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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)

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF 47% EQUITY INTEREST IN CHINA CULTURAL TOURISM GROUP LIMITED

On 13 October 2025 (after trading hours), the Vendor (a direct wholly-owned subsidiary of the Company) and the Purchaser entered into the Agreement, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, 47% equity interest in the Target Company at the Consideration of RMB143,350,000 (equivalent to HK\$156,251,500) in cash.

Following the Completion, the Target Company will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the Group's consolidated financial statements.

IMPLICATIONS UNDER THE LISTING RULES

Reference is made to the announcement of the Company dated 16 December 2024. The Purchaser repurchased 41% equity interest in the Target Company from the Vendor at the consideration of RMB125,050,000 pursuant to the terms of a deed of settlement dated 16 December 2024 (the “**Previous Transaction**”).

As the Previous Transaction was completed within 12 months prior to the Disposal, the Previous Transaction and the Disposal shall be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As the highest of the applicable percentage ratio in respect of the Disposal, when aggregated with the Previous Transaction, is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules. As the Purchaser is a substantial shareholder of the Target Company which is in turn a non-wholly owned subsidiary of the Company, the Purchaser is a connected person of the Company at the subsidiary level. Hence, the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.101 of the Listing Rules, such connected transaction is exempt from the circular, independent financial advice and shareholders' approval requirements insofar as the Company is concerned if (i) the Board has approved the transaction; (ii) the independent non-executive Directors have confirmed that the terms of the transaction are fair and reasonable, the transaction is on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole.

The Board has approved the Disposal and the Directors (including the independent non-executive Directors) have confirmed that the terms of the Disposal are fair and reasonable, the Disposal is on normal commercial terms or better and is in the interests of the Company and its Shareholders as a whole. As such, pursuant to Rule 14A.101 of the Listing Rules, the Disposal is only subject to the reporting and announcement requirements, but is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

On 13 October 2025 (after trading hours), the Vendor (a direct wholly-owned subsidiary of the Company) and the Purchaser entered into the Agreement, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, 47% equity interest in the Target Company at the Consideration of RMB143,350,000 (equivalent to HK\$156,251,500) in cash.

THE AGREEMENT

The principal terms of the Agreement are summarised below:

Date

13 October 2025

Parties

(a) Vendor: TFG Cultural Tourism Group Limited

(b) Purchaser: High Summit Global Limited

The Purchaser holds 41% equity interest in the Target Company and is a substantial shareholder of the Target Company. Accordingly, the Purchaser is a connected person of the Company at the subsidiary level.

Assets to be acquired

Pursuant to the Agreement, the Vendor has agreed to sell, and the Purchaser has agreed to purchase, 47% equity interest in the Target Company.

Consideration

The Consideration for the Disposal is RMB143,350,000 (equivalent to HK\$156,251,500), which shall be paid in cash by the Purchaser to the Vendor in the following manner, subject to Completion:

- (a) RMB14,335,000, being 10% of the Consideration, shall be paid within 10 business days from the date of signing of the Agreement; and
- (b) RMB129,015,000, being 90% of the Consideration, shall be paid on the date of Completion.

Basis of determination of the Consideration

The Consideration was determined after arm's length negotiation between the Group and the Purchaser with reference to (i) 47% of the appraised value of Taishan Nanfang Property Investment and Development Co., Ltd.* (台山市南方房地產投資開發有限公司) ("**Taishan Company**"), a member of the Target Group, as at 31 July 2025 of approximately RMB305,024,800 (the "**Valuation**"), as assessed by an independent professional valuer (the "**Valuer**"); and (ii) the benefits of the Disposal brought about to the Group upon Completion as set out in the paragraph headed "Reasons for and benefits of the Disposal" below in this announcement.

According to the valuation report prepared by the valuer (the "**Valuation Report**"):

- (a) In conducting the Valuation, the Valuer adopts the asset-based approach. The asset-based approach is based on the balance sheet of the subject being valued as of the valuation date. It involves a detailed investigation and individual valuation of each of the subject's assets and liabilities. The final value of the subject of the valuation is determined by subtracting the total value of the assessed liabilities from the total value of the assessed assets. The asset-based approach is adopted because: (i) Taishan Company has complete financial records and asset management information that can be utilized, and the relevant data and information on the acquisition cost of the assets are available; (ii) there is significant difference between Taishan Company and similar comparable listed (and unlisted) companies in terms of asset size and structure, business scope, and profitability level, it is not possible to estimate the value of the subject company through the modification of relevant ratio multiples; and (iii) there are very few similar equity transaction precedents in the domestic market, the market approach is not suitable for the Valuation.

