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China Strategic Technology Group Limited

中國技術集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1725)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Solo Securities Limited

The Board is pleased to announce that on 18 August 2026 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 163,682,000 Placing Shares at the Placing Price of HK\$0.300 per Placing Share to not less than six Placees who and whose ultimate beneficial owners (if applicable) are Independent Third Parties.

Assuming that there is no other change in the issued share capital of the Company between the date of this announcement and the Completion Date, the maximum number of the Placing Shares under the Placing represents (i) 20.00% of the existing total number of issued Shares as at the date of this announcement; and (ii) approximately 16.67% of the total number of issued Shares as enlarged by the allotment and issue of the maximum number of the Placing Shares immediately after the Completion.

The Placing Price of HK\$0.300 per Placing Share represents (i) a discount of approximately 9.09% to the closing price of HK\$0.330 per Share as quoted on the Stock Exchange on the Last Trading Date; and (ii) a premium of approximately 4.17% over the average closing price of approximately HK\$0.288 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the Last Trading Day.

Assuming all the Placing Shares are successfully placed by the Placing Agent, the maximum gross proceeds from the Placing will be up to approximately HK\$49.10 million. The maximum net proceeds from the Placing (after deducting the placing commission payable to the Placing Agent and other related costs and expenses incurred in the Placing) will be up to approximately HK\$48.58 million, of which (i) as to approximately HK\$20.00 million for the investment in company(ies) to expand its existing precision manufacturing business, extending the Group's precision manufacturing business from "electronic assembly" to the upstream of "material advanced processing", thereby strengthening vertical integration and closed-loop capabilities; and (ii) as to the remaining balance of up to approximately HK\$28.58 million for the general working capital of the Group, including but not limited to the ongoing administrative expenses of the Company, such as salaries, rental payments, professional fees and office overheads.

The Placing is conditional upon, among other things, the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares.

The Placing Shares will be allotted and issued pursuant to the General Mandate and therefore the allotment and issue of the Placing Shares will not be subject to any Shareholders' approval.

Completion is subject to the fulfilment of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING

The Board is pleased to announce that on 18 August 2026 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, up to 163,682,000 Placing Shares to the Placees who and whose ultimate beneficial owners will be third parties independent of the Company and not connected with the Company and its connected persons.

The Placing Agreement

The principal terms and conditions of the Placing Agreement are set out below:

Date

18 August 2026

Parties

Issuer: China Strategic Technology Group Limited

Placing Agent: Solo Securities Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Placees

The Placing Agent will, on a best effort basis, place the Placing Shares by itself or through its sub-placing agents to not less than six Placees, being individual(s), corporation(s) and/or institutional or professional investor(s), who and whose ultimate beneficial owner(s) (if applicable) are Independent Third Parties. The Placing Agent shall use its best endeavour to ensure that none of the Placees, together with their ultimate beneficial owner(s) (if applicable), will become a substantial Shareholder (as defined in the Listing Rules) as a result of the Placing.

Placing Shares

Assuming that there is no other change in the issued share capital of the Company between the date of this announcement and the Completion Date, the maximum number of the Placing Shares under the Placing represents:

- (i) 20.00% of the existing total number of issued Shares as at the date of this announcement; and
- (ii) approximately 16.67% of the total number of issued Shares as enlarged by the allotment and issue of the maximum number of the Placing Shares immediately after the Completion.

Ranking of Placing Shares

The Placing Shares shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of this announcement.

Placing Price

The Placing Price of HK\$0.300 per Placing Share represents:

- (i) a discount of approximately 9.09% to the closing price of HK\$0.330 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a premium of approximately 4.17% over the average closing price of HK\$0.288 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the Last Trading Day.

Based on the closing price of HK\$0.330 per Shares on the Last Trading Day and the par value of HK\$0.010 per Share, the Placing Shares have an aggregate market value of HK\$54,015,060 and the aggregate nominal value of HK\$1,636,820.

The Placing Price was determined with reference to the prevailing market price and trading volume of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing Agreement are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Directors consider that the Placing (including the Placing Price) is in the interests of the Company and the Shareholders as a whole.

Placing commission

Subject to the Completion, the Company shall pay the Placing Agent a placing commission of 1% of the gross proceeds of the Placing Shares actually and successfully placed by the Placing Agent. The placing commission was determined with reference to the prevailing market commission rate and the size of the Placing and was negotiated on an arm's length basis between the Company and the Placing Agent.

Conditions precedent

Completion is conditional upon the following conditions precedent being fulfilled:

- (i) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Placing Shares; and
- (ii) the Company having obtained all necessary consents and approvals for allotting and issuing the Placing Shares, if applicable.

