

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



FUNDING AGREEMENT

The Company is pleased to announce that on 13 October 2026, the Company as borrower, and the Financial Investor as lender, entered into the Funding Agreement in relation to the provision of the Credit Facility by the Financial Investor to the Company.

Reference is made to the announcements of the Company dated 2 January 2026, 2 February 2026, 31 March 2026, 30 June 2026, 31 August 2026 and 30 September 2026 in relation to the Restructuring Support Agreement.

PRINCIPAL TERMS OF THE FUNDING AGREEMENT

The principal terms of the Funding Agreement are as follows:

- Date** : 13 October 2026
- Contracting parties** : (1) the Company; and
(2) the Financial Investor.

The Financial Investor is a company incorporated in the British Virgin Islands with limited liability. Dr. Wilson Sea, the chairman and an executive director of the Company, and an independent third party who is independent of and not connected with the Company and its connected persons, respectively holds 29% and 71% of the issued shares of the Financial Investor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Financial Investor is not a connected person of the Company.

- Credit Facility** : Up to HK\$50,000,000 comprising up to HK\$10,000,000 available before sanction of the Proposed Scheme and up to a further HK\$40,000,000 available after sanction
- Purpose** : The Credit Facility shall be utilised for the following purposes of facilitating and implementing the Proposed Scheme, including without limitation:-
- (a) payment of fees, costs and expenses incurred or to be incurred in connection with the Proposed Scheme, including legal fees and other professional fees and expenses;
 - (b) payment of the Consent Fee and the cash repayment component payable to participating scheme creditors pursuant to the Proposed Scheme; and
 - (c) such other purposes as may be agreed between the Financial Investor and the Company from time to time.
- Interest rate** : 0.5% per annum, calculated on the amount of Utilised Fund (or the balance thereof)
- Final Settlement Date** : The Company shall repay all of the Utilised Fund together with accrued interest to the Financial Investor on the day falling the eighth (8th) anniversary of the Restructuring Effective Date or such other date to be mutually agreed by the Financial Investor and the Company.
- The Company may, at its option, settle the Utilised Fund together with accrued interest in cash or in kind by capitalisation of all of the Utilised Fund and the accrued interests into the shares of Company at the Funding Conversion Price.
- Early Repayment** : Subject to the Subordination, the Company may prepay all or part of the Utilised Fund together with accrued interest prior to the Final Settlement Date by giving not less than 3 business days' prior written notice to the Financial Investor. The repayment can be settled in kind by capitalisation into shares of the Company at the Funding Conversion Price or by cash at the option of the Company.

Funding Conversion Price : The issue price of the Funding Conversion Shares shall be the higher of (i) the par value of a share of the Company; (ii) 90% of the closing price per share of the Company as quoted on the Stock Exchange on the Final Settlement Date (or other settlement date pursuant to the Funding Agreement, as the case may be); or (iii) 90% of the average closing price per share of the Company as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Final Settlement Date (or other settlement date pursuant to the Funding Agreement, as the case may be).

Conditions for the issue of the Funding Conversion Shares : The issue of the Funding Conversion Shares is conditional upon (i) the compliance with the Listing Rules and all other applicable laws, rules, regulations and limits; (ii) the Listing Committee of the Stock Exchange having granted listing of and permission to deal in the Funding Conversion Shares; and (iii) the Company having obtained all other necessary consents and approvals including, if required, the approval of the Shareholders.

Termination : The Funding Agreement shall be terminated upon happening of the earliest of any of the following events: -

- (a) the Company fails to obtain sanction of the Proposed Scheme from Hong Kong court by the Long Stop Date, and the Financial Investor and the Company fail to reach an agreement to continue the Proposed Scheme within 90 days thereafter;
- (b) the Company fails to obtain approval from the creditors to proceed with the Proposed Scheme by the Long Stop Date, and the Financial Investor and the Company fail to reach an agreement to continue the Proposed Scheme within 90 days thereafter;
- (c) the Company is delisted from the Stock Exchange; or
- (d) a winding-up order is granted against the Company by Hong Kong court, and the Financial Investor and the Company fail to reach an agreement to continue the Proposed Scheme within 90 days thereafter.

Upon termination of the Funding Agreement, all outstanding indebtedness due to the Financial Investor shall become immediately due and payable, provided such indebtedness shall remain subject to Subordination.

Subordination : As at the date of this announcement, (i) Champion Sense held the Convertible Bonds in the principal amount of HK\$652,500,000, and (ii) Principal Global held the Convertible Bonds in the principal amount of HK\$47,500,000. The Convertible Bonds in the principal amount of HK\$47,500,000 held by Principal Global have been charged in favour of Champion Sense.

The settlement of the Utilised Fund together with interests, fees, costs and obligations of the Company to the Financial Investor under the Funding Agreement is fully subordinated in right of payment to:

(a) all secured indebtedness owing to Champion Sense and Principal Global as at the Restructuring Effective Date under the Convertible Bonds, and

(b) all liabilities, obligations, claims and amount payable under the Proposed Scheme.

The Company and the Financial Investor agree that, until the obligations under (a) and (b) above have been fully discharged, the Company shall not repay any outstanding indebtedness owed to the Financial Investor, and the Financial Investor shall not enforce or seek payment or recovery of any outstanding indebtedness owed to it by the Company, or amend the Funding Agreement in a manner which would prejudice the interest of Champion Sense and Principal Global.