(b) The following assumptions were adopted by the Valuer:

- (i) Open market assumption, which means that for the assets traded in the market or intended to be traded in the market, the parties to the transaction are in an equal position, and they both have the opportunity and time to obtain sufficient market information, so as to make rational judgments on the function, use, and transaction price of the assets.
- (ii) Transaction assumption, which means that all the assets to be valued are already in the process of transaction, and the Valuer estimates the value based on the transaction conditions of the assets to be valued.
- (iii) Save as known to the Valuer, the acquisition, procurement, improvement, and construction development processes of the assets involved in the subject of the Valuation comply with the relevant laws and regulations.
- (iv) Save as known to the Valuer, the assets involved in the subject of the Valuation are free of any rights defects, liabilities, and restrictions that may affect their value, and that the related taxes, various payables have been fully paid.
- (v) Save as known to the Valuer, the machinery, equipment, vehicles, etc. involved in the subject of the Valuation have no major technical failures that affect their continued use, and it is assumed that their key components and materials have no potential quality defects.
- (vi) The Taishan Company's management is responsible and diligent, and the Taishan Company's management is relatively stable and capable of performing their duties.
- (vii) Unless otherwise stated, the Taishan Company's operations fully comply with all relevant laws and regulations.
- (viii) The accounting policies to be adopted by Taishan Company in the future and the accounting policies used in the preparation of this report are basically consistent in material aspects.

The Board has considered the following factors when assessing the fairness and reasonableness of the Valuation:

- (a) It is appropriate to appraise the value of the entire equity interest of Taishan Company, as it directly holds the Project Lands (as defined below), and Taishan Company is held by a chain of intermediate holding companies (including the Target Company) with no significant assets.
- (b) With respect to the adoption of the valuation approach, the Directors understand that the Valuer has considered that the asset-based approach is appropriate to reflect the value of the equity interest of Taishan Company.

- (c) The Company has discussed with the Valuer regarding their work performed and the Valuation Report, and understood that in conducting the Valuation and arriving at the appraised value of Taishan Company, the Valuer understands the characteristics of the appraised subject and the technical valuation requirements involved.
- (d) Having reviewed the Valuation Report, the Directors also understand the assumptions adopted by the Valuer in the Valuation Report and noted certain limiting conditions of the Valuation Report.

Having considered the above factors and the assumptions made by the Valuer, the Directors agree with the Valuer's view that the bases, valuation approach and assumptions adopted in the Valuation Report are appropriate under the current circumstances, and that the Valuation represents a reasonable estimation of the value of the Target Company.

Having considered the Valuation and the above factors, the Directors are of the view that the Consideration is fair and reasonable as a whole.

Completion

Completion will take place on the date which the Purchaser has cumulatively settled the entire amount of the Consideration, but which shall not be later than 31 March 2026 (or such later date as agreed by the Vendor and the Purchaser) (the "**Long Stop Date**"). Following the Completion, (i) the Target Company will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the Group's consolidated financial statements; and (ii) the Target Company will be owned as to 88% by the Purchaser and 12% by the Vendor.

Termination

If the Purchaser fails to settle the entire amount of the Consideration and complete the transaction on or before the Long Stop Date, the Vendor shall have the right to unilaterally terminate the Agreement. The Vendor shall then refund to the Purchaser any amount of the Consideration it has already received. Upon termination of the Agreement, neither party shall have any obligation or liability to proceed with the transaction.

INFORMATION ON THE TARGET GROUP

Corporate information

Target Company

The Target Company is a limited liability company established in the BVI on 20 December 2016. It is principally engaged in investment holding. Prior to the Disposal, the Target Company was owned as to 59% by the Vendor and 41% by the Purchaser.

Subsidiaries of the Target Company

Name of company	Place of incorporation	Date of incorporation	Shareholder (% of shareholding)	Principal business
China Cultural Tourism Group (Overseas) Limited (中國文旅集團(海外)有限公司) (formerly known as Pacific East (H.K.) Limited (利東(香港)有限公司))	Hong Kong	5 December 2016	Target Company (100%)	Investment holding
Zhuhai Hengqin Lidong Tourism Development Co., Ltd.* (珠海橫琴利東旅遊發展有限公司)	PRC	4 April 2018	China Cultural Tourism Group (Overseas) Limited (中國文旅集團(海外)有限公司) (100%)	Tourism investment holding
Jiangmen Quanlin Outdoor Sports Development Co., Ltd.* (江門市泉林戶外運動發展有限公司)	PRC	30 March 2016	Zhuhai Hengqin Lidong Tourism Development Co., Ltd.* (珠海橫琴利東旅遊發展有限公司) (100%)	Investment holding
Taishan Nanfang Property Investment and Development Co., Ltd.* (台山市南方房地產投資開發有限公司)	PRC	9 November 2004	Jiangmen Quanlin Outdoor Sports Development Co., Ltd.* (江門市泉林戶外運動發展有限公司) (100%)	Property development

Financial information

Based on the unaudited consolidated financial statements of the Target Group, the financial information of the Target Group for the two years ended 31 December 2024 and the six months ended 30 June 2025 are set out as follows:

	For the six months ended 30 June 2025	For the year ended 31 December 2024	For the year ended 31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)
Revenue	Nil	Nil	Nil
Loss before taxation	15	1,750	6,153
Loss after taxation	15	1,750	6,153

As at 30 June 2025, based on the unaudited consolidated financial statements of the Target Group, the Target Group had unaudited consolidated total assets and net assets of approximately RMB269,371,000 and RMB125,571,000, approximately.

