MOBILE ACQUISITIONCO, LLC

Registered Office: 1209 Orange Street, Wilmington City, New Castle County, 19801 United States
Business Address: c/o A&D Subsystems GP, LLC, 3803 Bedford Avenue Suite 106 Nashville, TN 37215
(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

Registered Office: Victoria Place, 5th Floor 31 Victoria Street Hamilton HM 10, Bermuda
Principal Place of Business in Hong Kong:
Unit B, 15th Floor United Centre 95 Queensway Hong Kong (Incorporated in Bermuda with limited liability)(Stock Code: 232)

THE PROPOSALS AND THE PROPERTY DISPOSAL

Latest time for lodging transfers of Shares in order to qualify for entitlement to attend to the SGM is
4:30 p.m. (Hong Kong time) on Tuesday, 15 September 2026

For further instructions and details, please refer to the Circular.

PROPOSALS HOTLINE AND MICROSITE

If you have any questions, please contact the Proposals hotline or visit microsite.

+852 2319 4127

Office hours: 9:00 a.m. to 5:00 p.m. (Hong Kong time)

Continental_Aerospace_Technologies@investor.sodali.com

Mondays to Fridays *(excluding weekends and public holidays in Hong Kong)*

www.contiaero-privatisation.com

The hotline, email and microsite are managed by an external service provider, Sodali & Co Hong Kong Limited, engaged by the Purchaser. For the avoidance of doubt, none of the hotline, the microsite and the email will: (i) provide any information not available in the public domain nor any advice on the merits or risks of the Proposals and the Property Disposal; or (ii) give any financial or legal advice. The hotline and the email will only provide information in relation to the Proposals and the Property Disposal based on information provided in this Circular and will not respond to any matters exceeding this scope. The microsite will contain only information and documents publicly available on the website of the Stock Exchange (http://www.hkexnews.hk) in relation to the Proposals and the Property Disposal. If you are in doubt as to any aspect of this Circular or action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Circular or as to the action to be taken, you should consult your licensed securities dealer or a registered institution in securities, a bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in Continental Aerospace Technologies Holding Limited, you should at once hand this Circular and the accompanying form of proxy to the purchaser or transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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)

MOBILE ACQUISITIONCO, LLC
(Established in the State of Delaware with limited liability)

CIRCULAR
(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 AND PROPOSED CAPITAL REORGANIZATION;
(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) SPECIAL GENERAL MEETING AND CLOSURE OF REGISTER OF SHAREHOLDERS

Financial Adviser to the Company

CICC
中金公司

Exclusive Financial Adviser to the Purchaser

J.P.Morgan

Independent Financial Adviser to the Independent Board Committee

邁時金融
MAXA FINANCIAL

Unless the context otherwise requires, capitalized terms used in this Circular (including this cover page) are defined in "Definitions" in Part II of this Circular.

A letter from the Board is set out in Part III of this Circular. A letter from the Independent Board Committee containing its advice to the Independent Shareholders in respect of the Proposals is set out in Part IV of this Circular. A letter from Maxa Capital Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee in respect of the Proposals is set out in Part V of this Circular.

A notice convening the SGM of Continental Aerospace Technologies Holding Limited to be held at 11:00 a.m. on Monday, 21 September 2026 at Monaco Room, Basement 1, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong is set out on pages SGM-1 to SGM-4 of this Circular. A form of proxy for use at the SGM is also enclosed. Such form of proxy is also published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (https://www.cath.com.hk).

Whether or not you are able to attend the SGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event no later than 48 hours before the time appointed for the holding of the SGM (i.e. at or before 11:00 a.m. on Saturday, 19 September 2026) or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the SGM or any adjournment thereof if they so wish and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

In case of any inconsistency, the English language text of this Circular and the accompanying forms of proxy shall prevail over the Chinese language text for the purpose of interpretation.

31 August 2026

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Event	Date and Time[1]
Latest Practicable Date	Friday, 28 August 2026
Despatch of this Circular	Monday, 31 August 2026
Latest date and time for lodging transfers of Shares to qualify for attending and voting at the SGM	4:30 p.m. on Tuesday, 15 September 2026
Book closure period of the Company's register of Shareholders to determine Shareholders qualified to attend and vote at the SGM	Wednesday, 16 September 2026 to Monday, 21 September 2026 (both days inclusive)
Latest time and date for lodging proxy forms for the SGM[2]	11:00 a.m., on Saturday, 19 September 2026
Record date for the SGM	Monday, 21 September 2026
SGM	11:00 a.m., on Monday, 21 September 2026
Announcement of the results of the SGM	on Monday, 21 September 2026
Last trading date of the Shares on the Stock Exchange	Tuesday, 22 September 2026
Latest date and time for lodging transfers of Shares to qualify for entitlement for (i) the Special Dividend on Disposal; (ii) the Winding Up Proposal; and (iii) the Cash Dividend on Property Disposal[3]	4:30 p.m., on Friday 25 September 2026
Book closure period of the Company's register of Shareholders to determine Shareholders' entitlement for (i) the Special Dividend on Disposal; (ii) the Winding Up Proposal; and (iii) the Cash Dividend on Property Disposal	Monday 28 September 2026 onwards[4]

Record Date for (i) Special Dividend on Disposal; (ii) the Winding Up Proposal; and (iii) the Cash Dividend on Property Disposal	Monday 28 September 2026
Closing Date	Wednesday 30 September 2026
Announcement of the completion of the Disposal and the Property Disposal, the declaration of the Special Dividend on Disposal and the Cash Dividend on Property Disposal	Wednesday 30 September 2026
Expected effective date of the Capital Reorganization	Wednesday 30 September 2026
First day of the free exchange of the Existing Share Certificates for the New Share Certificates for the New Shares	Wednesday 30 September 2026
Dealings in the New Shares commence(5)	9:00 am on Wednesday 30 September 2026
Announcement of the effective date of withdrawal of listing of the Shares on the Stock Exchange	At or before 8:30 a.m. on Monday 12 October 2026
Last date for posting of cheques or completion of wire transfer for payment of the Special Dividend on Disposal and the Cash Dividend on Property Disposal(6)	On or before Monday 12 October 2026
Last day for free exchange of the Existing Share Certificates for the New Share Certificates for the New Shares	4:30 pm on Monday 12 October 2026
Effective date of withdrawal of listing of the Shares on the Stock Exchange	9:00 a.m. on Tuesday 13 October 2026

Notes:

1. The above timetable is an indication only. Further announcement(s) will be made if there are changes to the above indicative timetable. Unless otherwise specified, the dates and time presented in this timetable are based on Hong Kong time.

2. The form of proxy should be lodged, by hand or by post, to the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event no later than 48 hours before the time appointed for the holding of the SGM (i.e. at or before 11:00 a.m., on Saturday, 19 September 2026) or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the SGM or any adjournment thereof if they so wish and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

3. There are three (3) Business Days from the last day of dealings in Shares on the Stock Exchange to the latest time and date for lodging transfers of Shares to qualify for entitlements to (i) the Special Dividend on Disposal; (ii) the Winding Up Proposal (if any); and (iii) the Cash Dividend on Property Disposal, in order to allow sufficient time for clearing and settlement of dealings in Shares on the last day of trading to enable purchasers of Shares on the last day of trading to qualify for the entitlements to (i) the Special Dividend on Disposal; (ii) the Winding Up Proposal (if any); and (iii) the Cash Dividend on Property Disposal.

4. The Company's register of Shareholders will be closed from Monday, 28 September 2026 until the effective date of the Proposed Delisting. The effective date and the arrangement of the Proposed Delisting are subject to the approval of the Stock Exchange.

5. Included for illustrative purposes only. For any avoidance of doubt, there will be no trading of the New Shares as the last trading date of the Shares on the Stock Exchange is on Tuesday, 22 September 2026, prior to the expected effective date of the Capital Reorganization on Wednesday, 30 September 2026.

6. The Special Dividend on Disposal will be distributed in cash 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 on a pro rata basis to the relevant Eligible Shareholders.

The Company will publish further announcements on its website (https://www.cath.com.hk) and the website of the SFC (http://www.sfc.hk) in relation to the details and time of those events which are scheduled to take place after the payment of the Special Dividend on Disposal, including but not limited to, the Winding Up Proposal and the distribution of cash proceeds (if any) from the winding up of the Company to the Eligible Shareholders (other than Computershare).

In this Circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"2023 Annual Report"	the annual report of the Company for the year ended 31 December 2023
"2024 Annual Report"	the annual report of the Company for the year ended 31 December 2024
"2025 Annual Report"	the annual report of the Company for the year ended 31 December 2025
"2026 Interim Results Announcement"	the 2026 interim results announcement of the Company published on 13 August 2026
"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 Circular is different from the expression "affiliated company" as defined under Rule 13.11(2) of the Listing Rules
"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 SGM; 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 SGM being 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 *(Bundesministerium für Wirtschaft und Energie)*
"Board"	the board of Directors
"Business"	the 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
"Capital Reduction"	the proposed reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK$0.095 on each of the issued Shares
"Capital Reorganization"	the proposed reorganization of the share capital of the Company involving the Capital Reduction, the Share Premium Reduction and the Crediting of Contributed Surplus, further details of which, including, among others, its conditions, are set out in "4. Proposed Declaration of Special Dividend on Disposal and Capital Reorganization – 4.7 Proposed Capital Reorganization" of this Circular
"Cash Dividend on Property Disposal"	the cash dividend to be declared by the Board subject to the CT Independent Shareholders' approval at the SGM 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 Circular
"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
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC

"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"	this circular
"Closing"	completion of the sale and purchase of the Sale Shares in accordance with the Sale and Purchase Agreement
"Closing Date"	the date on which Closing occurs. To the extent practicable, Closing is expected to occur on 30 September 2026 provided that the Unconditional Date falls on the date of the SGM (i.e., 21 September 2026). In any event, the Closing Date shall not be later than 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$30 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 Circular
"Controlling Shareholders"	AVIC Innovation (HK) Group and Tacko
"Crediting of Contributed Surplus"	the credit arising from the Capital Reduction and the Share Premium Reduction being credited to the contributed surplus account of the Company for use by the Board in any manner permitted by the laws of Bermuda and the Bye-laws in effect from time to time without further authorization from the Shareholders, including but not limited to the payment in whole or in part of the Special Dividend on the Disposal and any further distributions to the Shareholders as and when the Board considers appropriate
"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)
"Diminution and Increase"	subject to and conditional upon the Capital Reduction taking effect, the proposed cancellation of all the authorized but unissued share capital of the Company (which shall include the authorized but unissued share capital arising from the Capital Reduction) in its entirety and forthwith upon such cancellation, and the proposed increase in the authorized share capital of the Company to HK$50,000,000 divided into 10,000,000,000 New Shares
"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 Circular
"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
"EBITDA"	in relation to a company, the value of its earnings before interest, taxes, depreciation and amortization
"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
"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
"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 approximately US$518.42 million which is equivalent to approximately HK$4,048 million or HK$0.4350 in cash per Share based on the Reference Exchange Rate* and lower than the estimated maximum special dividend on disposal announced in the Joint Announcement due to change in the Company's estimation in the PPP Loan Settlement Amount based on available information
"Estimated Minimum Special Dividend on Disposal"	the estimated minimum amount of Special Dividend on Disposal payable to the relevant Eligible Shareholders of approximately US$505 million which is equivalent to approximately HK$3,943 million or HK$0.4238 in cash per Share based on the Reference Exchange Rate* and higher than the estimated minimum special dividend on disposal announced in the Joint Announcement due to change in the Company's estimation in the PPP Loan Settlement Amount based on available information. In any event, the actual amount of the Special Dividend on Disposal shall be no less than the estimated minimum special dividend on disposal of HK$0.419 in cash per Share as disclosed in the Joint Announcement
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
"Existing Share(s)"	ordinary share(s) of par value HK$0.10 each in the share capital of the Company
"Existing Share Certificate(s)"	the certificate(s) for the Existing Share(s)
"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 HK0.5 cent per Share to the Shareholders for the year ended 31 December 2025
"FY2023 Financial Statements"	the audited consolidated financial statements of the Group for the year ended 31 December 2023
"FY2024 Financial Statements"	the audited consolidated financial statements of the Group for the year ended 31 December 2024
"FY2025 Financial Statements"	the audited consolidated financial statements of the Group for the year ended 31 December 2025
"FY2026 Interim Financial Information"	the unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2026
"Group"	the Company and all of its subsidiaries
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Share Registrar"	Computershare Hong Kong Investor Services Limited, the branch share registrar of the Company in Hong Kong
"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 and the Property Disposal

"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, the Shareholders
"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)
"Independent Valuer"	Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer
"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 Takeovers Code and the Listing Rules – 6.4 Irrevocable Undertaking" of this Circular
"Joint Announcement"	the announcement jointly published by the Company and the Purchaser, dated 5 June 2026, in connection with the Proposals, the Property Disposal and other matters described therein

"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 the Joint Announcement
"Latest Practicable Date"	28 August 2026, being the latest practicable date prior to the printing of this Circular for ascertaining certain information contained herein
"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
"New Share(s)"	the ordinary share(s) of par value HK$0.005 each in the share capital of the Company upon the Capital Reorganization taking effect
"New Share Certificate(s)"	the certificate(s) for the New Share(s)
"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 Agreement"	the settlement agreement dated 31 July 2026 (U.S. Central Daylight Time) 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 are set forth in the PPP Loan Settlement Announcement
"PPP Loan Settlement Amount"	an amount expected to be no less than US$12 million, comprising the settlement amount of US$11,821,706.10 paid by CAT US to the U.S. government and expected advisor fees
"PPP Loan Settlement Announcement"	the inside information announcement of the Company dated 4 August 2026 in relation to the PPP Loan 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 Circular
"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 Circular
"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 SGM, the date on which the entitlement to attend and vote at the SGM is determined, being Monday, 21 September 2026; (ii) in relation to Special Dividend on Disposal, the date on which the entitlement of the Special Dividend on Disposal is determined, being Monday, 28 September 2026; and (iii) in relation to Cash Dividend on Property Disposal, the date on which the entitlement of the Cash Dividend on Property Disposal is determined, being Monday, 28 September 2026
"Reference Exchange Rate"	US$1.00: HK$7.8080, being the opening buying T/T rate of HK$ to US$ as announced by the Hong Kong Association of Banks (www.hkab.org.hk) on the Latest Practicable Date

"Reference Exchange Rate on the Last Trading Date"	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 Last Trading Date
"Relevant Period"	the period commencing 6 months before the Offer Period (i.e. 29 November 2025) and ending on the Latest Practicable 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
"Reporting Accountant"	Ernst & Young
"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 Circular 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
"SGM"	the special general meeting of the Shareholders to be held at 11:00 a.m. on Monday, 21 September 2026 to consider and approve the Proposals (including the Disposal) and the Property Disposal, the notice of which is set out on pages SGM-1 to SGM-4 of this Circular, and any adjournment of such SGM

"Share Premium Reduction"	the proposed reduction of the entire amount standing to the credit of the share premium account of the Company
"Share(s)"	means immediately before the Capital Reorganization taking effect, the Existing Share(s), or immediately upon the Capital Reorganization taking effect, the New Share(s), as applicable
"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 SGM 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 and Capital Reorganization – 4.1 Declaration of Special Dividend on Disposal" of this Circular
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Tacko"	Tacko International Limited, a company incorporated under the laws of the BVI 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 Circular and set out in Appendix II to this Circular
"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" or "U.S."	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 the Independent Valuer prepared in connection with the Property Disposal and in accordance with Rule 11.1 of the Takeovers Code, which is included in Appendix VI of 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 – 5.4 Winding Up", further details of which will be set out in this 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

* *For the purpose of this Circular 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*

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Hong Kong time unless otherwise stated.

Any discrepancies in the tables hereof between the listed amounts and totals thereof are due to rounding. Where applicable and unless otherwise specified, figures and percentages in this Circular are rounded to two decimal places.

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)

Executive Directors:
Mr. Huang Yongfeng *(Chairman)*
Mr. Zhang Zhibiao *(Chief Executive Officer)*
Mr. Yu Xiaodong
Ms. Hu Min
Mr. Huang Kai

Non-executive Director:
Mr. Chow Wai Kam

Independent Non-executive Directors:
Mr. Chu Yu Lin, David
Mr. Li Ka Fai, David
Mr. Zhang Ping

Registered Office:
Victoria Place
5th Floor
31 Victoria Street,
Hamilton HM 10
Bermuda

Head office and principal place of business in Hong Kong:
Unit B, 15th Floor
United Centre
95 Queensway, Hong Kong

31 August 2026

To the Shareholders

Dear Sir/Madam,

(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 AND PROPOSED CAPITAL REORGANIZATION;
(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) SPECIAL GENERAL MEETING AND CLOSURE OF REGISTER OF SHAREHOLDERS

Reference is made to (i) the 3.7 Announcement dated 29 May 2026; (ii) the Joint Announcement issued by the Company and the Purchaser on 5 June 2026; and (iii) the PPP Loan Settlement Announcement dated 4 August 2026. The purpose of this Circular is to provide you with, among other things, (i) a letter from the Board to the Shareholders containing details of the Proposals, the Property Disposal, the Capital Reorganization and other related matters (including, but not limited to, an indicative timetable listing the relevant dates); (ii) the opinion of the Independent Board Committee with respect to the Proposals and the Property Disposal; (iii) the opinion of the Independent Financial Adviser with respect to the Proposals and the Property Disposal; (iv) the Target Group Financial Information; (v) the report of Reporting Accountant on the profit estimate; (vi) the report of the Independent Financial Adviser on the profit estimate; (vii) the unaudited pro forma financial information of the Remaining Group; (viii) the Valuation Report; and (ix) a notice convening the SGM.

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

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 provisions regarding the purchaser guarantee as summarized in the paragraph headed "(i) Purchaser Guarantee" below, A&D SUBSYSTEMS BORROWER SERIES LP – SPACE SERIES, as the Purchaser Guarantor (which indirectly wholly owns the Purchaser).

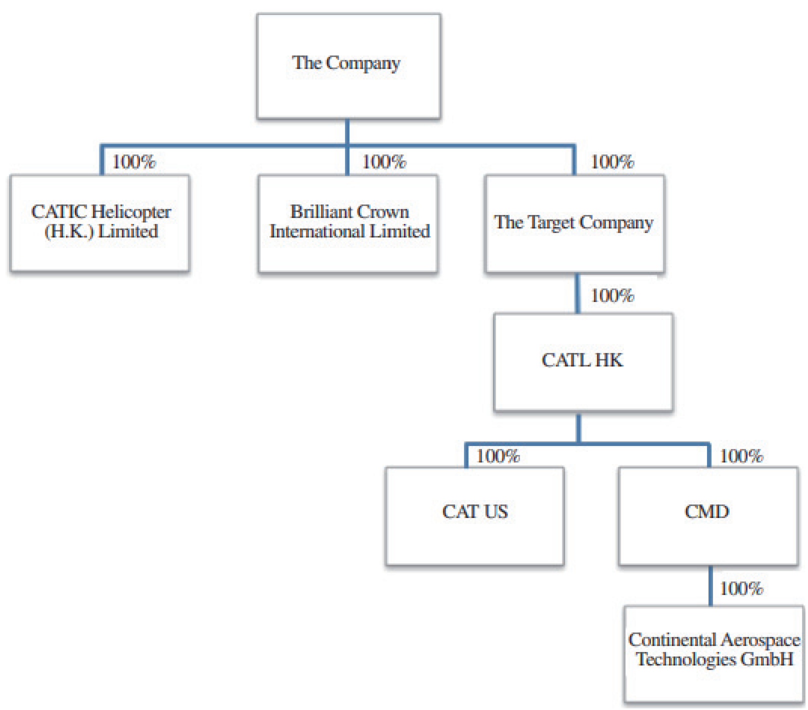
(b) Subject of the Disposal

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.

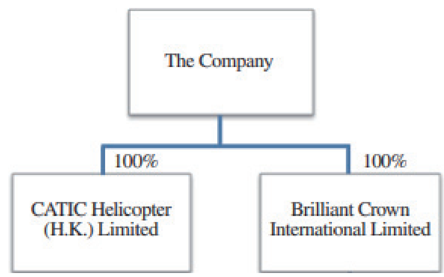
The Target Group principally conducts the Business.

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%.

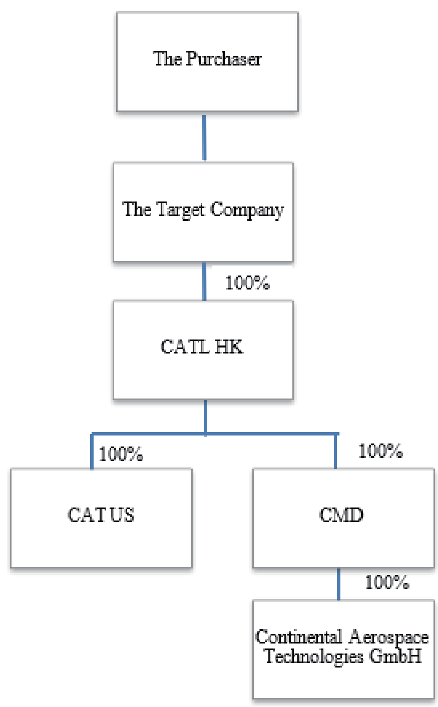
Simplified organizational structure of the Group as of the Latest Practicable Date



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 set out below.

As regards the composition of the Disposal Consideration insofar as the portions payable for (i) the sale and purchase of the Sale Shares and (ii) the settlement of the Shareholder and Intercompany Loans are concerned:

(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.

As regards the deductions and payable to be applied on the Closing Payment, 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 which is expected to be no less than US$12 million, 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. 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) the PPP Loan Settlement Amount which is expected to be no less than US$12 million, 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 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$505 million and US$518.42 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

The Upfront Payment, comprising the Earnest Deposit of US$5 million and an additional sum of US$45 million, has been deposited or caused to be 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.

If the Sale and Purchase Agreement is terminated prior to Closing 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, i.e. US$535.42 million which is subject to certain deductions and payable on the Closing Date set out in the paragraph headed "- (c) Disposal Consideration" in this section above, was determined following arm's length negotiations between the Company and the Purchaser. It was determined 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 which was approximately US$280 million at that time and US$280 million as at the Latest Practicable Date) and the cash position of the Target Group of approximately US$35.42 million based on its management account which was unaudited as at 31 October 2025 (being the locked box date agreed between the Company and the Purchaser). Also, the historical operations and financial performance of the Target Group (its revenue was relatively stable, which amounted to HK$1,830,186 thousand, HK$1,805,382 thousand and HK$1,999,261 thousand respectively for the three financial years ended 31 December 2025, while its profit before taxation fluctuated, which amounted to HK$121,263 thousand, HK$130,555 thousand and HK$113,223 thousand respectively for the three financial years ended 31 December 2025, and profit after taxation declined from HK$176,488 thousand for the financial year ended 31 December 2023 to HK$93,203 thousand for the financial year ended 31 December 2025, further details of which 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 Circular) and the growth that the Purchaser Group could achieve in the aerospace sector in the United States were taken into account, having regard to the Purchaser Group's experience in scaling aerospace businesses through improvements in operational excellence, commercial execution and organisational capabilities.

In assessing the reasonableness and fairness of the Disposal Consideration, the Board has taken into account (i) the financial multiples of the following comparable companies as compared with those of the Target Group; (ii) the fact that 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 Company and the Purchaser following arm's length negotiations and the cash position of the Target Group as mentioned above; (iii) the enterprise value of the Target Group which was determined following arm's length negotiations between the Company and the Purchaser and was assessed in terms of its reasonableness and fairness by comparing the corresponding enterprise value-to-EBITDA ratio of the Target Group with that of the following comparable companies; (iv) the equity value of the Target Group, being the difference between the Disposal Consideration and the Loan Settlement Amount, which was determined following arm's length negotiations between the Company and the Purchaser and was assessed in terms of its reasonableness and fairness by comparing the corresponding price-to-earnings ratio and price-to-book ratio of the Target Group with those of the following comparable companies; and (v) the fact that the Loan Settlement Amount will be applied to settle the Shareholder and Intercompany Loans on a dollar-for-dollar basis and is therefore a fair and reasonable amount:

Name of Company[1]/ Business	Stock Code	Principal Business[2]	EV/ EBITDA[3]	Price-to-Earnings Ratio[4]	Price-to-Book Ratio[5]
Comparable Companies					
Cirrus Aircraft Limited	2507.HK	Design, development, manufacturing, and sale of premium aircraft across the personal aviation industry.	5.98	12.18	1.91
AviChina Industry & Technology Company Limited[6] (中國航空科技工業股份有限公司)	2357.HK	Research and development, manufacture, and sales of aviation products and related engineering services.	7.99	12.48	0.63
Minimum			**5.98**	**12.18**	**0.63**
Maximum			**7.99**	**12.48**	**1.91**
Average			**6.99**	**12.33**	**1.27**
Target Group	N/A	The Business.	**18.68**	**20.42**	**13.20**
The Company	0232.HK	The Business	**4.63**	**20.47**	**0.62**

Notes:

(1) The two companies listed above represent an exhaustive list of comparable companies identified using the following selection criteria on a best effort basis:

(i) *Listing Status*: the comparable company is listed on the Main Board of the Stock Exchange; and

(ii) *Similar Business*: the comparable company's revenue was mainly derived from the provision of the aviation products, aircraft manufacturing, general aviation aircraft, aviation ancillary systems and/or related aviation services. With respect to the similarities of the comparable companies set out above:

(A) Cirrus Aircraft Limited: While the Company is principally engaged in piston engine general aviation business, instead of aircraft manufacturing, the Board considers the business of Cirrus Aircraft Limited is comparable to that of the Company due to the fact that their primary markets include the United States and they both operate within the civil aviation industry.

(B) AviChina Industry & Technology Company Limited: Despite the differences in the geographical location of the business operation, the Board considers the business of AviChina Industry & Technology Company Limited is comparable to that of the Company due to the fact that they are both providing aviation products and related aviation services.

Given that the business of the comparable companies is comparable to the Group's business and the list of comparable companies above is exhaustive based on selection criteria above, the comparable companies are considered representative.

For completeness, the financial multiples of the Company are also included in the table above.

(2) The information on the principal business of the comparable companies is based on the latest public filings made by the comparable companies which are published on the website of the Stock Exchange (http://www.hkexnews.hk).

(3) EV/EBITDA of a comparable company is calculated by dividing (i) its enterprise value (which was calculated by adding the market capitalization on the Last Trading Date, debt (comprising long-term and short-term borrowings and lease liabilities) and minority equity as of 31 December 2025, and then subtracting monetary funds as of 31 December 2025) by (ii) its EBITDA for the year ended 31 December 2025. The same calculation methodology applies to EV/EBITDA of the Company. As regards the Target Group, its EV/EBITDA is calculated by dividing (i) its enterprise value of US$500 million by (ii) its EBITDA for the year ended 31 December 2025 of approximately US$26.77 million converted to HK$ at the Reference Exchange Rate on the Last Trading Date.

(4) Price-to-Earnings Ratio of a comparable company is calculated by dividing (i) its market capitalization on the Last Trading Date by (ii) its profit attributable to owners/shareholders for the year ended 31 December 2025. The same calculation methodology applies to Price-to-Earnings Ratio of the Company. As regards the Target Group, its Price-to-Earnings Ratio is calculated by dividing (i) its equity value of approximately US$255.42 million converted to HK$ at the Reference Exchange Rate on the Last Trading Date by (ii) its net profit attributable to equity holders for the year ended 31 December 2025 of approximately HK$98 million.

(5) Price-to-Book Ratio of a comparable company is calculated by dividing (i) its market capitalization on the Last Trading Date by (ii) its net assets attributable to owners/shareholders as of 31 December 2025. The same calculation methodology applies to Price-to-Book Ratio of the Company. As regards the Target Group, its Price-to-Book Ratio is calculated by dividing (i) its equity value of approximately US$255.42 million converted to HK$ at the Reference Exchange Rate on the Last Trading Date by (ii) its net assets attributable to equity holders as of 31 December 2025 of approximately HK$151 million.

(6) For identification purposes only.

(7) Given that the data for calculating the financial multiples above (i.e., EV/EBITDA, Price-to-Earnings Ratio and Price-to-Book Ratio) can be obtained directly from publicly available information and thus reflect the value of the companies determined by the open market, such financial multiples are considered appropriate. The financial multiples of the comparable companies are derived from information available on the website of the Stock Exchange, including the annual reports of the comparable companies for the year of 2025 and the market capitalization of the comparable companies on the Last Trading Date.

As shown in the table above, the financial multiples of the Target Company surpass those of the comparable companies. Taking in consideration of the marketability discount on non-listed companies which is applicable to the Target Company, the Disposal Consideration reflects a significant premium paid by the Purchaser to provide the Shareholders with an immediate opportunity to monetize their Shares. Having considered the fact that (i) the Disposal Consideration was determined following arm's length negotiations between the Company and the Purchaser; (ii) the fairness and reasonableness of the Disposal Consideration was assessed by comparing the corresponding financial multiples of the Target Group with those of the comparable companies; (iii) the financial multiples of the Target Company exceed those of the comparable companies; and (iv) the Disposal is in the Company's commercial interest as elaborated in "7. Reasons for and Benefits of the Proposals – 7.2 For the Company", the Directors (including members of the Independent Board Committee, who have expressed their view in the letter from the Independent Board Committee set out in Part IV of this Circular 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) BMWE 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 "Definitions" in Part II of this Circular 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 for Conditions (iv), (v) and (vi) above which 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 had expired on 4 May 2026. Accordingly, Condition (ii) has been satisfied as at the Latest Practicable Date.

As disclosed in the announcement of the Company dated 23 July 2026, the clearance of the German Federal Ministry for Economic Affairs and Energy (Bundesministerium für Wirtschaft und Energie) on the Disposal has been received. Accordingly, Condition (iii) has been satisfied.

As of the Latest Practicable Date, Conditions (i) and (vii) are to be satisfied and Conditions, (iv), (v) and (vi) are to be satisfied or waived at or prior to the Closing Date.

(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 "Definitions" in Part II of this Circular 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 Circular.