None of the above conditions can be waived by the Company or the Placing Agent. The Company shall use its best endeavours to procure the fulfilment of all of the conditions precedent set out above. In the event that the above conditions precedent are not fulfilled on or before the Long Stop Date, the Placing Agreement will be terminated and ceased to be effective, and neither parties shall have obligations and liabilities against the other thereafter, save for any antecedent breach of the Placing Agreement.

Completion of the Placing

Upon fulfilment of all the conditions precedent set out in Placing Agreement, the Completion shall take place on the Completion Date (or such later date as the Placing Agent and the Company may agree in writing).

Termination of the Placing

Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to the Latest Placing Date, in the reasonable opinion of the Placing Agent, the success of the Placing would or might be materially and adversely affected and making it impracticable, inadvisable or inexpedient to proceed with by:

- (i) the Company fails to comply with any material obligation under the Placing Agreement;
- (ii) any political, military, industrial, financial, economic, fiscal, regulatory or other event or change (whether local, national or international) results in or may result in a material adverse change to market or economic conditions affecting the Placing; or
- (iii) any representation or warranty of the Company under the Placing Agreement ceases to be true, accurate and not misleading in any material respect.

General Mandate to allot and issue the Placing Shares

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the AGM, subject to the limit of up to 20% of the then issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Directors were granted authority to allot and issue up to 163,682,000 Shares. As at the date of this announcement, none of the General Mandate has been utilised and the General Mandate is sufficient for the allotment and issue of the Placing Shares and the allotment and issue of the Placing Shares is not subject to Shareholders' approval.

Application for Listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purpose only, assuming that there is no other change in the issued share capital of the Company between the date of this announcement and the Completion Date, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion are set out below:

Name of Shareholders	(i) As at the date of this announcement		(ii) Immediately upon Completion	
	No. of Shares	Approx. %	No. of Shares	Approx. %
Substantial Shareholders				
Hong Kong Aerospace Technology Holdings Limited (“ HKATH (BVI) ”) (Note)	78,343,553	9.57%	78,343,553	7.98%
Vision International Group Limited (“ Vision ”, currently known as Venture Capital (Asia) Limited) (Note)	20,586,000	2.52%	20,586,000	2.10%
Ren Yue	100,000,000	12.22%	100,000,000	10.18%
Public Shareholders				
Placees	—	—	163,682,000	16.67%
Other Public Shareholders	<u>619,480,447</u>	<u>75.69%</u>	<u>619,480,447</u>	<u>63.07%</u>
Total	<u>818,410,000</u>	<u>100.00%</u>	<u>982,092,000</u>	<u>100.00%</u>

Note:

*Vision was directly interested in 20,586,000 Shares and HKATH (BVI) was directly interested in 78,343,553 Shares. The entire issued share capital of HKATH (BVI) is owned by Vision and the entire issued share capital of Vision is in turn owned by Mr. Sun Fengquan (“**Mr. Sun**”). Therefore, Vision is deemed or taken to be interested in the Shares held by HKATH (BVI) under the SFO and Mr. Sun is deemed or taken to be interested in the Shares held by both Vision and HKATH (BVI) under the SFO.*

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company. As at the date of this announcement, the Group is principally engaged in 1) CT Aerospace (Aerospace business), comprising (A) aerospace titanium alloy material manufacturing, (B) aerospace satellite component manufacturing, and (C) digital applications for aerospace satellites, (D) small unmanned spacecraft research and development and manufacturing, and 2) CT Precision Manufacturing (Precision manufacturing), comprising (A) electronic manufacturing services (EMS), components of printed circuit boards and fully assembled electronic products (PCBA), (B) energy management and manufacturing services, intelligent control systems and chips management, thermal management and electronic control systems, and (C) sensor manufacturing services, automatic medium- and micro-pressure sensors for industrial use, medium- and micro-pressure sensors for electronic equipment.

Meanwhile, beyond its established businesses, the Group is actively expanding and focusing on the following sectors:

- 1) CT Vessel (New energy vessel): promoting research and development, manufacturing and sales of new energy small commercial and civilian vessels. The Group strives to achieve deep integration with aerospace technology, energy storage processes and precision manufacturing to manufacture practical and market-competitive green and environmentally friendly new energy vessels, thereby driving the transformation of traditional fuel-powered small vessels into new energy vessels; and
- 2) CT Biotechnology (Biotechnology): the Group dedicated to the research, development, and application of biotechnology and related technologies, including but not limited to life engineering and biomedicine.

The Group is committed to integrating its aerospace, intelligent manufacturing, shipbuilding, and biotechnology businesses to foster synergistic development, thereby driving diversification and ensuring sustainable growth.

Use of proceeds

Assuming that all the Placing Shares are successfully placed, the gross proceeds from the Placing will be up to approximately HK\$49.10 million and the net proceeds will be up to approximately HK\$48.58 million (after deducting the placing commission payable to the Placing Agent and other related costs and expenses incurred in the Placing).

