unallocated other payables and accruals, amounts due to non-controlling shareholders, amount due to a director, promissory note payable and deferred tax liabilities.

### Geographical information

The Group operates in one main geographical area — the PRC.

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<b>REVENUE</b>		
— The PRC	<u>35,626</u>	<u>13,489</u>

### Revenue from customers contributing over 10% of the total revenue of the Group

Revenue from individual customers contributed over 10% of the total revenue of the Group is as follow:

	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Customer A (Note)	7,172	2,245
Customer B (Note)	<u>3,724</u>	<u>1,428</u>

Note: Customer A and Customer B contributed 31% of the total revenue of the Group during the six months ended 30 June 2025.

## 5. REVENUE

Revenue represents the aggregate of income from sales of properties held for sale, sales of goods, sub-licensing of operating rights and property agency income and is analysed as follows:

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Sales of properties held for sale	<b>29,956</b>	10,507
Sales of goods	<b>291</b>	1,250
Licensing income	<b>308</b>	309
Property agency income	<b>5,071</b>	1,423
	<b>35,626</b>	13,489

### Disaggregated by timing of revenue recognition

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue recognised:		
— Point in time	<b>30,247</b>	11,757
— Over time	<b>5,379</b>	1,732
	<b>35,626</b>	13,489

## 6. OTHER INCOME AND GAINS

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Bank interest income	<b>89</b>	131
Rental income	<b>—</b>	354
Others	<b>458</b>	575
	<b>547</b>	1,060

## 7. FINANCE COSTS

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interests on		
Loans and borrowings	41,073	44,083
Amount due to a director	8,143	9,013
Promissory note payable	6,252	1,915
Lease liabilities	40	—
	<u>55,508</u>	<u>55,011</u>
Less: Amount capitalised on properties under development	<u>(1,945)</u>	<u>(2,296)</u>
	<u><u>53,563</u></u>	<u><u>52,715</u></u>

The borrowing costs have been capitalised at the rates ranged from 6.5% to 8.1% (six months ended 30 June 2024: from 6.5% to 8.5%) per annum.

## 8. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cost of sales		
Cost of properties sold	25,189	6,674
Cost of inventories sold	256	929
Amortisation of licensing rights	98	99
	<u>25,543</u>	<u>7,702</u>
Depreciation of property, plant and equipment	9,176	9,276
Depreciation of right-of-use assets	942	943
Rental expenses for short-term leases	88	573
Auditors' remuneration	—	62
Employee benefit expenses (including directors' remuneration)		
— Wages and salaries	7,457	8,199
— Retirement benefits scheme contributions	651	655
	<u>8,108</u>	<u>8,854</u>
Exchange (gain)/loss, net ( <i>Note</i> )	<u><u>(17,813)</u></u>	<u><u>21,425</u></u>

*Note:* The exchange (gain)/loss, net is included in administrative and other expenses as presented in Interim Condensed Consolidated Statement of Profit or Loss.

## 9. INCOME TAX (EXPENSE)/CREDIT

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax expense		
PRC enterprise income tax		
— Provision for the period	—	(8)
PRC Land Appreciation Tax (“LAT”)		
— Provision for the period	(1,334)	—
	(1,334)	(8)
Deferred tax	265	232
Income tax (expense)/credit	(1,069)	224

No provision for Hong Kong profits tax has been made in the condensed consolidated financial statements as the Group has no assessable profit arising in Hong Kong for both of the periods presented.

PRC enterprise income tax is calculated at 25% (six months ended 30 June 2024: 25%) of the profits of the group entities in the PRC.

LAT is levied on properties developed by the Group for sale, at progressive rates from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditure including lease charges of land use rights, borrowing costs and all property development expenditure.

## 10. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to owners of the Company amounted to approximately HK\$52,492,000 (six months ended 30 June 2024: loss of HK\$88,185,000), and 7,687,158,040 (six months ended 30 June 2024: 7,687,158,040) ordinary shares in issue during the period.