(h) Closing of the Sale and Purchase Agreement

To the extent practicable, Closing is expected to occur on 30 September 2026 provided that the Unconditional Date falls on the date of the SGM (i.e., 21 September 2026). In any event, the Closing Date shall not be later than 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 from the Closing Date, the difference between the actual Leakage amount 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. Under the Sale and Purchase Agreement, the Company and the Purchaser will, acting in good faith, promptly confirm and settle any Leakage as soon as possible.

1.2 Remaining Group

For the financial year ended 31 December 2025 and the six months ended 30 June 2026, revenue generated by the Target Group from the Business accounted for 100% of the total revenue of the Group.

As of the Latest Practicable Date, 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; (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. 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 (for its implication under the Listing Rules, please refer to the section headed "5. Proposed Withdrawal of Listing of the Company – 5.1 Rationale for the Proposed Delisting" of this circular). Please refer to the unaudited pro forma financial information of the Remaining Group as set out in Appendix V to this Circular for further details of the assets of the Remaining Group as if the Disposal and the distribution of the Special Dividend on Disposal had been completed on 30 June 2026 and without taking into account the Property Disposal.

The table below sets out a summary of the unaudited pro forma financial information with respect to the total assets and total liabilities of the Remaining Group as of 30 June 2026 as extracted from the unaudited pro forma statement of financial position of the Remaining Group as of 30 June 2026 in Appendix V to this Circular, which has been prepared on the assumption that the Disposal and the distribution of the Special Dividend on Disposal had been completed on 30 June 2026.

	As at 30 June 2026 (unaudited) *HK$'000*
NON-CURRENT ASSETS	
Property, plant and equipment	104
Total non-current assets	104
CURRENT ASSETS	
Prepayments, deposits and other receivables	1,297
Time deposit	135,547
Cash and cash equivalents	434,397
	571,241
Assets classified as held for sale	68,023
Total current assets	639,264
CURRENT LIABILITIES	
Other payables, accruals and provisions	1,265
Total current liabilities	1,265
NET CURRENT ASSETS	637,999
TOTAL ASSETS LESS CURRENT LIABILITIES	638,103
NON-CURRENT LIABILITIES	
Pillar two tax liabilities	1,374
Total non-current liabilities	1,374
Net assets	636,729

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 SGM; 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 "Indicative Timetable" section in Part I of this Circular and "4. Proposed Declaration of Special Dividend on Disposal and Capital Reorganization" of this Circular 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 with reference to 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 are approximately HK$3,192.41 million and approximately HK$150.97 million, respectively, and as at 30 June 2026, the unaudited total asset value and the unaudited net asset value of the Target Group are approximately HK$3,280.25 million and approximately HK$62.401 million, respectively. Set forth below is the Target Group Financial Information for the three financial years ended 31 December 2025 and the six months ended 30 June 2026:

	For the year ended 31 December 2023 (unaudited) *HK$'000*	For the year ended 31 December 2024 (unaudited) *HK$'000*	For the year ended 31 December 2025 (unaudited) *HK$'000*	For the six months ended 30 June 2026 (unaudited) *HK$'000*
Revenue	1,830,186	1,805,382	1,999,261	950,786
Profit/(Loss) before taxation	121,263	130,555	113,223	(90,482)
Profit/(Loss) after taxation	176,488	110,486	93,203	(93,907)

Further details on the Target Group Financial Information are set out in Appendix II to this Circular. As disclosed in the Joint Announcement, under Practice Note 2 and Rule 10 of the Takeovers Code, the Target Group Financial Information is disclosed pursuant to Rule 14.58 of the Listing Rules and constitutes a profit forecast for the purpose of Rule 10 of the Takeovers Code. Accordingly, in compliance with Rule 10.4 of the Takeovers Code, a report of Ernst & Young on the profit estimate and a report of the Independent Financial Advisor on the profit estimate are included in Appendix III and Appendix IV to this Circular respectively.

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 of 30 June 2026 in the Group's consolidated financial information, the Board estimates that the Group may record an unaudited disposal gain of approximately HK$1,598 million, based on the Estimated Minimum Special Dividend on Disposal of approximately US$505 million.

The actual amount of disposal gain or loss to be recognized by the Group would be subject to the actual amount of net asset value of the Target Group as at the Closing Date. As at 30 June 2026, the unaudited net asset value of the Target Group (as shown in the Target Group Financial Information) was approximately HK$62.401 million.

Based on the unaudited pro forma financial information of the Remaining Group as set out in Appendix V to this Circular, assuming the Disposal and the distribution of the Special Dividend on Disposal had been completed on 30 June 2026 and without taking into account the Property Disposal, the net assets value of the Remaining Group would be HK$636.729 million.

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

(b) Shareholding structure of the Company

As of the Latest Practicable Date:

(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 Latest Practicable Date. 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)

	Number of Shares	*Approximate % of the issued share capital of the Company(3)*
Tacko	1,895,559,000	20.37
AVIC Innovation (HK) Group	2,421,341,390	26.03
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 Latest Practicable Date, 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 Latest Practicable Date.

(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.

Notwithstanding that connected exempt principal traders within the J.P. Morgan group are not acting in concert with the Purchaser, Shares held by any such connected exempt principal traders will not be voted on the Proposals at the SGM unless the Executive allows such Shares to be so voted. Shares held by such exempt principal traders may, subject to consent of the Executive, be allowed to be voted on the Proposals at the SGM if (i) the relevant connected exempt principal trader holds the Shares as a simple custodian for and on behalf of non-discretionary clients; (ii) there are contractual arrangements in place between the relevant connected exempt principal trader and its clients that strictly prohibit the relevant connected exempt principal trader from exercising any voting discretion over the relevant Shares; (iii) all voting instructions shall originate from the client only (if no instructions are given, then no votes shall be cast for the relevant Shares held by the relevant connected exempt principal trader); and (iv) such non-discretionary client is not a concert party of the Purchaser.

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 Latest Practicable Date, 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.

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 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.

3.4 The Purchaser's intention with regard to the Target Group

As at the Latest Practicable Date, the Purchaser intends that the Target Group will continue to carry on the Business and does not intend to introduce any major changes to the Business (including the redeployment of fixed assets of the Business) or to the continued employment of the employees of the Target Group, other than in the ordinary and usual course of the Business. After the Closing Date, the Purchaser will continue to review the operations and management structure of the Target Group and its strategic plan to consider how to develop the Target Group in a manner which best enhances value and, in that regard, will consider growing the Business as well as capturing market opportunities which will be dependent on factors such as market conditions, legal and regulatory requirements and its business needs.

The Board is pleased to note that the Purchaser's intentions with regard to the Target Group as set out above, that among other things, the Target Group will continue to carry on the Business, and that the Purchaser does not intend to introduce any major changes to the Business (including the redeployment of fixed assets of the Business) or to the continued employment of the employees of the Target Group, other than in the ordinary and usual course of the Business. The Board is also pleased to note that after the Closing Date, the Purchaser will continue to review the operations and management structure of the Target Group and its strategic plan to consider how to develop the Target Group in a manner which best enhances value and, in that regard, will consider growing the Business as well as capturing market opportunities which will be dependent on factors such as market conditions, legal and regulatory requirements and its business needs.

4. PROPOSED DECLARATION OF SPECIAL DIVIDEND ON DISPOSAL AND CAPITAL REORGANIZATION

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 SGM; 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 amount of the Special Dividend on Disposal equals the amount of 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) The Disposal Consideration"). 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) Estimated Minimum Special Dividend on Disposal: approximately US$505 million (being the Disposal Consideration of US$535,420,000 *minus* (i) the estimated maximum Pre-Closing Notified Leakage Amount of US$8.42 million; (ii) the PPP Loan Holdback Amount of US$15 million; and (iii) the estimated maximum Withholding Tax Amount of US$7 million), which is equivalent to approximately HK$3,943.04 million or HK$0.4238 in cash per Share, based on the Reference Exchange Rate; and

(2) Estimated Maximum Special Dividend on Disposal: approximately US$518.42 million (being the Disposal Consideration of US$535,420,000 *minus* (i) the estimated minimum Pre-Closing Notified Leakage Amount of nil; (ii) the PPP Loan Settlement Amount which is expected to be no less than US$12 million; and (iii) the estimated minimum Withholding Tax Amount of US$5 million), which is equivalent to approximately HK$4,047.82 million or HK$0.4350 in cash per Share, based on the Reference Exchange Rate.

For the purpose of this Circular 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.

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. Specifically, if Closing occurs, the Closing Payment, and upon release by the Escrow Agent, the Upfront Payment, will be converted into HK$ at the prevailing exchange rate between US$ and HK$ while being paid into the Company Dividend Account. 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 of the Latest Practicable Date, 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 Latest Practicable Date up until the Closing Date. Book close dates, the relevant Record Date and Distribution Date of the Special Dividend on Disposal are set out in the "Indicative Timetable" section in Part I of the Circular.

Subject to the approval by the Independent Shareholders with the Approval Threshold at the SGM, 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 Capital Reorganization becoming effective;

(b) the Independent Shareholders having approved the Disposal, the Special Dividend on Disposal and the Proposed Delisting with the Approval Threshold at the SGM; and

(c) 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$505 million and US$518.42 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$518.42 million, representing approximately HK$0.4350 in cash per Share based on the Reference Exchange Rate. For the purpose of this Circular and for illustration purposes only, amounts denominated in US$ 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. Such amount of the Special Dividend on Disposal represents:

(A) a premium of approximately 110.19% 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 104.65% 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 139.06% 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 163.80% 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 163.96% 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;

(F) a discount of approximately 6.43% over the closing price of approximately HK$0.465 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and

(G) a premium of approximately HK0.103 per Share over the audited consolidated net asset 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$505 million and US$518.42 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$505 million, representing approximately HK$0.4238 in cash per Share based on the Reference Exchange Rate. In any event, the minimum Special Dividend on Disposal shall be no less than the Estimated Minimum Special Dividend on Disposal. For the purpose of this Circular and for illustration purposes only, amounts denominated in US$ 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. Such amount of the Special Dividend on Disposal represents:

(A) a premium of approximately 104.75% 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 99.36% 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 132.87% 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 156.97% 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 157.13% 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;

(F) a discount of approximately 8.85% over the closing price of approximately HK$0.465 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and

(G) a premium of approximately HK$0.092 per Share over the audited consolidated net asset value of the Company attributable to the Shareholders per Share of approximately HK$0.332 as at 31 December 2025.

During the Relevant Period, the highest closing price of the Shares was HK$0.470 per Share as quoted on the Stock Exchange on 24 August 2026 and 26 August 2026, and the lowest closing price of the Shares was HK$0.127 per Share as quoted on the Stock Exchange on 3 December 2025 and 4 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.

4.7 Proposed Capital Reorganization

(a) Terms of the Capital Reorganization

The Board proposes to implement the Capital Reorganization which will comprise the following:

(i) the Capital Reduction whereby the issued share capital of the Company will be reduced by a cancellation of the paid-up capital of the Company to the extent of HK$0.095 on each of the issued Shares such that the par value of each issued Share will be reduced from HK$0.1 to HK$0.005;

(ii) subject to and conditional upon the Capital Reduction taking effect, the Diminution and Increase, being the cancellation of all the authorized but unissued share capital of the Company (which shall include the authorized but unissued share capital arising from the Capital Reduction) in its entirety and forthwith upon such cancellation, the increase in the authorized share capital of the Company to HK$50,000,000 by the creation of such number of additional New Shares as shall be sufficient to increase the authorized share capital of the Company to HK$50,000,000 divided into 10,000,000,000 New Shares;

(iii) the Share Premium Reduction whereby the entire amount standing to the credit of the share premium account of the Company will be cancelled; and

(iv) the transfer of the credits arising from the Capital Reduction and the Share Premium Reduction to the contributed surplus account of the Company within the meaning of the Companies Act and the granting of authorization to the Board to use the contributed surplus account of the Company in whole or in part in any manner permitted by the laws of Bermuda and the Bye-laws in effect from time to time without further authorization from the Shareholders, including but not limited to the payment in whole or in part of the Special Dividend on the Disposal and any further distributions to the Shareholders as and when the Board considers appropriate.

(b) Effect of the Capital Reorganization

Assuming that there is no change in the issued share capital of the Company during the period from the Latest Practicable Date to the day immediately prior to the effective date of the Capital Reorganization, the following table sets out the impact on the share capital structure of the Company as a result of the Capital Reorganization

	As at the Latest Practicable Date	**Immediately upon the Capital Reorganization taking effect**
Nominal or par value	HK$0.1 each Existing Share	HK$0.005 each New Share
Amount of the authorized share capital	HK$1,000,000,000	HK$50,000,000
Number of authorized shares	10,000,000,000 Existing Shares	10,000,000,000 New Shares
Number of issued shares	9,303,374,783 Existing Shares	9,303,374,783 New Shares
Amount of the issued share capital	HK$930,337,478.30	HK$46,516,873.91

(c) Conditions for the Capital Reorganization

The implementation of the Capital Reorganization is conditional upon:

(i) the Closing having occurred;

(ii) the passing of the special resolution approving the Capital Reorganization by the Shareholders at the SGM;

(iii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares to be allotted and issued by the Company after the Capital Reorganization becomes effective;

(iv) compliance with section 46(2) of the Companies Act, including the Directors being satisfied that on the date on which the Capital Reduction and the Share Premium Reduction are to be effected, there are no reasonable grounds for believing that the Company is, or after the Capital Reduction and the Share Premium Reduction would be, unable to pay its liabilities as they become due;

(v) the compliance with the relevant procedures and requirements under the Bye-laws, the laws of Bermuda and the Listing Rules to effect the Capital Reorganization; and

(vi) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganization.

As at the Latest Practicable Date, except for condition (iv), none of the above conditions has been fulfilled. Subject to the above conditions being fulfilled, the Capital Reorganization is expected to become effective on the Closing Date. The Special Dividend on Disposal is conditional upon, among others, the Capital Reorganization becoming effective for the reasons elaborated in paragraph headed "(g) Reasons for the Capital Reorganization" of this subsection below.

(d) Status of the New Shares

The New Shares shall rank *pari passu* in all respects with each other within the same class and have the same rights and be subject to the restrictions in respect of ordinary shares contained in the Memorandum of Association and Bye-laws of the Company. The Capital Reorganization will not result in any change in the rights of the Shareholders.

An application has been made to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the New Shares to be allotted and issued by the Company after the Capital Reorganization becomes effective.

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

None of the securities (whether equity or debt securities) of the Company are listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

(e) Board lot size

The existing board lot of 2,000 Shares will remain unchanged after the Capital Reorganization becomes effective.

(f) Free exchange of share certificates

Subject to the Capital Reorganization having taken effect, Shareholders may, during business hours from Wednesday 30 September 2026 to 4:30 p.m. on Monday, 12 October 2026 (both days inclusive), submit their Existing Share Certificates for the Existing Shares (in yellow colour) to the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in exchange for the New Share Certificates for the New Shares (in purple colour) at the expense of the Company. Thereafter, the Existing Share Certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK$2.50 (or such amount as may from time to time prescribed in the Listing Rules) payable by the Shareholders for each Existing Share Certificate or New Share Certificate, whichever number of certificates is higher.

Nevertheless, Existing Share Certificates will continue to be good evidence of legal title and will be valid for delivery, trading and settlement purposes after the Capital Reorganization has taken effect.

(g) Reasons for the Capital Reorganization

Under the applicable Bermuda laws and the Bye-laws, the Company in general meeting may make a distribution to the Shareholders out of any contributed surplus but is restricted from funding distribution out of its share premium account or share capital. The Capital Reorganization is intended to create additional credits in the contributed surplus account of the Company to the effect that the Company would have sufficient reserves available for distribution to fund the payment of the Special Dividend on the Disposal and any further distributions to the Shareholders as and when the Board considers appropriate. As at 30 June 2026, the Company's reserves available for distribution amounted to HK$130 million. As illustrated in the table below, taking into account the expected disposal gain of approximately HK$1,642 million arising from the Disposal, the potential payment of the Cash Dividend on the Property Disposal of approximately HK$68 million and reclassification of asset revaluation reserve of HK$131 million to retained earnings on the Property Disposal and assuming there is no other change to the Company's reserves available for distribution, the portion of the Special Dividend on the Disposal of approximately HK$4,048 million that exceed the Company's reserves available for distribution after paying the Cash Dividend on the Property Disposal amounts to approximately HK$2,213 million. The relevant data referred to herein is made from the perspective of the Company's individual financial statements and is based on the scenario of the Estimated Maximum Special Dividend on Disposal of approximately US$518.42 million.

			Approximate amount of the Company's reserves available for distribution[(Note)] *(HK$ million)*
As at 30 June 2026			130
Add:			
	(1)	*Disposal* Expected disposal gain arising from the Disposal	1,642
	(2)	*Property Disposal and the Cash Dividend on the Property Disposal* Reclassification of asset revaluation reserve of approximately HK$131 million to retained earnings on the Property Disposal, less Cash Dividend on the Property Disposal of approximately HK$68.02 million	63
Subtotal			1,835
Minus:	Special Dividend on the Disposal		4,048
Shortfall if the Capital Reorganization does not occur			(2,213)
Add:	Additional credits as a result of the Capital Reorganization		2,742
Balance			**529**

Note: The Company's contributed surplus is part of the Company's reserves available for distribution which comprises (i) contributed surplus and (ii) retained profits.

The Capital Reorganization is expected to increase the Company's reserves available for distribution by approximately HK$2,742 million. Upon the Capital Reorganization becoming effective, assuming there is no other change to the Company's reserves available for distribution, the Company's reserves available for distribution after paying the Special Dividend on the Disposal and the Cash Dividend on the Property Disposal would amount to approximately HK$529 million. The Board will declare further special dividend on its remaining cash out of such reserves available for distribution 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. Please refer to section headed "5. Proposed Withdrawal of Listing of the Company – 5.3 Surplus Cash after Distribution of the Special Dividend on Disposal and the Cash Dividend on Property Disposal" for further details. The Company will make further announcement(s) on the website of the SFC (www.sfc.hk) as and when appropriate.

Given that (i) the Company had insufficient reserves available for distribution to fund the payment of the Special Dividend on the Disposal in its entirety; and (ii) the Directors are of the view that there are no reasonable grounds for believing that the Company is, or after the Capital Reduction, the Share Premium Reduction, the Crediting of Contributed Surplus, the Special Dividend on the Disposal becoming effective would be, unable to pay its liabilities as they become due or that the realizable value of the Company's assets would be less than its liabilities, the Board considers that the Capital Reorganization is the most appropriate method to make up the shortfall in the Company's reserves available for funding the payment of the Special Dividend on the Disposal. The Board is satisfied that the Capital Reorganization is in the best interests of the Company and the Shareholders as a whole.

A special resolution will be proposed at the SGM to approve, among others, the Capital Reorganization.

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 have no business and consist substantially of cash.

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. While apart from cash, 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 Company 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 Takeovers Code and the Listing Rules – 6.2 Application of the Listing Rules" of this Circular.

5.2 Conditions for 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 SGM;

(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 SGM. 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 and the Company 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 Surplus Cash after Distribution of the Special Dividend on Disposal and the Cash Dividend on Property Disposal

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 out of the Company's reserves available for distribution subject to the Company finalizing the necessary reserves for its payment obligations (including but not limited to the Company Transaction Expenses, any Leakage amount, working capital amount and costs and expenses associated with completing the Winding Up Proposal) incurred or to be incurred up to the winding-up of the Company. As the Company is not in the position to determine the amount of such reserves until, after the Closing, the difference between the actual Leakage amount and the Pre-Closing Notified Leakage Amount is confirmed. Therefore, the declaration of such further dividend can only be made after the Closing occurs. Under the Sale and Purchase Agreement, the Company and the Purchaser will, acting in good faith, promptly confirm and settle any Leakage as soon as possible.

Specifically, on the basis that Closing occurs, (i) if the Purchaser does not make any claim for the difference between the actual Leakage amount and the Pre-Closing Notified Leakage Amount (if any) within three (3) months after the Closing Date pursuant to the Sale and Purchase Agreement, the Company intends to finalize such necessary reserves and declare further special dividend on its remaining cash within the six (6) months after the Closing Date; or (ii) if the Purchaser does make valid claim(s) for the difference between the actual Leakage amount and the Pre-Closing Notified Leakage Amount (if any) within that three (3) months period, the Company intends to finalize such necessary reserves and declare further special dividend on its remaining cash (if any) as soon as practicable after settlement of such claim(s). The Company will make further announcement(s) on the website of the SFC (www.sfc.hk) as and when appropriate. Please refer to the sections headed "1. Proposed Very Substantial Disposal in relation to Disposal of the Entire Issued Share Capital of Motto Investment Limited – 1.1 the Sale and Purchase Agreement – (c) the Disposal Consideration" and "1. Proposed Very Substantial Disposal in relation to Disposal of the Entire Issued Share Capital of Motto Investment Limited – 1.1 the Sale and Purchase Agreement – (j) No Leakage" of this Circular for further details on Leakages.

5.4 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.

Pursuant to Bye-law 175 of the Bye-laws, the Winding Up Proposal shall be approved by way of a special resolution, namely a resolution of Shareholders passed by a majority of not less than three-fourths of the votes cast by Shareholders (whether in person or through a proxy or authorized representative) who are entitled to vote for such resolution at a general meeting of the Company. A copy of the notice convening the special general meeting for the purpose of approving the Winding Up Proposal, together with the proposed Shareholders' resolutions and the liquidation plan, will be published on the websites of the Company (https://www.cath.com.hk) and the SFC (http://www.sfc.hk) with at least fourteen (14) days' notice.

Independent Shareholders are reminded that after the withdrawal of listing of the Shares on the Stock Exchange but prior to the completion of the winding up process, the Independent Shareholders will be holding securities that are not listed on the Stock Exchange and the liquidity of such shares may be severely reduced. In addition, the Company will no longer be subject to the requirements under the Listing Rules and may or may not continue to be subject to the Takeovers Code after the completion of the Proposals depending on whether it remains as a public company (within the meaning of the Takeovers Code) in Hong Kong thereafter. Independent Shareholders should also note that if they do not agree to the terms of the Proposals, which comprise the Disposal, the Special Dividend on Disposal and the Proposed Delisting, they can vote against the relevant resolution(s) at the SGM. If more than 10% of the disinterested Shares are voted against the Proposals, the Company will not proceed with the Proposals and will remain listed on the Stock Exchange.

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. The Company will publish further announcements on its website (https://www.cath.com.hk) and the website of the SFC (http://www.sfc.hk) advising Shareholders of the timetable of the Winding Up Proposal, the entitlements (if any) of the Eligible Shareholders upon the winding up of the Company and the timing of payment in respect of such entitlements in accordance with the terms of the Winding Up Proposal.

To qualify for entitlement with respect to the Winding Up Proposal (if any), the Shareholders, transferees of the Shares or their successors in title should ensure that their Shares are registered or lodged for registration in their names or in the name(s) of their nominees (including HKSCC Nominees) with the Hong Kong Share Registrar before 4:30 p.m. on Friday, 25 September 2026 or such other date(s) as may be notified by the Company to the Shareholders by way of a further announcement.

Cheques for the payment of the entitlements, if any, upon the winding up of the Company will be despatched to the Eligible Shareholders as soon as practicable following completion of the Winding Up Proposal. In the absence of any specific instructions to the contrary received in writing by the Hong Kong Share Registrar before the relevant Record Date, cheques will be sent to the Shareholders at their respective addresses appearing in the registers of Shareholders of the Company on the relevant Record Date (or, in the case of joint holders, to the registered address of that joint holder whose name appears first in the registers of Shareholders of the Company on the relevant Record Date) by ordinary post at the risk of the relevant Shareholder. The Company and the Hong Kong Share Registrar will not be responsible for any loss or delay in despatch of the cheques. For Shareholders whose Shares are held in CCASS, arrangements will be made with HKSCC Nominees for any amounts due to them as a result of the winding up of the Company to be paid to them through CCASS in accordance with the CCASS Operational Procedures.

6. IMPLICATIONS UNDER THE TAKEOVERS CODE AND THE LISTING RULES

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 SGM.

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 SGM 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 SGM 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 SGM; 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 SGM 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.

CICC is the financial adviser to the Company in relation to the Proposals. CICC and the relevant members of the CICC group which hold Shares on their own account or discretionary managed basis are presumed to be acting in concert with the Company in respect of shareholdings of the CICC 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 CICC 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). Exempt principal traders and exempt fund managers which are connected for the sole reason that they control, are controlled by or are under the same control as CICC are not presumed to be acting in concert with the Company. However: (a) Shares held by any member of the CICC group acting in the capacity of an exempt principal trader will not be voted at the SGM in accordance with the requirements under Rule 35.4 of the Takeovers Code unless otherwise confirmed with the Executive; and (b) Shares held by such exempt principal traders may, subject to consent of the Executive, be allowed to be voted at the SGM if: (i) such member of the CICC group holds the relevant Shares as a simple custodian for and on behalf of non-discretionary clients; (ii) there are contractual arrangements in place between such member of the CICC group and such non-discretionary client that strictly prohibit such member of the CICC group from exercising any voting discretion over such Shares; (iii) all voting instructions shall originate from such non-discretionary client only (if no instructions are given, then no votes shall be cast for such Shares held by such member of the CICC group); and (iv) such non-discretionary client is entitled to vote at the SGM.

If the Proposals are not approved at the SGM, 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 SGM.

6.4 Irrevocable Undertaking

As of the Latest Practicable Date, 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 favor 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 favor 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 favor of all resolutions to approve the Proposals, and any related matters, proposed at the SGM, if and when the SGM is convened; and

(b) in favor 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 (HK) Group 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 SGM;

(b) if the Proposals lapse or are withdrawn in accordance with the terms as set out in the Joint 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 of the Shares were 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 premiums of approximately 163.96% and 157.13% 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 favor of any competing proposal, and to vote in favor 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. The price and trading liquidity of the Shares were at a low level over an extended period of time. Given the downward trend of the closing price of the Shares in recent years, 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 of the Group on disposal of approximately HK$1,598 million upon Closing, 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 (including the Independent Board Committee, who have expressed their view in the letter from the Independent Board Committee set out in Part IV of this Circular 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 the 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$13.2 thousand per square feet). As of the Latest Practicable Date, the Company directly owns the Property as its legal and beneficial owner and the Property is the only landed property owned by the Company. The Property Disposal Consideration was determined after arm's length negotiation between the Company and AVIC Innovation (HK) Group with reference to the prices of comparable properties identified by the Company on its best effort basis based on information then available to the Company the selection criteria of: (i) location, which should be located at the same area with a close proximity to the Property; (ii) similar property nature (i.e. property for office use); (iii) similar age to the Property (i.e. properties built in the 1980s); and (iv) time, which should be transacted within a reasonable period before the date of the Property Sale and Purchase Agreement (i.e. past three years from the date of the Property Sale and Purchase Agreement) to ensure there were sufficient comparable properties that met the characteristics of the Property. The comparable properties, which were exhaustively collected on a best-effort basis with the foregoing selection criteria, are summarized as follows:

Location of the Comparable Property(ies)	**Average Price per Square Feet of Comparable Property(ies) Located in the Same Building** *(Thousands)*
United Centre	HK$9.8
Admiralty Centre Tower 1	HK$13.3
Admiralty Centre Tower 2	HK$13.1
Lippo Centre Tower 1	HK$13.4
Lippo Centre Tower 2	HK$14.2
Average of all Comparable Properties	**HK$13.6**

Given that the selection criteria align with the characteristics of the Property and the comparable properties identified are exhaustive based on selection criteria above, the comparable properties are considered representative.

The illiquid nature of the property trading and the market trend of the Hong Kong office sector were also taken into account. According to Hong Kong Property Review 2026 published by the Rating and Valuation Department, throughout the period from 2021 to 2025, vacancy of private offices in Hong Kong rose continuously from 12.3% to 17.6% of the total stock, and office prices dropped throughout 2025 by 13.6% in the last quarter of 2025 over the same period in 2024.

The Company noted that the average price per square feet of the above comparable properties is approximately HK$13.6 thousand. Hence, the Property Disposal Consideration represents a slight discount of approximately 2.9% of the average price of the comparable properties. Further, as mentioned in the Joint Announcement, given fluctuation of the property market, the Company would 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. As stated in the Valuation Report issued by the Independent Valuer in Appendix VI of the Circular, the valuation of the Property as at the date of the Property Sale and Purchase Agreement (i.e., 5 June 2026) is HK$69.3 million, which is lower than the Property Disposal Consideration. As such, adjustment to the Property Disposal Consideration is not required. Taking into consideration of (i) the valuation of the Property as stated in the Valuation Report issued by the Independent Valuer in Appendix VI of the Circular which is HK$69.3 million and hence lower than the Property Disposal Consideration; (ii) 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) as well as the overall illiquid nature of the office sector property market in Hong Kong as noted above; and (iii) the reasons for and benefits of the Property Disposal set forth in the section headed "8. Connected Transaction and Special Deal in relation to the Disposal of Property – 8.6 Reasons for and Benefits of the Property Disposal" of this Circular, the Directors (including members of the Independent Board Committee, who have expressed their view in the letter from the Independent Board Committee set out in Part IV of this Circular after receiving advice from the Independent Financial Adviser) is of the view that applying a slight discount of approximately 2.9% to the comparable properties is fair and reasonable. Although the Company has recorded an unaudited estimated loss of approximately HK$37 million during the six months ended 30 June 2026, such unaudited estimated loss is merely the result of the accounting treatment set forth in the section headed "8. Connected Transaction and Special Deal in relation to the Disposal of Property – 8.4 Financial Impact and Use of Proceeds" of this Circular. In view of the fact that (a) the Property Disposal Consideration was determined following arm's length negotiations between the Company and AVIC Innovation (HK) Group; (b) the Property Disposal Consideration was assessed in terms of its reasonableness and fairness by comparing the average price per square feet of the Property with that of the comparable properties as mentioned above and is in line with the average price of the market comparables noted by the Company; (c) the Property Disposal

Consideration exceeds the valuation of the Property as stated in the Valuation Report issued by the Independent Valuer in Appendix VI of the Circular; (d) the illiquid trading of property for office use in the building in which the Property is located; (e) the uncertainty in the market trend of the Hong Kong office sector as noted above; and (f) the reasons for and benefits of the Property Disposal set forth in the section headed "8. Connected Transaction and Special Deal in relation to the Disposal of Property – 8.6 Reasons for and Benefits of the Property Disposal" of this Circular, the Property Disposal Consideration is fair and reasonable.

