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MOBILE ACQUISITIONCO, LLC

(Established in the State of Delaware with limited liability)

Continental Aerospace Technologies Holding Limited

大陸航空科技控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 232)

JOINT ANNOUNCEMENT

- (1) PROPOSED VERY SUBSTANTIAL DISPOSAL IN RELATION TO DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF MOTTO INVESTMENT LIMITED;**
 - (2) PROPOSED DECLARATION OF SPECIAL DIVIDEND ON DISPOSAL AND CASH DIVIDEND ON PROPERTY DISPOSAL;**
 - (3) APPLICATION OF NOTE 7 TO RULE 2 OF THE TAKEOVERS CODE;**
 - (4) PROPOSED WITHDRAWAL OF LISTING OF CONTINENTAL AEROSPACE TECHNOLOGIES HOLDING LIMITED AND WINDING UP PROPOSAL;**
 - (5) CONNECTED TRANSACTION AND SPECIAL DEAL IN RELATION TO THE DISPOSAL OF PROPERTY;**
- AND**
- (6) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER**

Financial Adviser to the Company



Exclusive Financial Adviser to the Purchaser

J.P.Morgan

Independent Financial Adviser to the Independent Board Committee



PROPOSED VERY SUBSTANTIAL DISPOSAL IN RELATION TO DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF MOTTO INVESTMENT LIMITED

Reference is made to the 3.7 Announcement dated 29 May 2026 in relation to, among other things, potential disposal by the Company which, if materialized, could have an implication for the Company under the Takeovers Code. Pursuant to the Takeovers Code, the Offer Period has commenced on the date of the 3.7 Announcement (being 29 May 2026) and will end on the Closing Date or the date on which the Proposals lapse.

The Board is pleased to announce that on 5 June 2026 (after trading hours), the Company, the Purchaser and the Purchaser Guarantor entered into the Sale and Purchase Agreement, pursuant to which, and subject to the terms and conditions set out therein, the Company agreed to sell, and the Purchaser agreed to purchase, the Sale Shares (representing the entire issued share capital of the Target Company, a wholly owned subsidiary of the Company), and to settle the Shareholder and Intercompany Loans in consideration of the Disposal Consideration. Following Closing, the Company will cease to hold any equity interest in the Target Company or in any other Target Group Company.

PROPOSED DECLARATION OF SPECIAL DIVIDEND ON DISPOSAL AND CASH DIVIDEND ON PROPERTY DISPOSAL

Special Dividend on Disposal

The Board proposes that, subject to the fulfillment of any applicable conditions (including (i) the Independent Shareholders having approved the Disposal, the Special Dividend on Disposal, and the Proposed Delisting at the EGM; and (ii) the Closing having taken place), the Company will distribute the Disposal Consideration received upon Closing in its entirety as Special Dividend on Disposal. Based on the information presently available to the Company, assuming that Closing occurs, it is expected that the estimated Disposal Consideration will be between US\$500 million and US\$520 million. Therefore, assuming that (i) Closing occurs; and (ii) there will be no change in the number of Shares in issue prior to the relevant Record Date, it is expected that the estimated Special Dividend on Disposal will be between:

- (1) approximately US\$500 million, which is equivalent to approximately HK\$3,902 million or HK\$0.419 in cash per Share, based on the Reference Exchange Rate; and
- (2) approximately US\$520 million, which is equivalent to approximately HK\$4,058 million or HK\$0.436 in cash per Share, based on the Reference Exchange Rate.

Subject to the approval by the Independent Shareholders at the EGM with the Approval Threshold, the Board will declare the Special Dividend on Disposal in HK\$ which will be distributed on a pro rata basis to the relevant Eligible Shareholders as soon as possible but in any event no later than seven (7) business days (as defined under the Takeovers Code) after Closing pursuant to Rule 20.1 of the Takeovers Code.

Following the distribution and the payment of the Special Dividend on Disposal, the Company will apply to the Stock Exchange for withdrawal of the listing of its Shares in accordance with Rule 6.15(2) of the Listing Rules.

Cash Dividend on Property Disposal

In addition to the Special Dividend on Disposal, the Board proposes that, subject to (i) the CT Independent Shareholders having approved the Property Disposal and the Cash Dividend on Property Disposal at the EGM; and (ii) the Property Disposal having completed, it will dispose of the Property and distribute the Property Disposal Consideration (after deduction of stamp duty) as Cash Dividend on Property Disposal on a pro rata basis to the relevant Eligible Shareholders. The Property Disposal Consideration (after deduction of stamp duty) will be HK\$68.02 million. Therefore, assuming there will be no change in the number of Shares in issue prior to the relevant Record Date, the Cash Dividend on Property Disposal will be approximately HK\$68.02 million, which will amount to approximately HK\$0.73 cent in cash per Share.

For the avoidance of doubt, the Cash Dividend on Property Disposal does not form part of the Proposals, is not inter-conditional with the Disposal or the Special Dividend on Disposal and therefore is not subject to approval by Independent Shareholders with the Approval Threshold at the EGM.

As at 31 May 2026, the Company's cash or cash equivalent balance amounted to approximately HK\$630.35 million. In addition to the Special Dividend on Disposal and the Cash Dividend on Property Disposal, the Board will declare further special dividend on its remaining cash subject to the Company finalizing the necessary reserves for its payment obligations incurred or to be incurred up to the winding-up of the Company. The Company will make further announcement(s) as and when appropriate.

PROPOSED WITHDRAWAL OF LISTING OF THE COMPANY

The Board is of the view that, as a result of the Disposal, the Company will not have a sufficient level of operations and assets of sufficient value to support its operations to warrant the continued listing of its securities pursuant to Rule 13.24(1) of the Listing Rules, and the Company should be delisted from trading on the Stock Exchange in accordance with the applicable regulatory requirements. Therefore, it is proposed that, upon completion of the Disposal, the Company shall voluntarily withdraw its listing on the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules. The Proposed Delisting is subject to the following conditions:

- (i) the Independent Shareholders having approved the Proposals, which comprise the Disposal, the Special Dividend on Disposal, and the Proposed Delisting with the Approval Threshold at the EGM;
- (ii) the Closing having taken place; and
- (iii) the distribution and the payment of the Special Dividend on Disposal on the relevant Distribution Date.

Immediately upon the fulfillment of the above conditions, the Company will apply to the Stock Exchange for withdrawal of the listing of its Shares in accordance with Rule 6.15(2) of the Listing Rules. The Shareholders will be notified by way of an announcement of the exact date of the last day for dealing in the Shares on the Stock Exchange and the day on which the withdrawal of the listing of the Shares on the Stock Exchange will be effective.

WINDING UP

The Directors will resolve to wind up the Company voluntarily as soon as practicable following the full payment of the Special Dividend on Disposal, the Cash Dividend on Property Disposal and the full settlement of outstanding liabilities of the Group (if any).

It is expected that a voluntary liquidator will be engaged by the Company pursuant to the Companies Act, who will be responsible for realizing any remaining value in the assets remaining in the Company at the time of commencement of the Winding Up Proposal. The relevant Eligible Shareholders will be entitled to receive on a pro rata basis any cash proceeds from the sale of such assets during the voluntary liquidation process (after full settlement of any claims from creditors, the fees and expenses incurred in relation to the Proposals and the costs of the winding up).

IRREVOCABLE UNDERTAKINGS

As of the date of this Announcement, the Controlling Shareholders are collectively interested in 4,316,900,390 Shares (representing approximately 46.4% of the total number of Shares in issue).

Each of the Controlling Shareholders has provided an Irrevocable Undertaking to each of the Purchaser and the Company, pursuant to which: (A) each of the Controlling Shareholders agreed not to (among others) (a) sell, transfer or otherwise dispose of any interest in any of its respective Shares; (b) accept any general offer in respect of the Shares; (c) vote in favour of any resolution to approve any proposal or transaction in respect of the Company which is proposed in competition with the Proposals; and (B) each of the Controlling Shareholders agreed that it shall exercise all voting rights attaching to its respective Shares to vote (a) in favour of all resolutions to approve the Proposals, and any related matters, proposed at the EGM, if and when the EGM is convened; and (b) in favour of any resolutions proposed at any general meeting of the Company's shareholders in such a way which will facilitate or assist the implementation of the Proposals, if and when such general meeting is convened.

Each Irrevocable Undertaking shall terminate: (a) if the Proposals are not approved at the EGM; (b) if the Proposals lapse or are withdrawn in accordance with the terms as set out in this Announcement or the Sale and Purchase Agreement; or (c) by mutual agreement of the Purchaser and the relevant Controlling Shareholder.

CONFIRMATION OF FINANCIAL RESOURCES

The Company confirms that the entirety of the Special Dividend on Disposal would be financed by the Disposal Consideration. CICC has been appointed as the financial adviser to the Company and is satisfied that funds in an amount equal to the Special Dividend on Disposal to be deposited into the Company Dividend Account on the Closing Date would be exclusively applied towards the Approved Purpose.

J.P. Morgan has been appointed as the exclusive financial adviser to the Purchaser and is satisfied that sufficient financial resources are available to the Purchaser for the payment of the Disposal Consideration in full pursuant to the terms of the Sale and Purchase Agreement.

IMPLICATIONS UNDER THE LISTING RULES AND THE TAKEOVERS CODE

Application of Note 7 to Rule 2 of the Takeovers Code

Pursuant to Note 7 to Rule 2 of the Takeovers Code, if a company proposes to dispose of its assets and/or operations, and, either (i) as a result of such proposal the company may not be regarded as suitable for listing for the purpose of the Listing Rules; or (ii) there is a proposal to withdraw the company's listing on the Stock Exchange, the Executive would normally apply Rule 2.10, which is applicable to takeover and privatization by scheme of arrangement or capital reorganization, and other requirements of the Takeovers Code. Therefore, the Proposals would need to be approved by the Approval Threshold at the EGM.

Application of the Listing Rules

As one or more applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal under the Sale and Purchase Agreement exceeds 75%, the Disposal constitutes a very substantial disposal for the Company pursuant to Rule 14.06(4) of the Listing Rules and is therefore subject to reporting, announcement, circular and Shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Proposals, which involve a disposal of assets by the Company and a subsequent withdrawal of the listing of the Company on the Stock Exchange, are subject to Note 7 to Rule 2 of the Takeovers Code. Therefore, the Proposals are subject to Rule 2.10 of the Takeovers Code, which is applicable to takeover and privatization by scheme of arrangement or capital reorganization. Accordingly, subject to (among others) the fulfillment of all relevant requirements under the Takeovers Code, including the satisfaction of the Approval Threshold, the Company will be seeking to withdraw its listing on the Stock Exchange pursuant to Rule 6.15(2) of the Listing Rules, which is applicable to cases where an issuer is privatized by way of a scheme of arrangement or capital reorganization which is governed by the Takeovers Code and all the relevant requirements (including the shareholders' approval requirements) under the Takeovers Code have been complied with.

EGM and Approval Threshold

In compliance with the Listing Rules and the Takeovers Code, the Board proposes to submit the Proposals, which comprise the Disposal, the Special Dividend on Disposal, and the Proposed Delisting, for approval at the EGM by way of a combined resolution subject to the Approval Threshold, being:

- (i) the approval (by way of poll) by the Independent Shareholders representing at least 75% of the votes attaching to the Shares held by all Independent Shareholders voting either in person or by proxy at the EGM; and

- (ii) the number of votes cast against the relevant resolution (by way of poll) by the Independent Shareholders present and voting either in person or by proxy at the EGM is not more than 10% of the votes attaching to the Shares held by all Independent Shareholders.

None of the Shareholders is materially interested in the Proposals, and therefore, no Shareholder is required to abstain from voting on the resolutions in relation to the Proposals.

CONNECTED TRANSACTION AND SPECIAL DEAL IN RELATION TO THE DISPOSAL OF PROPERTY

On 5 June 2026, the Company entered into the Property Sale and Purchase Agreement, pursuant to which, the Company conditionally agreed to sell and AVIC Innovation (HK) Group has conditionally agreed to purchase the Property at the Property Disposal Consideration of HK\$69.5 million, determined after arm's length negotiation between the Company and AVIC Innovation (HK) Group with reference to the prevailing market prices of comparable properties of similar nature and age in the vicinity which are presently available to the Company.

Given fluctuation of the property market, the Company will engage an independent valuer to determine the fair value of the Property closer to and prior to publication of the Circular. If the valuation of the Property in the Valuation Report is higher than the Property Disposal Consideration, the Company will re-negotiate with AVIC Innovation (HK) Group on the Property Disposal Consideration. The Valuation Report, which will be made in compliance with Rule 11.1 of the Takeovers Code, will be included in the Circular.