No diluted loss per share for both of the periods ended 30 June 2025 and 2024 was presented as there were no potential ordinary shares in issue for both of the periods.

## 11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, additions and disposal of items of property, plant and equipment amounted to HK\$48,000 and HK\$134,000 respectively (six months ended 30 June 2024: HK\$77,000 and Nil respectively).

## 12. PROPERTIES UNDER DEVELOPMENT

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Properties under development, at cost	<u>1,606,952</u>	<u>1,567,804</u>

The properties are located in Taishan City, Hengqin and Doumen district, Zhuhai City, the PRC.

## 13. PROPERTIES HELD FOR SALE

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Properties held for sale — Under development	<u>836,225</u>	<u>843,756</u>

## 14. TRADE RECEIVABLES

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Trade receivables, gross	86,808	83,514
Impairment loss recognised	<u>(84,232)</u>	<u>(81,603)</u>
	<u>2,576</u>	<u>1,911</u>

Credit period normally granted to customers of the Group is 30 days.

An aged analysis of the trade receivables after impairment loss recognised, based on invoice date, is as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Within 1 month	891	592
1–3 months	164	159
4–12 months	<u>1,521</u>	<u>1,160</u>
	<u>2,576</u>	<u>1,911</u>

Movements in impairment loss recognised on trade receivables are as follows:

	<b>30 June 2025 (Unaudited) HK\$'000</b>	<b>31 December 2024 (Audited) HK\$'000</b>
At the beginning of the period/year	<b>81,603</b>	84,744
Exchange realignment	<b>2,629</b>	(3,141)
At the end of the period/year	<b>84,232</b>	<b>81,603</b>

#### 15. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	<b>30 June 2025 (Unaudited) HK\$'000</b>	<b>31 December 2024 (Audited) HK\$'000</b>
Trade payables for property development expenditure ( <i>Note a</i> )	<b>215,286</b>	271,030
Value-added tax payable	<b>107,230</b>	97,320
Interest payable	<b>152,714</b>	88,128
Lease liabilities	<b>574</b>	—
Other payables and accruals	<b>182,424</b>	185,108
	<b>658,228</b>	<b>641,586</b>

*Note:*

- (a) The following is an aged analysis of trade payables for property development expenditure presented based on the invoice date:

	<b>30 June 2025 (Unaudited) HK\$'000</b>	<b>31 December 2024 (Audited) HK\$'000</b>
Within 1 month	<b>92,946</b>	125,784
1–3 months	<b>122,340</b>	145,246
	<b>215,286</b>	<b>271,030</b>

## 16. CONTRACT LIABILITIES

	<b>30 June 2025 (Unaudited) HK\$'000</b>	<b>31 December 2024 (Audited) HK\$'000</b>
Advance payments received for sales of properties	<b>96,889</b>	34,634

The Group received payments from customers based on billing schedules as stipulated in the property sale contracts. Payments are usually received in advance of the performance under the sale contracts.

## 17. AMOUNTS DUE TO NON-CONTROLLING SHAREHOLDERS

The amounts due to non-controlling shareholders are unsecured, interest free and repayable on demand.

## 18. LOANS AND BORROWINGS

	<b>30 June 2025 (Unaudited) HK\$'000</b>	<b>31 December 2024 (Audited) HK\$'000</b>
Bank loans		
— secured	<b>490,887</b>	537,322
Other loans and borrowings		
— secured	<b>217,815</b>	228,356
— unsecured	<b>700,412</b>	748,570
	<b>918,227</b>	976,926
	<b>1,409,114</b>	1,514,248

	<b>30 June 2025 (Unaudited) HK\$'000</b>	31 December 2024 (Audited) HK\$'000
Loans and borrowings repayable:		
Within 1 year or on demand	784,375	800,627
After 1 year but within 2 years	624,739	318,580
After 2 years but within 5 years	—	395,041
	<b>1,409,114</b>	1,514,248
Less: Portion repayable within one year included in current liabilities	<b>(784,375)</b>	(800,627)
Portion not repayable within one year included in non-current liabilities	<b>624,739</b>	713,621
	<b>30 June 2025 (Unaudited) HK\$'000</b>	31 December 2024 (Audited) HK\$'000
Loans and borrowings chargeable at		
— fixed interest rates	440,618	467,684
— variable interest rates	968,496	1,046,564
	<b>1,409,114</b>	1,514,248