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 SGM 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 in 2019. 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. As stated in the Valuation Report issued by the Independent Valuer in Appendix VI of the Circular, the valuation of the Property as at the date of the Property Sale and Purchase Agreement (i.e., 5 June 2026) is HK$69.3 million, which is lower than the Property Disposal Consideration. Given that the valuation of the Property as stated in the Valuation Report is HK$69.3 million and the Property Disposal Consideration is HK$69.5 million, the net book value of the Property is not reflective of its market value. Based on net book value before provision for estimated loss arising from remeasurement of assets classified as held for sale as at 30 June 2026 of approximately HK$105 million, related cost of disposal and the Property Disposal Consideration, the Company has recorded an unaudited estimated loss of approximately HK$37 million during the six months ended 30 June 2026.

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 SGM; 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 HK0.73 cent in cash per Share. Book close dates, the relevant Record Date and Distribution Date of the Cash Dividend on Property Disposal are set out in the "Indicative Timetable" section in Part I of the Circular.

Provided that the Property Disposal Consideration (after deduction of stamp duty) has been received within a reasonable period before the distribution of the Special Dividend on Disposal, the Company intends to distribute the Property Disposal Consideration to the relevant Eligible Shareholders on the same day on which the Special Dividend on Disposal is distributed.

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 SGM.

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.

The Company decided to dispose of the Property to AVIC Innovation (HK) Group, a substantial shareholder of the Company, instead of an Independent Third Party for the following reasons: (i) AVIC Innovation (HK) Group is cooperative to proceed with the Property Disposal swiftly; (ii) disposing of the Property to AVIC Innovation (HK) Group swiftly enables the Company to distribute the Cash Dividend on Property Disposal earlier to the relevant Eligible Shareholders, avoiding delay, uncertainty, inconvenience, and expense incurred from searching for a third-party buyer or (if no buyer is identified) the protracted process in the winding up of the Company; and (iii) AVIC Innovation (HK) Group agreed to purchase the Property at its fair value and agreed with the mechanism to adjust the Property Disposal Consideration in case the valuation of the Property in the Valuation Report is higher than the Property Disposal Consideration.

Having considered the benefit of disposing of the Property to AVIC Innovation (HK) Group as elaborated above and the fairness and reasonableness of the Property Disposal Consideration as set forth in the section headed "8. Connected Transaction and Special Deal in relation to the Disposal of Property –8.1 Background" of this Circular, the Directors (including the non-executive Directors and independent non-executive Directors, who have expressed their view in the letter from the Independent Board Committee set out in Part IV of this Circular after receiving 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, 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 Latest Practicable Date, 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.

As 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, the Property Disposal 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 SGM.

In the event that the Property Disposal is not approved at the SGM, the Company will use its best endeavor to dispose of the Property until it is disposed of 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 SGM.

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-owned Assets Supervision and Administration Commission of 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 favor of the Proposals at the SGM; 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 favor of the Property Disposal at the SGM. 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 advice and recommendations of the Independent Board Committee are set out in Part IV of this 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.

10. RELEVANT SECURITIES OF THE COMPANY

As of the Latest Practicable Date, save as disclosed 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" in this Part III of this Circular, 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. THE SGM

A notice convening the SGM to be held at 11:00 a.m., on Monday, 21 September 2026 is set out on pages SGM-1 to SGM-4 of this Circular. Whether or not you are able to attend the SGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event no later than 48 hours before the time appointed for the holding of the SGM (i.e. at or before 11:00 a.m., on Saturday, 19 September 2026) or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the SGM or any adjournment thereof if they so wish and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

Voting at the SGM will be taken by poll as required under the Takeovers Code. The Company will make an announcement in relation to the results of the SGM and, if the resolutions in respect of the Proposals are passed at the SGM, further announcements will be made in relation to, among other things, the Closing, the distribution of the Special Dividend on Disposal and Cash Dividend on Property Disposal and the date of withdrawal of listing of the Shares from the Stock Exchange in accordance with the Takeovers Code and the Listing Rules. Following the delisting of the Company from the Stock Exchange, the Company will publish further announcements on its website (https://www.cath.com.hk) and the website of the SFC (http://www.sfc.hk) in relation to the details and times of those events which are scheduled to take place after the payment of the Special Dividend on Disposal, including but not limited to, the Winding Up Proposal and the distribution of cash proceeds (if any) from the winding up of the Company to the Shareholders.

12. CLOSURE OF REGISTER OF SHAREHOLDERS

The register of Shareholders of the Company will be closed from Wednesday, 16 September 2026 to Monday, 21 September 2026 (both dates inclusive) for determining the identity of Shareholders who are entitled to attend and vote at the SGM. No transfer of Shares will be registered during this period. The record date shall be Monday, 21 September 2026. In order to be eligible to attend and vote at the SGM, unregistered Shareholders should ensure that all Share transfer documents accompanied by the relevant Share certificates are lodged with the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m., on Tuesday, 15 September 2026.

13. TAXATION

As the Proposals do not involve the sale and purchase of Hong Kong stock, no stamp duty will be payable pursuant to the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) in respect of the Proposals.

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of the receipt of Special Dividend on Disposal. It is emphasized that none of the Company, the Purchaser, J.P. Morgan, CICC, the Independent Financial Adviser, the Hong Kong Share Registrar or any of their respective affiliates, directors, officers, employees, advisors or agents accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of any action such person has taken in relation to the Proposals.

This Circular does not include any information in respect of overseas taxation. Shareholders are recommended to consult their tax advisers regarding the implications in the relevant jurisdiction of receiving the Special Dividend on Disposal.

14. ADDITIONAL INFORMATION

Further details of the Proposals are set out in other parts of and the appendices to this Circular, of which this letter forms a part. You are advised to read carefully the letter from the Independent Board Committee and the letter from the Independent Financial Adviser, and the additional information set out in the appendices to this Circular, before deciding whether or not to vote for or against the resolutions to be proposed at the SGM to approve the Proposals.

15. RECOMMENDATION

The Directors (including members of the Independent Board Committee, who have expressed their view in the letter from the Independent Board Committee set out in Part IV of this Circular after receiving advice from the Independent Financial Adviser) consider that the Proposals as a whole, the Property Disposal and the Capital Reorganization are fair and reasonable and in the interests of the Company and its Shareholders as a whole and recommend that you accept the Proposals, the Property Disposal and the Capital Reorganization. Your attention is drawn to the letter from the Independent Board Committee set out in Part IV of this Circular, which contains its recommendation to the Independent Shareholders and the CT Independent Shareholders in respect of the Proposals and the Property Disposal, and the letter from the Independent Financial Adviser set out in Part V of this Circular, which contains its advice to the Independent Board Committee and the Independent Shareholders and the CT Independent Shareholders in respect of the fairness and reasonableness of the Proposals and the Property Disposal and the principal factors and reasons it has considered before arriving at its advice to the Independent Board Committee, and the Independent Shareholders and the CT Independent Shareholders. You are also advised to read the appendices to this Circular.

Yours faithfully,
By order of the Board
Continental Aerospace Technologies Holding Limited
Huang Yongfeng
Chairman and executive director

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)

31 August 2026

To the Independent Shareholders

Dear Sir/Madam,

(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 AND CAPITAL REORGANIZATION; (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) SPECIAL GENERAL MEETING AND CLOSURE OF REGISTER OF SHAREHOLDERS

We refer to the circular dated 31 August 2026 (the "**Circular**"), of which this letter forms part. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used in this letter.

We have been appointed by the Board to form the Independent Board Committee to consider and to advise the Independent Shareholders and the CT Independent Shareholders as to whether the Proposals and the Property Disposal, details of which are set out in the "Letter from the Board" of the Circular, are fair and reasonable, on normal commercial terms or better, in the ordinary and usual course of business, and in the interests of the Company, the Independent Shareholders, the CT Independent Shareholders and the Shareholders as a whole and to make recommendation(s) as to what action the Independent Shareholders and the CT Independent Shareholders should take.

Maxa Capital Limited has been appointed (with the approval of the Independent Board Committee) as the Independent Financial Adviser to advise us in respect of the Proposals and the Property Disposal. The details of its advice and the principal factors taken into consideration in arriving at its recommendations are set out in the "Letter from the Independent Financial Adviser" in Part V of this Circular.

Having considered the terms of the Proposals and the Property Disposal, taking into account the information contained in the Circular and the opinion and recommendation of the Independent Financial Adviser (together with the principal factors taken into consideration and assumptions in arriving at such opinion and recommendation), we are of the opinion that the Proposals and the Property Disposal are on normal commercial terms or better, which are fair and reasonable so far as the Independent Shareholders and the CT Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend that the Independent Shareholders and the CT Independent Shareholders vote in favor of the resolutions to approve the Proposals and the Property Disposal respectively at the SGM.

Yours faithfully,
Independent Board Committee

Mr. Chow Wai Kam
(Non-executive Director)

Mr. Chu Yu Lin, David	**Mr. Li Ka Fai, David**	**Mr. Zhang Ping**
(Independent non-executive Director)	*(Independent non-executive Director)*	*(Independent non-executive Director)*

The following is the letter of advice from Maxa Capital Limited, to the Independent Board Committee, the CT Independent Shareholders and the Independent Shareholders, which has been prepared for the purpose of inclusion in this Circular.

邁時金融
MAXA FINANCIAL

Unit 2602, 26/F, Golden Centre
188 Des Voeux Road Central
Sheung Wan
Hong Kong

31 August 2026

To the Independent Board Committee,
the CT Independent Shareholders and
the Independent Shareholders

Dear Sirs,

(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 AND PROPOSED CAPITAL REORGANIZATION;
(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;
AND
(5) CONNECTED TRANSACTION AND SPECIAL DEAL IN RELATION TO THE DISPOSAL OF PROPERTY

INTRODUCTION

We refer to our appointment 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, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the Circular of which this letter forms part. Capitalized terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

The Disposal

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 of US$535.42 million. After taking into account the applicable deductions from the Closing Payment, the estimated amount of Disposal Consideration to be received by the Company upon Closing is expected to be between US$505 million and US$518.42 million. Following Closing, the Company will cease to hold any equity interest in the Target Company or in any other Target Group Company.

Special Dividend on Disposal

The Board proposes that, subject to the fulfillment of any applicable conditions (including (i) the Capital Reorganization becoming effective; (ii) the Independent Shareholders having approved the Disposal, the Special Dividend on Disposal, and the Proposed Delisting at the SGM; and (iii) the Closing having taken place), the Company will distribute the Disposal Consideration received upon Closing in its entirety as Special Dividend on Disposal. 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:

(i) approximately US$505 million, which is equivalent to approximately HK$3,943.04 million or HK$0.4238 in cash per Share, based on the Reference Exchange Rate[1]; and

(ii) approximately US$518.42 million, which is equivalent to approximately HK$4,047.82 million or HK$0.4350 in cash per Share, based on the Reference Exchange Rate.

Capital Reorganization

To facilitate the payment of the Special Dividend on Disposal, the Board proposes to implement the Capital Reorganization to create additional reserves available for distribution. The Capital Reorganization will not change the number of issued Shares or the proportionate shareholdings or rights of the Shareholders.

[1] Unless otherwise stated, for the purpose of this letter 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$ has been or could be converted at such rate or at any other rate.

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 SGM; 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 HK0.73 cent in cash per Share.

As at 30 June 2026, the Company's cash and cash equivalents and time deposits amounted to approximately HK$576.9 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 out of the Company's reserves available for distribution, 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 Proposed Delisting

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 with the Approval Threshold at the SGM;

(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.

The Property Disposal

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.

IMPLICATIONS UNDER THE TAKEOVERS CODE AND THE LISTING RULES

The Proposals

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 SGM.

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.

The Property Disposal

As at the Latest Practicable Date, 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.

As 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 and announcement requirements, but is exempt from circular (including independent financial advice) and the independent shareholders' approval requirements 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 SGM.

THE INDEPENDENT BOARD COMMITTEE

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 favor of the Proposals at the SGM; 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 favor of the Property Disposal at the SGM. 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 have been set out in the Circular.

OUR INDEPENDENCE

We (i) are not associated or connected, financial or otherwise, with the Company or the Purchaser or AVIC Innovation (HK) Group, their respective controlling shareholders or any parties acting, or presumed to be acting, in concert with any of them; and (ii) have not acted as the financial adviser or independent financial adviser in relation to any transaction of the Company or the Purchaser or AVIC Innovation (HK) Group, their respective controlling shareholders or any parties acting in concert with any of them in the last two years prior to the date of the Circular. As at the Latest Practicable Date, there were no relationships or interests between (a) the Company, or the Purchaser or AVIC Innovation (HK) Group, their respective controlling shareholders or any party acting, or presumed to be acting, in concert with any of them and (b) us that could reasonably be regarded as a hindrance to our independence as defined under Rule 13.84 of the Listing Rules and Rule 2 of the Takeovers Code to act as the Independent Financial Adviser. Apart from normal professional fees paid or payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, or the Purchaser or AVIC Innovation (HK) Group, their respective controlling shareholders or any party acting, or presumed to be acting, in concert with any of them.

BASIS OF OUR OPINION

In formulating our advice and recommendations, we have reviewed, among others, (i) the Sale and Purchase Agreement; (ii) the Property Sale and Purchase Agreement; (iii) the Valuation Report; (iv) the 2024 Annual Report, 2025 Annual Report and the 2026 Interim Results Announcement; (v) the Target Group Financial Information; and (vi) other relevant information as set out in the Circular. We have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations which have been provided by the Directors and the management of the Group (the "**Management**"), for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be so as at the date of the Circular. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. Our opinion is based on the Directors' and Management's representation and confirmation that no material facts have been omitted from the information provided and referred to in the Circular. The Directors and the Management confirmed that they have, at our request, provided us with all information and documents which are available under present circumstances to enable us to reach an informed view and we have relied on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our opinion. We have no reason to suspect that any material facts or information, which is known to the Company, Directors and the Management, have been omitted or withheld from the information supplied or opinions expressed in the Circular, or doubt the truth and accuracy of the information and facts, or the reasonableness of the opinions expressed by the Company, the Directors and the Management which have been provided to us. The Company will notify the Shareholders of any material changes to information contained or referred to in the Circular as soon as possible in accordance with Rule 9.1 of the Takeovers Code. Shareholders will also be informed as soon as possible when there are any material changes to the information contained or referred to herein as well as changes to our opinion, if any, after the Latest Practicable Date and up to the date of the SGM. We have not, however, conducted any independent verification on the information provided to us by the Directors and the Management, nor have we conducted any form of independent in-depth investigation into the business, financial conditions and affairs or the future prospects of the Company, the Purchaser, AVIC Innovation (HK) Group and each of their respective subsidiaries or associates.

We have not considered the tax, regulatory and other legal implications on the Shareholders in respect of the Proposals and the Property Disposal, since these depend on their individual circumstances. In particular, the Shareholders who are overseas residents or subject to overseas taxation or Hong Kong taxation on security dealings should consider their own tax position and, if in any doubt, should consult their own professional advisers.

PRINCIPAL FACTORS AND REASONS CONSIDERED

We have considered the following factors in arriving at our recommendations regarding the terms of the Proposals and the Property Disposal:

1. Information and prospects of the Group

The Company is an investment holding company. As at the Latest Practicable Date and prior to Closing, the Group, through the Target Group, is principally engaged 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 extending to other jurisdictions.

1.1 Historical financial performance

Set out below is the summarized financial information of the Group for the three years ended 31 December 2023, 2024 and 2025 ("**FY2023**", "**FY2024**" and "**FY2025**", respectively) and the six months ended 30 June 2026 ("**1H2026**"), as extracted from the 2024 Annual Report, 2025 Annual Report and 2026 Interim Results Announcement:

	For the year ended 31 December			Six months ended 30 June	
	2023	**2024**	**2025**	**2025**	**2026**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(restated)	(audited)	(audited)	(unaudited)	(unaudited)
Total revenue	1,830,186	1,805,382	1,999,261	1,005,250	950,786
Profit attributable to owners of the Company	162,209	56,010	94,066	64,293	(100,219)

The total revenue of the Group was approximately HK$1,805.4 million for FY2024, representing a decrease of approximately HK$24.8 million or 1.4% as compared to approximately HK$1,830.2 million for FY2023, whereas the profit attributable to owners of the Company was approximately HK$56.0 million for FY2024, representing a decrease of approximately HK$106.2 million or 65.5% as compared to approximately HK$162.2 million for FY2023. The decrease in profit attributable to owners of the Company was mainly due to challenges faced by the subsidiary in the United States during the implementation of the new NetSuite enterprise resource planning system, which impacted production and deliveries in the first half of FY2024.

The total revenue of the Group was approximately HK$1,999.3 million for FY2025, representing an increase of approximately HK$193.9 million or 10.7% as compared to approximately HK$1,805.4 million for FY2024, whereas the profit attributable to owners of the Company was approximately HK$94.1 million for FY2025, representing an increase of approximately HK$38.1 million or 67.9% as compared to approximately HK$56.0 million for FY2024. The increase in profit attributable to owners of the Company was mainly due to the enhanced production capacity and increased deliveries across business units, as well as exchange gains arising from the appreciation of the Euro.

The total revenue of the Group was approximately HK$950.8 million for 1H2026, representing a decrease of approximately HK$54.5 million or 5.4% as compared to approximately HK$1,005.3 million for 1H2025. The Group recorded a loss attributable to owners of the Company of approximately HK$100.2 million for 1H2026, as compared with a profit of approximately HK$64.3 million for 1H2025. Such turnaround from profit to loss was mainly due to the increasing operational pressure of the business units, lower gross profit performance compared to the same period last year, the provision for estimated loss on remeasurement of assets held for sale in respect of the property disposal, and the provision for the settlement payment in respect of the Paycheck Protection Program loan.

1.2 Historical financial position

Set out below is the summarized financial position of the Group as at 31 December 2023, 2024 and 2025 and 30 June 2026, as extracted from the 2024 Annual Report, 2025 Annual Report and 2026 Interim Results Announcement:

	As at 31 December			**As at 30 June**
	2023	**2024**	**2025**	**2026**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(restated)	(audited)	(audited)	(unaudited)
Total current assets	1,741,669	1,785,810	1,962,112	4,058,396
Cash and cash equivalents	246,417	243,518	606,914	441,397
Time deposits	628,863	555,940	344,416	135,547
Cash and time deposits	875,280	799,458	951,330	576,944
Total non-current assets	2,237,395	2,168,485	2,149,500	104
Total assets	**3,979,064**	**3,954,295**	**4,111,612**	**4,058,500**
Total current liabilities	506,859	478,660	494,621	1,115,705
Total non-current liabilities	476,744	496,498	527,659	1,374
Total liabilities	**983,603**	**975,158**	**1,022,280**	**1,117,079**
Net assets	**2,995,461**	**2,979,137**	**3,089,332**	**2,941,421**
Net current assets	1,234,810	1,307,150	1,467,491	2,942,691

As at 31 December 2024, the Group's total assets amounted to approximately HK$3,954.3 million, representing a slight decrease of approximately HK$24.8 million or 0.6% as compared to approximately HK$3,979.1 million as at 31 December 2023. The Group's total liabilities amounted to approximately HK$975.2 million as at 31 December

2024, representing a slight decrease of approximately HK$8.4 million or 0.9% as compared to approximately HK$983.6 million as at 31 December 2023. Accordingly, the Group's net assets decreased slightly from approximately HK$2,995.5 million as at 31 December 2023 to approximately HK$2,979.1 million as at 31 December 2024.

As at 31 December 2025, the Group's total assets amounted to approximately HK$4,111.6 million, representing an increase of approximately HK$157.3 million or 4.0% as compared to approximately HK$3,954.3 million as at 31 December 2024. Such increase was mainly attributable to the increase in current assets, in particular cash and cash equivalents, which increased from approximately HK$243.5 million as at 31 December 2024 to approximately HK$606.9 million as at 31 December 2025, partially offset by the decrease in time deposits from approximately HK$555.9 million to approximately HK$344.4 million. The Group's total liabilities increased by approximately 4.8% from approximately HK$975.2 million as at 31 December 2024 to approximately HK$1,022.3 million as at 31 December 2025. Accordingly, the Group's net assets increased by approximately 3.7% from approximately HK$2,979.1 million as at 31 December 2024 to approximately HK$3,089.3 million as at 31 December 2025.

As at 30 June 2026, the Group's total assets amounted to approximately HK$4,058.5 million, representing a decrease of approximately HK$53.1 million or 1.3% from approximately HK$4,111.6 million as at 31 December 2025. The Group's total liabilities increased by approximately HK$94.8 million or 9.3% from approximately HK$1,022.3 million to approximately HK$1,117.1 million. Accordingly, the Group's net assets decreased by approximately HK$147.9 million or 4.8% to approximately HK$2,941.4 million, mainly reflecting the loss recorded for 1H2026 and the payment of the final dividend for FY2025. Following the classification of the Target Group and the Property as held for sale, the Group recorded assets classified as held for sale of approximately HK$3,480.2 million and the associated liabilities of approximately HK$1,114.4 million as at 30 June 2026.

We note that the Group maintained net current assets throughout the review period. As at 30 June 2026, the Group had net current assets of approximately HK$2,942.7 million and cash and time deposits of approximately HK$925.9 million, including approximately HK$349.0 million classified as assets held for sale. The Group's gearing ratio, calculated on the basis of the interest-bearing debts as a percentage of total equity plus the interest-bearing debts, remained at a relatively low level of approximately 8.8% as at 30 June 2026, as compared with approximately 8.4% as at 31 December 2025. We also note that, as disclosed in the 2026 Interim Results Announcement, the Group had no assets pledged to secure bank facilities and did not have any significant contingent liabilities as at 30 June 2026.

As noted in the 2025 Annual Report, the Company has adopted a dividend policy under which the Board may declare dividends after considering, among other things, the Group's financial results, working capital requirements, capital expenditure requirements, future expansion plans and liquidity position, subject to applicable laws and the Bye-laws. In respect of each of FY2023, FY2024 and FY2025, the Company declared a final dividend of HK0.5 cent per Share. While the Company has maintained a stable dividend payment track record in recent years, the declaration of dividends of each year is subject to the Board's assessment of the Group's financial results and other relevant factors from time to time. Accordingly, there is no assurance that the same level of dividends will continue to be declared and paid in the future if the Proposals are not implemented.

Given that the Proposals involve the declaration and payment of the Special Dividend on Disposal, we have also considered the source of funding of the relevant cash distribution. As stated in the Letter from the Board, the Special Dividend on Disposal will be financed by the Disposal Consideration and the entirety of the Disposal Consideration received upon Closing will be distributed as Special Dividend on Disposal. Accordingly, the Special Dividend on Disposal is a one-off distribution arising from the Disposal, rather than an ordinary recurring dividend funded by the Group's existing operating cash flow.

As mentioned in the Letter from the Board, 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. 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.

While the Special Dividend on Disposal will be funded by the Disposal Consideration, the Company must also have sufficient reserves available for distribution to declare and pay such dividend. As stated in the Letter from the Board, the Company's reserves available for distribution amounted to approximately HK$130 million as at 30 June 2026, which were insufficient to fund the Special Dividend on Disposal in its entirety. The Company therefore proposes to implement the Capital Reorganization to create additional reserves available for distribution to facilitate the payment of the Special Dividend on Disposal and any further distributions to the Shareholders.

We also note that, as at 30 June 2026, the Company's cash and cash equivalents and time deposits amounted to approximately HK$576.9 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. As the amount of such further special dividend has not been finalized, we have not treated it as a fixed cash amount receivable by the Shareholders for the purpose of our assessment.

Having considered the above, we consider that the Group maintained a stable financial position as at 31 December 2025, with net current assets, cash and time deposits and low gearing. However, as the Special Dividend on Disposal will be funded by the Disposal Consideration and the Company will cease to hold the Target Group upon Closing, the Group's historical consolidated financial position should not be viewed in isolation, but should be considered together with the terms of the Disposal, the estimated cash return to the relevant Eligible Shareholders, the Capital Reorganization, the expected financial position of the Remaining Group following Closing, and the Proposed Delisting and Winding Up Proposal.

1.3 Prospects of the Group

For the purpose of assessing the industry background of the Group's existing principal operating activities, we have reviewed the general aviation airplane market data[1] published by the General Aviation Manufacturers Association[2] ("**GAMA**"). According to GAMA, global airplane shipments increased from 3,162 aircraft in 2024 to 3,230 aircraft in 2025, representing a year-on-year increase of approximately 2.2%, while airplane billings increased from US$26.7 billion in 2024 to US$31.0 billion in 2025, representing a year-on-year increase of approximately 16.1%. Within the airplane market, piston airplane shipments increased modestly from 1,772 aircraft in 2024 to 1,782 aircraft in 2025, representing a year-on-year increase of approximately 0.6%.

According to the 2025 Annual Report, we noted that approximately 78.7% of the Group's revenue for FY2025 was derived from customers located in the United States, while approximately 12.5% was derived from customers located in Europe. In this regard, we have also reviewed the Aerospace Forecast Fiscal Years 2026-2046[3] ("**FAA Forecast**") published by the Federal Aviation Administration of the United States[4] ("**FAA**") and noted that the long-term outlook for the general aviation sector in the United States remains stable. According to the FAA Forecast, the active general aviation fleet in the United States is forecast to grow from 213,756 aircraft in 2024 to 242,722 aircraft by 2046, representing an average annual growth rate of approximately 0.6%. However, the outlook varies across different sub-segments. In particular, the FAA forecasts that the fixed-wing piston aircraft fleet will decline by 2,544 aircraft between 2024 and 2046, representing an average annual decline of approximately 0.1%, mainly due to factors including pilot demographics, rising ownership costs, availability of lower-cost recreational alternatives and new aircraft

1 https://gama.aero/facts-and-statistics/quarterly-shipments-and-billings/

2 GAMA is an international association representing manufacturers of airplanes, helicopters, engines, and avionics as well as new entrants in the vertical lift and powered lift industry. As advised by the Management, GAMA is independent to the Company and its connected person.

3 https://www.faa.gov/data_research/aviation/aerospace_forecasts/FY_2026-2046_Full_Forecast_Document_Tables.pdf

4 FAA is the agency of the United States Department of Transportation responsible for the regulation and oversight of civil aviation within the United States. As advised by the Management, FAA is independent to the Company and its connected person.

deliveries not keeping pace with retirement of the aging fleet. The FAA also forecasts general aviation hours flown in the United States to grow by approximately 1.0% annually through 2046, while fixed-wing piston hours are expected to decline by approximately 0.3% per year.

As disclosed in the 2025 Annual Report, the Company expects the general aviation industry in 2026 to be positioned for steady and healthy growth, driven by business aviation demand, new aircraft technologies and expansion of access across global markets. Nevertheless, the Company also noted that the industry remains subject to challenges, including rising costs and a decline in aircraft utilization. The Company further disclosed that the Group remains vigilant in addressing supply chain instabilities driven by tariffs, increased costs and embargoes, and intends to continue increasing investment in research and development, optimizing its after-sales service system and improving its manufacturing infrastructure.

In summary, the broader general aviation airplane market recorded growth in 2025 in terms of both shipments and billings. However, the growth in piston airplane shipments was modest when compared with the growth in overall airplane shipments and billings. We also noted from the FAA Forecast that, although the active general aviation fleet in the United States is expected to grow over the long term, the fixed-wing piston aircraft fleet and related flight hours in the United States are forecast to decline over the same period.

2. Information on the Purchaser, AVIC Innovation (HK) Group, the Target Group and the Property

2.1 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 Latest Practicable Date, 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.

2.2 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-owned Assets Supervision and Administration Commission of the State Council of the PRC.

2.3 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 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.

According to the Target Group Financial Information, the principal operating subsidiaries of the Target Company include, among others, Continental Aerospace Technologies, Inc. in the United States and Continental Aerospace Technologies GmbH in Germany, which are principally engaged in the design, development and production of aircraft engines and spare parts and the provision of repair and maintenance services for aircraft engines.

As at the Latest Practicable Date, the Target Company is a wholly owned subsidiary of the Company. For FY2025 and 1H2026, revenue generated by the Target Group accounted for 100% of the total revenue of the Group. Set out below is a summary of the key financial information of the Target Group for FY2023, FY2024, FY2025 and 1H2026, as extracted from the Target Group Financial Information:

	For the year ended 31 December			Six months ended 30 June	
	2023	**2024**	**2025**	**2025**	**2026**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Total revenue	1,830,186	1,805,382	1,999,261	1,005,250	950,786
Profit (Loss) of the year/ period	176,488	110,486	93,203	17,390	(93,907)

The Target Group's revenue decreased slightly from approximately HK$1,830.2 million for FY2023 to approximately HK$1,805.4 million for FY2024. Profit for the year decreased by approximately 37.4% from approximately HK$176.5 million for FY2023 to approximately HK$110.5 million for FY2024. We note that such decrease was mainly attributable to the tax effect. In particular, the Target Group recorded income tax credit of approximately HK$55.2 million for FY2023, as compared with income tax expense of approximately HK$20.1 million for FY2024. Such income tax credit was mainly attributable to the recognition of deferred tax assets in respect of tax losses and deductible temporary differences which had not previously been recognized. The Target Group's profit before tax, however, increased from approximately HK$121.3 million for FY2023 to approximately HK$130.6 million for FY2024.

For FY2025, the Target Group's revenue increased to approximately HK$1,999.3 million, representing an increase of approximately 10.7% as compared with FY2024. Notwithstanding the increase in revenue, profit for the year decreased from approximately HK$110.5 million for FY2024 to approximately HK$93.2 million for FY2025. Based on the Target Group Financial Information and our discussions with the Management, such decrease was mainly attributable to (i) the decrease in other income and gains, net (mainly comprising bank interest income, insurance compensation, distributorship fee income, royalty income and net foreign exchange differences), from approximately HK$29.2 million for FY2024 to approximately HK$3.0 million for FY2025, primarily due to the turnaround from a net foreign exchange gain of approximately HK$17.9 million in FY2024 to a net foreign exchange loss of approximately HK$26.9 million in FY2025, partially offset by insurance compensation of approximately HK$23.1 million recognized in FY2025; and (ii) the increases in selling and distribution expenses and administrative expenses in FY2025, mainly attributable to higher expenses associated with increased after-sales cases and warranty provisions in line with revenue growth in the US operations, and higher staff bonus accruals for the US operations, respectively.