As at the date of this Announcement, AVIC Innovation (HK) Group is a substantial shareholder and connected person of the Company. The Property Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Although the highest applicable percentage ratio of the transaction contemplated under the Property Sale and Purchase Agreement is less than 5% but the Property Disposal Consideration is more than HK\$3,000,000, the Property Disposal is subject to reporting, announcement, but is exempt from circular (including independent financial advice) and approval by the independent Shareholders under Chapter 14A of the Listing Rules.

As the Property Disposal is an arrangement involving AVIC Innovation (HK) Group, a substantial shareholder of the Company, and such arrangement is not extended to all Shareholders, the Property Disposal constitutes a special deal under Note 4 to Rule 25 of the Takeovers Code and requires the consent of the Executive. The Company will make an application to seek the consent of the Executive for the Property Disposal as a special deal and such consent, if granted, will be subject to: (a) the Independent Financial Adviser publicly stating that in its opinion the terms of the Property Disposal are fair and reasonable; and (b) the approval of the Property Disposal by ordinary resolution by the CT Independent Shareholders by way of poll at the EGM.

For the avoidance of doubt, the Property Disposal and the Disposal are independent and separate transactions, and are not inter-conditional.

INDEPENDENT BOARD COMMITTEE, APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER AND CIRCULAR DESPATCH

An Independent Board Committee has been formed to advise (A) the Independent Shareholders as to (a) whether the Proposals are fair and reasonable and in the interests of the Independent Shareholders as a whole, and (b) whether to vote in favour of the Proposals at the EGM; and (B) the CT Independent Shareholders as to (a) whether the Property Disposal is fair and reasonable and in the interests of the CT Independent Shareholders as a whole, and (b) whether to vote in favour of the Property Disposal at the EGM. Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee is comprised of Mr. Chow Wai Kam, Mr. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Zhang Ping, being all non-executive Directors who have no direct or indirect interest in the Proposals and the Property Disposal. The recommendations of the Independent Board Committee will be set out in the Circular.

Maxa Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposals and the CT Independent Shareholders in respect of the Property Disposal. Such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

The Circular containing, among other things: (i) a letter from the Board to the Shareholders containing details of the Proposals, the Property Disposal and other related matters (including, but not limited to, a timetable listing the relevant dates of the Proposals); (ii) the opinion of the Independent Financial Adviser with respect to the Proposals and the Property Disposal; (iii) the opinion of the Independent Board Committee with respect to the Proposals and the Property Disposal; (iv) an independent Valuation Report; and (v) a notice convening the EGM, will be sent to the Shareholders as soon as practicable and in compliance with the requirements of the Listing Rules and the Takeovers Code.

WARNING

Shareholders and potential investors should be aware that the Proposals are subject to approval at the EGM by the Approval Threshold and other Conditions set out under the section headed “1. Proposed Very Substantial Disposal in relation to Disposal of The Entire Issued Share Capital of Motto Investment Limited – 1.1(f) Conditions Precedent” of this Announcement being fulfilled (or, if applicable, waived) and may or may not be completed or effected, as the case may be. The Disposal Consideration is subject to certain deductions as set out in the section headed “1. Proposed Very Substantial Disposal in relation to Disposal of The Entire Issued Share Capital of Motto Investment Limited – 1.1(c) Disposal Consideration” of this Announcement. Therefore, the actual amount of the Special Dividend on Disposal may be different from the Estimated Minimum Special Dividend on Disposal and the Estimated Maximum Special Dividend on Disposal, but in any event the Special Dividend on Disposal shall be no less than the Estimated Minimum Special Dividend on Disposal.

Shareholders and potential investors should also be aware that the Property Disposal is subject to the Property Disposal Conditions set out under the section headed “8. Connected Transaction and Special Deal in relation to the Disposal of Property – 8.2 The Property Sale and Purchase Agreement” of this Announcement being fulfilled (or, if applicable, waived) and may or may not be completed or effected, as the case may be.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take consult their stockbroker, licensed securities dealer, registered institution in securities, bank manager, solicitor or other professional advisers.

1. PROPOSED VERY SUBSTANTIAL DISPOSAL IN RELATION TO DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF MOTTO INVESTMENT LIMITED

Reference is made to the 3.7 Announcement dated 29 May 2026 in relation to, among other things, certain potential disposal by the Company which, if materialized, could have an implication for the Company under the Takeovers Code. Pursuant to the Takeovers Code, the Offer Period has commenced on the date of the 3.7 Announcement (being 29 May 2026) and will end on the Closing Date or the date on which the Proposals lapse.

The Board is pleased to announce that on 5 June 2026 (after trading hours), the Company, the Purchaser and the Purchaser Guarantor entered into the Sale and Purchase Agreement, pursuant to which, and subject to the terms and conditions set out therein, the Company agreed to sell, and the Purchaser agreed to purchase, the Sale Shares (representing the entire issued share capital of the Target Company, a wholly owned subsidiary of the Company), and to settle the Shareholder and Intercompany Loans in consideration of the Disposal Consideration. Following Closing, the Company will cease to hold any equity interest in the Target Company or in any other Target Group Company.

1.1 The Sale and Purchase Agreement

(a) Date and Parties

Date

5 June 2026 (after trading hours)

Parties

- (i) The Company, as the seller;
- (ii) MOBILE ACQUISITIONCO, LLC, as the Purchaser; and
- (iii) With respect to the provision regarding the purchaser guarantee as summarized in “(i) Purchaser Guarantee” below, A&D SUBSYSTEMS BORROWER SERIES LP – SPACE SERIES, as the Purchaser Guarantor (which indirectly wholly owns the Purchaser).

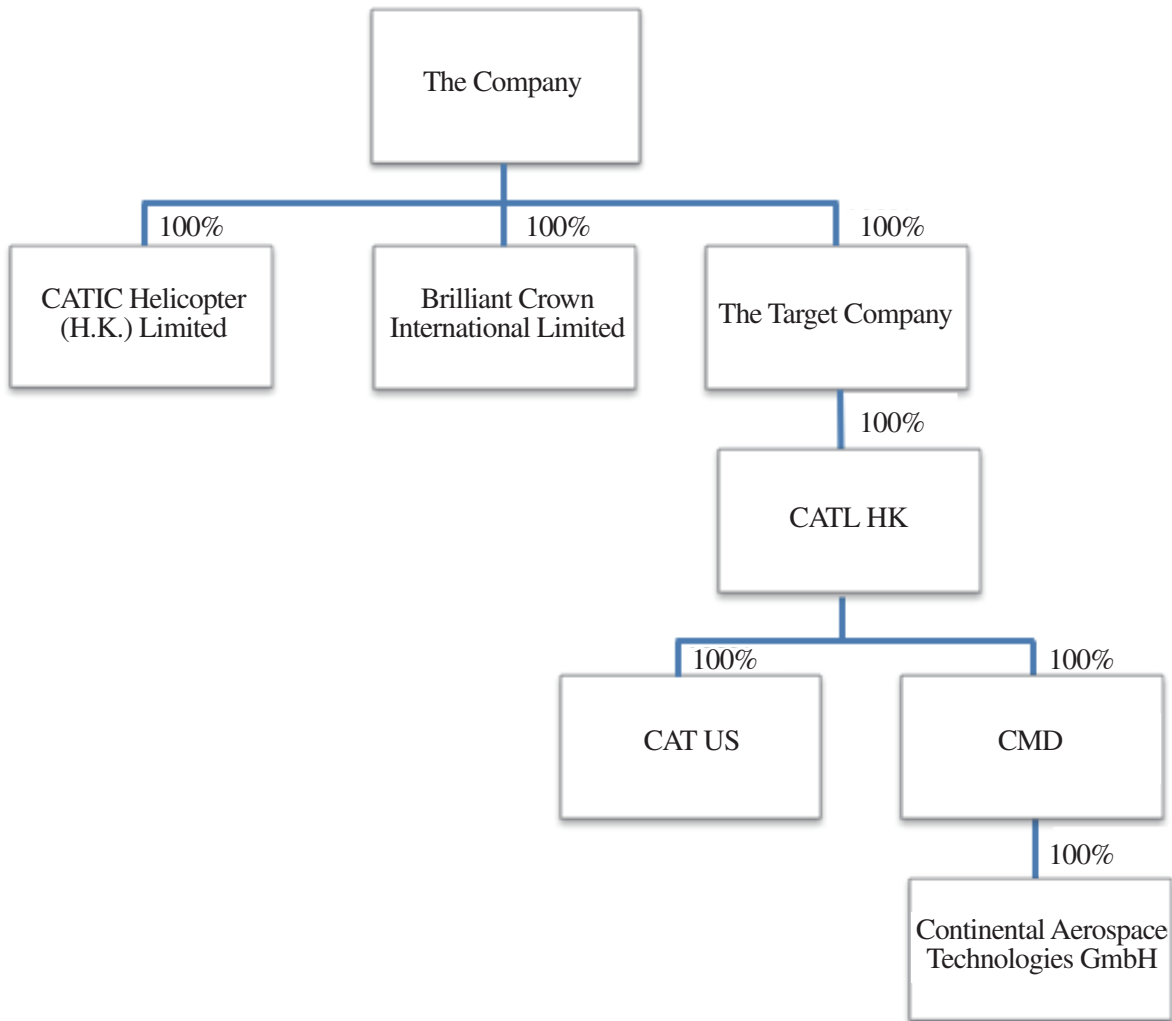
(b) Subject of the Disposal

Pursuant to the Sale and Purchase Agreement, the Purchaser conditionally agreed to acquire from the Company, and the Company conditionally agreed to sell to the Purchaser, the Sale Shares, and to settle the Shareholder and Intercompany Loans in consideration of the Disposal Consideration. The Sale Shares represent the entire issued share capital of the Target Company, a wholly owned subsidiary of the Company.

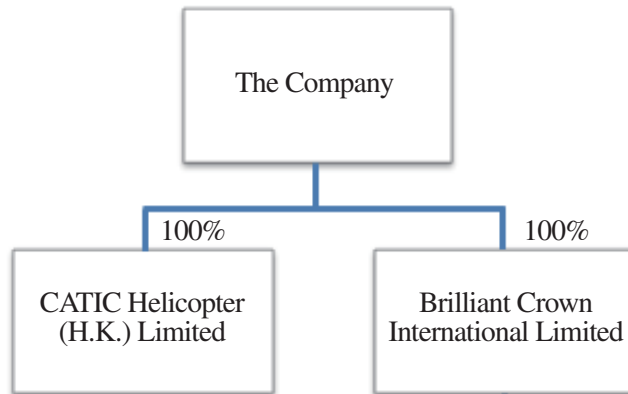
The Target Group principally conducts the Business.

The following simplified organizational charts illustrate the effect of the Disposal on the organizational structure of the Group and the ownership structure of the Target Group. Except as otherwise specified, equity interests depicted in the following diagrams are held as to 100%.

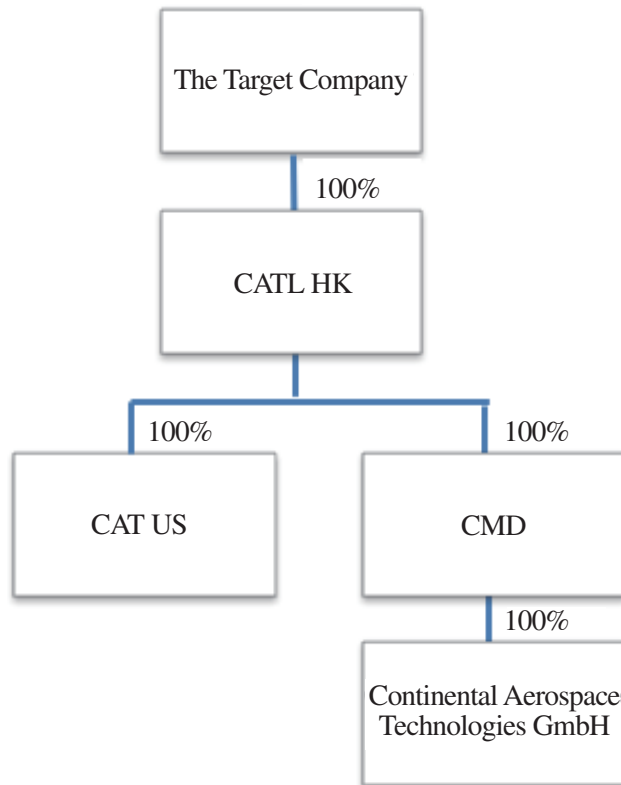
Simplified organizational structure of the Group as of the date of this Announcement



Simplified organization structure of the Remaining Group upon Closing



Simplified ownership structure of the Target Group upon Closing



(c) Disposal Consideration

The Disposal Consideration, being the aggregate consideration for the sale and purchase of the Sale Shares and the settlement of the Shareholder and Intercompany Loans, shall be US\$535,420,000, which consists of (i) the Upfront Payment which is fixed at US\$50 million (see “- (d) Earnest Deposit and Upfront Payment” below for further details); and (ii) the Closing Payment of US\$485,420,000 which will be subject to certain deductions and payable on the Closing Date.

