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CHINA FIRST CAPITAL GROUP LIMITED

中國首控集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1269)

FUNDING AGREEMENT

The Board is pleased to announce that on 6 June 2025, the Company, as the borrower, and the Lender entered into the Funding Agreement in relation to the provision of the Funding by the Lender to the Company.

The principal terms of the Funding Agreement are as follows:

Date: 6 June 2025

Contracting parties: (1) the Company, as the borrower; and
(2) the Lender.

The Lender is a company incorporated in the British Virgin Islands with limited liability. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Lender and its ultimate beneficial owner(s) are Independent Third Parties.

Funding amount: A credit facility for a total sum of not more than HK\$50 million (the “**Funding**”)

The Funding shall only be used for the following purposes:

- (i) payment of any fees, costs and expenses incurred or to be incurred in connection with the Restructuring, including legal fees and other professional fees and expenses;
- (ii) payment of any fees, costs, charges and expenses incurred in connection with the negotiation, preparation and execution of any transaction contemplated under the Funding Agreement, including but not limited to legal, accounting, finance, consultancy fees and professional fees, expenses and other fees incurred or to be incurred in providing advice to the Company in Hong Kong or elsewhere in relation to the Funding Agreement;
- (iii) payment of the Group’s working capital, including but not limited to any fees, costs and expenses incurred or to be incurred in the business development and expansion and daily maintenance of the Group to ensure that the Company continues to meet the listing requirements; and/or
- (iv) any other purposes as may be agreed by the Company and the Lender in writing from time to time.

Drawdown: The Company shall provide the Lender with a drawdown notice three Business Days (or such other day agreed between the Lender and the Company) prior to borrowing to draw down all or part of the Funding. The Lender shall arrange to disburse the Funding to the Company upon receipt of the drawdown notice from the Company.

Interest rate: 15% per annum

Repayment: The Company shall repay the Funding (including all interest) upon the occurrence of any of the following events (whichever is earlier):

- (i) when due and repayable on 31 December 2025;
- (ii) the Company’s Restructuring coming into effect; and/or

- (iii) the termination of the Funding Agreement, and subject to any proceeds (after deduction of expenses) from the realization of the Company's assets.

The Lender shall have the right to require the Company to issue new Shares and/or convertible bonds and/or such other means as agreed by other lenders and the Company that do not violate the law and the Listing Rules to offset the Funding, provided that the Company has obtained all the necessary consents and approvals (including but not limited to consents and approvals from the Stock Exchange, other regulatory authorities and the Shareholders).

REASONS FOR AND BENEFITS OF ENTERING INTO THE FUNDING AGREEMENT

The Company is an investment holding company. The Group is mainly engaged in the financial services business, education management and consultation business and automotive parts business.

For the year ended 31 December 31 2024, the Group reported a loss attributable to owners of approximately RMB393 million. As at 31 December 2024, the Group had accumulated losses and deficit in equity of approximately RMB2,010 million and RMB1,904 million, respectively and the Group's current liabilities exceeded its current assets by approximately RMB2,479 million. A creditor has filed a winding-up petition against the Company with the High Court of Hong Kong, and the hearing of the petition has not yet taken place.

The Funding Agreement was entered into by the Company for the sole purpose of ensuring that funds are in place to expedite the Restructuring and to ensure that the Company maintains sufficient working capital.

Taking into account the willingness of the Lender to provide the Funding to rescue the Company and the availability and cost of other financing, the Directors are of the view that the terms of the Funding Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. With the support of the Lender, the Company will have the financial resources to support the preparation and implementation of the Restructuring.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Board”	the board of Directors
“Business Days”	days on which licensed banks in Hong Kong are open for business during their normal business hours (other than Saturdays, Sundays and public holidays)
“Company”	China First Capital Group Limited, a company incorporated in the Cayman Islands with limited liability, whose issued shares are listed on the Main Board of the Stock Exchange with stock code 1269
“connected person(s)”	has the meanings as ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Funding Agreement”	the funding agreement dated 6 June 2025 and entered into between the Company and the Lender
“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 Parties”	third parties who are independent of and not connected with the Company and its connected persons and not a connected person of the Company
“Lender”	Pioneer Worldwide Development Limited, a company incorporated in the British Virgin Islands with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Restructuring”	the restructuring plan of the Company
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the issued and unissued share capital of the Company

“Shareholders”	the holders of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board
China First Capital Group Limited
Chan Kwok Kee, Andy
Company Secretary

Hong Kong, 6 June 2025

As at the date of this announcement, the executive Directors are Dr. Wilson Sea and Dr. Zhu Huanqiang; and the independent non-executive Directors are Mr. Chu Kin Wang, Peleus, Mr. Loo Cheng Guan and Ms. Lu Dan.