For 1H2026, the Target Group's revenue decreased to approximately HK$950.8 million, representing a decrease of approximately 5.4% as compared with approximately HK$1,005.3 million for 1H2025. The Target Group recorded a loss of approximately HK$93.9 million for 1H2026, as compared with a profit of approximately HK$17.4 million for 1H2025. Based on the Target Group Financial Information and our discussions with the Management, such turnaround from profit to loss was mainly attributable to the lower gross profit amid increasing operational pressure, together with the provision for the settlement payment in respect of the Paycheck Protection Program loan.

Set out below is a summary of the key financial position of the Target Group as at 31 December 2023, 2024 and 2025 and 30 June 2026, as extracted from the Target Group Financial Information:

	As at 31 December			**As at 30 June**
	2023	**2024**	**2025**	**2026**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Total current assets	1,238,208	1,193,464	1,307,758	1,409,194
Cash and cash equivalents	226,045	202,347	304,022	346,439
Total non-current assets	1,885,494	1,870,538	1,884,651	1,871,052
Total assets	**3,123,702**	**3,064,002**	**3,192,409**	**3,280,246**
Total current liabilities	2,406,955	2,201,619	2,241,217	2,407,086
Amount due to the immediate holding company	1,939,499	1,762,238	1,793,105	1,825,072
Total non-current liabilities	796,403	846,685	800,224	810,759
Loan from the immediate holding company	398,584	417,174	345,770	345,025
Total liabilities	**3,203,358**	**3,048,304**	**3,041,441**	**3,217,845**
Net assets/(liabilities)	**(79,656)**	**15,698**	**150,968**	**62,401**
Net current liabilities	1,168,747	1,008,155	933,459	997,892

As at 31 December 2024, the Target Group's total assets amounted to approximately HK$3,064.0 million, representing a decrease of approximately HK$59.7 million or 1.9% as compared with approximately HK$3,123.7 million as at 31 December 2023. Total liabilities decreased from approximately HK$3,203.4 million as at 31 December 2023 to approximately HK$3,048.3 million as at 31 December 2024. As a result, the Target Group improved from a net liabilities position of approximately HK$79.7 million as at 31 December 2023 to a net assets position of approximately HK$15.7 million as at 31 December 2024. The Target Group's net current liabilities also decreased from approximately HK$1,168.7 million as at 31 December 2023 to approximately HK$1,008.2 million as at 31 December 2024, mainly reflecting the decrease in current liabilities, including the decrease in the amount due to the immediate holding company from approximately HK$1,939.5 million to approximately HK$1,762.2 million, which, as advised by the Management, was mainly attributable to a lower level of temporary funding from the immediate holding company, as well as foreign exchange translation effects resulting from movements in the exchange rates of the U.S. dollar and euro against the Hong Kong dollar during FY2024.

As at 31 December 2025, the Target Group's total assets increased to approximately HK$3,192.4 million, representing an increase of approximately HK$128.4 million or 4.2% as compared with approximately HK$3,064.0 million as at 31 December 2024. Such increase was mainly reflected in the increase in current assets, including the increase in cash and cash equivalents from approximately HK$202.3 million as at 31 December 2024 to approximately HK$304.0 million as at 31 December 2025. The increase in cash and cash equivalents was mainly attributable to higher cash receipts from increased sales of the Target Group's U.S. operations. Total liabilities remained relatively stable, decreasing slightly from approximately HK$3,048.3 million as at 31 December 2024 to approximately HK$3,041.4 million as at 31 December 2025. As a result, the Target Group's net assets increased from approximately HK$15.7 million as at 31 December 2024 to approximately HK$151.0 million as at 31 December 2025, while its net current liabilities further decreased to approximately HK$933.5 million.

As at 30 June 2026, the Target Group's total assets increased by approximately HK$87.8 million or 2.8% from approximately HK$3,192.4 million as at 31 December 2025 to approximately HK$3,280.2 million, mainly reflecting the increases in trade receivables and cash and cash equivalents. Its total liabilities increased by approximately HK$176.4 million or 5.8% to approximately HK$3,217.8 million, mainly due to the increases in other payables, accruals and provisions and trade payables. As a result, the Target Group's net assets decreased from approximately HK$151.0 million to approximately HK$62.4 million, while its net current liabilities increased from approximately HK$933.5 million to approximately HK$997.9 million.

Based on the above, we note that the Target Group's standalone financial position improved during the three-year period, but its financial position weakened during 1H2026 following the loss recorded for the period. The Target Group nevertheless remained in a net assets position as at 30 June 2026, although it continued to record net current liabilities.

We further note that the net current liabilities position of the Target Group was mainly attributable to its capital structure. In particular, as at 30 June 2026, the Target Group recorded an amount due to the immediate holding company of approximately HK$1,825.1 million as current liabilities and loans from the immediate holding company of approximately HK$345.0 million as non-current liabilities. As stated in the Letter from the Board, the Disposal Consideration comprises the consideration for the sale and purchase of the Sale Shares and the settlement of the Shareholder and Intercompany Loans. Accordingly, we consider that the Target Group's net current liabilities position should be viewed together with the transaction structure of the Disposal, under which the relevant Shareholder and Intercompany Loans will be settled and the obligations of the Target Group in respect of such loans will be released upon Closing.

2.4 The Property

The Property is located at Office B on 15th Floor, United Centre, No.95 Queensway, Hong Kong, with total gross floor area of 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.

3. Reasons for and benefits of the Proposals and the Property Disposal

3.1 The Proposals

As stated in the Letter from the Board, the price and trading liquidity 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. Although the historical trading volume did not preclude Shareholders from disposing of their Shares in the market, Shareholders, particularly those with sizeable shareholdings, may be subject to execution risk and potential price pressure if they seek to dispose of a significant number of Shares within a short period.

As further stated in the Letter from the Board, 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 realize a return on their investments. The Estimated Maximum Special Dividend on Disposal and the Estimated Minimum Special Dividend on Disposal represent premiums of approximately 163.96% and 157.13% 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.

In respect of the Proposals, the Controlling Shareholders have no interest different from other Independent Shareholders and are entitled to vote for the resolution in relation to the Proposals at the SGM. From the Independent Shareholders' perspective, having considered our analysis on the historical price performance and trading volume of the Shares as set out in the sections headed "5.3 Historical price performance of the Shares" and "5.4 Liquidity of the Shares" below, we consider that the Proposals provide the Independent Shareholders with an opportunity to realize their investment in the Company in cash at a premium over the prevailing and historical market prices of the Shares. Having regard to the historical trading volume of the Shares, Independent Shareholders holding a sizeable number of Shares may be subject to execution risk and potential price pressure if they seek to dispose of their Shares within a short period. In this regard, we consider that the Proposals provide a more certain cash realization opportunity as compared with on-market disposals.

We have reviewed the shareholding structure of the Company and the terms of the Irrevocable Undertakings and noted that 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 favor of any competing proposal, and to vote in favor of the resolutions to approve and facilitate implementation of the Proposals. We have also discussed with the Management, who confirmed that no competing proposal had been received by the Company as at the Latest Practicable Date. Given the significant shareholding covered by the Controlling Shareholders' Irrevocable Undertakings, any competing bidder would face higher execution uncertainty to secure sufficient shareholder support within a reasonable timeframe. Accordingly, we concur with the Directors' view that the emergence of an attractive competing proposal with a credible path to completion to be unlikely.

From the Company's perspective, given the downward trend of the closing price of the Shares in recent years, the Company does not expect any significant improvement in the prospects for equity financing in the short run. In light of the lack of utilization of the listed platform for equity fundraising in recent years, we concur with the Board that the costs, administrative burden and management resources required to maintain the listing status of the Company may no longer be economically justified. We also consider that the Proposals 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, while reducing the ongoing costs and management resources associated with maintaining the listing status of the Company and complying with the continuing obligations applicable to listed issuers.

We also noted that, following Closing, the Company will cease to hold any equity interest in the Target Company or any other Target Group Company. As disclosed in the Letter from the Board, 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 continued listing under Rule 13.24(1) of the Listing Rules, and therefore proposes to withdraw the listing of the Shares under Rule 6.15(2) of the Listing Rules. The Proposed Delisting is conditional upon, among other things, the Independent Shareholders having approved the Proposals with the Approval Threshold, Closing having taken place, and the distribution and payment of the Special Dividend on Disposal.

3.2 The Property Disposal

As stated in the Letter from the Board, the Property Disposal enables the Company to realize the value of a non-core asset and to distribute the net proceeds of the Property Disposal as Cash Dividend on Property Disposal to the relevant Eligible Shareholders. We noted that the Property Disposal Consideration is HK$69.5 million, which was determined after arm's length negotiations 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. The Property Disposal Consideration, after deduction of stamp duty, is intended to be distributed in full to the relevant Eligible Shareholders on a pro rata basis as Cash Dividend on Property Disposal.

Given that the Company proposes to dispose of the Target Group and, following the payment of the relevant dividends and settlement of outstanding liabilities (if any), proceed with the Proposed Delisting and the Winding Up Proposal, we consider that the Property Disposal is consistent with the overall objective of realizing the value of the Company's assets and distributing cash to the relevant Eligible Shareholders. In particular, the Property Disposal would allow the Company to convert a non-core asset into cash and provide the relevant Eligible Shareholders with an extra cash distribution opportunity in addition to the Special Dividend on Disposal.

We also noted that the Cash Dividend on Property Disposal does not form part of the Proposals and is not inter-conditional with the Disposal or the Special Dividend on Disposal. Accordingly, the Property Disposal and the Cash Dividend on Property Disposal should be considered separately from the Proposals. In respect of the Property Disposal, the Controlling Shareholders have interest different from CT Independent Shareholders and hence are not entitled to vote for the resolution in relation to the Property Disposal at the SGM.

If the Property Disposal is not approved at the SGM, the Company will use its best endeavors to dispose of the Property prior to its winding up, including by disposing of the Property to an Independent Third Party, and distribute the net proceeds to the relevant Eligible Shareholders as soon as practicable. Disposal of the Property during the voluntary liquidation process will only be pursued as a last resort. In assessing this alternative plan, we have discussed with the Management the proposed disposal process and whether any alternative purchaser or offer has been identified or approached. As advised by the Management, having regard to the limited transaction activity involving office properties in the United Centre, if the Property Disposal is not approved, the Company intends to engage a property agent to assist in identifying potential purchasers and marketing the Property, aiming to dispose of the Property prior to its winding up. As at the Latest Practicable Date, the detailed implementation arrangements and timetable had not yet been finalized and no alternative purchaser or binding offer had been identified. Accordingly, the timing and terms of any alternative disposal remain uncertain. By comparison, the Property Disposal Consideration is slightly higher than the market value appraised by the Independent Valuer and provides greater execution certainty and an earlier cash return to the relevant Eligible Shareholders. Accordingly, the alternative plan does not alter our view that the Property Disposal is fair and reasonable. The Company also expects that there would be no material adverse financial or operational impact on the Group if the Property Disposal is not approved.

4. Principal Terms of the Proposals and the Capital Reorganization

The following is a summary of the principal terms of the Proposals and the Capital Reorganization. Further details of the Proposals, the Sale and Purchase Agreement and the Capital Reorganization are set out in the Letter from the Board.

From the Independent Shareholders' perspective, although the Proposals are not implemented by way of a cancellation of Shares under a scheme of arrangement, the Proposals as a whole are in substance similar to a privatization proposal, as the relevant Eligible Shareholders will receive the Special Dividend on Disposal in cash, followed by the Proposed Delisting. Therefore, our analysis of the fairness and reasonableness of the Proposals will be of a similar focus as in the case of a privatization.

4.1 The Disposal

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. The 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. As stated in the Letter from the Board, for FY2025 and 1H2026, revenue generated by the Target Group accounted for 100% of the total revenue of the Group, and the Remaining Group does not engage in or operate the existing general aviation aircraft piston engine business as at the Latest Practicable Date.

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 of US$50 million; 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 composition of the Disposal Consideration insofar as the portions payable for (i) the sale and purchase of the Sale Shares and (ii) the settlement of the Shareholder and Intercompany Loans are concerned: (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 the Closing Date equals the Loan Settlement Amount.

As regards the deductions and payable to be applied on the Closing Payment, on the Closing Date, the Purchaser shall pay an amount equal to the Closing Payment minus (i) the Pre-Closing Notified Leakage Amount, (ii) the PPP Loan Settlement Amount which is expected to be no less than US$12 million, 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. Assuming Closing occurs, it is expected that the estimated Disposal Consideration to be received by the Company on the Closing Date will be between US$505 million and US$518.42 million. As stated in the Letter from the Board, the updated range differs from the estimated range announced in the Joint Announcement due to a change in the Company's estimate of the PPP Loan Settlement Amount based on available information.

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.

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, and taking into account the historical operations and financial performance of the Target Group and the growth that the Purchaser Group could achieve in the aerospace sector in the United States.

Earnest Deposit and Upfront Payment

The Upfront Payment, comprising the Earnest Deposit of US$5 million and an additional sum of US$45 million, has been deposited or caused to be 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.

If the Sale and Purchase Agreement is terminated prior to Closing for reasons resulting from certain defaults or breaches by the Purchaser, the Upfront Payment, together with any accrued interest, shall be released by the Escrow Agent to the Company; if the Sale and Purchase Agreement is terminated for other reasons in accordance with its terms, the Upfront Payment, together with any accrued interest, shall be released 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.

Conditions, Closing, Purchaser Guarantee and no Leakage

Closing is subject to and conditional upon the satisfaction or, where applicable, waiver of the Conditions at or prior to the Closing Date, including, among others, the Independent Shareholders having approved the Proposals with the Approval Threshold.

As at the Latest Practicable Date, Conditions (ii) and (iii), relating to the expiry of the waiting period under the HSR Act and the German regulatory clearance, respectively, had been satisfied. Conditions (i) and (vii) remained to be satisfied and may not be waived, while Conditions (iv), (v) and (vi) remained to be satisfied or waived by the Purchaser at or prior of the Closing Date.

To the extent practicable, Closing is expected to occur on 30 September 2026, provided that the Unconditional Date falls on the date of the SGM, being 21 September 2026. In any event, the Closing Date shall not be later than the tenth Business Day after the Unconditional Date.

The Purchaser Guarantor has unconditionally and irrevocably guaranteed 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 under the Sale and Purchase Agreement. The obligations of the Purchaser Guarantor under the Purchaser Guarantee are joint and several with the Purchaser and remain in effect until such guaranteed obligations have been fully discharged, or until the Sale and Purchase Agreement is terminated in accordance with its terms.

The Purchaser shall be entitled to claim, within three (3) months from the Closing Date, the difference between the actual Leakage amount 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. Under the Sale and Purchase Agreement, the Company and the Purchaser will, acting in good faith, promptly confirm and settle any Leakage as soon as possible.

4.2 Special Dividend on Disposal

Subject to the fulfillment of any applicable conditions, including (i) the Capital Reorganization becoming effective; (ii) the Independent Shareholders having approved the Proposals at the SGM with the Approval Threshold; and (iii) Closing having taken place, the Company will distribute the Disposal Consideration received upon Closing in its entirety as Special Dividend on Disposal.

Assuming that Closing occurs and 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 (i) approximately US$505 million (being the Disposal Consideration of US$535,420,000 *minus* (a) the estimated maximum Pre-Closing Notified Leakage Amount of US$8.42 million; (b) the PPP Loan Holdback Amount of US$15 million; and (c) the estimated maximum Withholding Tax Amount of US$7 million), equivalent to approximately HK$3,943.04 million or HK$0.4238 in cash per Share, based on the Reference Exchange Rate; and (ii) approximately US$518.42 million (being the Disposal Consideration of US$535,420,000 *minus* (a) the estimated minimum Pre-Closing Notified Leakage Amount of nil; (b) the PPP Loan Settlement Amount which is expected to be no less than US$12 million; and (c) the estimated minimum Withholding Tax Amount of US$5 million), equivalent to approximately HK$4,047.82 million or HK$0.4350 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 of HK$0.419 in cash per Share as disclosed in the Joint Announcement.

While the Disposal Consideration will be paid in US dollars by the Purchaser, the Special Dividend on Disposal will be converted into Hong Kong dollars and paid to the relevant Eligible Shareholders at the prevailing exchange rate between US dollars and Hong Kong dollars on or before the relevant Distribution Date. Specifically, if Closing occurs, the Closing Payment, and upon release by the Escrow Agent, the Upfront Payment, will be converted into HK$ at the prevailing exchange rate between US$ and HK$ while being paid into the Company Dividend Account. Subject to the approval by the Independent Shareholders at the SGM with the Approval Threshold, the Board will declare the Special Dividend on Disposal in Hong Kong dollars, 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 business days, as defined under the Takeovers Code, after Closing pursuant to Rule 20.1 of the Takeovers Code. The relevant Eligible Shareholders will bear the exchange risk in relation to the Special Dividend on Disposal during the period up to the relevant Distribution Date.

The Company confirms that the entirety of the Special Dividend on Disposal will be financed by the Disposal Consideration. 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 out of the Company's reserves available for distribution, subject to the Company finalizing the necessary reserves for its payment obligations (including, but not limited to, the Company Transaction Expenses, any Leakage amount, working capital amount and costs and expenses associated with completing the Winding Up Proposal) incurred or to be incurred up to the winding-up of the Company. Assuming that Closing occurs, if the Purchaser does not make any claim for the difference between the actual Leakage amount and the Pre-Closing Notified Leakage Amount within three months after the Closing Date, the Company intends to declare such further special dividend within six months after the Closing Date. If the Purchaser makes any valid claim within such period, the Company intends to declare such further special dividend, if any, as soon as practicable after settlement of such claim. The Company will make further announcement(s) on the website of the SFC (www.sfc.hk) as and when appropriate. Please refer to the section headed "5. Proposed Withdrawal of Listing of the Company – 5.3 Surplus Cash after Distribution of the Special Dividend on Disposal and the Cash Dividend on Property Disposal" in the Letter from the Board for further details.

4.3 Proposed Capital Reorganization

As stated in the Letter from the Board, the Board proposes to implement the Capital Reorganization, which will comprise:

(i) the Capital Reduction, pursuant to which the paid-up capital of each issued Share will be reduced by HK$0.095, such that the par value of each issued Share will be reduced from HK$0.10 to HK$0.005;

(ii) subject to the Capital Reduction becoming effective, the Diminution and Increase, pursuant to which all authorized but unissued share capital of the Company will be canceled and the authorized share capital of the Company will subsequently be increased to HK$50,000,000, divided into 10,000,000,000 New Shares;

(iii) the Share Premium Reduction whereby the entire amount standing to the credit of the share premium account of the Company will be canceled; and

(iv) the transfer of the credits arising from the Capital Reduction and the Share Premium Reduction to the contributed surplus account of the Company, which may be applied by the Board in any manner permitted by the laws of Bermuda and the Bye-laws, including the payment in whole or in part of the Special Dividend on Disposal and any further distributions to the Shareholders.

Assuming that there is no change in the issued share capital of the Company before the Capital Reorganization becomes effective, the number of issued Shares will remain unchanged at 9,303,374,783 Shares. The Capital Reorganization will not result in any change in the proportionate shareholdings or rights of the Shareholders, and the existing board lot size will remain unchanged.

The Capital Reorganization is conditional upon, among other things, (i) the Closing having occurred; (ii) the Shareholders having approved the Capital Reorganization by way of a special resolution at the SGM; (iii) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the New Shares; (iv) compliance with section 46(2) of the Companies Act, including the Directors being satisfied that there are no reasonable grounds for believing that the Company is, or following the Capital Reduction and the Share Premium Reduction would be, unable to pay its liabilities as they become due; (v) compliance with the relevant procedures and requirements under the Bye-laws, the laws of Bermuda and the Listing Rules; and (vi) all necessary regulatory approvals having been obtained. As at the Latest Practicable Date, save for condition (iv) above, none of the other conditions had been fulfilled. Subject to the fulfillment of such conditions, the Capital Reorganization is expected to become effective on the Closing Date. The Special Dividend on Disposal is conditional upon, among other things, the Capital Reorganization becoming effective.

As stated in the Letter from the Board, under the applicable laws of Bermuda and the Bye-laws, the Company in general meeting may make a distribution to the Shareholders out of contributed surplus[6] , but is restricted from funding a distribution out of its share premium account or share capital. As the Company's existing reserves available for distribution are insufficient to fund the Special Dividend on Disposal in its entirety, the Capital Reorganization is intended to create additional reserves available for distribution to facilitate the payment of the Special Dividend on Disposal and any further distributions to the Shareholders.

4.4 Proposed Delisting and Winding Up Proposal

As stated in the Letter from the Board, 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.

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6 *The Company's contributed surplus is part of the Company's reserves available for distribution which comprises (i) contributed surplus and (ii) retained profits.*

The Proposed Delisting is subject to (i) the Independent Shareholders having approved the Proposals with the Approval Threshold at the SGM; (ii) 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 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, any further dividend on its surplus cash 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, 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.

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

5. Analysis on the Estimated Minimum Special Dividend on Disposal

To assess the fairness and reasonableness of the Proposals, we have considered the basis of determination of the Disposal Consideration as set out below and used the Estimated Minimum Special Dividend on Disposal as the basis of our analysis below, given it represents the minimum cash amount expected to be received by the relevant Eligible Shareholders under the Proposals. The actual amount of the Special Dividend on Disposal may be higher than the Estimated Minimum Special Dividend on Disposal, depending primarily on the final Disposal Consideration received by the Company upon Closing.

5.1 Assessment of the basis of determination of the Disposal Consideration

As stated in the Letter from the Board, the Disposal Consideration of US$535.42 million was determined after arm's length negotiations between the Company and the Purchaser, primarily with reference to the agreed enterprise value of the Target Group of approximately US$500 million, which included the value of the Shareholder and Intercompany Loans at that time, and its cash position of approximately US$35.42 million based on the unaudited management accounts of the Target Group as at 31 October 2025, being the locked box date agreed between the Company and the Purchaser. The historical operations and financial performance of the Target Group, as well as the potential growth that the Purchaser Group considered could be achieved in the aerospace sector in the United States, having regard to its experience in scaling aerospace businesses, were also taken into account.

To assess the basis of determination, we have reviewed the Sale and Purchase Agreement and the Company's calculation of the Disposal Consideration, discussed with the Management the negotiation process and the principal factors considered, and checked the cash position of the Target Group against the relevant supporting information. We have also cross-checked the valuation multiples of the Target Group and the comparable companies and reviewed the calculation of the Loan Settlement Amount. We noted that (i) the implied EV/EBITDA, P/E and P/B Ratios of the Target Group were above the respective ranges of the corresponding multiples of the comparable companies identified by the Company, which are the same as the Comparable Companies (as defined below) identified by us based on the selection criteria set out in the section below headed "5.5 Comparable analysis"; and (ii) the Loan Settlement Amount will be applied to settle the Shareholder and Intercompany Loans on a dollar-for-dollar basis. Having considered the above, we consider that the basis of determination of the Disposal Consideration is fair and reasonable so far as the Independent Shareholders are concerned.

5.2 Estimated Minimum Special Dividend on Disposal comparisons

The Estimated Minimum Special Dividend on Disposal of HK$0.4238 in cash per Share based on the Reference Exchange Rate represents:

i. a discount of approximately 8.85% to the closing price of HK$0.465 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

ii. a premium of approximately 104.75% over the closing price of HK$0.207 per Share as quoted on the Stock Exchange on the Last Trading Date;

iii. a premium of approximately 99.36% 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;

iv. a premium of approximately 132.87% 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;

v. a premium of approximately 156.97% 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;

vi. a premium of approximately 157.13% 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;

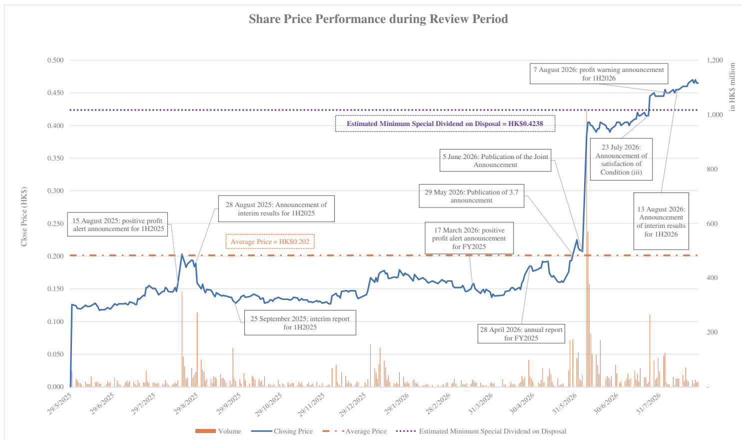
vii. a premium of approximately 27.63% over the audited consolidated net asset value of the Company attributable to the Shareholders per Share of approximately HK$0.332 as at 31 December 2025;

viii. a premium of approximately 29.23% over the adjusted consolidated net asset value of the Company attributable to the Shareholders of approximately HK$3,051.11 million, or approximately HK$0.328 per Share, calculated by adjusting the audited consolidated net asset value as at 31 December 2025 for the difference between the Property's net book value of approximately HK$107.52 million and its appraised value of HK$69.30 million as at the Valuation Date (as defined below); and

ix. a premium of approximately 34.05% over the unaudited consolidated net asset value of the Company attributable to the Shareholders per Share of approximately HK$0.316 as at 30 June 2026.

5.3 Historical price performance of the Shares

We have reviewed the daily closing prices of the Shares for the period from 29 May 2025, being one year prior to the date of the 3.7 Announcement, up to and including the Latest Practicable Date (the "**Review Period**"). For the purpose of our analysis, we have divided the Review Period into (i) the period from 29 May 2025 up to and including the date of the 3.7 Announcement (the "**Pre-3.7 Announcement Period**"); (ii) the period from the first trading day after the publication of the 3.7 Announcement up to and including the Last Trading Date, being the trading day immediately before the publication of the Joint Announcement (together with the Pre-3.7 Announcement Period, the "**Pre-3.5 Announcement Period**"); and (iii) the period from the first trading day after the publication of the Joint Announcement up to and including the Latest Practicable Date (the "**Post-3.5 Announcement Period**"). We consider that a review period of approximately one year is adequate and representative for the purpose of illustrating the recent price movements of the Shares, as it reflects the market's reaction to, among other things, the latest developments, financial performance and prospects of the Group, the possible disposal as disclosed in the 3.7 Announcement, the definitive terms of the Proposals as subsequently disclosed in the Joint Announcement, as well as the prevailing market sentiment. The following chart sets out the daily closing prices of the Shares on the Stock Exchange during the Review Period:



Source: Wind

As illustrated in the chart above, during the Pre-3.5 Announcement Period, the closing price of the Shares fluctuated, ranging from the lowest closing price of HK$0.117 per Share recorded on 19 June 2025 to the highest closing price of HK$0.225 per Share recorded on 1 June 2026, with an average closing price of approximately HK$0.150 per Share. In particular, during the Pre-3.7 Announcement Period, the closing price of the Shares ranged from HK$0.117 per Share to HK$0.203 per Share, with an average closing price of approximately HK$0.149 per Share. During the Post-3.5 Announcement Period, the closing price of the Shares ranged from HK$0.385 per Share to HK$0.470 per Share, with an average closing price of approximately HK$0.427 per Share.

During the Pre-3.7 Announcement Period, the Shares demonstrated a general upward trend from the beginning of the Review Period to 18 August 2025. In particular, following the publication of the positive profit alert announcement of the Company dated 15 August 2025 (the "**Positive Profit Alert**"), the closing price of the Shares increased from HK$0.158 per Share to HK$0.203 per Share on 18 August 2025, representing an increase of approximately 28.5%. As disclosed in the Positive Profit Alert, the Company expected to record a profit after tax of no less than HK$55 million for the six months ended 30 June 2025 ("**1H2025**"), as compared with a profit after tax of approximately HK$7.1 million for the corresponding period in FY2024.

On 28 August 2025, the Company published its interim results announcement for 1H2025, reporting profit attributable to owners of the Company of approximately HK$64.3 million for the period, as compared with approximately HK$7.1 million for the corresponding period in 2024. Notwithstanding the reported improvement in financial performance, the closing price of the Shares declined shortly after the publication of the interim results announcement. Thereafter, the downward trend in the Share price continued until 26 September 2025.

During the period from 26 September 2025 to 27 March 2026, the closing price of the Shares largely fluctuated within a range of HK$0.128 per Share to HK$0.179 per Share. Following the publication of the annual results announcement of the Company for FY2025 on 27 March 2026, the closing price of the Shares exhibited an upward trend until 11 May 2026, reaching HK$0.192 per Share.

Following the publication of the 3.7 Announcement, the closing price of the Shares increased to HK$0.225 per Share on 1 June 2026. However, we note that such increase was not sustained for an extended period. As disclosed in the 3.7 Announcement, the Company was at that time only in discussion with an independent investor in relation to a possible disposal which, if materialized, could have an implication for the Company under the Takeovers Code. No definitive agreement had been entered into, and the detailed terms of the Proposals, including the Disposal Consideration, the amount of the Special Dividend on Disposal and the Proposed Delisting, had not been fixed or disclosed at that stage.

On 5 June 2026, the Company and the Purchaser published the Joint Announcement with key terms of the Proposals, including the estimated Disposal Consideration, the estimated Special Dividend on Disposal, and the Proposed Delisting. Following the publication of the Joint Announcement, the closing price of the Shares increased from HK$0.207 per Share on the Last Trading Date to HK$0.385 per Share on the first trading day after the publication of the Joint Announcement. As at the Latest Practicable Date, the closing price of the Shares was HK$0.465 per Share, which was higher than the Estimated Minimum Special Dividend on Disposal of HK$0.4238 per Share. We consider that the Share price movement after the Joint Announcement has reflected the market's reaction to, and expectations regarding, the Proposals. Accordingly, the trading price of the Shares during the Post-3.5 Announcement Period may not be sustainable if the Proposals fail to implement.