#### Bank loans

The bank loans outstanding at 30 June 2025 carried interests at the interest rates ranged from HIBOR plus 3.5% to a fixed rate of 8.8% per annum. The bank loans outstanding at 31 December 2024 carried interests at the interest rates ranged from HIBOR plus 3.5% to a fixed rate of 8.8% per annum.

The bank loans at 30 June 2025 to the extent of HK\$157,798,000 (31 December 2024: HK\$157,798,000) were secured by (i) pledge of all the equity interest in a subsidiary beneficially held by the Group and non-controlling shareholders; (ii) guarantees given by a former director of the Company; (iii) guarantees given by a non-controlling shareholder of the subsidiary; and (iv) pledge of the Group's restricted bank balances of HK\$9,000 (31 December 2024: HK\$43,909,000).

Included in bank loans of HK\$170,345,000 as at 30 June 2025 (31 December 2024: HK\$225,804,000) which repayable within 1 year are contain a repayment on demand clause.



The bank loans at 30 June 2025 to the extent of HK\$12,547,000 (31 December 2024: HK\$68,006,000) were secured by (i) guarantees given by a director of the Company, Mr. Yang Lijun; (ii) guarantees given by a company which is controlled by a brother of a director, Mr. Yang Lijun; (iii) guarantees given by a subsidiary of the Company; (iv) pledge of the Group's properties held for sale under development located in Chengdu, the PRC with the carrying amount of HK\$60,794,000 (31 December 2024: HK\$70,172,000); and (v) pledge of the Group's restricted bank balances of HK\$996,000 (31 December 2024: HK\$56,917,000).

The bank loans at 30 June 2025 of HK\$72,204,000 (31 December 2024: HK\$70,172,000) was secured by the Group's leasehold land and buildings located in Maoming City, the PRC with the aggregate carrying amount of HK\$164,730,000 (31 December 2024: HK\$173,183,000).

As at 30 June 2025, the loan of HK\$248,338,000 (31 December 2024: HK\$241,346,000) was secured by (i) guarantees given by a director of the Company, Mr. Yang Lijun; (ii) pledge of the Group's properties under development and properties held for sale under development located in Doumen, the PRC with the aggregate carrying amount of HK\$816,424,000 (31 December 2024: HK\$794,808,000).

### Other loans and borrowings

Other loans and borrowings carried interests at the interest rates ranged from 9% to 15% per annum. At 30 June 2025, secured loans and unsecured borrowings amounted to HK\$217,815,000 (31 December 2024: HK\$228,356,000) and HK\$259,795,000 (31 December 2024: HK\$280,887,000) were secured by guarantees given by Mr. Yang Lijun and Mr. Yu Shunhui, directors of the Company, respectively.

Included in other loans and borrowings of HK\$64,217,000 (31 December 2024: 64,217,000) is repayable on demand.

The loans and borrowings with the aggregate carrying amount of HK\$317,336,000 (31 December 2024: HK\$336,396,000) are denominated in currencies other than the functional currencies of the relevant group entities.

## 19. AMOUNT DUE TO A DIRECTOR

	<b>30 June 2025 (Unaudited) HK\$'000</b>	31 December 2024 (Audited) HK\$'000
Amount due to a director repayable:		
— Within a period of more than one year but not exceeding two years	<u>155,006</u>	<u>153,121</u>
Analysed for reporting purpose:		
— Non-current liabilities	<u><u>155,006</u></u>	<u><u>153,121</u></u>

The amount due to a director, Mr. Yang Lijun is unsecured, carries interest at the rates ranged from 12% to 13% per annum (31 December 2024: from 12% to 13% per annum).