As regards the allocation of the Disposal Consideration between (i) the sale and purchase of the Sale Shares and (ii) the settlement of the Shareholder and Intercompany Loans:

- (i) the portion payable to the Company for the sale and purchase of the Sale Shares equals the remainder of the Disposal Consideration after deduction of the Loan Settlement Amount; and
- (ii) the portion payable to the Company for the Company to irrevocably release all obligations of the members of the Target Group in respect of the Shareholder and Intercompany Loans in full on Closing Date equals the Loan Settlement Amount.

On the Closing Date, the Purchaser shall pay an amount that is equal to the Closing Payment minus the following deductions: (i) the Pre-Closing Notified Leakage Amount; (ii) the PPP Loan Settlement Amount, or if such PPP Loan Settlement Amount is not fully discharged by the Company or CAT US prior to Closing, the PPP Loan Holdback Amount of US\$15 million; and (iii) the Withholding Tax Amount. As a Leakage may consist of any payments, transactions conducted other than on arm’s length terms, waiver of liabilities or other events having the effect of reducing or leaking the value of the Target Group, and as the extent of such value reduction may vary for each Leakage, the exact amount of any Leakage will be determined on a case-by-case basis.

The Pre-Closing Notified Leakage Amount and the Withholding Tax Amount will be determined on the Closing Date. The PPP Loan Settlement Amount will be determined only if and when CAT US and U.S. Department of Justice enter into a settlement agreement which is expected to occur prior to the Closing Date. Based on the information presently available to the Company, it is expected that (i) the Pre-Closing Notified Leakage Amount will be between nil and US\$8.42 million; (ii) based on the parties' understanding of applicable law and past settlement cases, the PPP Loan Settlement Amount will likely be between US\$10 million and US\$20 million, although the actual amount will only be known if and when a settlement agreement is reached; and (iii) the Withholding Tax Amount will be between US\$5 million and US\$7 million. Therefore, assuming that Closing occurs, it is expected that the estimated Disposal Consideration to be received by the Company on the Closing Date will be between US\$500 million and US\$520 million.

If Closing occurs, the Upfront Payment will be released and paid into the Company Dividend Account, and the Closing Payment will also be paid into the Company Dividend Account. The transfer of the Upfront Payment and the Closing Payment to the Company Dividend Account is not subject to any foreign exchange restrictions.

(d) Earnest Deposit and Upfront Payment

An Earnest Deposit of US\$5 million has been deposited by the Purchaser into the Escrow Account and shall be retained in the Escrow Account and applied in accordance with the terms of the Sale and Purchase Agreement.

The Upfront Payment, comprising the Earnest Deposit and an additional sum of US\$45 million, (shall be deposited or caused to be deposited by the Purchaser into the Escrow Account within three (3) Business Days following the execution of the Sale and Purchase Agreement by way of an advance of the Disposal Consideration.

If the Sale and Purchase Agreement is terminated prior to Closing for reasons as a result of:

- (i) the Purchaser failing to use its reasonable efforts, to the extent it is able to do so, to facilitate the satisfaction of any of the Conditions set out in items (ii) and (iii) of the paragraphs headed "(f) Conditions Precedent" below; or
- (ii) the Purchaser being in breach of any of its obligations under the Sale and Purchase Agreement, including its failure to comply with any material closing obligation at Closing or refusing to proceed with, or delaying, the Closing in the circumstances as specified in the Sale and Purchase Agreement,

the Upfront Payment (together with any accrued interest) shall be released by the Escrow Agent to the Company, and if terminated prior to Closing for other reasons in accordance with the Sale and Purchase Agreement, to the Purchaser, in each case, within five (5) Business Days of such termination.

If Closing occurs, the Upfront Payment shall be applied towards the Disposal Consideration and shall be released by the Escrow Agent to the Company Dividend Account.

(e) *Basis for determination of Disposal Consideration*

The Disposal Consideration was determined following arm's length negotiations between the Company and the Purchaser, primarily with reference to, the enterprise value of the Target Group as agreed between the parties (being approximately US\$500 million, which included the value of the Shareholder and Intercompany Loans at that time) and the cash position of the Target Group of approximately US\$35.42 million as at 31 October 2025 (being the locked box date agreed between the Company and the Purchaser), and taking into account, the historical operations and financial performance of the Target Group (further details of which, including the revenue and profit or loss of the Target Group for the two financial years ended 31 December 2025, are set out in the section headed "2. Financial Information and Financial Impact on the Company in relation to the Disposal – 2.1 Financial Information of the Target Group") of this Announcement and the growth that the Purchaser Group could achieve in the aerospace sector in the United States.

Based on the foregoing, the Directors (other than members of the Independent Board Committee, who will express their view after receiving advice from the Independent Financial Adviser) consider that the Disposal Consideration is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

(f) *Conditions Precedent*

Closing is subject to and conditional upon the satisfaction or (where applicable) waiver of the following Conditions at or prior to the Closing Date:

- (i) the approval from the Independent Shareholders having been obtained and remaining in full force in respect of the Proposals, in accordance with the requirements of the Listing Rules, the Takeovers Code and applicable laws (including the Approval Threshold);
- (ii) the waiting period applicable to the consummation of the Disposal under the HSR Act having expired or having been terminated;
- (iii) BMW having either rejected jurisdiction, cleared, or deemed to have cleared the Disposal under applicable law;

- (iv) the Target Group having complied in all material respects with all applicable International Trade Laws;
- (v) the warranties given by the Company under the Sale and Purchase Agreement being true and correct in all material respects as at Closing;
- (vi) no Material Adverse Change (meaning a material adverse financial impact of at least US\$100,000,000 on the Target Group as a whole but excluding certain exceptions. See “Definition” for further details) having occurred since the date of the Sale and Purchase Agreement; and
- (vii) there being no law or order that prohibits the implementation of the Disposal, and no relevant governmental entity having granted any order or made any decision that materially restricts or prohibits the implementation of the Disposal.

Save as Conditions (iv), (v) and (vi) above may be waived by the Purchaser by notice in writing to the Company, none of the other Conditions may be waived.

As confirmed by the Company’s U.S. antitrust legal advisers, the waiting period under the HSR Act as set out in Condition (ii) above is thirty (30) calendar days. The waiting period may be extended if further review is initiated by the relevant U.S. antitrust authority. The waiting period commences on the date the relevant pre-merger filings are made pursuant to the HSR Act. A confidential pre-merger filing was submitted to the Federal Trade Commission on 3 April 2026 and the 30-day waiting period was expired on 4 May 2026. Accordingly, Condition (ii) has been satisfied as at the date of this Announcement.

Based on the Company’s German legal counsel, the Disposal is subject to review under Germany’s foreign direct investment (FDI) regime by BMW. The Purchaser shall, with the assistance of the Company, submit an application to BMW as promptly as reasonably practicable, in any event no later than twenty (20) Business Days, following the date of the Sale and Purchase Agreement. Following submission of an FDI filing, BMW will conduct an initial review (Phase I) with a statutory review period of up to two months from the date of filing. If BMW does not initiate an in-depth investigation by the end of Phase I, the filing is deemed approved and, in practice, BMW typically issues a formal clearance decision. If BMW raises concerns, the review may proceed to an in-depth investigation (Phase II), which has a statutory review period of a further four months, subject to “stop-the-clock” (a mechanism to suspend the four months’ review period pending receipt of information requested by the BMW or during negotiations) and other extension mechanisms that may extend the timeline depending on the criticality of the target’s activities, the risk profile of the acquirer, and whether the Disposal may implicate German defence interests.

(g) Termination of the Sale and Purchase Agreement

The Sale and Purchase Agreement shall automatically terminate (other than in respect of certain customary surviving provisions) if the Unconditional Date has not occurred on or before the Long Stop Date (or such later date as the Company and the Purchaser may agree in writing). The Sale and Purchase Agreement does not contain a termination clause by mutual agreement between the Purchaser and the Company.

The Purchaser may terminate the Sale and Purchase Agreement (other than certain customary surviving provisions) by written notice to the Company at any time before Closing if any of the following circumstances arises or occurs at any time before Closing, namely:

- (i) any Material Adverse Change (meaning a material adverse financial impact of at least US\$100,000,000 on the Target Group as a whole but excluding certain exceptions. See “Definition” for further details) occurs;
- (ii) any event occurs which would constitute a material breach of any of the warranties given by the Company under the Sale and Purchase Agreement if they were repeated at any time before Closing by reference to the facts and circumstances then existing that would result in the Closing not being able to occur and such breach has not been cured, or is incapable of being cured, by the Company or a Target Group Company, as applicable, within five (5) days following its receipt of notice from the Purchaser of such breach; or
- (iii) any material breach by the Company of its obligations under the Sale and Purchase Agreement that would result in the Closing not being able to occur.

The Company may terminate the Sale and Purchase Agreement (other than certain customary surviving provisions) by notice to the Purchaser at any time before Closing if any of the following circumstances arises or occurs at any time before Closing, namely:

- (i) any event occurs which would constitute a material breach of any of the warranties given by the Purchaser under the Sale and Purchase Agreement if they were repeated at any time before Closing by reference to the facts and circumstances then existing that would result in the Closing not being able to occur and such breach has not been cured, or is incapable of being cured, by the Purchaser within five (5) days following its receipt of notice from the Company of such breach; or
- (ii) any material breach by the Purchaser of its obligations under the Sale and Purchase Agreement that would result in the Closing not being able to occur.

If the Sale and Purchase Agreement is terminated in accordance with this section (g), no Party (nor any of its Affiliates) shall have any claim of any nature against any other Party (or any of its Affiliates) under the Sale and Purchase Agreement (except in respect of any rights and liabilities accrued before termination or under any of the certain customary surviving provisions). For the avoidance of doubt, where the Sale and Purchase Agreement is terminated in accordance with this section (g), the Parties shall give all instructions to the Escrow Agent reasonably necessary in accordance with the requirements of the Escrow Agreement to give effect to the terms set out in the section headed “1. Proposed Very Substantial Disposal in relation to Disposal of The Entire Issued Share Capital of Motto Investment Limited – 1.1(d) Earnest Deposit and Upfront Payment” of this Announcement.

(h) Closing of the Sale and Purchase Agreement

Closing shall take place on the tenth (10th) Business Day after the Unconditional Date.

Upon Closing, the Company shall cease to hold (directly or indirectly) any interest in the Target Company or in any other Target Group Company. Therefore, all Target Group Companies will cease to be subsidiaries of the Company, and their financial results will no longer be consolidated into the financial statements of the Remaining Group.

(i) Purchaser Guarantee

In consideration of the Company entering into the Sale and Purchase Agreement, the Purchaser Guarantor unconditionally and irrevocably guarantees to the Company as a continuing obligation that the Purchaser will comply properly and punctually with its obligations with respect to the payment of the Upfront Payment and the Closing Payment in accordance with terms and conditions therein, and will promptly pay and discharge all actual and direct losses, liabilities, damages, costs and expenses (including any reasonable legal and other professional fees and expenses) incurred by the Company directly arising out of or in connection with any failure by the Purchaser to comply with such obligations, provided that the Purchaser Guarantor shall only be liable for any losses that are reasonably foreseeable and shall not be liable for any indirect, special or consequential losses. The obligations of the Purchaser Guarantor under the Purchaser Guarantee are joint and several with the Purchaser. The Purchaser Guarantee remains in effect until such guaranteed obligations have been fully discharged (or until the Sale and Purchase Agreement is terminated in accordance with its terms).

(j) No Leakage

The Purchaser shall be entitled to claim, within three (3) months, the difference between the actual Leakage amount from the Closing Date and the Pre-Closing Notified Leakage Amount upon notification to the Company. The Company intends to use its own internal resources to settle the difference (if any) without using any Disposal Consideration.

