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

If you have sold or transferred all your shares in **China Chengtong Development Group Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CHINA CHENGTONG DEVELOPMENT GROUP LIMITED 中國誠通發展集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 217)

CONTINUING CONNECTED TRANSACTIONS AND MAJOR TRANSACTION IN RELATION TO FINANCIAL SERVICES AGREEMENT

**Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders**



**建泉融資有限公司
VBG Capital Limited**

A letter from the Board is set out on pages 4 to 13 of this circular. A letter from the Independent Board Committee is set out on pages 14 to 15 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 16 to 26 of this circular.

A notice convening the GM to be held at 22/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong on Thursday, 27 November 2025 at 10:00 a.m. is set out on pages GM-1 to GM-3 of this circular. A form of proxy for use at the GM is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hk217.com) respectively.

Whether or not you are able to attend the GM in person, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return the same together with any power of attorney or other authority, if any, under which it is signed by 10:00 a.m. on Tuesday, 25 November 2025 or not later than 48 hours before the time appointed for holding any adjournment or postponement of the GM to the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the GM or any adjournment or postponement thereof should you so wish and, in such event, the form of proxy previously submitted shall be deemed to be revoked.

12 November 2025

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DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context requires otherwise:

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	China Chengtong Development Group Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“CCHG”	China Chengtong Holdings Group Limited, a state-owned enterprise incorporated in the PRC and the ultimate holding company of the Company
“CCHK”	China Chengtong Hong Kong Company Limited, a company incorporated in Hong Kong with limited liability and the immediate holding company of the Company
“Chengtong Finance”	China Chengtong Finance Corporation Ltd., a company incorporated in the PRC and a non-banking financial institution approved by the NFRA
“connected person”	has the meaning ascribed to it under the Listing Rules
“Credit Facilities Services”	the provision of credit facilities by Chengtong Finance to the Group pursuant to the terms of the Financial Services Agreement
“Deposit Cap”	the proposed maximum daily outstanding balance of deposits placed by the Group with Chengtong Finance (including any interest accrued therefrom)
“Deposit Services”	the deposit services provided by Chengtong Finance to the Group pursuant to the terms of the Financial Services Agreement
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the Independent Shareholders have approved the Deposit Services contemplated under the Financial Services Agreement (including the Deposit Cap)
“Financial Services Agreement”	the financial services agreement dated 27 October 2025 entered into between the Company and Chengtong Finance pursuant to which Chengtong Finance has agreed to provide the Group with a scope of financial services

DEFINITIONS

“GM”	the general meeting of the Company convened to be held at 22/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong on Thursday, 27 November 2025 at 10:00 a.m. for the Independent Shareholders to consider and, if thought fit, to approve, among other matters, the Deposit Services contemplated under the Financial Services Agreement (including the Deposit Cap)
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company established by all the independent non-executive Directors to advise the Independent Shareholders on the terms of the Deposit Services contemplated under the Financial Services Agreement (including the Deposit Cap)
“Independent Shareholders”	Shareholders other than those who are required by the Listing Rules to abstain from voting on the resolution approving the Deposit Services contemplated under the Financial Services Agreement (including the Deposit Cap) at the GM
“Latest Practicable Date”	means 11 November 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NFRA”	National Financial Regulatory Administration of the PRC
“PBC”	The People’s Bank of China
“PRC”	the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and 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)”	share(s) of the Company
“Shareholder(s)”	shareholder(s) of the Company

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Term”	the term of the Financial Services Agreement, being three years commencing from the Effective Date
“VBG Capital” or “Independent Financial Adviser”	VBG Capital Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities and the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Deposit Services contemplated under the Financial Services Agreement (including the Deposit Cap)
“%”	per cent.

The English names of all PRC entities in this circular are for identification purpose only.

LETTER FROM THE BOARD



CHINA CHENG TONG DEVELOPMENT GROUP LIMITED
中國誠通發展集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 217)

Non-executive Director:

Sun Jie (*Chairlady*)

Executive Directors:

Chen Jianying

Zhang Chuanyi

Bai Chunrui

*Registered office and principal place of
business in Hong Kong:*

22/F., Li Po Chun Chambers

189 Des Voeux Road Central

Hong Kong

Independent non-executive Directors:

Lee Man Chun, Tony

He Jia

Liu Lei

12 November 2025

To the Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS
AND
MAJOR TRANSACTION
IN RELATION TO FINANCIAL SERVICES AGREEMENT**

INTRODUCTION

Reference is made to the announcement of the Company dated 27 October 2025 in respect of the Financial Services Agreement.

The purpose of this circular is to provide you with (i) information on the Financial Services Agreement; (ii) a letter from the Independent Financial Adviser; (iii) a letter from the Independent Board Committee; (iv) other information required to be disclosed under the Listing Rules; and (v) the notice of the GM in respect of the Financial Services Agreement.