## 20. PROMISSORY NOTE PAYABLE

	<b>30 June 2025 (Unaudited) HK\$'000</b>	<b>31 December 2024 (Audited) HK\$'000</b>
Promissory note payable:		
— Within a period of more than one year but not exceeding seven years	<b>139,102</b>	<b>136,815</b>

## 21. SHARE CAPITAL

	<b>30 June 2025 (Unaudited) HK\$'000</b>	<b>31 December 2024 (Audited) HK\$'000</b>
Authorised:		
100,000,000,000 (31 December 2024: 100,000,000,000) ordinary shares of HK\$0.01 each	<b>1,000,000</b>	<b>1,000,000</b>
Issued and fully paid:		
7,687,158,040 (31 December 2024: 7,687,158,040) ordinary shares of HK\$0.01 each	<b>76,872</b>	<b>76,872</b>

## 22. DIVIDEND

No dividend was paid or proposed for the six months ended 30 June 2025, nor had any dividend been proposed since the end of the reporting period (30 June 2024: Nil).

## 23. PROJECT COMMITMENTS

As at 30 June 2025, the Group had outstanding commitments for property development expenditure and acquisition of land for development contracted but not provided for amounted to approximately HK\$359.0 million (31 December 2024: HK\$273.6 million).

## 24. CAPITAL COMMITMENTS

The Group did not have any significant capital commitment as at 30 June 2025 and 31 December 2024.

## 25. CONTINGENT LIABILITIES

As at 30 June 2025, the Group had contingent liabilities amounting to approximately HK\$145.7 million (31 December 2024: HK\$280.6 million) in respect of the buy-back guarantee in favour of banks to secure mortgage loan facilities granted to the purchasers of the Group's properties.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

For the six months ended 30 June 2025, the Group's revenue was approximately of HK\$35.6 million, compared to HK\$13.5 million for the corresponding period 2024. The Group recorded a loss before tax of approximately HK\$47.0 million, compared to the loss of HK\$93.7 million for the corresponding period 2024. The loss, amongst other things, was mainly attributable to financial costs in the first half of 2025.

Loss attributable to the owners of the Company for the six months ended 30 June 2025 was approximately of HK\$52.5 million, compared to a loss of HK\$88.2 million for the corresponding period in 2024.

### **PROPERTY DEVELOPMENT SEGMENT**

Revenue of the property development segment for the six months ended 30 June 2025 was approximately of HK\$35.0 million, compared to HK\$11.9 million for the corresponding period 2024. Profit of the property development segment for the six months ended 30 June 2025 was HK\$18.3 million, compared to the loss of HK\$24.6 million for the corresponding period in 2024.

During the six months ended 30 June 2025, the Group had four projects under development, namely German City project located in Hengqin, Fuyuan Junting project located in Chengdu, Fuyuan Square project located in Doumen, and Taishan project located in Taishan City, respectively.

German City project holds a land parcel of gross floor area of approximately 145,176 sq.m., of which approximately 49,999 sq.m. is available for sale. The land parcel is located in Hengqin New District, Zhuhai City, the PRC and is designated to be developed into a research and commercial complex. The pre-sale activities of German City project had started in the fourth quarter of 2019. Up to 30 June 2025, German City project had achieved sales contracts amounted to 65.0% of its gross saleable areas available for sale. Construction work of the project is expected to be completed in October 2025.

Fuyuan Junting project holds two land parcels of total gross floor area of approximately 120,500 sq.m., of which 84,425 sq.m. is available for sale. The land parcel is located in Ande Zhen, Pidu District, Chengdu City, the PRC and is designated to be developed into a residential and commercial complex. The pre-sale activities of Fuyuan Junting project had started in the 4th quarter of 2019. Up to 30 June 2025, first phase and second phase of Fuyuan Junting project had achieved sales contracts approximately 100% and 88.1% of its respective total gross saleable areas available for sale. Construction work of the second phase was completed in 2024.