Having considered the above, in particular, (i) the closing price of the Shares during the Pre-3.5 Announcement Period had generally traded within the range of HK$0.117 to HK$0.225 per Share; (ii) the Estimated Minimum Special Dividend on Disposal of HK$0.4238 per Share represents a substantial premium over the average closing price of the Shares during the Pre-3.5 Announcement Period and is higher than the highest closing price of the Shares during such period; (iii) while the closing price of the Shares as at the Latest Practicable Date was higher than the Estimated Minimum Special Dividend on Disposal, the market price of the Shares is subject to fluctuation and the disposal of Shares in the market is subject to transaction costs, execution risk and potential price pressure; and (iv) the Share price movement after the publication of the Joint Announcement may have been affected by the market's expectation on the Proposals to be implemented and may not be sustained if the Proposals fail to implement, we consider that, subject to the Proposals being implemented, the Proposals provide the Independent Shareholders with an opportunity to realize their investment in cash at a substantial premium over the historical trading prices of the Shares prior to the publication of the Joint Announcement, without being subject to the execution risk and potential price pressure associated with on-market disposals.

Independent Shareholders who wish to realize all or part of their investment are reminded to closely monitor the market price and trading liquidity of the Shares. If the net proceeds obtainable from an on-market sale of the Shares, after deducting transaction costs, would exceed the cash distributions which they expect to receive by remaining as Shareholders, they may, having regard to their own circumstances, consider selling their Shares in the open market. However, Independent Shareholders, particularly those holding a sizeable number of Shares, should note that they may not be able to dispose of their Shares at the quoted market price without exerting downward pressure on the Share price.

5.4 Liquidity of the Shares

The following table sets out the total trading volume of the Shares per month/period, the average daily trading volume, the percentage of such average daily trading volume to the total issued Shares and the public float of the Company during the Review Period:

Months/Period	Total trading volume of Shares for the month/period	Average daily trading volume *(Note 1)*	Percentage of average daily trading volume to total issued Shares *(Note 2)*	Percentage of average daily trading volume to total number of Shares held by public Shareholders *(Note 3)*
2025				
May (from 29th)	74,028,855	37,014,428	0.3979%	0.7426%
June	351,542,825	16,740,135	0.1799%	0.3358%
July	380,913,432	17,314,247	0.1861%	0.3474%
August	1,222,293,110	58,204,434	0.6256%	1.1677%
September	834,858,077	37,948,094	0.4079%	0.7613%
October	400,846,405	20,042,320	0.2154%	0.4021%
November	207,960,650	10,398,033	0.1118%	0.2086%
December	448,833,475	21,373,023	0.2297%	0.4288%
2026				
January	990,982,687	47,189,652	0.5072%	0.9467%
February	183,476,049	10,792,709	0.1160%	0.2165%
March	300,916,716	13,678,033	0.1470%	0.2744%
April	436,331,210	22,964,801	0.2468%	0.4607%
May (up to and including the date of the 3.7 Announcement)	783,248,077	43,513,782	0.4677%	0.8730%
June (1st to the date of the Joint Announcement)	327,120,795	65,424,159	0.7032%	1.3126%
June (6th to 30th)	3,000,148,889	187,509,306	2.0155%	3.7619%
July	1,087,051,963	49,411,453	0.5311%	0.9913%
August (up to and including the Latest Practicable Date)	687,138,719	34,356,936	0.3693%	0.6893%
Pre-3.7 Announcement Period				
Minimum			**0.1118%**	**0.2086%**
Maximum			**0.6256%**	**1.1677%**
Average			**0.2953%**	**0.5512%**
From the first trading day after the publication of the 3.7 Announcement up to and including the Latest Practicable Date				
Minimum			**0.3693%**	**0.6893%**
Maximum			**2.0155%**	**3.7619%**
Average			**0.9048%**	**1.6888%**

Source: Wind

Notes:

1. Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days in the respective month/period.

2. It is calculated by dividing the average daily trading volume for the month/period by the total issued Shares at the end of each month/period.

3. It is calculated by dividing the average daily trading volume for the month/period by the total number of Shares held by the public Shareholders (within the meaning of the Listing Rules) as at the Latest Practicable Date, i.e. 4,984,474,393.

As illustrated in the above table, during the Pre-3.7 Announcement Period, the percentage of average daily trading volume to (i) the total number of issued Shares; and (ii) the total number of Shares held by public Shareholders, ranged from approximately 0.1118% to approximately 0.6256% and approximately 0.2086% to approximately 1.1677%, respectively. The average daily trading volume of the Shares during the Pre-3.7 Announcement Period was approximately 26,895,250 Shares, representing approximately 0.2891% of the total number of issued Shares and approximately 0.5396% of the total number of Shares held by public Shareholders.

We noted that the trading volume of the Shares increased during the period from the first trading day after the publication of the 3.7 Announcement up to and including the Last Trading Date, with an average daily trading volume of approximately 65,424,159 Shares, representing approximately 0.7032% of the total number of issued Shares and approximately 1.3126% of the total number of Shares held by public Shareholders.

Following the publication of the Joint Announcement, the trading volume of the Shares increased further, with an average daily trading volume of approximately 82,316,200 Shares during the Post-3.5 Announcement Period, representing approximately 0.8848% of the total number of issued Shares and approximately 1.6515% of the total number of Shares held by public Shareholders. We consider that the trading volume during the Post-3.5 Announcement Period has reflected the market's reaction to the Proposals, while such higher trading volume of the Shares during the Post-3.5 Announcement Period may not be sustainable if the Proposals fail to implement.

Considering that the monthly average daily trading volume of the Shares during the Pre-3.7 Announcement Period represented only approximately 0.29% of the total issued Shares and approximately 0.54% of the Shares held by the public Shareholders and is lower than the trading volume after the publication of the 3.7 Announcement, in the absence of the Proposals, Independent Shareholders, especially those with relatively sizeable shareholdings, may experience difficulty in disposing of a significant number of Shares in the market within a short period without exerting downward pressure on the market price of the Shares.

Having considered the above, we consider that the trading liquidity of the Shares during the Pre-3.7 Announcement Period was low when compared against the total issued Shares and the Shares held by the public Shareholders, and the higher level of trading volume after the publication of the 3.7 Announcement and the Joint Announcement may not be sustained if the Proposals fail to implement. Accordingly, the Proposals provide the Independent Shareholders, particularly those with relatively sizeable shareholdings, with an opportunity to realize their investment in cash without being subject to the execution risk and potential price pressure associated with on-market disposals.

5.5 Comparable analysis

To further assess the fairness and reasonableness of the valuation implied by the Estimated Minimum Special Dividend on Disposal, we have conducted a comparable company analysis by comparing the implied valuation of the Proposals based on the Estimated Minimum Special Dividend on Disposal with the trading valuation multiples of comparable companies listed on the Stock Exchange.

In considering the appropriate valuation multiples for our analysis, we have considered the price-to-earnings ratio ("**P/E Ratio**") and price-to-book ratio ("**P/B Ratio**"). The P/E Ratio is commonly used for valuing profit-making companies as it reflects the market valuation of a company relative to its earnings. Given that the Group recorded profit after taxation for FY2025, we consider the P/E Ratio to be a relevant and appropriate valuation reference for our assessment. The P/B Ratio is commonly used to assess the market valuation of a company relative to its net asset value. Having considered that the Group is engaged in aviation manufacturing and related aftermarket services, which involve heavy production facilities, inventories and other operating assets, we consider the P/B Ratio to be an appropriate supplemental valuation reference.

In identifying comparable companies, we have adopted the following selection criteria: (i) the company is listed on the Main Board of the Stock Exchange; (ii) over 70% of its latest financial year revenue was derived from the provision of the aviation products, aircraft manufacturing, general aviation aircraft, aviation ancillary systems and/or related aviation services; (iii) the company recorded profit attributable to its shareholders and had a positive net book value attributable to its shareholders based on its latest published financial statements; and (iv) the company's shares were actively traded and were not subject to any trading suspension or trading halt as at the Last Trading Date. Based on the above criteria, we have identified, on a best-effort basis, an exhaustive list of two comparable companies (the "**Comparable Companies**").

Although two Comparable Companies form a small sample size, both Comparable Companies are principally engaged in aviation manufacturing and related businesses comparable to the Group's business and comprise the exhaustive list of companies meeting our selection criteria. We therefore consider that their trading multiples provide a useful reference as to the market valuations of listed companies principally engaged in aviation manufacturing and related businesses. Accordingly, we have used the comparable company analysis as a supplementary reference and have considered it together with the other factors and analyses set out in this letter.

Set out below is the trading multiples analysis of the Comparable Companies:

Stock code	Company name	Principal Businesses	Market capitalization (Note 1)	P/E Ratio (Note 2)	P/B Ratio (Note 3)
			(HK$ million)	*(times)*	*(times)*
2357.HK	AviChina Industry & Technology Company Limited	Principally engaged in the research, development, manufacture and sale of aviation products and relevant engineering services, including helicopters, trainers, general-purpose aircraft, aviation ancillary systems and aviation engineering services.	25,194.2	12.48	0.63
2507.HK	Cirrus Aircraft Limited	Designs, develops, manufactures and sells premium aircraft in the personal aviation industry. Its aircraft product lines include the SR Series and Vision Jet. It also provides maintenance, upgrades, training, pilot services and other related services. The company has substantial business exposure in the United States.	13,204.9	12.18	1.91
		Maximum		12.48	1.91
		Minimum		12.18	0.63
	The Proposals *(Note 4)*		**3,941.0**	**41.90**	**1.28**
	The Company *(Note 5)*		**1,925.8**	**20.47**	**0.62**

Source: the Stock Exchange

Notes:

1. The market capitalization of each Comparable Company is calculated based on its closing share price as at the Last Trading Date multiplied by its total number of issued shares as at the Last Trading Date.

2. The P/E Ratio is calculated by dividing the market capitalization by profit attributable to owners/shareholders of the respective company for FY2025.

3. The P/B Ratio is calculated by dividing the market capitalization by net assets attributable to owners/shareholders of the respective company as at 31 December 2025.

4. The implied market capitalization, P/E Ratio and P/B Ratio of the Proposals are calculated based on (i) the Estimated Minimum Special Dividend on Disposal of US$505 million; and (ii) the latest audited financial information of the Group.

5. The market capitalization, P/E Ratio and P/B Ratio of the Company are calculated based on (i) the closing share price and the total number of issued shares of the Company as at the Last Trading Date; and (ii) the latest audited financial information of the Group.

6. Where applicable, for illustrative purpose, (i) US$ has been translated into HK$ with Reference Exchange Rate on the Last Trading Date of US$1:HK$7.8040; or (ii) renminbi has been translated into HK$ with exchange rate of RMB1 to HK$1.1440.

As shown in the table above, the implied P/E Ratio of the Proposals based on the Estimated Minimum Special Dividend on Disposal is approximately 41.90 times, which is above the range of the P/E Ratios of the Comparable Companies of approximately 12.18 times to 12.48 times. The implied P/B Ratio of the Proposals based on the Estimated Minimum Special Dividend on Disposal is approximately 1.28 times, which is within the range of the P/B Ratios of the Comparable Companies of approximately 0.63 times to 1.91 times.

We also noted that the implied P/E Ratio and P/B Ratio of the Proposals based on the Estimated Minimum Special Dividend on Disposal are more than double of the corresponding P/E Ratio and P/B Ratio of the Company, which are calculated based on the market capitalization of the Company as at the Last Trading Date.

Having considered the above, in particular, (i) the implied P/E Ratio of the Proposals based on the Estimated Minimum Special Dividend on Disposal is above the range of the P/E Ratios of the Comparable Companies, while the implied P/B Ratio of the Proposals is within the range of the P/B Ratios of the Comparable Companies; and (ii) the implied P/E Ratio and P/B Ratio of the Proposals are higher than the corresponding trading multiples of the Company, we consider that the comparable company analysis provides supplementary support to our view that the Estimated Minimum Special Dividend on Disposal is fair and reasonable so far as the Independent Shareholders are concerned.

6. Principal Terms of the Property Disposal

The following is a summary of the principal terms of the Property Disposal. Further details of the Property Disposal and the Property Sale and Purchase Agreement are set out in the Letter from the Board.

6.1 The Property Sale and Purchase Agreement

The principal terms of the Property Sale and Purchase Agreement are summarized below:

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 SGM by ordinary resolution.

6.2 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 SGM; and (ii) the Property Disposal having completed, the Company 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 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 HK0.73 cent in cash per Share.

Provided that the Property Disposal Consideration, after deduction of stamp duty, is received within a reasonable period before the distribution of the Special Dividend on Disposal, the Company intends to distribute the Cash Dividend on Property Disposal on the same day as the Special Dividend on Disposal.

7. Analysis on the Property Disposal Consideration

As disclosed in the Letter from the Board, the Property Disposal Consideration amounted to HK$69.5 million, which was determined after arm's length negotiations 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 were available to the Company. In determining the Property Disposal Consideration, the Company had taken into account, among other things, the transaction prices of properties designated for office use in the United Centre and nearby buildings of similar nature and age, the relatively illiquid trading of office properties in the United Centre, and the market trend of the Hong Kong office sector.

Assessment of the basis adopted by the Company

To assess the basis adopted by the Company in determining the Property Disposal Consideration, we have obtained and reviewed the comparable properties considered by the Company, the relevant source information and supporting documents, and the calculation of the corresponding unit prices. We have also discussed with the Management the selection criteria, calculation methodology, assumptions and inputs adopted by the Company, including the basis for including transactions involving office properties in nearby buildings.

Based on our review, we noted that the Company considered transaction information relating to office properties in the United Centre, Admiralty Centre Tower 1, Admiralty Centre Tower 2, Lippo Centre Tower 1 and Lippo Centre Tower 2. Such comparable properties were selected with reference to their location, property use, building age and transaction timing. In particular, the comparable properties are located in the same or nearby commercial district as the Property, are designated for office use, are located in buildings of a similar age to the United Centre and were transacted within the three-year period preceding the date of the Property Sale and Purchase Agreement.

The average unit prices of the comparable properties in the respective buildings ranged from approximately HK$9,790 to HK$14,247 per square foot, with an overall average unit rate of approximately HK$13,595 per square foot. We have checked the key information of the comparable properties, including their locations, transaction dates, property use, building age, floor area and transaction prices, against the relevant supporting documents and publicly available data, and recalculated the corresponding unit prices. Based on the Property Disposal Consideration of HK$69.5 million and the gross floor area of the Property of approximately 5,264 square feet, the implied consideration is approximately HK$13,203 per square foot on a gross floor area basis, which, according to the Letter from the Board, represents a slight discount of approximately 2.9% to the overall average unit rate of the comparable properties.

We consider that transactions involving office properties in the United Centre and nearby buildings of similar nature and age to be relevant. Having considered the above, including the selection criteria and the range of unit prices of the comparable properties, we consider that the comparable property analysis provides a reasonable general market reference for assessing the Property Disposal Consideration, and we have considered such analysis together with the valuation prepared by the Independent Valuer in our overall assessment of the Property Disposal Consideration.

Assessment of the Valuation Report

As stated in the Joint Announcement, given the fluctuation of the property market, the Company engaged the Independent Valuer to determine the fair value of the Property closer to and prior to publication of the Circular, and 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. Accordingly, we consider that the Valuation Report serves as an important independent reference for our assessment of the fairness and reasonableness of the Property Disposal Consideration.

In order to assess the expertise and independence of the Independent Valuer, we have obtained and reviewed its engagement letter and the relevant licenses, qualifications and experience of the Independent Valuer and its working team. We have also discussed with the working team of the Independent Valuer to understand its previous experience in valuation projects, the valuation basis, methodology and principal assumptions adopted in the Valuation Report, and the steps and measures taken in conducting the valuation. We noted from the Valuation Report that the Independent Valuer has carried out inspections, made relevant enquiries and searches and obtained further information considered necessary for the purpose of providing its opinion on the market value of the Property as at the date of the Property Sale and Purchase Agreement (i.e., 5 June 2026) (the "**Valuation Date**"). The Independent Valuer has confirmed that it is independent from the Group and their respective associates. Based on the above, we consider that the Independent Valuer is qualified and possesses relevant experience in conducting the valuation, and that the terms and scope of the engagement between the Company and the Independent Valuer are appropriate to the opinion which the Independent Valuer is required to give.

We noted that the valuation was carried out on a market value basis, and that the Independent Valuer adopted the comparison approach by making reference to comparable sale evidence in the market. As advised by the Independent Valuer, the comparison approach was adopted as the primary valuation methodology as there were market transactions in the surrounding area available for comparison. We also understood from the Independent Valuer that the income approach was not adopted as the primary approach because the Property was self-occupied for office use as at the Valuation Date, rather than held as an income-generating investment property, and that the cost approach was not adopted as the primary approach given the availability of comparable market transaction evidence. Having considered the above, we consider the adoption of the comparison approach to be appropriate for valuing the Property, being an office property in Hong Kong.

According to the Valuation Report, the Property comprises Office B on 15th Floor, United Centre, No. 95 Queensway, Hong Kong and was self-occupied for office use as at the Valuation Date. As measured from the approved building plans, the saleable area of the Property is approximately 3,834 square feet. The market value of the Property in its existing state as at the Valuation Date was HK$69.3 million.

We have reviewed the comparable sale evidence adopted by the Independent Valuer. According to the Valuation Report, the Independent Valuer identified and analyzed various relevant sale evidence within the locality which have similar characteristics as the Property. We understood from the Independent Valuer that the comparable properties were selected with reference to, among other things, location, time of transaction, property use, accessibility, building age, floor level, size and other relevant characteristics. We have also checked the key information of each comparable property adopted by the Independent Valuer, which is in line with publicly available data, and discussed with the Independent Valuer the adjustments made for differences between the comparable properties and the Property. We noted that (i) the comparable properties are office/commercial properties located in the nearby commercial district as the Property; (ii) the transactions of the comparable properties were conducted before the Valuation Date; and (iii) the key information of the comparable properties, including location, transaction timing and transaction unit rates, is generally consistent with the market information reviewed by us from public and non-public property market sources. According to the Valuation Report, the transaction unit rates of these comparables ranged from HK$17,713 to HK$18,694 per square foot on saleable area basis, and adjustments and analysis were made to reflect differences in factors including location, view, floor level, size and other characteristics between the comparables and the Property. Based on the Property Disposal Consideration of HK$69.5 million and the saleable area of approximately 3,834 square feet as stated in the Valuation Report, the implied consideration is approximately HK$18,127 per square foot on saleable area basis, which falls within the range of the comparable unit rates adopted by the Independent Valuer.

Having considered the location, transaction timing, property use, building age, floor level, size and other characteristics of the comparable properties, as well as the adjustments made by the Independent Valuer, we consider that the comparable sale evidence adopted by the Independent Valuer is relevant to the valuation of the Property and provides a reasonable basis for assessing the Property Disposal Consideration.

We have also compared the Property Disposal Consideration with the market value of the Property as appraised by the Independent Valuer. The Property Disposal Consideration of HK$69.5 million represents a slight premium of approximately HK$0.2 million over the market value of the Property of HK$69.3 million as appraised by the Independent Valuer. As such, adjustment to the Property Disposal Consideration is not required.

Estimated loss on disposal of the Property

We noted that the net book value of the Property as at 31 December 2025 was approximately HK$107.52 million. As stated in the Letter from the Board, the net book value of the Property before provision for the estimated loss arising from the remeasurement of assets classified as held for sale as at 30 June 2026 was approximately HK$105 million. Based on such net book value, the related costs of disposal and the Property Disposal Consideration, the Company recorded an unaudited estimated loss of approximately HK$37 million during the six months ended 30 June 2026. However, as stated in the Letter from the Board, the Property was transferred from investment property to owner-occupied property in April 2022 based on its then fair value of approximately HK$124.5 million and was subsequently measured after taking into account depreciation. In assessing the market movement of the Hong Kong office sector since 2022, we have reviewed the Hong Kong Property Review 2026[5] published by the Rating and Valuation Department[6]. According to the report, the overall private office price index decreased from 495.7 in 2022 to 309.2 in 2025 (provisional), representing a decrease of approximately 37.6%. We consider that such decrease reflects the downward pressure experienced by the Hong Kong office market after April 2022 and supports our view that the historical net book value of the Property may not be reflective of its current market value. Accordingly, for the purpose of assessing the fairness and reasonableness of the Property Disposal Consideration, we have placed greater emphasis on the market value of the Property as appraised by the Independent Valuer and the relevant market comparables, rather than the historical net book value of the Property.

5 *https://www.rvd.gov.hk/doc/en/hkpr26/HKPR2026_Fullbook_TC.pdf*

6 *The Rating and Valuation Department (the "**RVD**")* is a department of the Government of Hong Kong responsible for the assessment of properties for rates and Government rent purposes and the publication of property market statistics. As advised by the Management, the RVD is independent of the Company and its connected persons.

We further noted that 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. Therefore, the economic benefit of the Property Disposal, after deduction of stamp duty, will be returned to the relevant Eligible Shareholders in cash rather than retained by the Company.

Taking into account the above, including, among other things, (i) reviewing the comparable properties, calculation methodology, assumptions and inputs adopted by the Company in determining the Property Disposal Consideration; (ii) reviewing the engagement terms, qualifications and independence of the Independent Valuer; (iii) discussing with the Independent Valuer on the valuation basis, methodology, assumptions and steps undertaken in preparing the Valuation Report; (iv) reviewing the comparison approach adopted by the Independent Valuer and the comparable sale evidence referred to in the Valuation Report; (v) noting that the implied consideration per square foot on a saleable area basis falls within the range of the comparable unit rates adopted by the Independent Valuer; (vi) noting that the Property Disposal Consideration is higher than the market value of the Property as appraised by the Independent Valuer; (vii) noting that the net proceeds from the Property Disposal will be distributed in full to the relevant Eligible Shareholders as Cash Dividend on Property Disposal; and (viii) taking into account the unaudited estimated loss of approximately HK$37 million recorded during the six months ended 30 June 2026 and noting that the historical net book value of the Property may not be reflective of its current market value based on the declining trend of the overall private office price index from 2022 to 2025, we consider that the terms of the Property Disposal are on normal commercial terms and fair and reasonable so far as the CT Independent Shareholders are concerned, and that the Property Disposal is in the interests of the Company and the Shareholders as a whole.

8. Financial effects of the Proposals and the Property Disposal

Upon Closing, the Company will cease to hold any equity interest in the Target Company or any other Target Group Company; the Target Group Companies will cease to be subsidiaries of the Company; and the financial results, assets and liabilities of the Target Group will no longer be consolidated into the consolidated financial statements of the Group.

As stated in the Letter from the Board, for FY2025 and 1H2026, revenue generated by the Target Group accounted for 100% of the total revenue of the Group, and the Remaining Group does not engage in or operate the existing general aviation aircraft piston engine business. Apart from its interest in the Target Group to be disposed of pursuant to the Sale and Purchase Agreement, the Remaining Group only holds cash, the Property and certain investment interests, the net book value of which, after impairment provision, was nil as at 31 December 2025.

The analysis below is based on the unaudited pro forma financial information of the Remaining Group as set out in Appendix V to the Circular (the "**Pro Forma Financial Information**"). It should be noted that the Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its hypothetical nature, does not purport to represent the actual financial position or financial performance of the Remaining Group upon Closing or at any future date.

8.1 Effects of the Proposals

Effects on net assets

As at 30 June 2026, the Group had unaudited consolidated net assets of approximately HK$2,941.4 million. Based on the Pro Forma Financial Information, assuming the Disposal and the distribution of the Special Dividend on Disposal had been completed on 30 June 2026 and without taking into account the Property Disposal, the net assets of the Group would have been approximately HK$636.7 million, representing a decrease of approximately HK$2,304.7 million or 78.4% as compared with the net assets of the Group as at 30 June 2026.

The decrease in net assets was mainly attributable to the assumed distribution of such special cash dividend, partially offset by the estimated gain on the Disposal. The actual amount of disposal gain or loss to be recognized by the Group would be subject to, among other things, the actual net asset value of the Target Group as at the Closing Date, the final Disposal Consideration and the final transaction expenses.

However, we noted that the Disposal Consideration received upon Closing will be distributed in its entirety as Special Dividend on Disposal. Accordingly, while the Disposal is expected to give rise to an accounting gain, the cash proceeds from the Disposal will not be retained by the Company as part of the Remaining Group's continuing asset base, but will be returned to the relevant Eligible Shareholders in cash.

In connection with the payment of the Special Dividend on Disposal, the Company proposes to implement the Capital Reorganization to create additional reserves available for distribution. As stated in the Letter from the Board, the Capital Reorganization is expected to increase such reserves by approximately HK$2,742 million. Assuming there is no other change to the Company's reserves available for distribution, following the Capital Reorganization and the payment of the Special Dividend on Disposal and the Cash Dividend on Property Disposal, the Company's remaining reserves available for distribution are expected to amount to approximately HK$529 million. As the Capital Reorganization will involve a reclassification between different components of equity, it will not change the total equity of the Company and is not expected to have any effect on its total assets, total liabilities or net assets.

Effects on liabilities and working capital

As at 30 June 2026, the Group had unaudited consolidated total liabilities of approximately HK$1,117.1 million and net current assets of approximately HK$2,942.7 million. Based on the Pro Forma Financial Information, assuming the Disposal and the distribution of the Special Dividend on Disposal had been completed on 30 June 2026 and without taking into account the Property Disposal, the total liabilities of the Remaining Group would have decreased to approximately HK$2.6 million, representing a decrease of approximately HK$1,114.4 million or 99.8% as compared with the total liabilities of the Group as at 30 June 2026.

Based on the Pro Forma Financial Information, the Remaining Group would have recorded net current assets of approximately HK$638.0 million. We noted that, following Closing and the payment of the Special Dividend on Disposal, the Remaining Group is expected to hold limited remaining assets, comprising mainly cash and time deposits, the Property (if the Property Disposal does not take place), and certain investment interests. We also noted that the Board intends to declare further special dividend on the Company's remaining cash, subject to the Company finalizing the necessary reserves for payment obligations incurred or to be incurred up to the winding-up of the Company.

Effects on earnings

For FY2025, the Group recorded profit attributable to owners of the Company of approximately HK$94.1 million. Based on the Pro Forma Financial Information, assuming the Disposal had been completed on 1 January 2025 and without taking into account the Property Disposal, the Remaining Group would have recorded profit attributable to owners of the Company of approximately HK$1,629.9 million for FY2025, representing an increase of approximately HK$1,535.8 million as compared with the profit attributable to owners of the Company for FY2025. Such increase was mainly attributable to the estimated one-off gain on the Disposal of approximately HK$1,651.7 million.

8.2 Effects of the Property Disposal

As stated in the Letter from the Board, the Property Disposal Consideration is HK$69.5 million. The Property Disposal Consideration, after deduction of stamp duty, will be approximately HK$68.02 million and will be distributed in its entirety to the relevant Eligible Shareholders as Cash Dividend on Property Disposal, subject to the CT Independent Shareholders having approved the Property Disposal and the Cash Dividend on Property Disposal at the SGM and completion of the Property Disposal. 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 amount to approximately HK0.73 cent in cash per Share.

As stated in the Letter from the Board, the net book value of the Property as at 31 December 2025 was approximately HK$107.52 million. As stated in the Valuation Report, the valuation of the Property as at the Valuation Date is HK$69.3 million, which is lower than the Property Disposal Consideration. Given that the valuation of the Property as stated in the Valuation Report is HK$69.3 million and the Property Disposal Consideration is HK$69.5 million, the net book value of the Property is not reflective of its market value. As stated in the Letter from the Board, based on the net book value of the Property before provision for the estimated loss arising from the remeasurement of assets classified as held for sale as at 30 June 2026 of approximately HK$105 million, the related costs of disposal and the Property Disposal Consideration, the Company recorded an unaudited estimated loss of approximately HK$37 million during the six months ended 30 June 2026.

As stated in note 13 to the Pro Forma Financial Information, the Pro Forma Financial Information does not take into account the Property Disposal. Had the Property Disposal been taken into account, the Property Disposal would have had no impact on the unaudited pro forma consolidated statement of financial position, as the increase in cash and bank balances would have been offset by the decrease in the Property included in assets classified as held for sale as at 30 June 2026. The unaudited pro forma consolidated profit before tax and profit for FY2025 would have decreased by approximately HK$39.5 million after taking into account the Property Disposal and the corresponding depreciation and loss on disposal of the Property. The cash and bank balances would have increased by approximately HK$68.02 million, representing the net proceeds from the Property Disposal.

Given that all the net proceeds from the Property Disposal will be distributed to the relevant Eligible Shareholders as Cash Dividend on Property Disposal, the economic benefit of the Property Disposal, after deduction of stamp duty, will be returned to the relevant Eligible Shareholders in cash. Accordingly, notwithstanding the accounting effects arising from the Property Disposal, we consider that the financial effect of the Property Disposal should be assessed together with the Cash Dividend on Property Disposal and the overall objective of realizing the value of the Company’s remaining assets and distributing cash to the relevant Eligible Shareholders.

8.3 Overall view

Having considered the above, we noted that the Proposals will result in the Company ceasing to hold the Target Group, which carried out the Group’s existing principal operating business and generated all of the Group’s revenue for FY2025 and 1H2026. At the same time, the Disposal is expected to realize the value of the Target Group and provide the relevant Eligible Shareholders with the Special Dividend on Disposal in cash. The Capital Reorganization is intended to create additional reserves available for distribution to facilitate the payment of the Special Dividend on Disposal and any further distributions to the Shareholders, without changing the total equity of the Company. We also noted that the

Property Disposal, if completed, will realize the value of the Property and provide the relevant Eligible Shareholders with an additional cash distribution through the Cash Dividend on Property Disposal.

Accordingly, we consider that the financial effects of the Proposals and the Property Disposal should not be assessed in the same manner as an ordinary disposal where the listed issuer continues to operate and retain the sale proceeds. Rather, the Proposals and the Property Disposal should be viewed as part of the overall arrangements to realize the value of the Company's assets, return cash to the relevant Eligible Shareholders, proceed with the Proposed Delisting and, thereafter, implement the Winding Up Proposal.