ISSUE OF THE FUNDING CONVERSION SHARES

The Company may, at its option, repay the Utilised Fund together with accrued interest in cash or by allotment and issuance of the Funding Conversion Shares upon the Final Settlement Date (or other settlement date pursuant to the Funding Agreement, as the case may be). The Funding Conversion Shares to be allotted and issued by the Company shall be determined on the Final Settlement Date (or other settlement date pursuant to the Funding Agreement, as the case may be), calculated in accordance with the Funding Conversion Price. The actual number and percentage of new Shares to be issued to the Financial Investor will depend on, among other things, the market condition and the share price of the Company as at the Final Settlement Date, which will be 8 years from the Restructuring Effective Date, or other settlement date pursuant to the Funding Agreement; the extent to which the Company elects to settle the loan in whole or in part, in cash or by shares; and the amount of the Credit Facility actually drawn down. As such, the number of Funding Conversion Shares cannot be determined as at the date of this announcement.

Any issuance of the Funding Conversion Shares by the Company under the capitalisation of the Utilised Fund shall not, in aggregate, exceed thirty percent (30%) of the total issued share capital of the Company as at the date of such issuance. The Company shall not issue any shares which would result in the Financial Investor (whether alone or together with parties acting in concert with it) being obligated to make a mandatory general offer under the Hong Kong Codes on Takeovers and Mergers, as amended from time to time.

Subject to the then-applicable Listing Rules and the Company's share structure, the allotment and issuance of the Funding Conversion Shares may be effected under a specific mandate, which will be subject to Shareholders' approval. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Funding Conversion Shares when required. If the Company fails to obtain such mandate or the Stock Exchange's approval to issue the Funding Conversion Shares within thirty (30) days after the Final Settlement Date (or other settlement date pursuant to the Funding Agreement, as the case may be), the Company shall settle any outstanding amount in cash.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FUNDING AGREEMENT

The Company is an investment holding company. The Group maintains a diversified development strategy to provide customers with a wide range of products and services, and is currently engaged in (i) financial services business, (ii) education management and consultation business, and (iii) automotive parts business. The Group's financial services business includes listing sponsorship, underwriting and placing, securities brokerage, financing consultancy, merger and acquisition advisory, financial advisory and asset management; its education management and consultation business mainly provides international high school curriculum and overseas study consultation services; and its automotive parts business is mainly engaged in research and development, manufacturing and sales of automobile absorbers.

The Funding Agreement was entered into by the Company for the purpose of ensuring that funds are in place to settle the payment of professional fees in connection with the Proposed Scheme and the payment of the Consent Fee and the cash repayment component payable to participating scheme creditors pursuant to the Proposed Scheme.

With the support of the Financial Investor, the Company will have the financial resources to fund the preparation and implementation of the Proposed Scheme. Taking into account the willingness of the Financial Investor to provide the Credit Facility to rescue the Company and the availability and cost of other financing, and having considered the long-term repayment schedule and the Company's flexibility to settle the loan in either Funding Conversion Shares or cash, the Directors are of the view that the terms of the Funding Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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

DEFINITIONS

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

“Board”	the board of Directors
“CITIC FAMC”	China CITIC Financial Asset Management Co., Ltd. (formerly known as China Huarong Asset Management Co., Ltd.), whose shares are listed on the Main Board of the Stock Exchange (stock code: 2799)
“Company”	China First Capital Group Limited, a company incorporated in the Cayman Islands with limited liability, whose issued shares are listed on the Main Board of the Stock Exchange (stock code: 1269)
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Consent Fee”	an amount equals to 0.5% of the outstanding principal amount and interest accrued thereon by the Company to a participating creditor of the Proposed Scheme in accordance with the terms of the Restructuring Support Agreement
“Convertible Bonds”	the convertible bonds originally due 2019 issued by the Company on 4 December 2017 in the initial principal amount of HK\$800,000,000, the terms and conditions of which were amended and restated on 16 May 2022
“Champion Sense”	Champion Sense Global Limited, a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of CITIC FAMC
“Credit Facility”	the credit facility of up to HK\$50,000,000 to be provided by the Financial Investor to the Company pursuant to the Funding Agreement
“Director(s)”	the director(s) of the Company
“Final Settlement Date”	The maturity date of the Credit Facility, being the day falling the eighth (8th) anniversary of the Restructuring Effective Date or such other date to be mutually agreed by the Financial Investor and the Company

“Financial Investor”	DeepPulse Holdings Limited, a company incorporated in the British Virgin Islands, the financial investor providing the Credit Facility under the Funding Agreement
“Funding Agreement”	the funding agreement dated 13 October 2026 pursuant to which the Financial Investor shall provide the Credit Facility to the Company
“Funding Conversion Price”	the conversion price for the issue of the Funding Conversion Shares
“Funding Conversion Shares”	the shares of Company to be issued by the Company to the Financial Investor under the capitalisation of the Utilised Fund pursuant to the Funding Agreement
“Group”	The Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 June 2027, or such later date and time as the Company and the Financial Investor may agree
“Principal Global”	Principal Global Investment Limited, a company incorporated in the British Virgin Islands, holder of the Convertible Bonds
“Proposed Scheme”	the proposed scheme of arrangement in relation to the Company under Sections 673 and 674 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) pursuant to which certain of the Company’s existing debts and obligations will be compromised and restructured
“Restructuring Support Agreement”	the restructuring support agreement dated 2 January 2026 entered into between the Company and the initial participating creditors (as may be amended or supplemented from time to time) for the purpose of restructuring of the unsecured obligations of the Company
“Shareholder(s)”	the holder(s) of the Share(s)

“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company and/or any new shares to be issued by the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subordination”	the subordination of the Company’s indebtedness to the Financial Investor to the indebtedness owing to Champion Sense and Principal Global
“Utilised Fund”	the aggregate amount of fund drawdown and utilised by the Company under the Credit Facility or, as the context requires, the balance thereof for the time being outstanding and payable by the Company to the Financial Investor
“%”	per cent

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

Hong Kong, 13 October 2026

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