Fuyuan Square project holds a land parcel of gross floor area of approximately 197,391 sq.m., of which 61,654 sq.m. is available for sale. The land parcel is located in Doumen District, Zhuhai City, the PRC and is designated to be developed into a commercial complex comprising office towers, a 5-star standard hotel and a shopping center with basement car parks. The pre-sale activities of Fuyuan Square project had started in July 2020. Up to 30 June 2025, Fuyuan Square project had achieved sales contracts approximately 60.1% of its total gross saleable areas available for sale. Construction work of the project will be completed in November 2025.

Taishan project holds nine parcels of lands with total site area of approximately 534,191 sq. m., for tourism and commercial uses. The project will be developed into a leisure and health resort featuring a range of amenities, including apartments, hotels, and various leisure and commercial facilities.

The Group is striving to accelerate the progress of pre-sale of properties.

## **HOTEL BUSINESS**

For the six months ended 30 June 2025, the hotel business segment recorded revenue from the sub-licensing of operating right amounting to HK\$0.3 million, compared to HK\$0.3 million for the corresponding period 2024. Loss of the segment amounted to HK\$8.2 million and HK\$11.6 million for the six months ended 30 June 2025 and 2024, respectively. The loss is mainly attributable to the depreciation of property, plant and equipment, amortisation of licensing rights, and finance costs incurred during the period.

## **Geographical Segment**

During the period, the Group did not have revenue generated from Hong Kong, and the revenue so generated elsewhere in the PRC mainly related to hotel business, property development, and sales of food and beverage.

## **REVIEW OF FINANCIAL POSITION**

### **Overview**

Non-current assets of the Group as at 30 June 2025 mainly comprised properties under development, property, plant and equipment, right-of-use assets, and licensing rights amounting to HK\$1,772.8 million, compared to HK\$1,741.6 million as at 31 December 2024. Current assets as at 30 June 2025 amounted to HK\$1,306.7 million, compared to HK\$1,337.2 million as at 31 December 2024. Current liabilities as at 30 June 2025 amounted to HK\$1,819.1 million, compared to HK\$1,755.3 million as at 31 December 2024. Non-current liabilities as at 30 June 2025 amounted to HK\$1,326.8 million, compared to HK\$1,341.6 million as at 31 December 2024.

### **Capital Structure, Liquidity and Financial Resources**

As at 30 June 2025, the Group's total interest bearing borrowings amounted to HK\$1,703.2 million (31 December 2024: HK\$1,804.1 million) which comprised borrowings from financial institutions approximately of HK\$490.9 million (31 December 2024: HK\$537.3 million), borrowings from independent third parties of HK\$854.0 million (31 December 2024: HK\$912.7 million), promissory note payable of HK\$139.1 million (31 December 2024: HK\$136.8 million), other loans of HK\$64.2 million (31 December 2024: HK\$64.2 million), and amount due to a director of HK\$155.0 million (31 December 2024: HK\$153.1 million).

The Group's total equity as at 30 June 2025 was deficiency of HK\$66.4 million (31 December 2024: deficiency of HK\$18.1 million).

The Group's gearing ratio as at 30 June 2025 is not presented (31 December 2024: not presented). The gearing ratio was calculated on the basis of total interest-bearing borrowings over the total equity of the Group. The significant increase in the gearing ratio is mainly due to a substantial amount of interest-bearing borrowings raised to finance the operations of a property development project of the Group and the decrease in total equity of the Group during the period.

As part of treasury management, the Group centralises funding for all of its operations at the Group level. The Group's foreign currency exposure relates mainly to Renminbi, which is derived from its hotel business, the sales of the property units in Zhongshan, and other property development projects in the PRC.

## **Capital Commitments**

The Group did not have any significant capital commitment as at 30 June 2025 and 31 December 2024.

## **Project Commitments**

As at 30 June 2025, the Group had outstanding commitments in respect of the property development expenditure and acquisition of land for development, which were contracted but not provided for, amounted to approximately HK\$359.0 million (31 December 2024: HK\$273.6 million).