1.2 Remaining Group

For the financial year ended 31 December 2025, revenue generated by the Target Group from the Business accounted for 100% of the total revenue of the Group. As of the date of this Announcement, the Remaining Group does not engage in or operate the Business and apart from its interest in the Target Group which is to be disposed of according to the Sale and Purchase Agreement, the Remaining Group only holds (i) cash and cash equivalent; (ii) the Property; and (iii) its investment interests in CATIC Helicopter (H.K.) Limited and Brilliant Crown International Limited, the net book value of which (after taking into impairment provision) is nil as of 31 December 2025.

1.3 Use of Proceeds from the Disposal

The Board proposes that, subject to the fulfillment of any applicable conditions (including (i) the Independent Shareholders having approved the Disposal, the Special Dividend on Disposal, and the Proposed Delisting with the Approval Threshold at the EGM; and (ii) the Closing having taken place), the Disposal Consideration received upon Closing will be distributed in its entirety as Special Dividend on Disposal. See “4. Proposed Declaration of Special Dividend on Disposal” of this Announcement for further details.

2. FINANCIAL INFORMATION AND FINANCIAL IMPACT ON THE COMPANY IN RELATION TO THE DISPOSAL

2.1 Financial Information of the Target Group

Upon Closing, the Company will cease to hold any direct or indirect interest in the Target Group.

Based on the Target Group Financial Information which has been reviewed by the Company's reporting accountants in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and the Practice Note 750 "Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal" issued by the Hong Kong Institute of Certified Public Accountants, as at 31 December 2025, the unaudited total asset value and the unaudited net asset value of the Target Group is approximately HK\$3,192 million and approximately HK\$151 million, respectively. Set forth below is the Target Group Financial Information for the two financial years ended 31 December 2025:

	For the year ended 31 December 2024 (unaudited) HK\$'000	For the year ended 31 December 2025 (unaudited) HK\$'000
Revenue	1,805,382	1,999,261
Profit before taxation	130,555	113,223
Profit after taxation	110,486	93,203

Under Practice Note 2 and Rule 10 of the Takeovers Code, the Required Financial Information constitutes a profit forecast and normally would be required to be reported on by both the auditor or accountant and the financial adviser of the Company, and such reports must be lodged with the Executive in accordance with Rule 10.4 of the Takeovers Code. As additional time is required for the Company's financial adviser and the Company's auditors or accountants to report on the Required Financial Information in compliance with the requirements of Rule 10 of the Takeovers Code, the Required Financial Information disclosed in this Announcement does not meet the standard and has not been prepared as required by Rule 10 of the Takeovers Code. According to Practice Note 2 to the Takeovers Code, as the only reason for the disclosure of these unaudited figures is the requirement of the Listing Rules, the Executive is prepared to permit publication of the Required Financial Information in this Announcement without full compliance with Rule 10 of the Takeovers Code. **Shareholders and potential investors should exercise caution in placing reliance on the Target Group Financial Information when assessing the merits and demerits of the Disposal, and when dealing in the securities of the Company.** In compliance with Rule 10 of the Takeovers Code, the Required Financial Information will be reported on by the Independent Financial Adviser as soon as possible and the relevant report, together with the accountant's report on the Target Group Financial Information for the two financial years ended 31 December 2025 (as reviewed in compliance with Rule 14.68(2) of the Listing Rules), will be set forth in the Circular to be despatched to the Shareholders.

2.2 Financial Impact of the Disposal

Taking into account the Company Transaction Expenses and the carrying amount of identifiable net assets the Target Group as at 31 December 2025 in the Group's consolidated financial information, the Board estimates that the Company may record an unaudited disposal gain of approximately HK\$1,454 million.

Further details on the financial information on the Target Group and the financial impact in relation to the Disposal will be disclosed in the Circular.

3. INFORMATION ON THE COMPANY, THE PURCHASER, THE EQUITY FINANCING SOURCES AND THE TARGET GROUP

3.1 The Company

(a) *The Business*

The principal business of Company is investment holding. The principal business of the Group is the Business carried out through the Target Group.

(b) *Shareholding structure of the Company*

As of the date of this Announcement:

- (i) the Company has 9,303,374,783 Shares in issue;
- (ii) none of the Purchaser nor any person acting in concert with it beneficially owns, controls or has direction over any Shares; and
- (iii) save as disclosed above, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

The table below sets out the shareholding structure of the Company as of the date of this Announcement. On the assumption that there is no other change in shareholding of the Company before Closing, the shareholding structure of the Company immediately upon Closing is expected to remain the same.

Shareholders⁽¹⁾

	<i>Number of Shares</i>	<i>Approximate % of the issued share capital of the Company⁽³⁾</i>
Tacko	1,895,559,000	20.37
AVIC Innovation (HK) Group	<u>2,421,341,390</u>	<u>26.03</u>
Subtotal of Controlling Shareholders	4,316,900,390	46.40
Yu Xiaodong ⁽²⁾	2,000,000	0.02
Public Shareholders	4,984,474,393	53.58
Total	9,303,374,783	100.00

Notes:

- (1) As of the date of this Announcement, the Company has 9,303,374,783 Shares in issue, all of which are being held by the Independent Shareholders.
- (2) Mr. Yu Xiaodong is a director of the Company. Save as Mr. Yu Xiaodong, none of the directors of the Company holds any Shares as at the date of this Announcement.
- (3) The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures to two decimal places.

3.2 The Purchaser

The Purchaser is a limited liability company established under the laws of the State of Delaware. It is principally engaged in investment holding.

As at the date of this Announcement, the Purchaser is a wholly owned, indirect subsidiary of the Purchaser Guarantor, which in turn is an indirect, wholly-owned subsidiary of the Arcline Double Eagle Master Funds through Arcline Double Eagle Holdco LP. The Arcline Double Eagle Master Funds and Arcline Double Eagle Holdco LP (through the Arcline Double Eagle Master Funds) are held by different investment funds ultimately managed or advised by Arcline Investment Management, LP with a broad investor base, and no individual investor holds more than 10% interest in such funds.

Both the Arcline Double Eagle Master Funds and Arcline Double Eagle Holdco LP are controlled by their general partner, Arcline Capital Partners III GP LP, which, in turn, is controlled by its general partner, Arcline. Each of the Purchaser and Arcline is an Independent Third Party that is not acting in concert with the Company.

Arcline is a growth-oriented private equity firm with over US\$30 billion in assets under management. Arcline seeks to build the next generation of industrial compounders—market-leading, non-disruptible industrial platforms designed to consistently grow earnings over decades. For more information, please visit www.arcline.com.

The Purchaser intends to fund the Disposal Consideration with a combination of its internal cash resources and the Facility.

3.3 The Target Group

The Target Company is a business company incorporated under the laws of the BVI. It is an investment holding company which, along with other members of the Target Group, is primarily engaged in the operation of the Business.

4. PROPOSED DECLARATION OF SPECIAL DIVIDEND ON DISPOSAL

4.1 Declaration of Special Dividend on Disposal

The Board proposes that, subject to the fulfillment of any applicable conditions (including (i) the Independent Shareholders having approved the Disposal, the Special Dividend on Disposal, and the Proposed Delisting with the Approval Threshold at the EGM; and (ii) the Closing having taken place), the Company will distribute the Disposal Consideration received upon Closing in its entirety as Special Dividend on Disposal. In other words, the Special Dividend on Disposal equals the Disposal Consideration (after making the deductions therefrom as set out in the section headed “1. Proposed Very Substantial Disposal in relation to Disposal of The Entire Issued Share Capital of Motto Investment Limited — 1.1(c) Disposal Consideration” of this Announcement). Assuming that (i) Closing occurs; and (ii) there will be no change in the number of Shares in issue prior to the relevant Record Date, it is expected that the estimated Special Dividend on Disposal will be between:

- (1) approximately US\$500 million, which is equivalent to approximately HK\$3,902 million or HK\$0.419 in cash per Share, based on the Reference Exchange Rate; and
- (2) approximately US\$520 million, which is equivalent to approximately HK\$4,058 million or HK\$0.436 in cash per Share, based on the Reference Exchange Rate.

The actual amount of the Special Dividend on Disposal may be different from the Estimated Minimum Special Dividend on Disposal and the Estimated Maximum Special Dividend on Disposal, but in any event the minimum Special Dividend on Disposal shall be no less than the Estimated Minimum Special Dividend on Disposal.

While the Disposal Consideration will be paid in US\$ by the Purchaser, the Company believes that allowing the Special Dividend on Disposal to be paid in HK\$ is necessary to facilitate the payment of the Special Dividend on Disposal to the relevant Eligible Shareholders in Hong Kong. Accordingly, the Special Dividend on Disposal will be converted into HK\$ and paid to the relevant Eligible Shareholders at the prevailing exchange rate between US\$ and HK\$ on or before the relevant Distribution Date. The relevant Eligible Shareholders will bear the exchange risk in relation to the Special Dividend on Disposal during the period until the relevant Distribution Date.

4.2 Payment of the Special Dividend on Disposal

As stated in “4.1 Declaration of Special Dividend on Disposal” above, the Special Dividend on Disposal will be converted into HK\$ and paid to the relevant Eligible Shareholders at the prevailing exchange rate between US\$ and HK\$ on or before the relevant Distribution Date.

The Shareholders have approved the payment of the Final Dividend of HK\$0.5 cent per Share at the annual general meeting for the year ended 31 December 2025 held on 28 May 2026. Other than that, as of the date of this Announcement, the Company has not declared any dividend or other distribution which remains unpaid. Save as the proposed declaration of the Special Dividend on Disposal, the Cash Dividend on Property Disposal and the Final Dividend, the Company will not declare, pay or make any other dividends or other distributions to the Shareholders from the date of this Announcement up until the Closing Date. Book close dates, the relevant Record Date and Distribution Date of the Special Dividend on Disposal will be set out in the Circular.

Subject to the approval by the Independent Shareholders with the Approval Threshold at the EGM, the Board will declare the Special Dividend on Disposal in HK\$ which will be distributed on a pro rata basis to the relevant Eligible Shareholders as soon as possible but in any event no later than seven (7) business days (as defined under the Takeovers Code) after Closing pursuant to Rule 20.1 of the Takeovers Code.

4.3 Conditions to the Special Dividend on Disposal

The declaration and the payment of the Special Dividend on Disposal is subject to the following conditions:

- (a) the Independent Shareholders having approved the Disposal, the Special Dividend on Disposal and the Proposed Delisting with the Approval Threshold at the EGM; and
- (b) the Closing having taken place.

4.4 Comparison of value

(a) Estimated maximum amount of Special Dividend on Disposal payable

As set forth in the section headed “1. Proposed Very Substantial Disposal in relation to Disposal of The Entire Issued Share Capital of Motto Investment Limited – 1.1(c) Disposal Consideration”, the Disposal Consideration will be between US\$500 million and US\$520 million. As the Company will distribute the Disposal Consideration received upon Closing in its entirety as Special Dividend on Disposal, the Estimated Maximum Special Dividend on Disposal payable to the relevant Eligible Shareholders is approximately US\$520 million, representing approximately HK\$0.436 in cash per Share based on the Reference Exchange Rate. Such amount of the Special Dividend on Disposal represents:

- (A) a premium of approximately 110.72% over the last trading price of HK\$0.207 per Share as quoted on the Stock Exchange on the Last Trading Date;

- (B) a premium of approximately 105.17% over the average closing price of approximately HK\$0.213 per Share as quoted on the Stock Exchange for the past 5 trading days up to and including the Last Trading Date;
- (C) a premium of approximately 139.67% over the average closing price of approximately HK\$0.182 per Share as quoted on the Stock Exchange for the past 30 trading days up to and including the Last Trading Date;
- (D) a premium of approximately 164.47% over the average closing price of approximately HK\$0.165 per Share as quoted on the Stock Exchange for the past 60 trading days up to and including the Last Trading Date;
- (E) a premium of approximately 164.63% over the average closing price of approximately HK\$0.165 per Share as quoted on the Stock Exchange for the past 90 trading days up to and including the Last Trading Date; and
- (F) a premium of approximately HK\$0.104 per Share over the audited consolidated net assets value of the Company attributable to the Shareholders per Share of approximately HK\$0.332 as at 31 December 2025.