As at the date of this announcement, the Target Group through the Taishan Company holds nine parcels of lands (the “**Project Lands**”) situated at Xiatangwan, Shaju Villagers’ Committee, Beidou Town, Taishan, Guangdong Province, PRC (中國廣東省台山市北陡鎮沙咀村委會下塘灣) with total site area of approximately 534,191 sq. m. for tourism and commercial uses. Pursuant to the State-owned Land Use Certificates (國有土地使用證) and the Certificate of Real Estate Ownership (不動產權證) in relation to the Project Lands, land use rights in respect of the Project Lands have been granted to Taishan Company up to 2044. According to the relevant planning conditions of the Project Lands as approved by the government authority, the Project Lands will be developed into a leisure and health resort featuring a range of amenities, including apartments, hotels, and various leisure and commercial facilities. The Construction Land Planning Permits (建設用地規劃許可證) in respect of certain parcels of the Project Lands have already been granted.

INFORMATION ON THE VENDOR, THE COMPANY AND THE GROUP

The Vendor is a company incorporated in the BVI with limited liability, which is a direct wholly-owned subsidiary of the Company and is engaged in investment holding.

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. The Group is principally engaged in property development and hotel business in the PRC.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in the BVI with limited liability. It is principally engaged in investment holding. The Purchaser is wholly owned by Chen Kai Jun (陳凱君), who is an individual investor. The Purchaser is a substantial shareholder of the Target Company, and therefore is a connected person of the Company at the subsidiary level.

FINANCIAL IMPACT OF THE DISPOSAL

Following the Completion, the Target Company will cease to be a subsidiary of the Group and its financial results will no longer be consolidated into the Group's consolidated financial statements. It is estimated that the Group will record a gain on the Disposal in the amount of approximately RMB84,082,000, after taking into account of (i) the sale proceeds from the Disposal of RMB143,350,000; (ii) the unaudited carrying amount of the 47% equity interest in the Target Group of approximately RMB59,018,000 as at 30 June 2025; and (iii) the estimated transaction costs for the Disposal of approximately RMB250,000. Shareholders and potential investors should note that the above are for illustrative purposes only, and the actual gain or loss arising from the Disposal will be subject to audit and may be different from the amount stated.

It is expected that the net proceeds from the Disposal of RMB143,100,000 will be used as general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Given that the Target Company has not been generating profits for the Group, the Group believes that divesting from the Target Company would relieve the financial burden on the Group during the prevailing uncertain economic conditions. Since the Purchaser has expressed interest in acquiring a further 47% equity interest in the Target Company, the Directors consider the Disposal under the Agreement to be a favorable arrangement for the Group.

Based on the above, the Directors consider that the terms of the Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

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As the Previous Transaction was completed within 12 months prior to the Disposal, the Previous Transaction and the Disposal shall be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As the highest of the applicable percentage ratios in respect of the Disposal, when aggregated with the Previous Transaction, is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

As the Purchaser is a substantial shareholder of the Target Company which is in turn a non-wholly owned subsidiary of the Company, the Purchaser is a connected person of the Company at the subsidiary level. Hence, the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.101 of the Listing Rules, such connected transaction is exempt from the circular, independent financial advice and shareholders' approval requirements insofar as the Company is concerned if (i)

the Board has approved the transaction; (ii) the independent non-executive Directors have confirmed that the terms of the transaction are fair and reasonable, the transaction is on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole.

The Board has approved the Disposal and the Directors (including the independent non-executive Directors) have confirmed that the terms of the Disposal are fair and reasonable, the Disposal is on normal commercial terms or better and is in the interests of the Company and its Shareholders as a whole. As such, pursuant to Rule 14A.101 of the Listing Rules, the Disposal is only subject to the reporting and announcement requirements, but is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Agreement”	the sale and purchase agreement entered into between the Vendor and the Purchaser on 13 October 2025 in relation to the Disposal
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for general business during their normal business hours
“BVI”	the British Virgin Islands
“Company”	China Cultural Tourism and Agriculture Group Limited 中國文旅農業集團有限公司 (formerly known as TFG International Group Limited 富元國際集團有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“Completion”	completion of the Disposal
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of 47% equity interest in the Target Company by the Vendor
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons (having the meaning ascribed to it under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China which, for the purpose of this announcement, exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchaser”	High Summit Global Limited (高峰環球有限公司), a company incorporated in the BVI with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq.m.”	square meter
“Target Company”	China Cultural Tourism Group Limited 中國文旅集團有限公司, an indirect wholly-owned subsidiary of the Company prior to the Disposal
“Target Group”	the Target Company and its subsidiaries
“Vendor”	TFG Cultural Tourism Group Limited (富元文旅集團有限公司), a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company
“%”	per cent

In this announcement, if there is any inconsistency between the Chinese names of the entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translation of names or any descriptions in Chinese which are marked with “” is for identification purpose only.*

For the purpose of this announcement, the translation of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 = HK\$1.09.

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

Hong Kong, 13 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.