Having reviewed the Pro Forma Financial Information as set out in Appendix V to the Circular and the financial effects of the Property Disposal described in note 13 thereto, and having considered, among other things, the expected unaudited gain on the Disposal, the cash return under the Special Dividend on Disposal, the role of the Capital Reorganization in creating additional reserves available for distribution, the Cash Dividend on Property Disposal, and the fact that the Remaining Group will have limited operations and assets following Closing, we consider that the financial effects of the Proposals and the Property Disposal do not alter our view that the Proposals and the Property Disposal are fair and reasonable so far as the Independent Shareholders and the CT Independent Shareholders, respectively, are concerned.

RECOMMENDATION

In respect of the Proposals, having considered the principal factors and reasons discussed above, in particular:

(i) the Group is principally engaged in the general aviation aircraft piston engine business through the Target Group and, upon Closing, the Company will cease to hold any equity interest in the Target Company or any other Target Group Company;

(ii) the Target Group carried out the Group's principal operating business and accounted for 100% of the total revenue of the Group for FY2025, while the Remaining Group will have no business and consist substantially of cash following Closing;

(iii) having reviewed the industry data published by GAMA, the FAA Forecast and the industry outlook disclosed in the 2025 Annual Report, the industry outlook of the Group's existing principal operating activities is mixed, with growth in the broader general aviation market but only modest growth in the piston airplane segment, and with longer-term structural challenges in the fixed-wing piston aircraft segment in the United States;

(iv) the Proposals would allow the Company to unlock the value of its investments in the Target Group and provide the relevant Eligible Shareholders with an immediate opportunity to realize their investment in cash through the Special Dividend on Disposal, and the Capital Reorganization is intended to create additional reserves available for distribution to facilitate the payment of the Special Dividend on Disposal without changing the number of issued Shares or the proportionate shareholdings of the Shareholders;

(v) the Estimated Minimum Special Dividend on Disposal of HK$0.4238 per Share represents a substantial premium over the average closing price and the highest closing price of the Shares during the Pre-3.5 Announcement Period, as well as the audited and adjusted consolidated net asset value of the Company attributable to the Shareholders per Share as at 31 December 2025. Although the closing price of the Shares as at the Latest Practicable Date was higher than the Estimated Minimum Special Dividend on Disposal, the Share price following the publication of the Joint Announcement may have reflected the market's expectation that the Proposals would be implemented and may not be sustained if the Proposals are not implemented;

(vi) having regard to the historical trading volume of the Shares, the Proposals provide the Independent Shareholders, particularly those holding a sizeable number of Shares, with an opportunity to realize their investment in cash without being subject to the execution risk and potential price pressure associated with on-market disposals;

(vii) the implied P/E Ratio of the Proposals based on the Estimated Minimum Special Dividend on Disposal is above the range of the P/E Ratios of the Comparable Companies, while the implied P/B Ratio is within the range of the P/B Ratios of the Comparable Companies, and both ratios are higher than the corresponding trading multiples of the Company, which supports our view that the valuation implied by the Estimated Minimum Special Dividend on Disposal is not unfavorable to the Independent Shareholders;

(viii) following Closing, the Remaining Group is expected to have insufficient operations and assets to support the continued listing of the Shares under Rule 13.24(1) of the Listing Rules, and the Proposed Delisting forms part of the overall arrangements under the Proposals;

(ix) the Proposals are subject to the Approval Threshold under Note 7 to Rule 2 and Rule 2.10 of the Takeovers Code, which provides a shareholder approval safeguard for the Independent Shareholders; and

(x) having reviewed the shareholding structure of the Company and the Irrevocable Undertakings given by the Controlling Shareholders, which collectively hold approximately 46.40% of the issued Shares, and having discussed with the Management, who confirmed that no competing proposal had been received by the Company as at the Latest Practicable Date, any competing bidder would face higher execution uncertainty to secure sufficient shareholder support, and therefore the emergence of an attractive competing proposal with a credible path to completion is considered unlikely,

we consider that the Proposals are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Independent Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders, and we recommend the Independent Shareholders, to vote in favor of the resolution to approve the Proposals at the SGM.

In respect of the Property Disposal, having considered the principal factors and reasons discussed above, in particular:

(i) the Property Disposal enables the Company to realize the value of a non-core asset and is consistent with the overall objective of realizing the Company's assets and distributing cash to the relevant Eligible Shareholders in connection with the Proposed Delisting and Winding Up Proposal, and, as compared with the alternative plan, provides greater execution certainty and enables the net proceeds to be returned to the relevant Eligible Shareholders earlier;

(ii) the Property Disposal Consideration of HK$69.5 million was determined after arm's length negotiations 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, and the implied consideration per square foot on a gross floor area basis falls within the range and is slightly below the overall average of the unit rates of the comparable properties considered by the Company;

(iii) the Property Disposal Consideration is slightly higher than the market value of the Property of HK$69.3 million as appraised by the Independent Valuer, and the implied consideration per square foot on saleable area basis falls within the range of comparable unit rates adopted by the Independent Valuer;

(iv) although the Company recorded an unaudited estimated loss of approximately HK$37 million during the six months ended 30 June 2026 in respect of the Property, having considered the declining trend in the Hong Kong private office market since 2022, we consider that the latest market valuation and relevant market comparables are more relevant than the historical carrying value of the Property for the purpose of assessing the Property Disposal Consideration, and such accounting effect does not alter our view of the fairness and reasonableness of the Property Disposal;

(v) the Property Disposal Consideration, after deduction of stamp duty, will be distributed in full to the relevant Eligible Shareholders as Cash Dividend on Property Disposal, such that the economic benefit of the Property Disposal will be returned to the relevant Eligible Shareholders in cash; and

(vi) the Cash Dividend on Property Disposal does not form part of the Proposals and is not inter-conditional with the Disposal or the Special Dividend on Disposal,

we are of the opinion that the terms of the Property Disposal are on normal commercial terms and fair and reasonable so far as the CT Independent Shareholders are concerned, and the Property Disposal is in the interests of the Company and the CT Independent Shareholders as a whole.

Accordingly, we recommend the Independent Board Committee to advise the CT Independent Shareholders, and we recommend the CT Independent Shareholders, to vote in favor of the ordinary resolution to approve the Property Disposal and the Cash Dividend on Property Disposal at the SGM.

Yours faithfully,
For and on behalf of
Maxa Capital Limited
Dian Deng
Managing Director

Ms. Dian Deng is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Maxa Capital to carry out type 6 (advising on corporate finance) regulated activities under the SFO and has over 18 years of experience in corporate finance industry.

1. FINANCIAL SUMMARY

Set out below is a summary of (i) the audited consolidated financial information of the Group for each of the three years ended 31 December 2023, 2024 and 2025 as extracted from the annual reports of the Company for the respective years, and (ii) the unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2026, as extracted from the interim results announcement of the Company for the same period.

Summary of Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Six months ended 30 June 2025	Six months ended 30 June 2026
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	1,830,186	1,805,382	1,999,261	1,005,250	950,786
Cost of sales	(1,262,612)	(1,328,679)	(1,497,046)	(747,743)	(734,541)
Gross profit	567,574	476,703	502,215	257,507	216,245
Other income and gains, net	43,554	26,683	75,600	71,916	30,363
Reversal of impairment/(impairment losses) under expected credit loss model, net of reversal	(427)	(2,731)	454	–	–
Selling and distribution expenses	(69,107)	(69,557)	(78,112)	(40,949)	(43,642)
Administrative expenses	(311,185)	(296,300)	(319,274)	(162,792)	(156,015)
Other operating income/(expenses)	(68,469)	2,185	5,210	–	(57,589)
Other expenses	–	–	–	–	(92,236)
Research and development costs	(53,611)	(51,317)	(45,254)	(28,301)	(28,712)
Finance costs	(13,514)	(13,200)	(13,174)	(6,553)	(6,430)
Share of loss of an associate	(4,112)	(4,370)	(2,008)	(2,008)	–
Impairment loss on investment in an associate	–	–	(13,805)	(13,805)	–
PROFIT/(LOSS) BEFORE TAX	90,703	68,096	111,852	75,015	(138,016)
Income tax credit/(expense)	71,506	(12,086)	(17,786)	(10,722)	37,797
PROFIT/(LOSS) FOR THE YEAR/PERIOD	162,209	56,010	94,066	64,293	(100,219)

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Six months ended 30 June 2025	Six months ended 30 June 2026
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
OTHER COMPREHENSIVE INCOME/ (LOSS)					
Item that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	13,771	(32,672)	55,857	68,674	(3,887)
Reclassification adjustment for a deregistration of a subsidiary	–	–	2,384	–	–
Item that will not be reclassified subsequently to profit or loss:					
Actuarial gains on defined benefit plans, net of tax	590	6,855	4,405	–	–
Remeasurement of defined benefit plans, net of tax	–	–	–	–	2,712
Other comprehensive income/(loss) for the year/period, net of tax	14,361	(25,817)	62,646	68,674	(1,175)
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR/PERIOD	176,570	30,193	156,712	132,967	(101,394)

The auditors' reports issued by the auditors of the Group, Ernst & Young, in respect of the audited consolidated financial statements of the Group for each of the three years ended 31 December 2023, 2024 and 2025, did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern.

2. CONSOLIDATED FINANCIAL STATEMENTS

The Company is required to set out or refer to in this Circular the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in (i) the audited consolidated financial statements of the Group for the year ended 31 December 2023 (the "**FY2023 Financial Statements**"), (ii) the audited consolidated financial statements of the Group for the year ended 31 December 2024 (the "**FY2024 Financial Statements**"), (iii) the audited consolidated financial information of the Group for the year ended 31 December 2025 (the "**FY2025 Financial Statements**"), and (iv) the unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2026 (the "**FY2026 Interim Financial Information**"), together with significant accounting policies and the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The FY2023 Financial Statements, FY2024 Financial Statements, FY2025 Financial Statements and FY2026 Interim Financial Information are disclosed in the following documents which have been published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (https://www.cath.com.hk):

- The FY2023 Financial Statements have been set out on pages 102 to 245 of the 2023 annual report of the Company ("**2023 Annual Report**") published on 29 April 2024. Please also see below the link to the 2023 Annual Report:

  https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042900895.pdf

- The FY2024 Financial Statements have been set out on pages 58 to 201 of the 2024 annual report of the Company ("**2024 Annual Report**") published on 29 April 2025. Please also see below the link to the 2024 Annual Report:

  https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0429/2025042900629.pdf

- The FY2025 Financial Statements have been set out on pages 58 to 197 of the 2025 annual report of the Company ("**2025 Annual Report**") published on 28 April 2026. Please also see below the link to the 2025 Annual Report:

  https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0428/2026042802595.pdf

- The FY2026 Interim Financial Information has been set out on pages 1 to 12 of the 2026 interim results announcement of the Company ("**2026 Interim Results Announcement**") published on 13 August 2026. Please also see below the link to the 2026 Interim Results Announcement:

  https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0813/2026081301450.pdf

The FY2023 Financial Statements, FY2024 Financial Statements, FY2025 Financial Statements and FY2026 Interim Financial Information are incorporated by reference into this Circular and form part of this Circular.

3. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 July 2026, being the latest practicable date for the purpose of preparing this statement of indebtedness, the Group as lessees had lease liabilities of HK$279,553,000 and other payable of HK$92,696,000 in relation to the PPP Loan Settlement Amount, which are only related to the Target Group and have been included in the liabilities directly associated with assets classified as held for sale as of 31 July 2026.

Save as set out above or as otherwise disclosed herein, and apart from intra-group liabilities, as of the close of business on 31 July 2026, the Group did not have any (i) debt securities, whether issued and outstanding, authorised or otherwise created but unissued, or term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by the Group or by third parties) or unsecured; (ii) other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured; (iii) mortgage or charges; or (iv) guarantees or other contingent liabilities.

4. MATERIAL CHANGE

Save for the Proposals and the Property Disposal as set out in this Circular and the following information which have been disclosed in the 2026 Interim Results Announcement, there was no material change in the financial or trading position or outlook of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date:

(i) the Group recorded a loss attributable to owners of the Company of approximately HK$100.2 million for the six months ended 30 June 2026, as compared with a profit of approximately HK$64.3 million for the six months ended 30 June 2025. Such turnaround from profit to loss was mainly due to the increasing operational pressure of the business units, lower gross profit performance compared to the same period last year, the provision for estimated loss on remeasurement of assets held for sale in respect of the property disposal, and the provision for the settlement payment in respect of the Paycheck Protection Program Loan, pursuant to which the Group's US subsidiary is required to pay approximately US$11.8 million, together with interest accruing at 4% per annum from 23 June 2026 until payment;

(ii) in addition to its impact on the Group's profit or loss as described in paragraph (i) above, the provision for the settlement of the Paycheck Protection Program Loan of approximately HK$92.2 million was included in other payables, accruals and provisions under liabilities directly associated with assets classified as held for sale as at 30 June 2026 and reduced the Group's net assets by the corresponding amount; and

(iii) as at 30 June 2026, the related assets and liabilities directly associated within the Target Group, and the property of the Company were classified as assets and liabilities held for sale.

5. WORKING CAPITAL

Having made due and careful enquiries, the Directors are of the opinion that, after the completion of the Disposal and the payment of Special Dividend on Disposal and Cash Dividend on Property Disposal, the Company has sufficient working capital for its requirements prior to commencement of the Winding Up Proposal, which is expected to take place within 12 months from the Closing Date.

6. FINANCIAL AND TRADING PROSPECTS

The completion of the Proposals is conditional upon, among other things, the Disposal, the Special Dividend on Disposal, and the Proposed Delisting being approved by the Independent Shareholders at the SGM. If the Independent Shareholders do not approve the Proposals, the Disposal will not complete and the Company will remain a listed company on the Stock Exchange.

7. MANAGEMENT DISCUSSION AND ANALYSIS

Given that (i) the Company will have no business operations following completion of the Proposals, (ii) the Company will apply to withdraw its listing on the Stock Exchange immediately following the completion of the distribution of the Special Dividend on Disposal, and (iii) the Company will be subsequently wound up pursuant to the terms of the Winding Up Proposal, the Company will not include a separate statement containing a discussion and analysis of the Remaining Group's performance and the material factors underlying its results and financial position under Rule 14.68(3) of the Listing Rules.

Set out below is the management discussion and analysis on the Group for the year ended 31 December 2025:

Liquidity, Capital Structure and Financial Resources

The Group has consistently maintained sufficient working capital. As at 31 December 2025, the Group had current assets of HK$1,962,112,000 (2024: HK$1,785,810,000), including cash and cash equivalents and time deposits with original maturity over three months in an aggregate of HK$951,330,000 (2024: HK$799,458,000). The Group's current liabilities as at 31 December 2025 were HK$494,621,000 (2024: HK$478,660,000).

As at 31 December 2025, the Group's total equity amounted to HK$3,089,332,000 (2024: HK$2,979,137,000), comprising issued capital of HK$930,337,000 (2024: HK$930,337,000) and reserves of HK$2,158,995,000 (2024: HK$2,048,800,000). The Group's interest-bearing debts included lease liabilities of HK$283,327,000 (2024: HK$288,591,000). The Group's gearing ratio, calculated on the basis of the interest-bearing debts as a percentage of total equity plus the interest-bearing debts, was 8.4% (2024: 8.8%).

Exposure to Foreign Currency Risk

As most of the Group's business transactions, assets and liabilities are principally denominated in the functional currencies of the operating units, the Group's exposure to foreign currency risk is minimal.

Segmental information

During the year ended 31 December 2025, the Group has only one reportable operating segment, being the Business. Benefiting from the steady development in the general aviation industry, the Group has made significant progress towards its long-term strategic objectives, with the general aviation aircraft piston engine business achieving robust growth:

- The general aviation aircraft piston engine business recognised a revenue for the year ended 31 December 2025 of HK$1,999 million, representing an increase of HK$194 million or 10.7% over the year ended 31 December 2024;

- The general aviation aircraft piston engine business recognised a profit for the year ended 31 December 2025 of HK$114 million, representing an increase of HK$61 million or 113% over the year ended 31 December 2024.

Employees and Remuneration Policy

As at 31 December 2025, there were 612 (2024: 604) employees in the Group. The employees' wages and salaries amounted to HK$401,664,000 (2024: HK$355,131,000) for the year ended 31 December 2025. The Group recognises the importance of good relationship with employees. The Directors believe that the working environment and benefits offered to employees have contributed to good staff relations and retention. The Group's remuneration policies are formulated based on the performance of individual employees and market conditions and are reviewed regularly. The Group also provides other staff benefits including medical and life insurance, and grants performance-related bonuses to eligible staff based on their contributions to the Group.

Contingent Liabilities

As at 31 December 2025, the Group did not have any significant contingent liabilities (2024: Nil).

Set out below are the unaudited condensed consolidated financial information of Motto Investment Limited and its subsidiaries (collectively the "**Target Group**") which comprises the unaudited consolidated statements of financial position of the Motto Investment Limited as at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026 and the unaudited consolidated statements of profit or loss and other comprehensive income, unaudited consolidated statements of changes in equity and unaudited consolidated statements of cash flows of the Motto Investment Limited for the years ended 31 December 2023, 31 December 2024 and 31 December 2025 and the six months ended 30 June 2026, and certain explanatory notes (altogether the "**Unaudited Financial Information")**

The Unaudited Financial Information has been prepared in accordance with rule 14.68(2)(a)(i)(A) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the basis of preparation as set out in note 2 to the Unaudited Financial Information. The Unaudited Financial Information is prepared by the Directors solely for the purpose of inclusion in this circular in connection with the Disposal. The Company's reporting accountants, Ernst & Young, were engaged to review the Unaudited Financial Information of the Target Group as set out on pages II-2 to II-8 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and with reference to 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.

A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the reporting accountants to obtain assurance that the reporting accountants would become aware of all significant matters that might be identified in an audit. Accordingly, the reporting accountants do not express an audit opinion. Based on the review, nothing has come to the reporting accountants' attention that causes them to believe that the Unaudited Financial Information is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the Unaudited Financial Information.

UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Six months ended 30 June 2025	Six months ended 30 June 2026
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	1,830,186	1,805,382	1,999,261	1,005,250	950,786
Cost of sales	(1,254,618)	(1,320,732)	(1,488,782)	(743,698)	(730,296)
Gross profit	575,568	484,650	510,479	261,552	220,490
Other income and gains/(losses), net	4,582	29,233	2,988	(13,589)	(160)
Reversal of impairment/(impairment losses) under expected credit loss model, net of reversal	(427)	(2,731)	454	95	–
Selling and distribution expenses	(69,107)	(69,557)	(78,112)	(40,949)	(43,642)
Administrative expenses	(244,400)	(239,781)	(261,786)	(135,414)	(116,043)
Other operating income/(expenses)	(68,469)	2,185	5,210	–	(20,353)
Other expenses	–	–	–	–	(92,236)
Research and development costs	(53,611)	(51,317)	(45,254)	(28,301)	(28,712)
Finance costs	(22,873)	(22,127)	(20,756)	(10,580)	(9,826)
PROFIT/(LOSS) BEFORE TAX	121,263	130,555	113,223	32,814	(90,482)
Income tax credit/(expense)	55,225	(20,069)	(20,020)	(15,424)	(3,425)
PROFIT/(LOSS) FOR THE YEAR/PERIOD	176,488	110,486	93,203	17,390	(93,907)
OTHER COMPREHENSIVE INCOME/(LOSS)					
Item that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	7,983	(21,987)	35,278	47,688	2,628
Reclassification adjustment for a deregistration of a subsidiary	–	–	2,384	–	–
Item that will not be reclassified subsequently to profit or loss:					
Actuarial gains on defined benefit plans, net of tax	590	6,855	4,405	–	–
Remeasurement of defined benefit plans, net of tax	–	–	–	–	2,712
Other comprehensive income/(loss) for the year/period, net of tax	8,573	(15,132)	42,067	47,688	5,340
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD	185,061	95,354	135,270	65,078	(88,567)

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
NON-CURRENT ASSETS				
Property, plant and equipment	499,564	499,113	509,817	504,800
Right-of-use assets	252,384	245,426	233,711	229,558
Goodwill	311,044	307,723	311,680	313,342
Other intangible assets	743,368	733,951	748,317	741,288
Equity investments designated at fair value through other comprehensive income	2,343	2,331	2,336	2,350
Deferred tax assets	76,791	73,028	64,268	65,278
Defined benefit plan assets	–	8,966	14,522	14,436
Total non-current assets	1,885,494	1,870,538	1,884,651	1,871,052
CURRENT ASSETS				
Inventories	645,985	786,250	785,029	808,412
Trade receivables	129,444	123,776	165,174	212,350
Contract assets	24,187	8,853	7,937	11,041
Amount due from a fellow subsidiary	6,957	15,830	11,505	9,413
Prepayments, deposits and other receivables	42,264	44,150	34,091	19,014
Time deposits	163,326	12,258	–	2,525
Cash and cash equivalents	226,045	202,347	304,022	346,439
Total current assets	1,238,208	1,193,464	1,307,758	1,409,194
CURRENT LIABILITIES				
Trade payables	140,790	131,868	109,043	149,429
Other payables, accruals and provisions	269,210	245,682	263,760	380,735
Amount due to a fellow subsidiary	272	–	25,237	200
Amount due to an intermediate holding company	25,117	24,639	–	–
Amount due to the immediate holding company	1,939,499	1,762,238	1,793,105	1,825,072
Lease liabilities	7,149	7,930	9,178	9,958
Contract liabilities	18,943	24,247	36,163	38,555
Tax payable	5,975	5,015	4,731	3,137
Total current liabilities	2,406,955	2,201,619	2,241,217	2,407,086
NET CURRENT LIABILITIES	(1,168,747)	(1,008,155)	(933,459)	(997,892)
TOTAL ASSETS LESS CURRENT LIABILITIES	716,747	862,383	951,192	873,160

	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
NON-CURRENT LIABILITIES				
Lease liabilities	282,199	280,661	274,149	272,469
Defined benefit plan obligations	2,927	4,525	1,132	1,141
Contract liabilities	65,369	86,790	112,547	123,527
Provisions	37,743	40,920	42,687	47,028
Loans from the immediate holding company	398,584	417,174	345,770	345,025
Pillar Two tax liabilities	–	–	3,080	3,080
Deferred tax liabilities	9,581	16,615	20,859	18,489
Total non-current liabilities	796,403	846,685	800,224	810,759
Net assets/(liabilities)	(79,656)	15,698	150,968	62,401
EQUITY				
Share capital	528,550	528,550	528,550	528,550
Accumulated losses and other reserves	(608,206)	(512,852)	(377,582)	(466,149)
Total equity/(deficiency in assets)	(79,656)	15,698	150,968	62,401

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Reserve fund	Translation reserve	Accumulated losses	Total equity/ (Deficiency in assets)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2023	528,550	222	949	(794,438)	(264,717)
Profit for the year	–	–	–	176,488	176,488
Other comprehensive income for the year:					
Exchange differences on translation of foreign operations	–	–	7,983	–	7,983
Actuarial gains on defined benefit plans, net of tax	–	–	–	590	590
At 31 December 2023 and 1 January 2024	528,550	222*	8,932*	(617,360)*	(79,656)
Profit for the year	–	–	–	110,486	110,486
Other comprehensive income for the year:					
Exchange differences on translation of foreign operations	–	–	(21,987)	–	(21,987)
Actuarial gains on defined benefit plans, net of tax	–	–	–	6,855	6,855
At 31 December 2024 and 1 January 2025	528,550	222*	(13,055)*	(500,019)*	15,698
Profit for the year	–	–	–	93,203	93,203
Other comprehensive income for the year:					
Exchange differences on translation of foreign operations	–	–	35,278	–	35,278
Deregistration of a subsidiary	–	(222)	2,384	222	2,384
Actuarial gains on defined benefit plans, net of tax	–	–	–	4,405	4,405
At 31 December 2025 and 1 January 2026	528,550	–*	24,607*	(402,189)*	150,968
Loss for the period	–	–	–	(93,907)	(93,907)
Other comprehensive income for the period:					
Exchange differences on translation of foreign operations	–	–	2,628	–	2,628
Remeasurement of defined benefit plans, net of tax	–	–	–	2,712	2,712
At 30 June 2026	528,550	–*	27,235*	(493,384)*	62,401
At 1 January 2025	528,550	222*	(13,055)*	(500,019)*	15,698
Profit for the period	–	–	–	17,390	17,390
Other comprehensive income for the period:					
Exchange differences on translation of foreign operations	–	–	47,688	–	47,688
At 30 June 2025	528,550	222	34,633	(482,629)	80,776

* *These reserve accounts comprise the accumulated losses and other reserves of HK$466,149,000 (2025: HK$377,582,000; 2024: HK$512,852,000; 2023: HK$608,206,000) in the consolidated statements of financial position.*

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Six months ended 30 June 2025	Six months ended 30 June 2026
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(loss) before tax	121,263	130,555	113,223	32,814	(90,482)
Adjustments for:					
Bank interest income	(5,291)	(2,677)	(1,690)	(467)	(2,440)
Finance costs	22,873	22,127	20,756	10,580	9,826
Depreciation of property, plant and equipment	31,513	37,456	41,996	20,867	21,337
Depreciation of right-of-use assets	14,472	14,157	14,647	7,269	7,603
Amortisation of other intangible assets	40,926	40,327	39,060	19,891	19,242
Write-down/(reversal of write-down) of inventories	(17,482)	20,478	(8,248)	(11,537)	3,788
Impairment losses/(reversal of impairment loss) under expected credit loss model, net of reversal	427	2,731	(454)	(95)	–
Write off of other intangible assets	–	–	–	–	4,684
Loss/(gain) on disposal of property, plant and equipment	18,749	(5)	(88)	(3)	–
	227,450	265,149	219,202	79,319	(26,442)
Decrease/(increase) in inventories	(104,152)	(164,264)	34,962	(26,274)	(23,355)
Decrease/(increase) in trade receivables	(32,315)	2,906	(64,714)	(51,100)	(40,492)
Movement in balances with fellow subsidiaries, net	20,668	(11,540)	4,942	(5,740)	2,374
Decrease/(increase) in prepayments, deposits and other receivables	(15,865)	(2,586)	19,044	(3,663)	17,964
Decrease/(increase) in contacts assets	(24,187)	15,263	940	(4,363)	(3,038)
Increase/(decrease) in trade payables	2,339	(6,302)	(40,285)	4,912	34,847
Increase/(decrease) in other payable, accruals and provisions	63,841	(20,009)	24,738	7,189	141,639
Increase in contract liabilities	31,043	27,738	36,636	24,568	12,365
Movement in balances with defined benefit plans	(113)	(531)	(1,849)	196	197
Cash generated from operations	168,709	105,824	233,616	25,044	116,059
Interest paid	(13,373)	(13,200)	(13,170)	(6,553)	(6,430)
Taxes paid	(9,310)	(5,714)	(5,062)	(4,041)	(2,955)
Net cash flows from operating activities	146,026	86,910	215,384	14,450	106,674
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from withdrawal of time deposits with original maturity over three months	95,130	178,031	24,813	12,258	–
Placements of new time deposits with original maturity over three months	(186,876)	(27,285)	(12,555)	(12,555)	(2,525)
Interest received	3,489	2,966	1,899	559	2,476
Purchase of items of property, plant and equipment	(69,655)	(44,213)	(42,694)	(21,098)	(14,533)
Purchase of intangible assets	(26,260)	(43,640)	(33,165)	(15,101)	(15,504)
Proceeds on disposal of items of property, plant and equipment	1,569	439	390	3	–
Net cash flows from/(used in) investing activities	(182,603)	66,298	(61,312)	(35,934)	(30,086)

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Six months ended 30 June 2025	Six months ended 30 June 2026
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
CASH FLOWS FROM FINANCING ACTIVITIES					
Principle portion of lease payments	(7,620)	(7,695)	(8,310)	(3,940)	(4,728)
Advances from an immediate holding company	147,822	78,015	30,867	66,604	–
Repayment to an immediate holding company	(87,228)	(243,104)	(80,642)	(46,512)	(5,095)
Advance from/(repayment to) a fellow subsidiary	272	(272)	–	–	(25,342)
Advances from/(repayment to) an intermediate holding company	(1,288)	779	(1,880)	(2,391)	–
Interest paid	–	–	(4)	–	–
Net cash flows from/(used in) financing activities	51,958	(172,277)	(59,969)	13,761	(35,165)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	15,381	(19,069)	94,103	(7,723)	41,423
Cash and cash equivalents at beginning of year/period	208,268	226,045	202,347	202,347	304,022
Effect of foreign exchange rate changes, net	2,396	(4,629)	7,572	9,749	994
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	226,045	202,347	304,022	204,373	346,439
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS					
Cash and bank balances	222,208	195,506	290,195	191,091	325,093
Non-pledged time deposits with original maturity of less than three months when acquired	3,837	6,841	13,827	13,282	21,346
	226,045	202,347	304,022	204,373	346,439

1. CORPORATE INFORMATION

Motto Investment Limited (the "**Target Company**") is a limited liability company incorporated in British Virgin Islands ("**BVI**") and together with its subsidiaries (collectively, the "**Target Group**"). The principal activity of the Target Company is investment holding. The address of its registered office is located at Morgan & Morgan Building, Pasea Estate, Road Town, Tortola, British Virgin Islands.

During the three years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, the Target Group was mainly involved in the general aviation aircraft piston engine business.

The Target Company is a wholly-owned subsidiary of Continental Aerospace Technologies Holding Limited ("**CATH**"), an exempted company incorporated in Bermuda with limited liability and with its shares listed on The Stock Exchange of Hong Kong Limited. In the opinion of the CATH's directors, the ultimate holding company of the Target Company is Aviation Industry Corporation of China, Ltd., which is incorporated in the People's Republic of China (the "**PRC**").

2. BASIS OF PREPARATION

The unaudited consolidated financial information of the Target Group for the years ended 31 December 2023, 2024 and 2025, and the six months ended 30 June 2026 has been prepared in accordance with Rule 14.68(2)(a)(i) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and solely for the purpose of inclusion in this circular.

