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## **Cinese International Group Holdings Limited**

**富盈環球集團控股有限公司**

*(incorporated in Ontario, Canada and continued in the Cayman Islands with limited liability)*

**(Stock Code: 1620)**

### **MAJOR TRANSACTION IN RELATION TO DISPOSAL OF THE ENTIRE EQUITY INTERESTS IN A WHOLLY-OWNED SUBSIDIARY**

#### **Financial adviser to the Company**



#### **DISPOSAL**

The Board would like to announce that on 29 August 2025 (after trading hours), the Vendor and the Purchaser entered into the Agreement, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase the Sale Shares, representing the entire issued share capital of the Target Company, at a consideration of CAD3.0 million (equivalent to approximately HK\$17.1 million) and is subject to adjustment. Closing has taken place immediately after the entering into of the Agreement. Upon Closing, the Company ceased to have any interest in the Target Company, and the Target Company ceased to be a subsidiary of the Company. The financial results of the Target Group will no longer be consolidated into the financial statements of the Group.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Transaction exceed 25% but are below 75%, the Transaction constitutes a major transaction of the Company and is subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders have a material interest in the Agreement and the Transaction. As such, no Shareholder is required to abstain from voting if a general meeting were to be convened for the approval of the Agreement and the Transaction.

The Company has obtained a written Shareholder's approval from its controlling Shareholder, Tomorrow Education Technology Limited, which holds 900,000,000 Shares (representing 75.0% of the issued share capital of the Company) as at the date of this announcement, for approving the Agreement and the transactions contemplated thereunder in lieu of holding a general meeting of the Company in accordance with Rule 14.44 of the Listing Rules. Accordingly, no general meeting of the Company will be convened for the purpose of approving the Agreement and the transactions contemplated thereunder.

A circular containing, among other things, further information on the Agreement, the Transaction and other information required to be included therein under the Listing Rules will be despatched to the Shareholders for their information within 15 business days after the publication of this announcement, that is, on or before 19 September 2025.

## **THE AGREEMENT**

On 29 August 2025 (after trading hours), the Vendor and the Purchaser entered into the Agreement the principal terms of which are set out below:

Date: 29 August 2025 (after trading hours)

Parties: BVTEHU Inc. (as vendor)

1001329818 Ontario Inc. (as purchaser)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is an Independent Third Party.

## **Subject matter**

Pursuant to the Agreement, the Vendor agreed to sell, and the Purchaser agreed to purchase the Sale Shares, representing the entire issued share capital of the Target Company, at the Consideration. Further, pursuant to the Mutual Release, the Intercompany Receivables had also been written off by Tour East Canada.

## **Consideration and Payment Terms**

The consideration payable to the Vendor for the sale of the Sale Shares is CAD3.0 million (equivalent to approximately HK\$17.1 million), of which CAD2,250,000 (equivalent to approximately HK\$12.8 million) had been settled upon Closing, and the remaining CAD750,000 (equivalent to approximately HK\$4.3 million) has been retained by the Purchaser to secure payments on account of indemnification claims and/or any adjustments, and shall not be paid until 26 February 2026.

## **Adjustment of the Consideration**

The consideration for the transfer of the entire equity interest in the Target Company shall be adjusted by the difference between (a) the aggregate net asset value of Tour East Canada (being the principal operating subsidiary of the Target Group) on the Closing Balance Sheet and (b) the aggregate net asset value of Tour East Canada on the Estimated Closing Balance Sheet (the “**Aggregate Adjustment Amount**”), provided, however, that if the difference between the aggregate amount set forth in clause (a) and the aggregate amount set forth in clause (b), when expressed as a percentage, is equal to or less than positive or negative 10%, then the Aggregate Adjustment Amount will be nil.

## **Basis of Consideration**

The Consideration was determined after arm’s length negotiation between the Vendor and the Purchaser on normal commercial terms, taking into account a number of factors including but not limited to (i) the appraised value of the entire equity interests of the Target Company as at 15 August 2025 of approximately CAD2.8 million (equivalent to approximately HK\$16.0 million), as set out in the valuation report prepared by the independent valuer; (ii) the financial conditions of the Target Group as set out in the section headed “Information of the Parties Involved” of this announcement; (iii) the Mutual Release; (iv) the net liability of the Target Group of approximately CAD4.0 million (equivalent to approximately HK\$22.8 million) as at 30 June 2025 based on the unaudited consolidated management accounts of the Target Group, taking into account the Mutual Release; and (v) the reasons for and benefits of the Transaction as described under section headed “Reasons for and Benefits of the Transaction and the Proposed Use of Proceeds” of this announcement.