(b) *Estimated minimum amount of Special Dividend on Disposal payable*

As set forth in the section headed “1. Proposed Very Substantial Disposal in relation to Disposal of The Entire Issued Share Capital of Motto Investment Limited — 1.1(c) Disposal Consideration”, the Disposal Consideration will be between US\$500 million and US\$520 million. As the Company will distribute the Disposal Consideration received upon Closing in its entirety as Special Dividend on Disposal, the Estimated Minimum Special Dividend on Disposal payable to the relevant Eligible Shareholders is approximately US\$500 million, representing approximately HK\$0.419 in cash per Share based on the Reference Exchange Rate. In any event, the minimum Special Dividend on Disposal shall be no less than the Estimated Minimum Special Dividend on Disposal. Such amount of the Special Dividend on Disposal represents:

- (A) a premium of approximately 102.62% over the last trading price of HK\$0.207 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (B) a premium of approximately 97.28% over the average closing price of approximately HK\$0.213 per Share as quoted on the Stock Exchange for the past 5 trading days up to and including the Last Trading Date;
- (C) a premium of approximately 130.45% over the average closing price of approximately HK\$0.182 per Share as quoted on the Stock Exchange for the past 30 trading days up to and including the Last Trading Date;

- (D) a premium of approximately 154.30% over the average closing price of approximately HK\$0.165 per Share as quoted on the Stock Exchange for the past 60 trading days up to and including the Last Trading Date;
- (E) a premium of approximately 154.45% over the average closing price of approximately HK\$0.165 per Share as quoted on the Stock Exchange for the past 90 trading days up to and including the Last Trading Date; and
- (F) a premium of approximately HK\$0.087 per Share over the audited consolidated net assets value of the Company attributable to the Shareholders per Share of approximately HK\$0.332 as at 31 December 2025.

4.5 Confirmation of Financial Resources

The Company confirms that the entirety of the Special Dividend on Disposal will be financed by the Disposal Consideration. CICC has been appointed as the financial adviser to the Company and is satisfied that funds in an amount equal to the Special Dividend on Disposal to be deposited into the Company Dividend Account on the Closing Date would be exclusively applied towards the Approved Purpose.

The Purchaser intends to finance the Disposal Consideration through a combination of its internal cash resources and the Facility.

J.P. Morgan has been appointed as the exclusive financial adviser to the Purchaser and is satisfied that sufficient financial resources are available to the Purchaser for the payment of the Disposal Consideration in full pursuant to the terms of the Sale and Purchase Agreement.

4.6 Overseas Shareholders

The Special Dividend on Disposal distributed to Shareholders not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Shareholders reside. Such Shareholders should take note of and observe any applicable legal, tax or regulatory requirements.

It is the responsibility of any overseas Shareholders wishing to receive the Special Dividend on Disposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with such acceptance (including the obtaining of any governmental, exchange control or other consents which may be required or the compliance with other necessary formalities) and the payment of any issue, transfer or other taxes due in any such jurisdiction. If any overseas Shareholders are in doubt as to their positions, they should consult their own professional advisers.

As at 31 May 2026, the Company's cash or cash equivalent balance amounted to approximately HK\$630.35 million. In addition to the Special Dividend on Disposal and the Cash Dividend on Property Disposal, the Board will declare further special dividend on its remaining cash subject to the Company finalizing the necessary reserves for its payment obligations incurred or to be incurred up to the winding-up of the Company. The Company will make further announcement(s) as and when appropriate.

5. PROPOSED WITHDRAWAL OF LISTING OF THE COMPANY

5.1 Rationale for the Proposed Delisting

For the financial year ended 31 December 2025, revenue from the Business accounted for 100% of the total revenue of the Group. Furthermore, upon Closing, the Remaining Group will not operate the Business.

Immediately after the distribution and the payment of the Special Dividend on Disposal and without taking into account the Property Disposal, the assets of the Remaining Group will consist substantially of cash and cash equivalent. While apart from cash and cash equivalent, the Company will also hold the Remaining Assets, the Remaining Assets include (i) the Property (if the Property Disposal does not take place), the book value of which accounts for approximately 2.62% of the total assets of the Group as of 31 December 2025 and (ii) the Remaining Group's interests in CATIC Helicopter (H.K.) Limited and Brilliant Crown International Limited, the net book value of which after taking into impairment provision, is nil as of 31 December 2025. Accordingly, the Board is of the view that, as a result of the Disposal, the Company will not have a sufficient level of operations and assets of sufficient value to support its operations to warrant the continued listing of its securities pursuant to Rule 13.24(1) of the Listing Rules, and the Company should be delisted from trading on the Stock Exchange in accordance with the applicable regulatory requirements. Therefore, it is proposed that, upon completion of the Disposal, the Company shall voluntarily withdraw its listing on the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, further details of which are set out in the section headed "6. Implications under the Listing Rules and the Takeovers Code — 6.2 Application of the Listing Rules" of this Announcement.

5.2 Conditions to the Proposed Delisting

The Proposed Delisting is subject to the following conditions:

- (a) the Independent Shareholders having approved the Disposal, the Special Dividend on Disposal, and the Proposed Delisting with the Approval Threshold at the EGM;
- (b) the Closing having taken place; and
- (c) the distribution and the payment of the Special Dividend on Disposal on the relevant Distribution Date.

Immediately upon the fulfillment of all the above conditions, the Company will apply to the Stock Exchange for withdrawal of the listing of its Shares in accordance with Rule 6.15(2) of the Listing Rules. In accordance with paragraph 3.3 of the Guide on Distribution of Dividends and Other Entitlements published by the Stock Exchange, the last day for trading in the Shares would fall at least one (1) Business Day after the EGM. The Shareholders will be notified by way of an announcement of the exact date of the last day for dealing in the Shares on the Stock Exchange and the day on which the withdrawal of the listing of the Shares on the Stock Exchange will be effective. Following the withdrawal of the listing of the Company from the Stock Exchange, the Company will publish announcements on the website of the SFC in a timely manner to inform Shareholders of details relating to the distribution of cash proceeds (if any) from the winding up of the Company to the Shareholders.

5.3 Winding Up

Upon the Proposed Delisting becoming effective, the Company may continue to be a public company under the Takeovers Code if, taking into account the number of Hong Kong Shareholders, the extent of share trading in Hong Kong and the location of its head office, place of central management and its business and assets, the Executive determines that the Company should be so regarded.

The Directors will resolve to wind up the Company voluntarily as soon as practicable following payment of the Special Dividend on Disposal, the Cash Dividend on Property Disposal, any further dividend on its surplus cash and the full settlement of outstanding liabilities of the Group (if any).

Pursuant to Bye-law 176 of the Bye-laws, if the Company shall be wound up, the surplus assets remaining after payment to all creditors shall be divided among the members in proportion to the capital paid up on the shares held by them respectively, and if such surplus assets shall be insufficient to repay the whole of the paid up capital, they shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up on the shares held by them respectively, but all subject to the rights of any shares which may be issued on special terms and conditions.

It is expected that a voluntary liquidator will be engaged by the Company, who will be responsible for realizing any remaining value in the assets remaining in the Company at the time of commencement of the Winding Up Proposal, which will comprise the Remaining Assets and any remaining cash and cash equivalent. The relevant Eligible Shareholders will be entitled to receive on a pro-rata basis any cash proceeds from the sale of such assets during the voluntary liquidation process (after full settlement of any claims from creditors, the fees and expenses incurred in relation to the Proposals and the costs of the winding up). However, it is anticipated that after payment of the Special Dividend on Disposal, the Cash Dividend on Property Disposal and any further dividend on its surplus cash, no material cash will be available for distribution upon the winding up of the Company.

6. IMPLICATIONS UNDER THE LISTING RULES AND THE TAKEOVERS CODE

6.1 Application of Note 7 to Rule 2 of the Takeovers Code

Pursuant to Note 7 to Rule 2 of the Takeovers Code, if a company proposes to dispose of its assets and/or operations, and, either, (i) as a result of such proposal the company may not be regarded as suitable for listing for the purpose of the Listing Rules; or (ii) there is a proposal to withdraw the company's listing on the Stock Exchange, the Executive would normally apply Rule 2.10, which is applicable to takeover and privatization by scheme of arrangement or capital reorganization, and other requirements of the Takeovers Code. Therefore, the Proposals would need to be approved by the Independent Shareholders with the Approval Threshold at the EGM.

6.2 Application of the Listing Rules

As one or more applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal under the Sale and Purchase Agreement exceeds 75%, the Disposal constitutes a very substantial disposal for the Company pursuant to Rule 14.06(4) of the Listing Rules and is therefore subject to reporting, announcement, circular and Shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Proposals, which involve a disposal of assets by the Company and a subsequent withdrawal of the listing of the Company on the Stock Exchange, are subject to Note 7 to Rule 2 of the Takeovers Code. Therefore, the Proposals are subject to Rule 2.10 of the Takeovers Code, which is applicable to takeover and privatization by scheme of arrangement or capital reorganization. Accordingly, subject to (among others) the fulfillment of all relevant requirements under the Takeovers Code, including the satisfaction of the Approval Threshold, the Company will be seeking to withdraw its listing on the Stock Exchange pursuant to Rule 6.15(2) of the Listing Rules, which is applicable to cases where an issuer is privatized by way of a scheme of arrangement or capital reorganization which is governed by the Takeovers Code and all the relevant requirements (including the shareholders' approval requirements) under the Takeovers Code have been complied with.

6.3 EGM and Approval Threshold

In compliance with the Listing Rules and the Takeovers Code, the Board proposes to submit the Proposals, which are comprised of the Disposal, the Special Dividend on Disposal, and the Proposed Delisting, for approval at the EGM by way of a combined resolution subject to the Approval Threshold, being:

- (a) the approval (by way of poll) by the Independent Shareholders representing at least 75% of the votes attaching to the Shares held by all Independent Shareholders voting either in person or by proxy at the EGM; and
- (b) the number of votes cast against the relevant resolution (by way of poll) by the Independent Shareholders present and voting either in person or by proxy at the EGM is not more than 10% of the votes attaching to the Shares held by all Independent Shareholders.

None of the Shareholders is materially interested in the Proposals, and therefore, no Shareholder is required to abstain from voting on the resolutions in relation to the Proposals.

If the Proposals are not approved at the EGM, it is the intention of the Company to continue the business of the Target Group. Therefore, it is expected that there is no material adverse financial or operational impact on the Group if the Proposals are not approved at the EGM.

6.4 Irrevocable Undertaking

As of the date of this Announcement, each of the Controlling Shareholders has provided an Irrevocable Undertaking to each of the Purchaser and the Company, pursuant to which:

- (A) Each of the Controlling Shareholders agreed not to:
 - (a) sell, transfer or otherwise dispose of any interest in any of its respective Shares;
 - (b) accept any general offer in respect of the Shares;
 - (c) vote in favour of any resolution to approve any proposal or transaction in respect of the Company which is proposed in competition with the Proposals; and
 - (d) (other than pursuant to the Proposals) enter into any agreement or arrangement, incur any obligation or give any indication of intent:
 - (i) to do any of the acts referred to in paragraphs (a) to (c) above; or
 - (ii) which would or might restrict or impede the Controlling Shareholder voting the Shares in favour of the Proposals,
- (B) Each of the Controlling Shareholders agreed that it shall exercise all voting rights attaching to its respective Shares to vote:
 - (a) in favour of all resolutions to approve the Proposals, and any related matters, proposed at the EGM, if and when the EGM is convened; and
 - (b) in favour of any resolutions proposed at any general meeting of the Company's shareholders in such a way which will facilitate or assist the implementation of the Proposals, if and when such general meeting is convened.

The Controlling Shareholders are collectively interested in 4,316,900,390 Shares (representing approximately 46.4% of the total number of Shares in issue). Further details of the existing holding of voting rights and rights over the Shares by AVIC Innovation and Tacko are described in the section headed "3. Information on the Company, the Purchaser, the Equity Financing Sources and the Target Group — 3.1. The Company — (b) Shareholding structure of the Company".

Each Irrevocable Undertaking shall terminate:

- (a) if the Proposals are not approved at the EGM;

- (b) if the Proposals lapse or are withdrawn in accordance with the terms as set out in this Announcement or the Sale and Purchase Agreement; or
- (c) by mutual agreement of the Purchaser and the relevant Controlling Shareholder.