The amounts included in the Unaudited Financial Information have been recognised and measured in accordance with the relevant accounting policies of CATH, which conform with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). The Unaudited Financial Information has been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income which have been measured at fair value, and is presented in Hong Kong dollar. All values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

The Unaudited Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 *Presentation of Financial Statements* nor a set of condensed financial statements as defined in Hong Kong Accounting Standard 34 *Interim Financial Reporting* as issued by the HKICPA, and should be read in conjunction with the relevant published annual consolidated financial statements of CATH.

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The Board of Directors
Continental Aerospace Technologies Holding Limited
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10, Bermuda

Dear Sirs,

Motto Investment Limited (the "Target Company") and its subsidiaries (the "Target Group")

Profit estimate for the years ended 31 December 2023, 2024, 2025 and for the six months ended 30 June 2025 and 2026

We refer to the "Profit Estimate", which consists of the estimate of (i) the unaudited profit before tax and profit after tax of the Motto Investment Limited (the "**Target Company**") and its subsidiaries (collectively, the "**Target Group**") for the years ended 31 December 2024 and 2025 as set forth in the announcement of Continental Aerospace Technologies Holding Limited (the "**Company**") dated 5 June 2026 (the "**Announcement**"); and (ii) the unaudited profit/(loss) before tax and profit/(loss) for the year/period of the Target Group for the years ended 31 December 2023, 2024 and 2025, and for the six months ended 30 June 2025 and 2026 as set forth in the circular of the Group dated 31 August 2026 (the "**Circular'**) in relation to the disposal of the Target Group by the Company. The Profit Estimate is required to be reported on under Rule 10 of the Code on Takeovers and Mergers issued by the Securities and Futures Commission.

Directors' responsibilities

The Profit Estimate has been prepared by the directors of the Company (the "**Directors**") based on the unaudited financial information of the Target Group for the years ended 31 December 2023, 2024 and 2025, and for the six months ended 30 June 2025 and 2026. The Company's directors are solely responsible for the Profit Estimate.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Estimate based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 *Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness* and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* as issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Directors have properly compiled the Profit Estimate in accordance with the bases adopted by the Directors and as to whether the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Company and its subsidiaries (collectively, the "**Group**"). Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing as issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the Directors as set out in the Announcement and the Circular and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the audited consolidated financial statements of the Group for the year ended 31 December 2023, 2024 and 2025.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong
31 August 2026

31 August 2026

The Board of Directors
Continental Aerospace Technologies Holding Limited
Unit B, 15th Floor,
United Centre,
95 Queensway, Hong Kong

Dear Sirs,

Report on the Profit Estimate under Rule 10 of the Code on Takeovers and Mergers (the "Takeovers Code")

We refer to the announcement of Continental Aerospace Technologies Holding Limited (the "**Company**") dated 5 June 2026 (the "**Announcement**") and the circular of the Company dated 31 August 2026 (the "**Circular**"). Terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise defined herein or required by the context.

(i) The unaudited profit before tax and profit after tax of the Target Group for the years ended 31 December 2024 and 2025 as set forth in the Announcement; and (ii) the unaudited profit/(loss) before tax and profit/(loss) for the year/period of the Target Group for the years ended 31 December 2023, 2024 and 2025, and for the six months ended 30 June 2025 and 2026 as set forth in the Circular (the "**Profit Estimate**") are regarded as a profit forecast under the Takeovers Code and, therefore, is required to be reported on pursuant to Rule 10 of the Takeovers Code.

The Profit Estimate has been prepared by the directors of the Company (the "**Directors**") based on the unaudited financial information of the Target Group for the years ended 31 December 2023, 2024 and 2025, and for the six months ended 30 June 2025 and 2026. The Directors are solely responsible for the Profit Estimate.

We have reviewed the Profit Estimate and discussed with the Directors and the senior management of the Company the key bases upon which the Profit Estimate was prepared. In addition, we have considered, and relied upon, the report on the Profit Estimate issued by Ernst & Young, which stated that so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the Directors as set out in the Announcement and the Circular and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the audited consolidated financial statements of the Group for the years ended 31 December 2023, 2024 and 2025.

Based on the above, we are satisfied that the Profit Estimate, for which the Directors are solely responsible, has been prepared with due care and consideration.

Yours faithfully,
For and on behalf of
Maxa Capital Limited
Dian Deng
Managing Director

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

Introduction

The accompanying unaudited pro forma consolidated statement of financial position, unaudited pro forma consolidated statement of profit or loss, the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows (collectively referred to as the "**Unaudited Pro Forma Financial Information**") have been prepared by the directors of Continental Aerospace Technologies Holding Limited (the "**Company**") in accordance with paragraph 29 of Chapter 4 and paragraph 68(2)(a)(ii) of Chapter 14 of the Listing Rules for the purpose of illustrating the effects upon completion of the Proposed Disposal.

The unaudited pro forma consolidated statement of financial position of the Remaining Group has been prepared based on the unaudited consolidated statement of financial position of the Group as at 30 June 2026 which has been extracted from the Group's unaudited interim condensed consolidated financial information for the six months ended 30 June 2026 in the Group's published 2026 interim results announcements ("**2026 Interim Result Announcement**"), after giving effects to the pro forma adjustments relating to the Proposed Disposal, as explained in the accompanying notes below, for the purpose of illustrating effect of the Proposed Disposal on the financial position of the Remaining Group as if the Proposed Disposal had been completed on 30 June 2026.

The unaudited pro forma consolidated statement of profit or loss, the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group are prepared based on the consolidated statement of profit or loss, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group set out in the published annual report of the Group for the year ended 31 December 2025 ("**2025 Annual Report**"), after giving effects to the pro forma adjustments relating to the Proposed Disposal, as explained in the accompanying notes below, for the purpose of illustrating effect of the Proposed Disposal on the financial performance and cash flows of the Remaining Group as if the Proposed Disposal had been completed on 1 January 2025.

The Unaudited Pro Forma Financial Information of the Remaining Group has been prepared by the Directors in accordance with paragraph 4.29 of Listing Rules for illustrative purposes only, based on their judgments, estimations and assumptions, and because of its hypothetical nature, it may not give a true picture of the financial position of the Remaining Group had the completion of Proposed Disposal been completed as at 30 June 2026 or at any future dates and of the financial performance and cash flows of the Remaining Group for the year ended 31 December 2025 or any future periods had the Proposed Disposal been completed on 1 January 2025 or any future dates.

The Unaudited Pro Forma Financial Information has been prepared under accounting policies consistent with those of the Group as set out in the 2025 Annual Report. The Unaudited Pro Forma Financial Information of the Remaining Group should be read in conjunction with the financial information of the Group as set out in 2026 Interim Result Announcement and 2025 Annual Report, the unaudited financial information of the Target Group as set out in Appendix II to the Circular and other information included elsewhere in the Circular.

Unaudited Pro Forma Consolidated Statement of Financial Position of the Remaining Group

As at 30 June 2026

	The Group (unaudited)			**Pro Forma adjustments**		**Pro Forma The Remaining Group (unaudited)**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	*(Note 5)*	
NON-CURRENT ASSETS						
Property, plant and equipment	104	–	–	–	–	104
Total non-current assets	104	–	–	–	–	104
CURRENT ASSETS						
Prepayments, deposits and other receivables	1,297	–	–	–	–	1,297
Due from the Target Group	–	2,170,097	–	(2,170,097)	–	–
Time deposit	135,547	–	–	–	–	135,547
Cash and cash equivalents	441,397	–	–	4,026,635	(4,033,635)	434,397
	578,241	2,170,097	–	1,856,538	(4,033,635)	571,241
Assets classified as held for sale	3,480,155	(3,280,246)	(131,886)	–	–	68,023
Total current assets	4,058,396	(1,110,149)	(131,886)	1,856,538	(4,033,635)	639,264

	The Group (unaudited)	Pro Forma adjustments				Pro Forma The Remaining Group (unaudited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	*(Note 5)*	
CURRENT LIABILITIES						
Other payables, accruals and provisions	1,265	–	–	–	–	1,265
	1,265	–	–	–	–	1,265
Liabilities directly associated with the assets classified as held for sale	1,114,440	(1,047,748)	(66,692)	–	–	–
Total current liabilities	1,115,705	(1,047,748)	(66,692)	–	–	1,265
NET CURRENT ASSETS	2,942,691	(62,401)	(65,194)	1,856,538	(4,033,635)	637,999
TOTAL ASSETS LESS CURRENT LIABILITIES	2,942,795	(62,401)	(65,194)	1,856,538	(4,033,635)	638,103
NON-CURRENT LIABILITIES						
Pillar two tax liabilities	1,374	–	–	–	–	1,374
Total non-current liabilities	1,374	–	–	–	–	1,374
Net assets	2,941,421	(62,401)	(65,194)	1,856,538	(4,033,635)	636,729
EQUITY						
Issued capital	930,337	–	–	–	(883,820)	46,517
Reserves	2,011,084	(62,401)	(65,194)	1,856,538	(3,149,815)	590,212
Total equity	2,941,421	(62,401)	(65,194)	1,856,538	(4,033,635)	636,729

Unaudited Pro Forma Consolidated Statement of Profit And Loss of the Remaining Group

For the year ended 31 December 2025

	The Group	Pro Forma adjustments			Pro Forma The Remaining Group (unaudited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 6)*	*(Note 7)*	*(Note 8)*	
REVENUE	1,999,261	(1,999,261)	–	–	–
Cost of sales	(1,497,046)	1,488,782	8,264	–	–
Gross profit	502,215	(510,479)	8,264	–	–
Other income and gains	75,600	(2,988)	(49,513)	–	23,099
Reversal of impairment losses under expected credit loss model, net	454	(454)	–	–	–
Selling and distribution expenses	(78,112)	78,112	–	–	–
Administrative expenses	(319,274)	261,786	38,041	–	(19,447)
Research and development costs	(45,254)	45,254	–	–	–
Other operating income	5,210	(5,210)	–	–	–
Finance costs	(13,174)	20,756	(7,582)	–	–
Gain on disposal of subsidiaries	–	–	–	1,651,652	1,651,652
Share of loss of an associate	(2,008)	–	–	–	(2,008)
Impairment loss on investment in an associate	(13,805)	–	–	–	(13,805)
PROFIT BEFORE TAX	111,852	(113,223)	(10,790)	1,651,652	1,639,491
Income tax expense	(17,786)	20,020	(11,841)	–	(9,607)
PROFIT/(LOSS) FOR THE YEAR	94,066	(93,203)	(22,631)	1,651,652	1,629,884
Attributable to owners of the Company	94,066	(93,203)	(22,631)	1,651,652	1,629,884

Unaudited Pro Forma Consolidated Statement of Comprehensive Income of the Remaining Group

For the year ended 31 December 2025

	The Group	Pro Forma adjustments			Pro Forma The Remaining Group (unaudited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 6)*	*(Note 7)*	*(Note 8)*	
PROFIT FOR THE YEAR	94,066	(93,203)	(22,631)	1,651,652	1,629,582
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	55,857	(35,278)	(21,449)	–	(870)
Reclassification adjustment for a deregistration of a subsidiary	2,384	(2,384)	–	–	–
Items that will not be reclassified subsequently to profit or loss:					
Actuarial gains on defined benefit plans, net of tax	4,405	(4,405)	–	–	–
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR,NET OF TAX	62,646	(42,067)	(21,449)	–	(870)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	156,712	(135,270)	(44,080)	1,651,652	1,629,014
Attributable to owners of the Company	156,712	(135,270)	(44,080)	1,651,652	1,629,014

Unaudited Pro Forma Consolidated Statement of Cash flows of the Remaining Group

For the year ended 31 December 2025

	The Group	Pro Forma adjustments			Pro Forma The Remaining Group (unaudited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 6)*	*(Note 7)*	*(Note 8)*	
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax	111,852	(113,223)	(10,790)	1,651,652	1,639,491
Adjustments for:					
Finance costs	13,174	(20,756)	7,582	–	–
Share of loss of an associate	2,008	–	–	–	2,008
Bank interest income	(22,082)	1,690	–	–	(20,392)
Gain on deemed disposal of partial interest in an associate	(94)	–	–	–	(94)
(Gain)/loss on disposal of property, plant and equipment	(88)	88	–	–	–
Reversal of write-down of inventories	(8,248)	8,248	–	–	–
Depreciation of property, plant and equipment	46,775	(41,996)	(79)	–	4,700
Depreciation of right-of-use assets	14,647	(14,647)	–	–	–
Amortisation of other intangible assets	85,286	(39,060)	(46,226)	–	–
Reversal of impairment losses under expected credit loss model, net	(454)	454	–	–	–
Impairment loss on investment in an associate	13,805	–	–	–	13,805
Gain on disposal of subsidiaries	–	–	–	(1,651,652)	(1,651,652)
	256,581	(219,202)	(49,513)	–	(12,134)
Decrease in inventories	34,962	(34,962)	–	–	–
Increase in trade receivables	(64,714)	64,714	–	–	–
Decrease in amount due from a fellow subsidiary	4,942	(4,942)	–	–	–
Decrease/(increase) in prepayments, deposits and other receivables	17,066	(19,044)	–	–	(1,978)
Decrease in contract assets	940	(940)	–	–	–
Decrease in trade payables	(40,285)	40,285	–	–	–
Increase/(decrease) in other payables and accruals	23,821	(24,738)	–	–	(917)
Increase in contract liabilities	36,636	(36,636)	–	–	–
Decrease in defined benefits obligations	(1,849)	1,849	–	–	–
Cash generated from/(used in) operations	268,100	(233,616)	(49,513)	–	(15,029)
Interest paid	(13,170)	13,170	–	–	–
Tax paid	(5,062)	5,062	–	–	–
Net cash flows from/(used in) operating activities	249,868	(215,384)	(49,513)	–	(15,029)

	The Group	Pro Forma adjustments				Pro Forma The Remaining Group (unaudited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 6)*	*(Note 7)*	*(Note 8)*	*(Note 9)*	
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from withdrawal of time deposits with original maturity over three months	598,435	(24,813)	–	–	–	573,622
Placements of new time deposits with original maturity over three months	(383,385)	12,555	–	–	–	(370,830)
Purchase of items of property, plant and equipment	(42,713)	42,694	–	–	–	(19)
Proceeds from disposal of items of property, plant and equipment	390	(390)	–	–	–	–
Additions to other intangible assets	(33,165)	33,165	–	–	–	–
Bank interest received	22,727	(1,899)	–	–	–	20,828
Disposal of subsidiaries	–	–	–	3,811,763	–	3,811,763
Net cash flows from investing activities	162,289	61,312	–	3,811,763	–	4,035,364
CASH FLOWS FROM FINANCING ACTIVITIES						
Principal portion of lease payments	(8,310)	8,310	–	–	–	–
Advances from/(repayment to) an intermediate holding company	(1,880)	1,880	–	–	–	–
Interest paid	(4)	4	–	–	–	–
Dividend paid	(46,517)	–	–	–	(4,035,110)	(4,081,325)
Advance from the Remaining Group	–	(30,867)	30,867	–	–	–
Repayment to the Remaining Group	–	80,642	(80,642)	–	–	–
Net cash flows used in financing activities	(56,711)	59,969	(49,775)	–	(4,035,110)	(4,081,325)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	355,446	(94,103)	(99,288)	3,811,763	(4,035,110)	(61,292)
Cash and cash equivalents at beginning of year	243,518	(202,347)	–	202,347	–	243,518
Effect of foreign exchange rate changes, net	7,950	(7,572)	–	–	–	378
CASH AND CASH EQUIVALENTS AT END OF YEAR	606,914	(304,022)	(99,288)	4,014,110	(4,035,110)	182,604
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances	293,678	(290,195)	(99,288)	4,014,110	(3,735,701)	182,604
Non-pledged time deposits with original maturity of less than three months when acquired	313,236	(13,827)	–	–	(299,409)	–
	606,914	(304,022)	(99,288)	4,014,110	(4,035,110)	182,604

Notes:

1. The unaudited consolidated statement of financial position of the Group as at 30 June 2026 were extracted from the Group's unaudited financial information for the six months ended 30 June 2026 in the Group's 2026 Interim Result Announcement, and the audited consolidated income statement, the audited consolidated statement of comprehensive income and the audited consolidated statement of cash flows for the year ended 31 December 2025, were extracted from the Company's 2025 Annual Report.

2. For the purpose of this unaudited pro forma consolidated statement of financial position, the adjustment represents the impact of derecognition of the assets and liabilities of the Target Group as if the Disposal had taken place on 30 June 2026:

	Notes	*HK$'000*
Total assets of the Target Group	*(i)*	3,280,246
Less: total liabilities of the Target Group	*(i)*	(3,217,845)
Net assets of the Target Group		62,401

The adjustments to liabilities directly associated with the assets classified as held for sale were arrived at:

	Notes	*HK$'000*
Total liabilities of the Target Group	*(i)*	3,217,845
Less: intercompany balances eliminated in the Group's consolidated statement of financial position, which comprise:	*(ii)*	(2,170,097)
(a) Due to the immediate holding company	*(i)*	*1,825,072*
(b) Loans from the immediate holding company	*(i)*	*345,025*
Liabilities directly associated with the assets classified as held for sale		1,047,748

(i) The assets and liabilities of the Target Group as at 30 June 2026 have been extracted from the unaudited consolidated statement of financial position of the Target Group as at 30 June 2026 as set out in Appendix II to the Circular.

(ii) Upon the completion of the Disposal and deconsolidation of the Target Group, the amount due to the immediate holding company and loans from the immediate holding company (collectively, the "**Shareholder and Intercompany Loans**"), which immediate holding company is referring to the Company from Target Group perspective, will be recognised as receivables from the Target Group in the consolidated statement of financial position of the Remaining Group.

3. For the purpose of the unaudited pro forma consolidated statement of financial position, the adjustment represents the derecognition of the purchase price allocation in relation to assets and liabilities of the Target Group arising from the acquisition of entire equity interests in the Target Group by the Group in 2018:

	Notes	*HK$'000*
Fair value adjustments on property, plant and equipment, other intangible assets and inventories	*(i)*	131,886
Less: corresponding tax impact		(66,692)
Net impact to the reserves as shown on the unaudited pro forma consolidated statement of financial positions		65,194

(i) The purchase price allocation adjustment is derived from the difference between the fair value and the carrying amount of property, plant and equipment, other intangible assets and inventories as at the date of acquisition of Target Group in accordance with HKFRS 3 *Business Combinations*. Such purchase price allocation will not be included in the Remaining Group upon the completion of the Disposal.

4. For the purpose of the unaudited pro forma consolidated statement of financial position, the adjustment represents the proceeds received from the Disposal and the estimated gain on the Disposal as if the Disposal had completed on 30 June 2026.

The calculation of the estimated gain on the Disposal to be recognised in profit or loss, as if the Disposal had completed on 30 June 2026, is as follows:

	Notes	*HK$'000*
Estimated net proceeds	*(i)*	4,033,635
Less: Settlement of the Shareholder and Intercompany Loans	*2(ii)*	(2,170,097)
Consideration for the sale of entire issued share capital of the Target Company		1,863,538
Derecognition of the net assets of the Target Group as at 30 June 2026	*2*	(62,401)
Derecognition of purchase price allocation of assets and liabilities in relation with the acquisition of entire equity interests in the Target Group by the Group in 2018	*3*	(65,194)
Release of exchange reserve for the Target Group to profit or loss		(17,156)
Estimated transaction costs	*(ii)*	(7,000)
Gain on the Disposal, net of estimated transaction costs		1,711,787

(i) The estimated net proceeds from the Disposal are based on the Disposal Consideration minus certain deductions as set out in the Circular:

	US$'000	*HK$'000*
Disposal Consideration	535,420	4,176,276
Less: PPP Loan Settlement Amount	(11,783)	(91,907)
Less: Withholding tax on interest on loans from the Remaining Group	(6,504)	(50,734)
Estimated net proceeds	517,133	4,033,635

(ii) The remaining transaction costs represent professional fee directly attributable to the Disposal which are estimated to be HK$7 million and it is assumed that the fees will be settled by cash. For the purpose of unaudited pro forma consolidated statement of financial position, net increase in cash and cash equivalent of HK$4,026,635,000 was arrived at by deducting the transaction costs of HK$7,000,000 from the net estimated net proceeds as set out in Note 4(i).

5. The adjustment represents the proposed distribution of special cash dividend by the Company to the Group's shareholders as at 30 June 2026 in connection with the Disposal, amount to HK$4,033 million. Such special dividend is subject to the completion of the Disposal and the completion of the proposed share capital reduction under Bermuda Law and will be distributed out of the Company's reserves and share capital.

6. The adjustment represents the exclusion of operating results/cash flows of the Target Group for the year ended 31 December 2025, assuming the Proposed Disposal was completed on 1 January 2025. The operating results and cash flows of the Target Group are extracted from the unaudited consolidated statement of profit or loss, unaudited consolidated statement of comprehensive income and unaudited consolidated statement of cash flows of the Target Group for the year ended 31 December 2025 set out in Appendix II to this circular, respectively.

7. For the purpose of the unaudited pro forma consolidated statement of profit or loss, the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flow, the adjustment represents the exclusion of fair value adjustment arising from the purchase price allocation made in the acquisition of entire equity interests in Target Group by the Group in 2018 and intercompany transactions as if the Disposal had been completed on 1 January 2025.

(a) Adjustments to the unaudited pro forma consolidated statement of profit or loss and the unaudited pro forma consolidated statement of comprehensive income:

	Notes	*HK$'000*
Depreciation of property, plant and equipment and amortisation of other intangible assets charged to:	*(i)*	
– Cost of sales		8,264
– Administrative expenses		38,041
Interest expenses arising from the loans from the Remaining Group		(7,582)
Foreign exchange loss arising from intercompany balances with the Remaining Group		(49,513)
Net impact on profit before tax		(10,790)
Tax impact	*(i)*	(11,841)
Net impact on profit for the year		(22,631)
Exchange differences on translation of foreign operations	*(i)*	(21,449)
Net impact on total comprehensive income for the year		(44,080)

(b) Adjustments to the unaudited pro forma consolidated statement of cash flow:

	Notes	*HK$'000*
Net impact on profit before tax	*7(a)*	(10,790)
Depreciation of property, plant and equipment	*(i)*	(79)
Amortisation of other intangible assets	*(i)*	(46,226)
Interest expenses arising from the loans from the Remaining Group		7,582
Impact on net cash flows used in operating activities		(49,513)
Advance from the Remaining Group	*(ii)*	30,867
Repayment to the Remaining Group	*(ii)*	(80,642)
Impact on net cash flows used in financing activities		(49,775)

(i) The adjustment represents the fair value adjustments on property, plant and equipment, other intangible assets and inventories and corresponding tax impact arising from the purchase price allocation made in the acquisition of entire equity interests in Target Group by the Group in 2018.

(ii) The adjustments represents the fund transferred between the Remaining Group and the Target Group during the year ended 31 December 2025 as extracted from the unaudited consolidated statement of cash flows of the Target Group for the year ended 31 December 2025 set out in Appendix II to this circular.

8. For the purpose of the unaudited pro forma consolidated statement of profit or loss, consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flow,the adjustment represents the estimated gain on the Disposal and net proceeds from the Disposal as if it had been completed on 1 January 2025.

The calculation of the estimated gain on the Disposal to be recognised in profit or loss, as if the Disposal had been completed on 1 January 2025, is as follows:

	Notes	*HK$'000*
Estimated net proceeds	*(i)*	4,035,110
Less: portion to settle the Shareholder and Intercompany Loans	*(ii)*	(2,179,412)
Consideration for the sale of entire issued share capital of the Target Company		1,855,698
Derecognition of the net assets of the Target Group as at 31 December 2024	*(iii)*	(15,698)
Derecognition of assets and liabilities in relation with the acquisition of entire equity interests in the Target Group by the Group in 2018	*(iv)*	(103,078)
Release of exchange reserve for the Target Group to profit or loss	*(v)*	(64,270)
Estimated transaction costs	*(vi)*	(21,000)
Gain on the Disposal, net of income tax and estimated transaction costs		1,651,652

The adjustments to the unaudited pro forma consolidated statement of cash flow as if the Disposal had been completed on 1 January 2025, are as follows:

	Notes	*HK$'000*
Estimated net proceeds	*(i)*	4,035,110
Less: Estimated transaction costs	*(vi)*	(21,000)
Net proceeds after deduction of transaction costs		4,014,110
Cash and cash equivalents of the Target Group	*(iii)*	(202,347)
Net cash inflow from disposal of the Target Group		3,811,763

(i) The estimated net proceeds from the Disposal are arrived at based on the Disposal Consideration minus certain deductions:

	US$'000	*HK$'000*
Disposal Consideration	535,420	4,176,276
Less: PPP Loan Settlement Amount	(11,783)	(91,907)
Less: Withholding tax on interest on loans from the Remaining Group	(6,315)	(49,259)
Estimated net proceeds	517,322	4,035,110

(ii) The adjustments represents the settlement of the Shareholder and Intercompany Loans, which comprise amount due to the immediate holding company of HK$1,762,238,000 and loans from the immediate holding company of HK$417,174,000 as extracted from the unaudited consolidated statement of financial position of the Target Group as at 31 December 2024, set out in Appendix II to this circular.

(iii) The amount of net assets of the Target Group was extracted from the unaudited consolidated statement of financial position of the Target Group as at 31 December 2024, set out in Appendix II to this circular.

(iv) The adjustment represents the derecognition of (i) the fair value adjustments on property, plant and equipment, other intangible assets and inventories of HK$170,066,000 as at 31 December 2024; and (ii) the corresponding tax impact of HK$66,988,000 as at 31 December 2024 arising from the acquisition of entire equity interests in the Target Group by the Group in 2018.

(v) The amount represents exchange fluctuation reserve for the Target Group to be released to profit or loss as if the Disposal had been completed on 1 January 2025.

(vi) The transaction costs represent professional fee directly attributable to the Disposal and it is assumed that the fees will be settled by cash.

9. The adjustment reflects the payment of a special cash dividend by the Company to the Group's shareholders as at 1 January 2025 in connection with the Disposal, in the amount set out in Note 8(i) above. For the purpose of the Pro Forma Financial Information, the special dividend is assumed to be distributed out of the Company's reserves and share capital after share capital reduction permitted under Bermuda law.

10. For the purpose of this unaudited pro forma financial information, the amounts stated in United States dollar are converted into Hong Kong dollar at an exchange rate of HK$7.8 to US$1. No representation is made that the Hong Kong dollar amounts have been, could have been or may be converted to United States dollar, or vice versa, at that rate.

11. The pro forma adjustments in the unaudited pro forma consolidated statement of profit or loss, consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flow are not expected to have a continuing effect on the Remaining Group.

12. Actual gain on disposal arising from the Disposal depends on actual proceeds from the Disposal, actual amount of net assets of the Target Group, actual amount of exchange fluctuation reserve of the Target Group to be released to profit or loss, actual amount of further direct transaction costs for the Disposal and actual amount of tax on capital gain on the completion date. Therefore, the actual gain on disposal shall be different to the amount calculated in the pro forma financial information.

13. The unaudited pro forma consolidated statement of financial position as at 30 June 2026 and the unaudited pro forma consolidated statement of profit or loss, consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flow for the year ended 31 December 2025 does not take into account the proposed property disposal as detailed in the Company's announcement dated 5 June 2026. The Group proposed to sell the property located at Office B on 15th Floor, United Centre, No.95 Queensway, Hong Kong (the "**Property**") to AVIC Innovation (HK) Group Limited at the consideration of HK$69.5 million (the "**Property Disposal**"), determined after arm's length negotiation between the Company and AVIC Innovation (HK) Group Limited with reference to the prevailing market prices of comparable properties of similar nature and age in vicinity which are presently available to the Company.

    The Property Disposal would have no impact on the unaudited pro forma consolidated statement of financial position since the increase of cash and bank balances would be offsetted by the decrease of Property which has been included in asset classified as held for sale as of 30 June 2026.

    Had the Property Disposal and the corresponding depreciation and loss on disposal of the Property been taken into account, the unaudited pro forma consolidated profit before tax and profit for the year ended 31 December 2025 would be decreased by HK$39,500,000 in the unaudited pro forma consolidated statement of profit or loss and the unaudited pro forma consolidated statement of comprehensive income.

    Had the Property Disposal been taken into account, the cash and bank balances would be increased by HK$68,023,000, being the net proceeds received from the Property Disposal in the unaudited pro forma consolidated statement of cash flow for the year ended 31 December 2025.

B. ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

EY 安永

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The Board of Directors
Continental Aerospace Technologies Holding Limited
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10, Bermuda

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Continental Aerospace Technologies Holding Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Continental Aerospace Technologies Holding Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The Group after the completion of the disposal of the Target Group referred as the "**Remaining Group**". The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 30 June 2026, the unaudited pro forma consolidated statement of profit or loss, the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2025, and related notes as set out in Appendix V of the circular dated 31 August 2026 (the "**Circular**") issued by the Company (the "**Unaudited Pro Forma Financial Information**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix V of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the very substantial disposal in relation to the proposed disposal transaction of the Company (the "**Disposal**") on the Remaining Group's consolidated financial position as at 30 June 2026, as if the Disposal had taken place at 30 June 2026 and on the Remaining Group's consolidated profit or loss, comprehensive income and cash flows for the year ended 31 December 2025, as if the Disposal had taken place at 1 January 2025. As part of this process, information about the Group's financial position as at 30 June 2026 has been extracted by the Directors from the Group's interim financial information for the six months ended 30 June 2026 set out in the interim result announcement. Information about the Group's financial performance and cash flows for the year ended 31 December 2025 has been extracted by the Directors from the Group's consolidated statements for the year ended 31 December 2025, on which an annual report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* as issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* as issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 as issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Disposal as set out in the Circular on unadjusted financial information of the Group as if the Disposal had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Disposal would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Disposal, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the transactions in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong
31 August 2026

The following is the text of a letter and valuation certificate, prepared in connection with the Property Disposal and for the purpose of incorporation in this circular received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation of the Property as at 5 June 2026.