The said valuer engaged has conducted assessment on the fair value of the Target Group based on market approach as at 15 August 2025, details of which will be set out in the circular in respect of the Transaction.

## **Closing**

There is no condition to the Closing.

The Company has obtained a written Shareholder's approval from its controlling Shareholder, Tomorrow Education Technology Limited, which holds 900,000,000 Shares (representing 75.0% of the issued share capital of the Company) as at the date of this announcement, for approving the Agreement and the Transaction in lieu of holding a general meeting of the Company in accordance with Rule 14.44 of the Listing Rules. Accordingly, no general meeting of the Company will be convened for the purpose of approving the Agreement and the transactions contemplated thereunder.

Closing has taken place immediately after the entering into of the Agreement.

## **INFORMATION ON THE PARTIES INVOLVED**

### **The Purchaser**

The Purchaser, 1001329818 Ontario Inc, is a company incorporated under the laws of the Province of Ontario, Canada. The Purchaser is a wholly-owned subsidiary of Expedia Group, Inc., which is an affiliate of a customer of the Group. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is an Independent Third Party.

### **The Vendor**

The Vendor is an investment holding company incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of the Company.

### **The Target Group**

The Target Company is an investment holding company incorporated under the laws of Ontario, Canada, with Tour East Canada being its wholly-owned and principal operating subsidiary. The Target Group is principally engaged in air ticket distribution, travel business process management and provision of travel products and services in Canada.

The key financial information of the Target Group as extracted from its unaudited consolidated management accounts for the two years ended 31 December 2024 and the six months ended 30 June 2025 is set out below:

|  | <b>For the year ended 31 December</b>                |  | <b>For the six months</b>                             |
|--|--|--|---|
|  | <b>2023</b>  | <b>2024</b>  | <b>ended 30 June</b>                                  |
|  | <i>CAD'000</i>                                       | <i>CAD'000</i>   | <i>CAD'000</i>  |
|  | <i>(unaudited)</i>                                   | <i>(unaudited)</i>                                     | <i>(unaudited)</i>                                    |
| <b>Revenue</b>                                 | 6,880  | 5,614  | 2,339   |
|  | (equivalent to<br>approximately<br>HK\$39.2 million) | (equivalent to<br>approximately<br>HK\$32.0 million)   | (equivalent to<br>approximately<br>HK\$13.3 million)  |
| <b>Net profit / (loss)<br/>before taxation</b> | 1,567  | (3,334)  | (1,634)   |
|  | (equivalent to<br>approximately<br>HK\$8.9 million)  | (equivalent to<br>approximately<br>HK\$(19.0) million) | (equivalent to<br>approximately<br>HK\$(9.3) million) |
| <b>Net profit / (loss) after<br/>taxation</b>  | 1,047  | (2,460)  | (1,247)   |
|  | (equivalent to<br>approximately<br>HK\$6.0 million)  | (equivalent to<br>approximately<br>HK\$(14.0) million) | (equivalent to<br>approximately<br>HK\$(7.1) million) |

The unaudited consolidated net assets value of the Target Group amounted to approximately CAD8.1 million (equivalent to approximately HK\$46.2 million) as at 30 June 2025 (for the avoidance of doubt, without taking into account of the Mutual Release).

## **FINANCIAL EFFECT OF THE TRANSACTION**

Prior to Closing, the Target Company was a wholly-owned subsidiary of the Company. Upon Closing, the Group ceased to have any interest in the Target Company, and the financial results of the Target Group thereafter will no longer be consolidated in the financial statements of the Group.