7. REASONS FOR AND BENEFITS OF THE PROPOSALS

7.1 For the Shareholders

The price and trading liquidity and of the Shares has been at a low level over an extended period of time. The Shares were traded at a discount to the net asset value per Share of the Company for the past 2 years. The highest closing price of the Shares for the 12 months up to and including the Last Trading Date was HK\$0.225 per Share. The average daily trading volume of the Shares for the 12 months up to and including the Last Trading Date was approximately 27,703,549 Shares per day, representing only approximately 0.30% of the total issued Shares as at the Last Trading Date. The low trading liquidity of the Shares imposes difficulties for Shareholders to monetize their Shares through executing on market disposals (if at all possible) without affecting the prevailing Share price.

The Proposals provide the Shareholders with an opportunity to realize their investment in the Company at a reasonable premium over the historical closing prices of the Shares and the net asset value of the Group, in circumstances where retaining a stake in the Company does not provide any certainty for Shareholders to realizing a return on their investments. The Estimated Maximum Special Dividend on Disposal and the Estimated Minimum Special Dividend on Disposal represent premium of approximately 164.63% and 154.45% respectively over the Company's average closing price for the 90 trading days up to and including the Last Trading Date. As such, the Proposals present an immediate opportunity for the Shareholders to realize value from their investments in the Shares at a reasonable premium from the perspective of the historical closing prices of the Shares.

The Directors consider the emergence of an attractive competing proposal with a credible path to completion to be unlikely. The Controlling Shareholders (collectively holding approximately 46.40% of the issued Shares) have each given an irrevocable undertaking under which they have, among other things, undertaken not to dispose of their Shares, not to accept any general offer for the Shares and not to vote in favour of any competing proposal, and to vote in favour of the resolutions to approve and facilitate implementation of the Proposals. Accordingly, any third party would face materially reduced execution certainty and a higher practical threshold to secure sufficient shareholder support within a reasonable timeframe.

7.2 For the Company

The Disposal provides the Company with a rare opportunity to monetize its aviation aircraft piston engine business. Since its listing on the Main Board of the Stock Exchange in 1991, in light of the low trading liquidity of the Shares, the Company has not conducted any fund raising through the issuance of Shares or other listed securities. The Company does not expect any significant improvement in the prospects for equity financing in the short run. Therefore, the Company's current listing status on the Stock Exchange may not provide any meaningful benefit in terms of fundraising in support of continuous investment to bring the Company's operations to a level that could generate significant return to the Company and the Shareholders. Accordingly, from a commercial standpoint, the Disposal, from which the Company expects to realize an unaudited gain on disposal of approximately HK\$1.4 billion upon Closing, which would allow the Company to unlock the value of its investments in the Business and provide the Shareholders with an immediate opportunity to monetize their Shares.

In view of the reasons and benefits above, the Directors (other than members of the Independent Board Committee, who will express their view after receiving advice from the Independent Financial Adviser) are of the view that (a) the terms and conditions of the Proposals are fair and reasonable; and (b) the Proposals are in the interests of Company and the Shareholders as a whole.

7.3 For the Purchaser

From the Purchaser's perspective, the Disposal represents an attractive opportunity to invest in an established aviation aircraft piston engine business with a view to supporting the Target Group's further growth and development in the aerospace sector in the United States.

8. CONNECTED TRANSACTION AND SPECIAL DEAL IN RELATION TO THE DISPOSAL OF PROPERTY

8.1 Background

On 5 June 2026, the Company entered into the Property Sale and Purchase Agreement, pursuant to which, the Company conditionally agreed to sell and AVIC Innovation (HK) Group has conditionally agreed to purchase the Property at the Property Disposal Consideration of HK\$69.5 million (approximately HK\$13.20 thousand per square feet).

The Property Disposal Consideration is determined after arm's length negotiation between the Company and AVIC Innovation (HK) Group with reference to prevailing market prices of comparable properties of similar nature and age in the vicinity which are presently available to the Company. The illiquid nature of the property trading and the market trend of the Hong Kong office sector were also taken into account. Specifically, (i) the Company has taken into consideration the transaction prices of properties designated for office use over the past three years in the building in which the Property is located, namely the United Centre, as well as the nearby buildings of similar nature and age, namely Lippo Centre and Admiralty Centre. The Company noted that the average price per square feet of the above comparable properties is approximately HK\$13.63 thousand; (ii) given the illiquid trading of properties for office use in the United Centre (which, based on the data available to the Company, only recorded one transaction for property for office use in the past three years), applying a slight discount to the above comparable slight is reasonable; and (iii) the Company also noted that the Hong Kong office market has endured a prolonged downturn since the pandemic, with few signs of stabilization emerged to date. In view of (a) the fact that the Property Disposal Consideration is in line with the average price of the market comparables noted by the Company; (b) the illiquid trading of property for office use in the building in which the Property is located; and (c) the uncertainty in the market trend of the Hong Kong office sector, the Property Disposal Consideration is fair and reasonable.

Given fluctuation of the property market, the Company will engage an independent valuer to determine the fair value of the Property closer to and prior to publication of the Circular. If the valuation of the Property in the Valuation Report is higher than the Property Disposal Consideration, the Company will re-negotiate with AVIC Innovation (HK) Group on the Property Disposal Consideration. The Valuation Report, which will be made in compliance with Rule 11.1 of the Takeovers Code, will be included in the Circular.

8.2 The Property Sale and Purchase Agreement

The principal terms of the Property Sale and Purchase Agreement are set out as follows:

Date:	5 June 2026
Parties:	(i) The Company, as the seller; and (ii) AVIC Innovation (HK) Group as the purchaser
Consideration and basis of determination:	The Property Disposal Consideration of HK\$69.5 million, determined after arm's length negotiation between the Company and AVIC Innovation (HK) Group with reference to the prevailing market prices of comparable properties of similar nature and age in the vicinity which are presently available to the Company, shall be paid and satisfied by AVIC Innovation (HK) Group to the Company by payment in cash.
Property Disposal Condition:	The Property Disposal is subject to the following condition: the approval of the Property Disposal by the CT Independent Shareholders at the EGM by ordinary resolution.

8.3 Basic Information on the Property

The specific details of the Property are as follows:

Owner of the Property:	the Company
Location of the Property:	Office B on 15th Floor, United Centre, No.95 Queensway, Hong Kong
Total gross floor area stated:	5,264 square feet (equivalent to approximately 489 square meters)

There are no mortgages, pledges or any restrictions on the transfer of the Property, no litigation, arbitration or judicial measures such as seizure or freezing, and there are no other circumstances that would impede the transfer of ownership.

8.4 Financial Impact and Use of Proceeds

The Property was initially held as an investment property. When the Property was transferred from investment property to owner-occupied property in April 2022, based on valuation performed by LCH (Asia-Pacific) Surveyors Limited, its fair value was approximately HK\$124.5 million as disclosed in the Company's 2022 annual report which served as the basis for subsequent measurement. Depreciation was subsequently recognized on a straight-line basis over its remaining useful life. As a result, the net book value of the Property as of 31 December 2025 was approximately HK\$107.52 million. Following subsequent economic adjustments in the post-COVID era after April 2022, Hong Kong's commercial office leasing and sales markets have faced continuous downward pressure, causing the net book value not reflective of the market value. Based on such net book value and the Property Disposal Consideration, the Board estimates that the Company may record an unaudited disposal loss of approximately HK\$38 million.

All the net proceeds from the Property Disposal will be used for distribution of the Cash Dividend on Property Disposal to the relevant Eligible Shareholders. See the paragraph immediately below for further details.

8.5 Proposed Declaration of Cash Dividend on Property Disposal

The Board proposes that, subject to (i) the CT Independent Shareholders having approved the Property Disposal and the Cash Dividend on Property Disposal at the EGM; and (ii) the Property Disposal having completed, it will dispose of the Property and distribute the Property Disposal Consideration (after deduction of stamp duty) in its entirety as Cash Dividend on Property Disposal on a pro rata basis to the relevant Eligible Shareholders.

The Property Disposal Consideration (after deduction of stamp duty) will be approximately HK\$68.02 million. Therefore, assuming there will be no change in the number of Shares in issue prior to the relevant Record Date, the Cash Dividend on Property Disposal will be approximately HK\$68.02 million, which will amount to approximately HK\$0.73 cent in cash per Share. Book close dates, the relevant Record Date and Distribution Date of Cash Dividend on Property Disposal to be distributed will be set out in the Circular.

For the avoidance of doubt, the Cash Dividend on Property Disposal does not form part of the Proposals, is not inter-conditional with the Disposal or the Special Dividend on Disposal and is not subject to approval by Independent Shareholders with the Approval Threshold at the EGM.

8.6 Reasons for and Benefits of the Property Disposal

The Property Disposal enables the Company to realize the value of non-core assets of the Company and to distribute the net proceeds of the Property Disposal as Cash Dividend on Property Disposal to the relevant Eligible Shareholders.

Based on the above, the Directors (excluding the non-executive and independent non-executive Directors who will provide their views after considering the advice from the Independent Financial Adviser) are of the view that the Property Disposal is carried out upon arm's length negotiations between both parties, conducted on normal commercial terms, entered into in the ordinary course of business of the Company, being fair and reasonable and in the interests of the Company and the Shareholders as a whole.

8.7 Implications under the Listing Rules

As at the date of this Announcement, AVIC Innovation (HK) Group is a substantial shareholder and connected person of the Company. The Property Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Although the highest applicable percentage ratio of the transaction contemplated under the Property Sale and Purchase Agreement is less than 5% but the consideration is more than HK\$3,000,000, but is exempt from circular (including independent financial advice) and approval by the independent Shareholders under Chapter 14A of the Listing Rules.

8.8 Implications under the Takeovers Code

As the Property Disposal is an arrangement involving AVIC Innovation (HK) Group, a substantial shareholder of the Company, and such arrangement is not extended to all Shareholders, the Property Disposal constitutes a special deal under Note 4 to Rule 25 of the Takeovers Code and requires the consent of the Executive. The Company will make an application to seek the consent of the Executive for the Property Disposal as a special deal and such consent, if granted, will be subject to: (a) the Independent Financial Adviser publicly stating that in its opinion the terms of the Property Disposal are fair and reasonable; and (b) the approval of the Property Disposal by ordinary resolution by the CT Independent Shareholders by way of poll at the EGM.

In the event that the Property Disposal is not approved at the EGM, the Company will use its best endeavor to dispose of the Property prior to its winding up, including but not limited to disposing of the Property to any Independent Third Party, and to distribute the net proceeds as dividend to the relevant Eligible Shareholders as soon as practicable. The Company will only distribute the net proceeds from the sale of the Property during the voluntary liquidation process to the relevant Eligible Shareholders as a last resort. Further, it is expected that there is no material adverse financial or operational impact on the Group if the Property Disposal is not approved at the EGM.

For the avoidance of doubt, the Property Disposal and the Disposal are independent and separate transactions, and are not inter-conditional.

8.9 Information on the Company and AVIC Innovation (HK) Group

The Company

Please refer to the section headed “3. Information on the Company, the Purchaser, the Equity Financing Sources and the Target Group — 3.1. The Company” for the information of the Company.

AVIC Innovation (HK) Group

AVIC Innovation (HK) Group is principally engaged in investment holding. AVIC Innovation (HK) Group is a wholly owned subsidiary of AVIC Innovation, which is in turn a wholly owned subsidiary of AVIC. AVIC is 100% controlled by the State Council of the PRC.

9. INDEPENDENT BOARD COMMITTEE, APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER AND CIRCULAR DESPATCH

The Independent Board Committee has been formed to advise the (A) Independent Shareholders as to (a) whether the Proposals are fair and reasonable and in the interests of the Independent Shareholders as a whole, and (b) whether to vote in favour of the Proposals at the EGM; and (B) the CT Independent Shareholders as to (a) whether the Property Disposal is fair and reasonable and in the interests of the CT Independent Shareholders as a whole, and (b) whether to vote in favour of the Property Disposal at the EGM. Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee is comprised of Mr. Chow Wai Kam, Mr. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Zhang Ping, being all non-executive Directors who have no direct or indirect interest in the Proposals and the Property Disposal. The recommendations of the Independent Board Committee will be set out in the Circular.

Maxa Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposals and the CT Independent Shareholders in respect of the Property Disposal. Such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

The Circular containing, among other things: (i) a letter from the Board to the Shareholders containing details of the Proposals, the Property Disposal and other related matters (including, but not limited to, a timetable listing the relevant dates of the Proposals); (ii) the opinion of the Independent Financial Adviser with respect to the Proposals and the Property Disposal; (iii) the opinion of the Independent Board Committee with respect to the Proposals and the Property Disposal; (iv) an independent Valuation Report; and (v) a notice convening the EGM, will be sent to the Shareholders as soon as practicable and in compliance with the requirements of the Listing Rules and the Takeovers Code.