The Directors intend to apply the net proceeds from the Placing (i) as to approximately HK\$20.00 million for the investment in company(ies) to expand its existing precision manufacturing business, extending the Group's precision manufacturing business from "electronic assembly" to the upstream of "material advanced processing", thereby

strengthening vertical integration and closed-loop capabilities; and (ii) as to the remaining balance of up to approximately HK\$28.58 million for the general working capital of the Group, including but not limited to the ongoing administrative expenses of the Company, such as salaries, rental payments, professional fees and office overheads.

The Directors believe that the expanding of the precision manufacturing business will help the Company strengthen the synergies in its aerospace, energy and high-end manufacturing sectors, including complementary technologies and shared customer resources. As at the date of this announcement, the Company is still in the preliminary target screening phase and has not yet entered any legally-binding agreement with any company. The Group will determine suitable investment opportunities based on market conditions and provide further information to the Shareholders and investors of the Company in accordance with the Listing Rules as and when appropriate.

The Directors believe that the Placing represents an opportunity to raise further capital to replenish part of the Group's capital shortfall as the net proceeds from the previous the subscription of new Shares and the placing of new Shares completion on 23 March 2026 and 9 April 2026 respectively, have been fully utilised for the general working capital of the Group and repayment of Shareholder's loan. Accordingly, there is an imminent need to conduct the Placing to fund the short to medium term working capital needs and acquisition, and the Directors are of the view that the Placing is in the interests of the Company and its Shareholders as a whole. It is expected that the net proceeds allocated for general working capital will be fully utilised by the end of 2026.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising activity in the past twelve months immediately prior to the date of this announcement.

Date of announcements	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement	Unutilised approximate net proceeds as at the date of this announcement
25 July 2025 and 27 August 2025	Issue of Shares under general mandate	The gross proceeds and the net proceeds of the subscription amounted to HK\$65 million and approximately HK\$64.5 million, respectively.	The Company intended to apply the net proceeds of the subscription as follows: (i) general working capital; and (ii) operating expenses of the Group's aerospace business.	Fully utilised as intended	Nil
5 December 2025, 23 December 2025, 23 January 2026, 26 January 2026, 4 March 2026, 23 March 2026, 31 March 2026 and 9 April 2026	(1) Subscription of new Shares under specific mandate and (2) Placing of new Shares under specific mandate	The gross proceeds and the net proceeds of the subscriptions and the placing amounted to HK\$120.03 million and approximately HK\$117.84 million, respectively.	The Company intended to apply the net proceeds of (1) subscription of new Shares under specific mandate; and (2) placing of new Shares under specific mandate as follows: (i) repayment of Shareholder's loan; and (ii) general working capital.	Fully utilised as intended	Nil

Save as disclosed above, the Company did not conduct any equity fund raising activities in the past twelve months immediately prior the date of this announcement.

Completion is subject to the fulfilment of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“AGM”	the annual general meeting of the Company held on 22 May 2026
“Board”	the board of Directors
“Company”	China Strategic Technology Group Limited, a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“Completion Date”	the date on which Completion takes place, which shall be on or before the Latest Placing Date
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted by the Shareholders to the Directors at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM, which is equivalent to 163,682,000 new Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with or acting in concert with the Company, its connected person and their respective associates
“Last Trading Day”	18 August 2026, being the date of the Placing Agreement
“Latest Placing Date”	8 September 2026 (or such other date as may be agreed by the Company and the Placing Agent in writing)

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	8 September 2026 (or such later date as may be agreed by the Company and the Placing Agent in writing)
“Placee(s)”	any person or entity whom the Placing Agent has procured to subscribe for any of the Placing Shares pursuant to the terms and conditions of the Placing Agreement
“Placing”	the offer by way of private placing by or on behalf of the Placing Agent to selected Placees of the Placing Shares to be subscribed for and allotted by the Company on the terms and subject to the conditions of the Placing Agreement
“Placing Agent”	Solo Securities Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent dated 18 August 2026
“Placing Price”	HK\$0.300 per Placing Share
“Placing Share(s)”	up to 163,682,000 new Shares to be allotted and issued by the Company pursuant to the Placing
“PRC”	The People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC or Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	Holder(s) of Share
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Substantial Shareholder(s)” having the meaning ascribed thereto under the Listing Rules
“%” per cent

By Order of the Board
China Strategic Technology Group Limited
Gu Lin
Chairman and Executive Director

Hong Kong, 18 August 2026

As at the date of this announcement, the Board comprises Mr. Gu Lin (Chairman), Mr. Lu Huasheng, Mr. Zhang Yuanqi, and Mr. Ma Fujun as executive Directors; and Mr. Yao Xinguo, Mr. Shu Jun, Mr. Boris Tadić, and Ms. Chow Yin Kwan Yvonne as independent non-executive Directors.