Upon the Closing and the Mutual Release, it is estimated that the Group would record an accounting gain before tax of approximately HK\$38.6 million as a result of the Transaction, which was derived from (i) the Consideration of CAD3.0 million (equivalent to approximately HK\$17.1 million); (ii) the unaudited net liability of the Target Group attributable to the Company of approximately CAD4.0 million (equivalent to approximately HK\$22.8 million) as at 30 June 2025, after taking into account the written off of the Intercompany Receivables pursuant to the Mutual Release; and (iii) the estimated expenses attributable to the Transaction of approximately HK\$1.3 million. However, the Shareholders should note that the

above estimation has not taken into account the potential tax impact upon Closing and the actual financial effect as a result of the Transaction to be recorded by the Group is subject to final audit to be performed by the auditors of the Company.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION AND THE PROPOSED USE OF PROCEEDS**

The Group is a long-established air ticket consolidator, travel business process management provider and travel products and services provider, founded in 1976 and with more than 40 years of operating history. Prior to the Closing, the Group was principally engaged in (i) air ticket distribution in which it distributes air tickets to travel agents and travellers and issues air tickets directly on behalf of contracted airlines in Canada and the United States; (ii) travel business process management in which it provides mid-office and back-office support services to travel agents; and (iii) travel products and services in which it designs, develops and sells package tours, such as company-operated cultural tours, as well as other travel products and services to travel agents and travellers.

Notwithstanding the Group recorded a net profit of approximately HK\$2.9 million for the year ended 31 December 2023, the Group has been consistently loss-making since the year ended 31 December 2020. The total revenue of the Group decreased by approximately HK\$7.5 million or approximately 7.2%, from approximately HK\$103.5 million for the year ended 31 December 2023 to approximately HK\$96.0 million for the year ended 31 December 2024. In particular, the Group's air ticket distribution segment recorded a significant decrease in revenue by approximately 51.1% or approximately HK\$11.3 million, from approximately HK\$22.1 million for the year ended 31 December 2023 to approximately HK\$10.8 million for the year ended 31 December 2024. Such decrease was mainly attributable to the decrease in transaction volume of air tickets sales and gross sales proceeds generated from air tickets sales, primarily due to (i) the sluggishness in the air transportation volume between the PRC and North America due to geopolitical tensions; and (ii) the intensified competitions under the backdrop of the aforesaid geopolitical tensions, which then affected the Group's revenue as an air ticketing consolidator.

Despite the improvement in the overall airline, travel and tourism industries, traffics and transaction volumes have yet to return to pre-pandemic levels, in particular, the sluggish air transportation volume between the PRC and North America, coupled with the international tensions and uncertainties in the geopolitical landscape, it is expected that the operating environment will become more difficult and the Group's air ticket distribution business in Canada, which is conducted through the Target Group, has been loss-making for the year ended 31 December 2024 and for the six months ended 30 June 2025 and it shows no signs of recovery in the near future.

The Purchaser, which is an affiliate of a customer of the Group, offered to acquire the Target Group from the Company under the current conditions. Taking into accounts of the abovementioned factors, the Directors believe that the Transaction shall be considered as a valuable opportunity for the Group to dispose of the Target Company at a reasonable consideration, where the net proceeds from the Transaction (after deducting the expenses in relation to the Transaction) of approximately HK\$15.8 million will be utilised to enhance the working capital and liquidity position of the Group.

Having considered the above, the Board is of the view that the terms of the Agreement and the Transaction are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Going forward, the Group will from time to time monitor and reassess its business portfolio, and where appropriate, take actions to optimise and improve its business structure and seek new business drivers, with a view to create value to Shareholders.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Transaction exceed 25% but are below 75%, the Transaction constitutes a major transaction of the Company and is subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders have a material interest in the Agreement and the Transaction. As such, no Shareholder is required to abstain from voting if a general meeting were to be convened for the approval of the Agreement and the transactions contemplated thereunder.

The Company has obtained a written Shareholder's approval from its controlling Shareholder, Tomorrow Education Technology Limited, which holds 900,000,000 Shares (representing 75.0% of the issued share capital of the Company) as at the date of this announcement, for approving the Agreement and the Transaction in lieu of holding a general meeting of the Company in accordance with Rule 14.44 of the Listing Rules. Accordingly, no general meeting of the Company will be convened for the purpose of approving the Agreement and the transactions contemplated thereunder.



A circular containing, among other things, further information on the Agreement, the Transaction and other information required to be included therein under the Listing Rules will be despatched to the Shareholders for their information within 15 business days after the publication of this announcement, that is, on or before 19 September 2025.