10. OTHER ARRANGEMENTS

As of the date of this Announcement:

- (a) neither the Purchaser nor any person acting in concert with it owns, controls or has direction over any voting rights in the Company or rights over any Shares;
- (b) save for the Irrevocable Undertaking, neither the Purchaser nor any person acting in concert with it has received any irrevocable commitment to vote for or against the Proposals;
- (c) neither the Purchaser nor any person acting in concert with it holds any convertible securities, warrants or options in respect of the Shares;
- (d) neither the Purchaser nor any person acting in concert with it has entered into any derivatives in respect of the securities of the Company;
- (e) there are no arrangements (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Purchaser or the Shares and which might be material to the Disposal;
- (f) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Purchaser or any person acting in concert with it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Disposal;
- (g) neither the Purchaser nor any person acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (h) save for the Disposal Consideration and the Special Dividend on Disposal, no other consideration, compensation or benefit in whatever form, will be made by the Purchaser or any person acting in concert with it to any Shareholder or parties acting in concert with it in connection with the Disposal; and
- (i) save for the Property Sale and Purchase Agreement, there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder and (ii) either (a) the Purchaser or any person acting in concert with it; or (b) the Company, its subsidiaries or associated companies.

As of the date of this Announcement, the Company has no other outstanding warrants, options, derivatives, convertibles or other securities in issue which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into the Shares.

11. DISCLOSURE OF DEALINGS

The respective associates (as defined in the Takeovers Code) of the Purchaser and the Company, including persons holding 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, are hereby reminded to disclose their dealings in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company under Rule 22 of the Takeovers Code.

None of the Purchaser or any person acting in concert with it (save in respect of J.P. Morgan, as to which further details are set out below) have dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the securities of the Company during the six months prior to the date of the 3.7 Announcement and up to and including the date of this Announcement.

J.P. Morgan is the exclusive financial adviser to the Purchaser in connection with the Proposals. Accordingly, J.P. Morgan and members of the J.P. Morgan group are presumed to be acting in concert with the Purchaser in respect of shareholdings of the J.P. Morgan group in the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code (except in respect of the Shares held by members of the J.P. Morgan group which are exempt principal traders or exempt fund managers, in each case recognized by the Executive as such for the purposes of the Takeovers Code).

The statements in this announcement as to the dealings in the Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company by persons acting in concert with the Purchaser are subject to the dealings (if any) of other members of the J.P. Morgan group. Any dealings in the relevant securities of the Company by the J.P. Morgan group (excluding dealings by the J.P. Morgan group members who are exempt principal traders or exempt fund managers or dealings by the J.P. Morgan group members for the account of non-discretionary investment clients of the J.P. Morgan group) during the six months prior to the commencement of the Offer Period to the latest practicable date prior to the despatch or publication of the Circular will be disclosed in the Circular and pursuant to Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million. This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved. Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

WARNING

Shareholders and potential investors should be aware that the Proposals are subject to approval at the EGM by the Approval Threshold and other Conditions set out under the section headed “1. Proposed Very Substantial Disposal in relation to Disposal of The Entire Issued Share Capital of Motto Investment Limited – 1.1(f) Conditions Precedent” of this Announcement being fulfilled (or, if applicable, waived) and may or may not be completed or effected, as the case may be. The Disposal Consideration is subject to deduction as set out in the section headed “1. Proposed Very Substantial Disposal in relation to Disposal of The Entire Issued Share Capital of Motto Investment Limited – 1.1(c) Disposal Consideration” of this Announcement. Therefore, actual amount of the Special Dividend on Disposal may be different from the Estimated Minimum Special Dividend on Disposal and the Estimated Maximum Special Dividend on Disposal, but in any event the Special Dividend on Disposal shall be no less than the Estimated Minimum Special Dividend on Disposal.

Shareholders and potential investors should also be aware that the Property Disposal is subject to the Property Disposal Conditions set out under the section headed “8. Connected Transaction and Special Deal in relation to the Disposal of Property – 8.2 The Property Sale and Purchase Agreement” of this Announcement being fulfilled (or, if applicable, waived) and may or may not be completed or effected, as the case may be.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take consult their stockbroker, licensed securities dealer, registered institution in securities, bank manager, solicitor or other professional advisers.

DEFINITIONS

In this Announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“3.7 Announcement”	the announcement of the Company dated 29 May 2026 pursuant to Rule 3.7 of the Takeovers Code
“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“Affiliate”	means, in relation to any person, any other person that, directly or indirectly, controls or is controlled by, or is under common control with the first mentioned person, in each case from time to time, provided that, (i) in the case of the Purchaser, Affiliate shall not include any portfolio company of any investment fund managed or advised by Arcline Investment Management, LP; and (ii) in the case of the Company, Affiliate shall not include any entity that is not directly or indirectly controlled by AVIC Innovation (HK) Group. For the avoidance of doubt, the definition of “Affiliate” in this Announcement is different from the expression “affiliated company” as defined under Rule 13.11(2) of the Listing Rules.
“Announcement”	this announcement
“Approved Purpose”	the sole purpose of settlement of the Special Dividend on Disposal
“Approval Threshold”	the approval (by way of poll) by the Independent Shareholders representing at least 75% of the votes attaching to the Shares held by all Independent Shareholders voting either in person or by proxy at the EGM; and the number of votes cast against the relevant resolution (by way of poll) by the Independent Shareholders present and voting either in person or by proxy at the EGM is not more than 10% of the votes attaching to the Shares held by all Independent Shareholders
“Arcline”	Arcline Holdings LLC
“Arcline Double Eagle Master Funds”	Arcline Double Eagle Master Fund-A LP and Arcline Double Eagle Master Fund LP
“AVIC”	Aviation Industry Corporation of China, Ltd, a company incorporated under the laws of the PRC and an indirect controlling shareholder of the Company

“AVIC Innovation”	AVIC Innovation Holding Limited, a company incorporated under the laws of the PRC and an indirect controlling shareholder of the Company and a wholly owned subsidiary of AVIC
“AVIC Innovation (HK) Group”	AVIC Innovation (HK) Group Limited, a company incorporated under the laws of Hong Kong and a direct controlling shareholder of the Company and a wholly owned subsidiary of AVIC Innovation
“BMWE”	the German Federal Ministry for Economic Affairs and Energy (<i>Bundesministerium für Wirtschaft und Energie</i>)
“Board”	the board of Directors
“Business”	the business of general aviation aircraft piston engine business, which engages in the design, development and production of general aviation aircraft piston engines and spare parts as well as the provision of aftermarket services and support for piston engines primarily in the United States of America and Germany with sales and procurement activities extended to other jurisdictions
“Business Day”	a day other than a Saturday or Sunday or public holiday in Hong Kong, the PRC and the United States on which banks are open in Hong Kong, the PRC and the United States for general commercial business
“BVI”	the British Virgin Islands
“Bye-laws”	the bye-laws of the Company as may be amended from time to time, and the “Bye-law” shall mean a bye-law of the Bye-laws
“Cash Dividend on Property Disposal”	the cash dividend to be declared by the Board subject to the CT Independent Shareholders’ approval at the EGM by ordinary resolution, the composition and payment of which are set forth in the section headed “8. Connected Transaction and Special Deal in relation to the Disposal of Property — 8.5 Proposed Declaration of Cash Dividend on Property Disposal” of this Announcement
“CATL HK”	Continental Aerospace Technologies Limited, a company incorporated under the laws of Hong Kong and a wholly owned subsidiary of the Target Company

“CAT US”	Continental Aerospace Technologies, Inc., a corporation established under the laws of the State of Alabama and a wholly owned subsidiary of CATL HK
“CICC”	China International Capital Corporation Hong Kong Securities Limited, a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Company in relation to the Proposals
“Circular”	the circular to be jointly issued by the Company and the Purchaser to the Shareholders in connection with the Proposals, the Property Disposal and other matters described in this Announcement, further details of which are set out in the section headed “9. Independent Board Committee Appointment of Independent Financial Adviser and Circular Despatch”
“Closing”	completion of the sale and purchase of the Sale Shares in accordance with the Sale and Purchase Agreement
“Closing Date”	the tenth (10th) Business Day after the Unconditional Date
“Closing Payment”	means the balance of the Disposal Consideration after deduction of the Upfront Payment, which is payable by the Purchaser to the Company on the Closing Date subject to certain deductions
“CMD”	Continental Motors Deutschland Ltd., a company incorporated under the laws of the BVI and a wholly owned subsidiary of CATL HK
“Companies Act”	the Companies Act 1981 of Bermuda, as amended from time to time
“Company”	Continental Aerospace Technologies Holding Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange (stock code: 232)
“Company Dividend Account”	a bank account established and maintained by the Company for the purpose of holding and disbursing funds to settle the Special Dividend on Disposal

“Company Transaction Expenses”	the fees and expenses incurred or owed by the Company at or prior to Closing in connection with the transactions contemplated under the Disposal, which amount is estimated to be approximately HK\$25 million
“Conditions”	conditions precedent to the Sale and Purchase Agreement, details of which are set forth in the section headed “1. Proposed Very Substantial Disposal in relation to Disposal of The Entire Issued Share Capital of Motto Investment Limited — 1.1(f) Conditions Precedent” of this Announcement
“Controlling Shareholders”	AVIC Innovation (HK) Group and Tacko
“CT Independent Shareholders’	with respect to the Property Disposal, Shareholders other than AVIC Innovation (HK) Group, its associate(s) and parties acting in concert and those who are interested in or involved in the Property Disposal (including Tacko and Mr. Yu Xiaodong)
“Director(s)”	the director(s) of the Company
“Disposal”	disposal of the Target Group as further described in the section headed “1.1 The Sale and Purchase Agreement — (b) Subject of the Disposal” of this Announcement
“Disposal Consideration”	means the aggregate consideration for the sale and purchase of the Sale Shares and the settlement of the Shareholder and Intercompany Loans
“Distribution Date”	means (i) in relation to Special Dividend on Disposal, the date on which the Special Dividend on Disposal is made to the relevant Eligible Shareholders by way of despatch of cheques or bank transfer; and (ii) in relation to Cash Dividend on Property Disposal, the date on which the Cash Dividend on Property Disposal is made to the relevant Eligible Shareholders by way of despatch of cheques or bank transfer
“Earnest Deposit”	the sum of US\$5 million deposited by the Purchaser into the Escrow Account
“Economic Sanctions Laws”	means any economic, financial, or trade sanctions administered by the United States (including by Office of Foreign Assets Control of the U.S. Department of the Treasury (OFAC), the U.S. State Department, and the U.S. Commerce Department), the United Nations, the European Union or any member state thereof, the United Kingdom, or any other national sanctions authority

“EGM”	the extraordinary general meeting of the Shareholders to be conducted for the approval of the Proposals (including the Disposal) and the Property Disposal, further details of which will be disclosed in the Circular
“Eligible Shareholders”	means (i) in relation to Special Dividend on Disposal, Shareholders whose names appear on the register of members of the Company on the Record Date for Special Dividend on Disposal; and (ii) in relation to Cash Dividend on Property Disposal, Shareholders whose names appear on the register of members of the Company on the Record Date for Cash Dividend on Property Disposal
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Escrow Account”	the escrow account established pursuant to the Escrow Agreement
“Escrow Agent”	The Hongkong and Shanghai Banking Corporation Limited
“Escrow Agreement”	the escrow agreement entered into among the Company, the Purchaser and the Escrow Agent dated 9 February 2026
“Estimated Maximum Special Dividend on Disposal”	the estimated maximum amount of Special Dividend on Disposal payable to the relevant Eligible Shareholders of HK\$0.436 in cash per Share based on the Reference Exchange Rate
“Estimated Minimum Special Dividend on Disposal”	the estimated minimum amount of Special Dividend on Disposal payable to the relevant Eligible Shareholders of HK\$0.419 in cash per Share based on the Reference Exchange Rate
“Facility”	the credit facility up to US\$500 million made available to the Purchaser Guarantor for the sole purpose of funding the Disposal pursuant to a credit agreement dated 18 December 2024 (as amended and restated pursuant to an amendment agreement dated 5 June 2026) entered by, amongst others, the Purchaser Guarantor, GS ASL LLC as the administrative agent and Goldman Sachs Bank USA as calculation agent, sole lead arranger and lender
“Final Dividend”	a final dividend of HK\$0.5 cent per Share to the Shareholders for the year ended 31 December 2025
“Group”	the Company and all of its subsidiaries