## **Contingent Liabilities**

As at 30 June 2025, the Group had contingent liabilities amounting to approximately HK\$145.7 million (31 December 2024: HK\$280.6 million). The contingent liabilities were mainly in respect of buy-back guarantees in favour of banks to secure mortgage loans granted to the property buyers of the Group. The Board considered that in case of default in payments, the related properties will be sold at prices which exceed the outstanding mortgage principals together with the accrued interest and penalty, therefore, no provision has been made in the financial statements for the guarantees.

## **Charges On Group Assets**

As at 30 June 2025, part of the Group's leasehold land and buildings with a carrying amount of approximately HK\$164.7 million (31 December 2024: HK\$173.2 million) had been pledged to a financial institution to secure mortgage loans. Restricted bank balance of approximately HK\$1.0 million (31 December 2024: HK\$100.8 million) were pledged to certain banks for facilities granted to the Group.

## **STAFF ANALYSIS**

The total number of staff employed by the Group as at 30 June 2025 was 70, compared to 90 as at 31 December 2024. As part of the Group's human resources policy, employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus scale. Currently, the Group continues to implement its overall human resource training and development programme and to equip its employees with the necessary knowledge, skills and experience to deal with the existing and future requirements and challenges.

## **OUTLOOK**

### **Outlook and Planning**

In the first half of 2025, China's overall economy was adversely affected by fragile domestic demand, weak labor market, stagnancy in the real estate market, and low consumer sentiment, which directly caused severe pressures on the Group's property sales.

Looking forward to the second half of the year, the year-on-year decline in new property sales is expected to gradually narrow, as a result of policy support and the diminishing impact of the high base effect. However, real estate investment is likely to remain subdued as the market continues to lag, particularly in the absence of significant improvements in residents' income expectations and property prices. More time is therefore needed to restore market confidence. Key policy measures include lowering mortgage rates, reducing transaction fees and taxes, optimising purchase restrictions, as well as stimulating demand from second-home buyers to promote market recovery. In the second half of 2025, despite continued adjustment pressures in the real estate market, the market is expected to gradually stabilise with constant policy support.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

### **Compliance with Code On Corporate Governance Practices**

The Company is committed to maintain high corporate governance standards and uphold accountability and transparency.

During the six months ended 30 June 2025, the Company has applied the principles of and complied with the applicable code provisions of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules, except for the below deviation:

Code provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. YANG Lijun (“**Mr. YANG**”) is the chairman of the Board and the chief executive officer of the Company. As Mr. YANG has extensive experience in the businesses of property development and investment, the Board believes that by holding both roles of the chairman and the chief executive officer, Mr. YANG will be able to provide strong leadership for the Board and effective and efficient business decisions for the Group. The Board believes that the present structure of the Board would provide adequate checks and balances, and a variety of opinions relating to the affairs and the businesses of the Group.

Save as disclosed above, in the opinion of the Directors, the Company has complied with the relevant provisions of the Corporate Governance Code during the period and up to the date of this announcement.

Further information on the Company’s corporate governance practices during the period under review will be set out in the Corporate Governance Report contained in the Company’s 2025 Interim Report.

## **CHANGE IN DIRECTOR’S INFORMATION**

The change in Director’s information, required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, is set out below:

- Mr. Tsang Ho Pong was appointed as an independent non-executive director, the chairman of the Nomination Committee, a member of the Audit Committee and a member of the Remuneration Committee with effect from 4 June 2025.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiry to the directors, all the directors confirmed that they had complied with the required standards as set out in the Model Code during the six months ended 30 June 2025.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s shares.



## AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Board has established the audit committee of the Company (the “**Audit Committee**”) which comprises three independent non-executive directors.

The Audit Committee, the Company’s auditor and the management of the Company have reviewed the Group’s unaudited condensed consolidated financial information for the six months ended 30 June 2025.

## DISCLOSURE OF INFORMATION

The interim report of the Group for the six months ended 30 June 2025 containing the relevant information required by the Listing Rules will subsequently be published on the Company’s and the Stock Exchange’s websites in due course.

**The financial information contained herein in respect of the interim results of the Group have not been audited and have not been agreed with the auditors. Shareholders and potential investors of the Company 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, 28 August 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.*