## **DEFINITIONS**

In this announcement, unless the context required otherwise, the following terms shall have the meanings set out below:

|                                   |   |
|-----------------------------------|---|
| “Agreement”                       | the share purchase agreement dated 29 August 2025 in relation to the Transaction  |
| “Board”                           | the board of Directors  |
| “CAD”                             | Canadian dollars, the lawful currency of Canada   |
| “Company”                         | Cinese International Group Holdings Limited, a company incorporated in Ontario, Canada and continued in the Cayman Islands as an exempted company with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1620)         |
| “Closing”                         | completion of the Transaction in accordance with the terms of the Agreement   |
| “Closing Date”                    | date of Closing   |
| “Closing Balance Sheet”           | Tour East Canada’s actual balance sheet as of 11:59 p.m. (Eastern time) on the day before the Closing Date prepared and delivered by the Purchaser to the Vendor within 90 days following the Closing Date  |
| “Consideration”                   | the total consideration payable by the Purchaser to the Vendor for the acquisition of the Sale Shares pursuant to the Agreement, subject to the adjustment  |
| “Director(s)”                     | the director(s) of the Company  |
| “Estimated Closing Balance Sheet” | Tour East Canada’s balance sheet as of 11:59 p.m. (Eastern time) on the day before the Closing Date prepared and delivered by the Vendor to the Purchaser prior to Closing, which shall exclude the Intercompany Receivables as the same are being written off pursuant to the Mutual Release |



|                                |   |
|--------------------------------|---|
| “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 PRC  |
| “Independent Third Party(ies)” | a person or entity who is not a connected person of the Company under the Listing Rules   |
| “Intercompany Receivables”     | means (i) the receivable owing by the Vendor to Tour East Canada in the amount of approximately CAD2.5 million; and (ii) the receivable owing by the Target Company to Tour East Canada in the amount of approximately CAD10.4 million  |
| “Listing Rules”                | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Mutual Release”               | a mutual release dated the Closing Date and entered into among the Purchaser, Tour East Canada, the Vendor, the Target Company, Tour East Holidays (New York) Inc. (a wholly-owned subsidiary of the Company) and the Company in relation to the release of certain claims (including without limitation the Intercompany Receivables) among the entering parties |
| “PRC”                          | the People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan   |
| “Purchaser”                    | 1001329818 Ontario Inc., a corporation incorporated under the laws of the Province of Ontario, Canada   |
| “Sale Shares”                  | the entire issued share capital of the Target Company   |
| “Share(s)”                     | ordinary share(s) of HK0.0001 each in the share capital of the Company  |
| “Shareholder(s)”               | holder(s) of Share(s)   |
| “Stock Exchange”               | The Stock Exchange of Hong Kong Limited   |

|                    |   |
|--------------------|---|
| “Target Company”   | BVTEHC Inc., a corporation incorporated under the laws of Ontario, Canada   |
| “Target Group”     | the Target Company and its subsidiary, namely, Tour East Canada   |
| “Tour East Canada” | Tour East Holidays (Canada) Inc., a corporation incorporated under the laws of Ontario, Canada, a wholly-owned subsidiary of the Target Company   |
| “Transaction”      | the disposal of the Sale Shares as contemplated under the Agreement   |
| “Vendor”           | BVTEHU Inc., an investment holding company incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of the Company |
| “%”                | per cent.   |

*The exchange rate of CAD1.00 = HK\$5.70 has been adopted for translating CAD into HK\$ in this announcement, which is an approximate and for illustration only and the Company makes no representation that such currencies could actually be converted at the rate indicated or at all.*

By Order of the Board  
**Cinese International Group Holdings Limited**  
**富盈環球集團控股有限公司**  
**Dr. Kou Chung Yin Mariana**  
*Chairperson and executive Director*

Hong Kong, 29 August 2025

*As at the date of this announcement, the executive Directors are Mr. Liu Xue Bin, Dr. Kou Chung Yin Mariana and Mr. Liu Jiefeng, and the independent non-executive Directors are Mr. Tan Wentao, Ms. Suen Yin Wah Chloe and Ms. Kwan Ka Yee.*