JLL
仲量聯行

Jones Lang LaSalle Corporate Appraisal and Advisory Limited
7th Floor, One Taikoo Place
979 King's Road, Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Company Licence No.: C-030171

31 August 2026

The Board of Directors
Continental Aerospace Technologies Holding Limited
Unit B, 15th Floor, United Centre,
95 Queensway,
Hong Kong

Dear Sirs,

Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("**JLL**" or "**we**") are instructed by Continental Aerospace Technologies Holding Limited (the "**Company**") to provide an opinion of the market value of Office B on 15th Floor, United Centre, No. 95 Queensway, Hong Kong (the "**Property**") held by the Company (together with its subsidiaries, the "**Group**"). In accordance with your instructions, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market value of the property interest as at 5 June 2026 (the "**Valuation Date**") for disclosure purpose.

Our valuation is carried out on a market value basis. Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

The valuation presented in this report represents the 100% interest of the property and not the shareholdings of the company holding the property interest thereof.

We have valued the property interest by the comparison approach in our valuation by making reference to comparable sale comparables in the market in assessment of the market value of the property interest. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interest valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

This valuation has been prepared in accordance with the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") published by The Stock Exchange of Hong Kong Limited; Rule 11 of The Code on Takeovers and Mergers (the "Takeovers Code") published by the Securities and Futures Commission; the RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors, and the International Valuation Standards published by the International Valuation Standards Council.

We certify that we are an independent qualified valuer, as referred to Rule 5.08 of the Listing Rules and Rule 11 of the Takeovers Code.

In compliance with Rule 11.3 of the Takeovers Code and as advised by the Group, the potential tax liability which may arise from the disposal of the property interest includes stamp duty at 4.25% on the transaction amount and the likelihood of the relevant tax liability being crystallized is high as the Property will be disposed of in due course. We are also advised by the Group that the Company is not subject to any profit tax for capital gain from disposal of the property interest.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have not been provided with copies of the title documents relating to the property and have caused searches to be made at the Hong Kong Land Registry. However, we have not searched the original documents to verify ownership or to ascertain any amendments.

We have no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material factors have been omitted from the information supplied. We considered that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the area in respect of the property but have assumed that the areas shown on the documents and official site plans handed to us are correct. All documents have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the property. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the property is free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

The internal inspection was carried out on 16 June 2026 by Ms. Eva Ma, Senior Manager. Ms. Ma is a Chartered Surveyor and has 7 years' experience in the valuation of properties in Hong Kong and the PRC. As per our inspection, the property was fully furnished and maintained in reasonable condition commensurate with its age and use.

Climate change, sustainability, resilience, and ESG are increasingly influencing investment approaches in real estate, with properties failing to meet sustainability expectations potentially facing higher investment risks. While ESG initiatives are often subjective and intangible, our research indicates that there is currently no direct evidence of ESG factors being reflected in specific investment behaviors or pricing considerations for similar assets, although ESG criteria are becoming more prevalent in investment mandates. There are a lack of tangible pricing adjustments for ESG factors in the market, and we have not carried out a full investigation on the ESG characteristics of the property.

Unless otherwise stated, all monetary figures stated in this report are in Hong Kong Dollar (HKD).

Our valuation certificate is attached below for your attention.

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited
Eddie T. W. Yiu
MRICS MHKIS R.P.S. (GP)
Senior Director

Notes: *Eddie T. W. Yiu is a Chartered Surveyor who has 32 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.*

VALUATION CERTIFICATE

Property Interest held for self-occupation by the Group in Hong Kong

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date *HKD*
Office B on 15th Floor, United Centre, No. 95 Queensway, Hong Kong 427/74554 equal and undivided shares of and in Inland Lot No. 8469 ("the Lot")	The property comprises an office unit on 15th Floor of United Centre ("the Building") located at the northern side of Queensway and near its junction with Rodney Street to its east, in the Admiralty area of Central District. The Building is a 29-storey office tower erected over an 8-storey podium completed in 1981 (Occupation Permit No. H43/81). Vertical movement is facilitated by 15 passenger lifts, 1 cargo lift, and 3 common staircases. As stated on the approved building plans, floor-to-floor height of the property is about 11.5 feet (3.5 metres). As measured from the approved building plans, the saleable area of the property is about 3,834 sq.ft.. The Lot is held under Condition of Sale No. UB11233 for a term of 75 years commencing from 4 August 1978 renewable for 75 years. The Government rent payable for the Lot is HKD1,000 per annum.	The property was self-occupied for office use as at the Valuation Date.	69,300,000

Notes:

1. The registered owner of the property is Continental Aerospace Technologies Holding Limited.

2. Pursuant to our land search record, the property is subject to the following exhaustive list of encumbrances:

   a. Certificate of Compliance from Director of Public Works dated 16 April 1981 vide Memorial No. UB2061175;

   b. Certificate of Compliance from Registrar General dated 16 April 1981 vide Memorial No. UB2061176;

   c. Deed of Grant of Right of Way dated 28 April 1981 vide Memorial No. UB2078465; and

   d. Deed of Mutual Covenant Letter with Layout Plan in favor of HKD Estate Agents Limited dated 20 August 1974 vide Memorial No. TW115698.

3. The property is zoned under the draft Central District Outline Zoning Plan No. S/H4/17 approved on 24 May 2019 for "Commercial" purpose.

4. In arriving at our opinion of the value of the property, we have identified and analyzed various relevant sales evidences of office properties within the locality which have the similar characteristics as the property, and selected 3 comparable properties. The unit price of these comparables ranges from HKD17,713 to HKD18,560 per sq.ft., appropriate adjustments and analysis are considered to the differences in several aspects including time, location, building age, size, floor, view and other characters between the comparables and the property to arrive at the market value. The general basis of adjustment is that if the comparable property is superior to the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. Details of the comparable properties are set out below:

Comparable	**A**	**B**	**C**
Address	Unit 2, 5/F, Block 2, Admiralty Center, 18 Harcourt Road	Unit 7, 26/F, Block 1, Admiralty Center, 18 Harcourt Road	Unit 1, 5/F, Block 2, Lippo Center, 89 Queensway
Transaction Date	3 March 2026	30 March 2026	19 March 2026
Usage	Office	Office	Office
Year of Completion	1980	1980	1987
Saleable Area (sq.ft.)	621	625	710
Floor	5	26	5
View	City View	Partial Seaview	City View
Unit Rate (HKD per sq.ft.)	17,713	18,560	18,451
Adjustment Factors			
Time	Upward adjustment	Upward adjustment	Upward adjustment
Location	No adjustment	No adjustment	No adjustment
Building age	Upward adjustment	Upward adjustment	Downward adjustment
Size	Downward adjustment	Downward adjustment	Downward adjustment
Floor	Upward adjustment	Downward adjustment	Upward adjustment
View	Upward adjustment	No adjustment	Upward adjustment
Total adjustment	+5.9%	–10.8%	+2.6%
Adjusted unit rate (HKD per sq.ft.)	18,758	16,556	18,931

5. Based on the analysis of the comparables, the adjusted average unit rate is HKD18,082 per sq.ft. as the market value per sq.ft. for the subject property.

1. RESPONSIBILITY STATEMENT

This Circular includes particulars given in compliance with the Takeovers Code for the purpose of providing information with regard to the Proposals, the Property Disposal, the Group and the Purchaser.

As of the Latest Practicable Date, 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 Circular (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 Circular (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 Circular, the omission of which would make any statement in this Circular misleading.

As of the Latest Practicable Date, the officers of the Purchaser comprise Rajeev Amara, Shyam Ravindran and John Gilbert Efird. The officers of the Purchaser jointly and severally accept full responsibility for the accuracy of the information contained in this Circular 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 Circular have been arrived at after due and careful consideration and there are no other facts not contained in this Circular, the omission of which would make any statement in this Circular misleading.

As of the Latest Practicable Date, 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 Circular 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 Circular have been arrived at after due and careful consideration and there are no other facts not contained in this Circular, the omission of which would make any statement in this Circular misleading.

2. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date:

(a) the authorized share capital of the Company was HK$1,000,000,000 divided into 10,000,000,000 shares of a par value of HK$0.1;

(b) the total number of issued shares of the Company was 9,303,374,783;

(c) all of the issued Shares ranked *pari passu* in all respects with each other, including the rights in respect of capital, dividend and voting;

(d) no new Shares had been issued by the Company since 31 December 2025, being the end of the last financial year of the Company, up to and including the Latest Practicable Date; and

(e) the Company did not have any outstanding options, warrants or conversion rights affecting the Shares.

3. MARKET PRICES OF THE SHARES

The table below shows the closing market prices of the Shares as quoted on the Stock Exchange (i) on the Latest Practicable Date; (ii) the Last Trading Date; and (iii) at the end of each month during the Relevant Period.

Date	**Closing price per Share** *HK$*
28 August 2026 (the Latest Practicable Date)	0.465
5 June 2026 (the Last Trading Date)	0.207
At the end of each calendar month during the Relevant Period:	
28 November 2025	0.128
31 December 2025	0.147
30 January 2026	0.17
27 February 2026	0.162
31 March 2026	0.137
30 April 2026	0.177
29 May 2026	0.202
30 June 2026	0.405
31 July 2026	0.445

(a) During the Relevant Period, the highest closing price of the Shares was HK$0.470 per Share as quoted on the Stock Exchange on 24 August 2026 and 26 August 2026 and the lowest closing price of the Shares was HK$0.127 per Share as quoted on the Stock exchange on 3 December 2025 and 4 December 2025.

(b) The minimum Special Dividend on Disposal of US$0.0542 per Share (equivalent to approximately HK$0.4238 per Share) represents a premium of approximately 104.75% over the closing price of HK$0.207 per Share as quoted on the Stock Exchange on the Last Trading Date, and a discount of approximately 8.85% over the closing prices of HK$0.465 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

(c) The maximum Special Dividend on Disposal of US$0.0557 per Share (equivalent to approximately HK$0.4350 per Share) represents a premium of approximately 110.19% over the closing price of HK$0.207 per Share as quoted on the Stock Exchange on the Last Trading Date, and a discount of approximately 6.43% over the closing prices of HK$0.465 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

4. DISCLOSURE OF INTERESTS, DEALINGS AND OTHER ARRANGEMENTS

4.1 Directors' interests in the Shares

As of the Latest Practicable Date, the Directors had or were deemed to have the following interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors are taken and deemed to have under such provisions of the SFO; (b) are required to be and are recorded in the register required to be kept under Section 352 of the SFO; (c) are otherwise notified to the Company and the Stock Exchange pursuant to the Model Code; or (d) are required to be disclosed pursuant to the Takeovers Code:

Name of Director	Number of Shares (L)	Approximate percentage of the issued share capital
Yu Xiaodong	2,000,000	0.02%

Note:

(L) The interest is held in long position.

As of the Latest Practicable Date:

(a) save as disclosed above, none of the Directors or the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which had been recorded in the register maintained by the Company pursuant to section 352 of the SFO, which had been notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules, or which are required to be disclosed pursuant to the Takeovers Code; and

(b) the Directors intend, in respect of their own beneficial shareholdings with respect to the Shares, to vote in favor of the Proposals.

4.2 Interests of the Purchaser and the parties acting in concert with it in the Shares

As at the Latest Practicable Date, none of the Purchaser, its officers or any party acting in concert with it beneficially owns, controls or has direction over any Shares, or was otherwise interested within the meaning of Part XV of the SFO in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

4.3 Dealings in the securities of the Company

During the Relevant Period, none of the Purchaser (and the parties acting in concert with it), the Company or the Directors had dealt for value in any Shares or any convertible securities, warrants, options and derivatives in respect of the Shares.

Since the commencement of the Offer Period and up to the Latest Practicable Date:

(a) none of the subsidiaries of the Company, pension funds (if any) of any member of the Group, any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of "acting in concert" or any associate of the Company by virtue of class (2) of the definition of "associate" under the Takeovers Code (excluding any exempt principal trader or exempt fund manager) had any dealings in any Shares or any convertible securities, warrants, options and derivatives in respect of the Shares;

(b) there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code which existed between the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) or (5) of the definition of "acting in concert" under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of "associate" under the Takeovers Code, and any other person;

(c) no Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares was managed on a discretionary basis by any fund managers (other than exempt fund managers) connected with the Company; and

(d) no fund managers (other than exempt fund managers) connected with the Company had any dealings in any Shares or any convertible securities, warrants, options and derivatives in respect of the Shares.

As of the Latest Practicable Date, none of the Purchaser (and the parties acting in concert with it), the Company or the Directors had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

4.4 Disclosure of interests and dealings in the shares of the Purchaser

(a) As at the Latest Practicable Date, none of the Company or any of the Directors had any interest in the shares of the Purchaser or any convertible securities, warrants, options or derivatives in respect of any shares of the Purchaser.

(b) During the Relevant Period, none of the Company or any of the Directors had any dealings in the shares of the Purchaser or any convertible securities, warrants, options or derivatives in respect of any shares of the Purchaser.

4.5 Interests in the Company and other arrangements in relation to the Proposals

As at the Latest Practicable Date:

(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 precondition 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.

5. MATERIAL LITIGATION

As at the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

6. MATERIAL CONTRACTS

Save as disclosed below, the Company and its subsidiaries have not entered into any material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) after the date that is two years immediately preceding the date of the 3.7 Announcement and up to the Latest Practicable Date:

(a) the Sale and Purchase Agreement; and

(b) the Property Sale and Purchase Agreement.

7. DIRECTORS' SERVICE CONTRACTS AND ARRANGEMENTS IN CONNECTION WITH THE DIRECTORS

As of the Latest Practicable Date:

(a) none of the Directors had any service contract with the Company or any of its subsidiaries or associated companies in force which (a) (including both continuous and fixed term contracts) have been entered into or amended within 6 months preceding the commencement date of the Offer Period; (b) was a continuous contract with a notice period of 12 months or more; or (c) was a fixed term contract with more than 12 months to run irrespective of the notice period;

(b) none of the Directors had any existing or proposed service contracts with any member of the Group which is not expiring within one year or not determinable by the employer within one year without payment of compensation (other than statutory compensation);

(c) save as disclosed above, no arrangement was in place for any benefit (other than statutory compensation required under appropriate laws) to be given, and no benefit (other than statutory compensation required under appropriate laws) would be given, to any Director as compensation for loss of office or otherwise in connection with the Proposals;

(d) save as disclosed above, there was no agreement, arrangement or understanding (including any compensation arrangement) between any Director and any other person which was conditional on or dependent upon the outcome of the Proposals or otherwise connected with the Proposals;

(e) there were no material contracts entered into by the Purchaser in which any Director has a material personal interest; and

(f) none of the Directors was materially interested in any contract or arrangement, subsisting which is significant in relation to the business of the Group.

8. DIRECTORS' INTEREST IN THE GROUP'S ASSETS AND IN COMPETING BUSINESS

As of the Latest Practicable Date:

(a) none of the Directors or their respective close associates has any competing interest with the Group; and

(b) no Director or proposed Director or expert (as named in the section headed "9. Experts and Consents" in this Appendix) has any interest, direct or indirect, in any assets which have been, since 31 December 2025, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

9. EXPERTS AND CONSENTS

The following are the respective names and qualifications of the experts who have given opinion or advice contained in this Circular:

Name	Qualification
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
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
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
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	An independent professional valuer

None of the above experts has any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for, securities in any member of the Group. Each of the above experts has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion therein of its letter(s), report(s), advice(s) and/or opinion (as the case may be) as set out in this Circular and references to its name in the form and context in which they appear respectively.

10. MISCELLANEOUS INFORMATION

(a) The registered office of the Purchaser is at 1209 Orange Street, Wilmington City, New Castle County, 19801 United States. The business address of the Purchaser is at c/o A&D Subsystems GP, LLC, 3803 Bedford Avenue Suite 106 Nashville, TN 37215, U.S.

(b) The registered office of the Company is at Victoria Place, 5th Floor 31 Victoria Street Hamilton HM 10, Bermuda. The principal place of business of the Company in Hong Kong is Unit B, 15th Floor United Centre 95 Queensway Hong Kong.

(c) The main business address of J.P. Morgan is 18/F, 23/F-29/F, Chater House, 8 Connaught Road, Central, Hong Kong.

(d) The registered office of CICC is at 29/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong.

(e) The registered office of Maxa Capital Limited is at Unit 2602, 26/F, Golden Centre, 188 Des Voeux Road Central, Sheung Wan, Hong Kong.

(f) The registered office of the Independent Valuer is at 7/F One Taikoo Place 979 King's Road Hong Kong.

(g) The company secretary of the Company is Mr. Kwok Chi Ho, a Certified Public Accountant.

(h) The Hong Kong Share Registrar is Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published (a) on the website of the Company at (https://www.cath.com.hk), and (b) on the website of the SFC (www.sfc.hk) during the period from the date of this Circular until the earlier of (i) the Closing Date and (ii) the date on which the Proposals lapse or are withdrawn:

(a) the Bye-laws;

(b) the certificate of formation of the Purchaser;

(c) the 2023 Annual Report, 2024 Annual Report and 2025 Annual Report;

(d) the 2026 Interim Results Announcement;

(e) the letter from the Board;

(f) the letter from the Independent Board Committee;

(g) the letter from the Independent Financial Adviser;

(h) the unaudited financial information of the Target Group as set forth in Appendix II to this Circular;

(i) the report of Reporting Accountant on the profit estimate as set forth in Appendix III to this Circular;

(j) the report of the Independent Financial Adviser on the profit estimate as set forth in Appendix IV to this Circular;

(k) the report on the unaudited pro forma financial information of the Remaining Group as set forth in Appendix V to this Circular;

(l) the Valuation Report as set forth in Appendix VI to this Circular;

(m) the written consents of the experts as referred to in the paragraph headed "9. Experts and Consents" in this Appendix;

(n) the material contracts as referred to in the paragraph headed "6. Material Contracts" in this Appendix;

(o) the Irrevocable Undertakings from each of the Controlling Shareholders; and

(p) this Circular.

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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a **SPECIAL GENERAL MEETING** (the "**SGM**") of the shareholders (the "**Shareholders**") of Continental Aerospace Technologies Holding Limited (the "**Company**") will be held at 11:00 a.m., on Monday, 21 September 2026 for the purpose of considering and, if thought fit, passing, with or without amendments, the resolution below.

Words and expressions that are not expressly defined in this notice of SGM shall bear the same meaning as that defined in the circular dated 31 August 2026 issued to the Shareholders (the "**Circular**").

SPECIAL RESOLUTION

"**THAT**:

(a) the Disposal and the transactions contemplated thereunder be and are hereby approved, and the Board be and is hereby authorized to do all such acts and things as may be necessary or desirable to implement or give effect to the Disposal and the transactions contemplated thereunder and to make and agree to such variations, amendments or modifications (if any) to the terms of the Sale and Purchase Agreement as any Director(s) may consider severally to be desirable, necessary or appropriate and in the interest of the Shareholders;

(b) subject to completion of the transactions contemplated by paragraphs (a) and (c) of the special resolution set out in this notice of the SGM, (i) the Special Dividend on Disposal and the Proposed Delisting be and are hereby approved, (ii) any Director(s) be and are hereby authorized severally to execute and deliver such documents, make such applications and submissions and do all such acts, deeds or things on behalf of the Company which the Director(s) consider(s) to be necessary or desirable in connection with the Special Dividend on Disposal, the Proposed Delisting, and all the documents signed by the relevant Director(s) on behalf of the Company in such connection be and are hereby approved, confirmed and ratified in all respects; and

(c) with effect from the Closing Date or upon the day on which the conditions set out in "4. Proposed Declaration of Special Dividend on Disposal and Capital Reorganization – 4.7 Proposed Capital Reorganization – (c) Conditions for the Capital Reorganization" of the Circular have been satisfied, (i) the Capital Reorganization comprised of (1) the Capital Reduction, (2) Diminution and Increase, (3) the Share Premium Reduction and (4) the Crediting of Contributed Surplus, be and are hereby approved, (ii) the Directors be and are hereby authorized to use any amounts standing to the credit of the contributed surplus account of the Company in whole or in part in any manner permitted by the laws of Bermuda and the Bye-laws in effect from time to time without further authorization from the Shareholders, including but not limited to the payment in whole or in part of the Special Dividend on the Disposal and any further distributions to the Shareholders as and when the Board in their unfettered discretion considers appropriate, and (iii) any Director(s) be and are hereby authorized severally to execute and deliver such documents, make such applications and submissions and do all such acts, deeds or things on behalf of the Company which the Director(s) in their unfettered discretion consider(s) to be necessary or desirable in connection with the Capital Reorganization, and all the documents signed by the relevant Director(s) on behalf of the Company in such connection be and are hereby approved, confirmed and ratified in all respects."

ORDINARY RESOLUTION

"**THAT**:

(a) the Property Disposal and the transactions thereunder be and are hereby approved, and the Board be and is hereby authorized to do all such acts and things as may be necessary or desirable to implement or give effect to the Property Disposal and the transactions contemplated thereunder and to make and agree to such variations, amendments or modifications (if any) to the terms of the Property Sale and Purchase Agreement as any Director(s) may consider severally to be desirable, necessary or appropriate and in the interest of the Shareholders; and

(b) subject to completion of the transactions contemplated by paragraph (a) of the ordinary resolution set out in this notice of the SGM, (i) the Cash Dividend on Property Disposal be and are hereby approved, (ii) any Director(s) be and are hereby authorized severally to execute and deliver such documents, make such applications and submissions and do all such acts, deeds or things on behalf of the Company which the Director(s) consider(s) to be necessary or desirable in connection with the Cash Dividend and all the documents signed by the relevant Director(s) on behalf of the Company in such connection be and are hereby approved, confirmed and ratified in all respects."

Yours faithfully,
By order of the board of
Continental Aerospace Technologies Holding Limited
Huang Yongfeng
Chairman and executive director

Hong Kong, 31 August 2026

Registered Office:	*Principal Place of Business in Hong Kong:*
Victoria Place,	Unit B,
5th Floor	15th Floor
31 Victoria Street	United Centre
Hamilton HM 10	95 Queensway
Bermuda	Hong Kong

As at the date of this notice, 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.

Notes:

1. A shareholder entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her/its stead. The proxy does not need to be a shareholder of the Company.

2. Where there are joint registered holders of any shares of the Company, any one of such persons may vote at the above meeting (or at any adjournment thereof), either personally or by proxy, in respect of such shares of the Company as if he/she/it were solely entitled thereto but the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of shareholders of the Company in respect of the relevant joint holding.

3. In order to be valid, the completed form of proxy must be deposited at the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority (such certification to be made by either a notary public or a solicitor qualified to practice in Hong Kong), at least 48 hours before the time appointed for holding the above meeting (i.e. at or before 11:00 a.m., on Saturday, 19 September 2026) or any adjournment thereof (as the case may be). The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.

4. The register of shareholders of the Company will be closed from Wednesday, 16 September 2026 to Monday, 21 September 2026, both days inclusive, in order to determine the eligibility of shareholders of the Company to attend the above meeting, during which period no share transfers will be registered. The record date shall be Monday, 21 September 2026. To be eligible to attend the above meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m., on Tuesday, 15 September 2026.

5. Pursuant to the requirements under the Takeovers Code and the Listing Rules, voting for all the resolutions set out in this notice will be taken by poll at the above meeting.

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)

PROXY FORM

Proxy form for use at the special general meeting to be held at Monaco Room, Basement 1, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Monday, 21 September 2026 at 11:00 a.m. and at any adjournment thereof

I/We *(note 1)* ______________________________

of ______________________________

being the registered holder(s) of *(note 2)* ______________________________ shares of HK$0.10 each in the capital of **Continental Aerospace Technologies Holding Limited** (the "**Company**"), HEREBY APPOINT **THE CHAIRMAN OF THE MEETING** or *(note 3)* ______________________________

of ______________________________

as my/our proxy to attend the special general meeting of the Company to be held at Monaco Room, Basement 1, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Monday, 21 September 2026 at 11:00 a.m. (and at any adjournment thereof), and to vote for me/us as hereunder indicated *(note 4)*.

Terms defined in the circular issued by the Company dated 31 August 2026 shall have the same meanings when used in this proxy form unless the context otherwise requires.

SPECIAL RESOLUTION	FOR *(note 4)*	AGAINST *(note 4)*
"**THAT**": (a) the Disposal and the transactions contemplated thereunder be and are hereby approved, and the Board be and is hereby authorized to do all such acts and things as may be necessary or desirable to implement or give effect to the Disposal and the transactions contemplated thereunder and to make and agree to such variations, amendments or modifications (if any) to the terms of the Sale and Purchase Agreement as any Director(s) may consider severally to be desirable, necessary or appropriate and in the interest of the Shareholders; (b) subject to completion of the transactions contemplated by paragraphs (a) and (c) of the special resolution set out in the notice of the SGM, (i) the Special Dividend on Disposal and the Proposed Delisting be and are hereby approved, (ii) any Director(s) be and are hereby authorized severally to execute and deliver such documents, make such applications and submissions and do all such acts, deeds or things on behalf of the Company which the Director(s) consider(s) to be necessary or desirable in connection with the Special Dividend on Disposal, the Proposed Delisting, and all the documents signed by the relevant Director(s) on behalf of the Company in such connection be and are hereby approved, confirmed and ratified in all respects; and (c) with effect from the Closing Date or upon the day on which the conditions set out in "4. Proposed Declaration of Special Dividend on Disposal and Capital Reorganization – 4.7 Proposed Capital Reorganization – (c) Conditions for the Capital Reorganization" of the Circular have been satisfied, (i) the Capital Reorganization comprised of (1) the Capital Reduction, (2) Diminution and Increase, (3) the Share Premium Reduction and (4) the Crediting of Contributed Surplus, be and are hereby approved, (ii) the Directors be and are hereby authorized to use any amounts standing to the credit of the contributed surplus account of the Company in whole or in part in any manner permitted by the laws of Bermuda and the Bye-laws in effect from time to time without further authorization from the Shareholders, including but not limited to the payment in whole or in part of the Special Dividend on the Disposal and any further distributions to the Shareholders as and when the Board in their unfettered discretion considers appropriate, and (iii) any Director(s) be and are hereby authorized severally to execute and deliver such documents, make such applications and submissions and do all such acts, deeds or things on behalf of the Company which the Director(s) in their unfettered discretion consider(s) to be necessary or desirable in connection with the Capital Reorganization, and all the documents signed by the relevant Director(s) on behalf of the Company in such connection be and are hereby approved, confirmed and ratified in all respects."		
ORDINARY RESOLUTION	**FOR** *(note 4)*	**AGAINST** *(note 4)*
"**THAT**": (a) the Property Disposal and the transactions thereunder be and are hereby approved, and the Board be and is hereby authorized to do all such acts and things as may be necessary or desirable to implement or give effect to the Property Disposal and the transactions contemplated thereunder and to make and agree to such variations, amendments or modifications (if any) to the terms of the Property Sale and Purchase Agreement as any Director(s) may consider severally to be desirable, necessary or appropriate and in the interest of the Shareholders; and (b) subject to completion of the transactions contemplated by paragraph (a) of the ordinary resolution set out in the notice of the SGM, (i) the Cash Dividend on Property Disposal be and are hereby approved, (ii) any Director(s) be and are hereby authorized severally to execute and deliver such documents, make such applications and submissions and do all such acts, deeds or things on behalf of the Company which the Director(s) consider(s) to be necessary or desirable in connection with the Cash Dividend and all the documents signed by the relevant Director(s) on behalf of the Company in such connection be and are hereby approved, confirmed and ratified in all respects."		

Date: this ______________________________ 2026

Shareholder's Signature *(note 5)*: ______________________________

Notes:

1. Full name(s) and address(es) to be inserted in **BLOCK CAPITALS**.
2. Please insert the number of shares of HK$0.10 each registered in your name(s). If no number is inserted, the proxy form will be deemed to relate to all the shares of the Company registered in your name(s).
3. If any proxy other than the Chairman of the meeting is preferred, strike out "**THE CHAIRMAN OF THE MEETING** or" and insert the name and address of the proxy desired in the space provided. **ANY ALTERATION MADE TO THIS PROXY FORM MUST BE INITIALLED BY THE PERSON WHO SIGNS IT**.
4. **IMPORTANT: IF YOU WISH TO VOTE FOR ANY RESOLUTION, TICK THE BOX MARKED "FOR" BESIDE THE APPROPRIATE RESOLUTION. IF YOU WISH TO VOTE AGAINST ANY RESOLUTION, TICK THE BOX MARKED "AGAINST" BESIDE THE APPROPRIATE RESOLUTION.** Failure to complete any or all boxes will entitle your proxy to cast his votes on the relevant resolutions at his discretion. Your proxy will also be entitled to vote at his discretion on any resolution properly put to the meeting other than those referred to in the notice convening the meeting.
5. This proxy form must be signed by you or your attorney duly authorized in writing or, in the case of a corporation, this proxy form must be under its common seal or under the hand of an officer or attorney duly authorized.
6. Where there are joint registered holders of any share(s), any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share(s) as if he was solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share(s) shall alone be entitled to vote in respect thereof.
7. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the Company's Hong Kong branch share registrar and transfer office (the "**Branch Share Registrar**"), Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting i.e. Saturday, 19 September 2026 at 11:00 a.m. (Hong Kong time) or any adjournment thereof. Completion and return of the form of proxy will not preclude a member from attending at the meeting if the member so desires.
8. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (if a member who is the holder of two or more shares of the Company) to attend and vote in his stead. A proxy need not be a member of the Company but must attend the meeting in person to represent you.
9. The voting on the above resolutions at the meeting will be conducted by way of a poll.
10. The description of each resolution herein is by way of summary only. The full text appears in the notice dated 31 August 2026.

PERSONAL INFORMATION COLLECTION STATEMENT

(i) "Personal Data" in this statement has the same meaning as "personal data" in the Personal Data (Privacy) Ordinance, Chapter 486 of the Laws of Hong Kong ("**PDPO**").

(ii) Your Personal Data is supplied to the Company on a voluntary basis. Failure to provide sufficient information may render the Company not able to process your instructions and/or request as stated in this proxy form.

(iii) Your Personal Data may be disclosed or transferred by the Company to its subsidiaries, the Branch Share Registrar, and/or other companies or bodies for any of the stated purposes, and retained for such period as may be necessary for verification and record purposes.

(iv) You have the right to request access to and/or correction of your Personal Data in accordance with the provisions of the PDPO. Any such request for access to and/or correction of your Personal Data should be in writing and sent to the Personal Data Privacy Officer of the Branch Share Registrar (with the address stated in note 7 above).