“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HSR Act”	The Hart-Scott-Rodino Antitrust Improvements Act of 1976
“Independent Board Committee”	an independent board committee of the Directors comprising Mr. Chow Wai Kam, Mr. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Zhang Ping, being all non-executive Directors who have no direct or indirect interest in the Proposals
“Independent Financial Adviser”	Maxa Capital Limited, a corporation licensed under the SFO to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, which has been appointed as the independent financial adviser to advise the Independent Board Committee, the Independent Shareholders and the CT Independent Shareholders on the Proposals and the Property Disposal respectively
“Independent Shareholders”	with respect to the Proposals, Shareholders other than the Purchaser and parties acting in concert with it
“Independent Third Party(ies)”	third party(ies) who is/are independent of, and not connected with, the Company and its connected persons (within the meaning of Chapter 14A of the Listing Rules)
“International Trade Laws”	applicable laws relating to export controls, economic sanctions and imports, including: (a) the United States Export Administration Regulations (EAR), (b) the United States International Traffic in Arms Regulation (ITAR), (c) applicable customs and import laws administered by the United States Customs and Border Protection; and (d) Economic Sanctions Laws
“Irrevocable Undertaking”	the irrevocable undertaking from each of the Controlling Shareholders to the Purchaser and the Company dated 5 June 2026, further details of which are set forth in the section headed “6. Implications under the Listing Rules and the Takeovers Code — 6.4. Irrevocable Undertaking” of this Announcement
“J.P. Morgan”	J.P. Morgan Securities (Asia Pacific) Limited, a registered institution under the SFO, licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities under the SFO; as the exclusive financial adviser to the Purchaser in connection with the Proposals

“Last Trading Date”	5 June 2026, being the last full trading day on which the Shares were traded on the Stock Exchange prior to the publication of this Announcement
“Leakage”	means certain events having the effect of reducing or leaking the value of the Target Group, including certain dividends, payments, transactions conducted other than on arm’s length terms, waiver of liabilities and other customary value leakage events (other than certain permitted leakages including payments in relation to employee benefits and bonus to directors and senior management of the Target Group (who are not, for the avoidance of doubt, Shareholders), as well as certain pre-existing transactions conducted on arm’s length terms)) pursuant to the Sale and Purchase Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Loan Settlement Amount”	an amount equal to the Shareholder and Intercompany Loans
“Long Stop Date”	the date falling twelve (12) months after the date of the Sale and Purchase Agreement
“Material Adverse Change”	means any event, change or circumstance that has had, or is reasonably expected to have, a material adverse financial impact of at least US\$100,000,000 on the Target Group as a whole, but excluding any event, circumstance or change resulting from general economic, market or industry conditions, changes in laws, regulations or accounting practices and global, national or regional political conditions, unless such event, circumstance or change has had a disproportionate financial impact on the Target Group
“Offer Period”	has the meaning ascribed to it under the Takeovers Code, being the period commencing from the date of the 3.7 Announcement (being 29 May 2026) and ending on the earlier of the Closing Date and the date on which the Proposals lapse or, if earlier, such other date determined by the Executive having considered all relevant circumstances
“Party(ies)”	the Company, the Purchaser and the Purchaser Guarantor, each a “Party”
“Paycheck Protection Program”	the Paycheck Protection Program established under the U.S. Coronavirus Aid, Relief, and Economic Security Act administered by the U.S. Small Business Administration

“PPP Loan Holdback Amount”	the amount of US\$15 million, which was determined following arm’s length negotiations between the Company and the Purchaser, taking into account (A) the Purchaser’s assessment of the potential maximum liabilities that may be imposed on the Target Group in connection with the Paycheck Protection Program; and (B) advice from the Purchaser’s U.S. legal advisers regarding recent settlement cases enforced by the U.S. Department of Justice that shall be withheld by the Purchaser from the Closing Payment if the PPP Loan Settlement Amount is not fully discharged by the Company or CAT US prior to Closing
“PPP Loan Settlement Amount”	the settlement amount payable by CAT US to the U.S. government pursuant to the settlement agreement to be entered into between CAT US and U.S. Department of Justice for the purpose of the settlement, without an admission of wrongdoing by CAT US, of the alleged allegations in relation to the Company’s eligibility for loans and the related loan forgiveness under the Paycheck Protection Program, details of which will be announced by the Company as soon as possible upon execution of the settlement agreement
“PRC”	the People’s Republic of China
“Pre-Closing Notified Leakage Amount”	any Leakage amount occurred or anticipated to be occurred from 31 October 2025 (being the locked box date agreed between the Company and the Purchaser) up until the Closing Date as notified by the Company to the Purchaser prior to the Closing
“Property”	property owned by the Company located at Office B on 15th Floor, United Centre, No.95 Queensway, Hong Kong
“Property Disposal”	the sale of the Property by the Company to AVIC Innovation (HK) Group pursuant to the terms of the Property Sale and Purchase Agreement
“Property Disposal Conditions”	conditions precedent to the Property Sale and Purchase Agreement, details of which are set forth in the section headed “8. Connected Transaction and Special Deal in relation to the Disposal of Property — 8.2 The Property Sale and Purchase Agreement” of this Announcement
“Property Disposal Consideration”	consideration of the Property

“Property Sale and Purchase Agreement”	the agreement for sale and purchase in respect of the Property dated 5 June 2026 entered into between the Company and AVIC Innovation (HK) Group in relation to the Property Disposal
“Proposals”	the Disposal, the Special Dividend on Disposal, and the Proposed Delisting
“Proposed Delisting”	the proposed withdrawal of listing of the Company from the Stock Exchange following completion of the Disposal and the distribution and the payment of the Special Dividend on Disposal, further details of which are set out in the section headed “5. Proposed Withdrawal of Listing of the Company” of this Announcement
“Purchaser”	MOBILE ACQUISITIONCO, LLC, a limited liability company established under the laws of the State of Delaware
“Purchaser Guarantee”	the guarantee to be given by the Purchaser Guarantor to the Company under the Sale and Purchase Agreement
“Purchaser Guarantor”	A&D SUBSYSTEMS BORROWER SERIES LP – SPACE SERIES, a registered series of a series limited partnership established under the laws of the State of Delaware
“Purchaser Group”	the Purchaser and its Affiliates from time to time, which from Closing shall include the Target Group Companies
“Record Date”	means (i) in relation to Special Dividend on Disposal, the date on which the entitlement of the Special Dividend on Disposal is determined, which will be set out in the Circular; and (ii) in relation to Cash Dividend on Property Disposal, the date on which the entitlement of the Cash Dividend on Property Disposal is determined, which will be set out in the Circular
“Reference Exchange Rate”	US\$1.00: HK\$7.8040, being the opening buying T/T rate of HK\$ to US\$ as announced by the Hong Kong Association of Banks (www.hkab.org.hk) on the date of the Last Trading Date
“Remaining Assets”	the equity interests in CATIC Helicopter (H.K.) Limited and Brilliant Crown International Limited, the Property if the completion of the Property Disposal does not take place and cash or cash equivalent (if any)
“Remaining Group”	the Group excluding the Target Group

“Required Financial Information”	the unaudited financial information of the Target Group disclosed in the section headed “2. Financial Information and Financial Impact on the Company in relation to the Disposal — 2.1 Financial Information of the Target Group” of this Announcement pursuant to Rule 14.58 of the Listing Rules
“Sale and Purchase Agreement”	the agreement for the sale and purchase of the Target Company dated 5 June 2026 entered into between the Company, the Purchaser and the Purchaser Guarantor with respect to the Disposal
“Sale Shares”	means the shares comprising the entire issued share capital of the Target Company
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of par value HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder and Intercompany Loans”	include (i) any indebtedness (including principal and accrued interest) owed by any member of the Target Group to the Company, excluding trade payables and other ordinary-course liabilities incurred on arm’s-length terms; and (ii) any indebtedness (including principal and accrued interest) owed by a member of the Target Group to another member of the Target Group
“Special Dividend on Disposal”	the special dividend to be declared by the Board subject to Shareholders’ approval at the EGM by the Approval Threshold, the composition and payment of which are set forth in the section headed “4. Proposed Declaration of Special Dividend on Disposal — 4.1 Declaration of Special Dividend on Disposal” of this Announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tacko”	Tacko International Limited, a company incorporated under the laws of the British Virgin Islands and a direct controlling shareholder of the Company and a wholly owned subsidiary of AVIC Innovation (HK) Group

“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers as amended from time to time
“Target Company”	Motto Investment Limited, a business company incorporated under the laws of the BVI
“Target Group”	the Target Company and its subsidiaries, i.e. CATL HK, CAT US, CMD, Continental Aerospace Technologies GmbH and Mangrove Insurance Solutions, PCC
“Target Group Companies”	the members of the Target Group and each a “Target Group Company”
“Target Group Financial Information”	the consolidated financial information of the Target Group as disclosed in the section headed “2. Financial Information and Financial Impact on the Company in relation to the Disposal — 2.1 Financial Information of the Target Group” of this Announcement
“Tax” and “Taxation”	means (i) taxes on income, profits and gains; and (ii) all other taxes, levies, duties, tariffs, imposts, charges and withholdings of any fiscal nature, including any excise, property, value added, sales, use, occupation, transfer, escheat, unclaimed property, franchise and payroll taxes and any social security or social fund contributions, together with all penalties, charges and interest relating to any of the foregoing or to any late or incorrect return in respect of any of them
“Unconditional Date”	the first Business Day in Hong Kong on or by which all Conditions have been fulfilled or waived in accordance with the Sale and Purchase Agreement
“United States”	the United States of America
“Upfront Payment”	the Earnest Deposit and an additional sum of US\$45 million
“US\$” or “USD”	U.S. dollars, the lawful currency of the United States
“Valuation Report”	a valuation report on the Property from an independent valuer of international standing as agreed by the Company and the Purchaser in accordance with Rule 11.1 of the Takeovers Code, which will be included in the Circular

“Winding Up Proposal”	the proposal to wind up the Company voluntarily as soon as practicable following completion of the distribution of the Special Dividend on Disposal, the Cash Dividend on Property Disposal and the full settlement of outstanding liabilities of the Group (if any), as described in the section headed “5. Proposed Withdrawal of Listing of the Company – 5.3 Winding up”, further details of which will be set out in the Circular
“Withholding Tax Amount”	means an amount equal to 30% of the aggregate amount of all accrued and unpaid interest on the Shareholder and Intercompany Loans from the date of accrual up to and including the Closing Date, calculated in accordance with the terms of the relevant loan agreements and in accordance with applicable law
“%”	per cent

By Order of the Board
Continental Aerospace Technologies Holding Limited
Huang Yongfeng
Chairman

Hong Kong, 5 June 2026

As of the date of this Announcement, the Board comprises Mr. Huang Yongfeng, Mr. Zhang Zhibiao, Mr. Yu Xiaodong, Ms. Hu Min and Mr. Huang Kai as executive Directors; Mr. Chow Wai Kam as non-executive Director; Mr. Chu Yu Lin, David, Mr. Li Ka Fai, David and Mr. Zhang Ping as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Announcement (other than that relating to the Purchaser Group (which, for the avoidance of doubt, includes the Purchaser)) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Announcement (other than those expressed by the officers of the Purchaser) have been arrived at after due and careful consideration and there are no other facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.

As of the date of this Announcement, the officers of the Purchaser comprise Rajeev Amara, Shyam Ravindran and John Gilbert Efirid. The officers of the Purchaser jointly and severally accept full responsibility for the accuracy of the information contained in this Announcement relating to the Purchaser Group (which, for the avoidance of doubt, includes the Purchaser) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed by the officers of the Purchaser in this Announcement have been arrived at after due and careful consideration and there are no other facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.

As of the date of this Announcement, the officers of Arcline comprise Rajeev Amara, Shyam Ravindran and John Gilbert Efird. The officers of Arcline jointly and severally accept full responsibility for the accuracy of the information contained in this Announcement relating to the Purchaser Group (which, for the avoidance of doubt, includes the Purchaser) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed by the officers of Arcline in this Announcement have been arrived at after due and careful consideration and there are no other facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.

In the case of inconsistency, the English text of this Announcement shall prevail over the Chinese text.

For the purpose of this Announcement and for illustration purposes only, amounts denominated in US\$ have been converted into HK\$ using the Reference Exchange Rate. No representation is made that any amount in US\$ or HK\$ could have been or could be converted at such rate or at any other rates at all.