LETTER FROM THE BOARD

THE FINANCIAL SERVICES AGREEMENT

Date: 27 October 2025

Parties:

- (i) the Company; and
- (ii) Chengtong Finance

Duration:

Three years from the Effective Date, subject to early termination in accordance with the terms and conditions of the Financial Services Agreement.

Scope of services:

Chengtong Finance shall provide the Group with a range of financial services subject to the terms and conditions of the Financial Services Agreement. Such financial services include:

- (a) Deposit Services
 - (1) The Group can make deposits with Chengtong Finance at its discretion, such as current deposit, call deposit and time deposit, etc.
 - (2) The interest rates offered by Chengtong Finance to the Group for any deposits placed with it shall be (i) the deposit interest rate uniformly promulgated by the PBC during the same period for the same type of deposits with an upward floating range of 10-50 basis points; (ii) not lower than the interest rates offered to the Group by the major commercial banks in the PRC during the same period for the same type of deposits; and (iii) not lower than the interest rates offered by Chengtong Finance to any third party during the same period for the same type of deposits. In assessing the interest rates offered by Chengtong Finance to the Group in respect of the Deposit Services, reference will be made with the interest rates offered by two major commercial banks in the PRC.
 - (3) Deposit Cap: The daily balance of the Group's deposits with Chengtong Finance (including any interest accrued thereon) during the Term shall not exceed RMB400 million.
 - (4) The above balance of the Group's deposits excludes (i) loans, entrusted loans or discounted bills advanced by Chengtong Finance to the Group; (ii) loan interests payable by the Group to Chengtong Finance; and (iii) the bank loans obtained through guarantee provided by Chengtong Finance.
 - (5) Chengtong Finance will ensure the security of the Group's deposits and will deposit them into commercial banks approved by the PRC government.

LETTER FROM THE BOARD

- (6) In case Chengtong Finance is unable to pay back the Group's deposits in full, the Company shall have the right to terminate the Financial Services Agreement and offset the amount of deposits due to the Group from Chengtong Finance against any loan repayable by the Group to Chengtong Finance.
 - (7) Chengtong Finance shall indemnify the Group in full for any economic loss suffered by the Group as a result of Chengtong Finance's breach of the Financial Services Agreement.
- (b) Settlement services
 - (1) Chengtong Finance shall provide payment and collection services, along with other auxiliary services related to settlement operations, as instructed by the Group.
 - (2) Chengtong Finance shall provide the above settlement services free of charge.
- (c) Credit Facilities Services
 - (1) Subject to the provisions of the relevant laws and regulations of the PRC, Chengtong Finance shall, according to the Group's need for operation and development, provide credit facilities (excluding entrusted loans) to the Group, provided that the aggregate amount of the credit principal and the interests accrued thereon should not exceed RMB1 billion. The Group can utilise the credit facilities granted by Chengtong Finance for loans, bank's acceptance bills, discounted bills and other form of financing services.
 - (2) Subject to the relevant regulatory requirements, Chengtong Finance undertakes to provide the Credit Facilities Services to the Group with favourable interest rates, which shall be (i) at certain percentage (depending on the specific loan application) lower than the loan interest rates prescribed by the PBC during the same period for the same type of loans; and (ii) not higher than the interest rates offered to the Group by the major commercial banks in the PRC during the same period for the same type of loans. In general, reference will be made with the interest rates offered by two major commercial banks in the PRC.
 - (3) The Credit Facilities Services will be provided on normal commercial terms or more favourable terms to the Group.
 - (4) No assets or equity pledge or guarantee from the Group will be required if the Group meets the credit requirements of Chengtong Finance.
- (d) Other financial services
 - (1) Upon the instruction and request by the Group, Chengtong Finance shall provide the Group with other financial services as approved by the NFRA.

LETTER FROM THE BOARD

- (2) The fee charged by Chengtong Finance for such other financial services shall not be higher than the fees charged by other major financial institutions for financial services of the same type.

Undertakings by Chengtong Finance:

Chengtong Finance undertakes to the Group, among other things, that it shall:

- (a) ensure the safety and independence of the Group's deposits whereas the Group shall have right to withdraw or use its deposits at any time, and to deposit funds into its account held with any third party at any time without restriction;
- (b) cooperate with the Group in compliance with the monitoring, approval and disclosure requirements under the relevant rules and regulations regarding the continuing connected transactions contemplated under the Financial Services Agreement;
- (c) regularly provide its annual audit report or such other financial information as requested by the Group, regularly disclose its operation and financial conditions to the Group, allow the Group's auditors to review its accounting records for the purpose of complying with the Listing Rules;
- (d) allow and cooperate with the Group to carry on stress testing on its deposits with Chengtong Finance from time to time; and
- (e) notify the Company and take measures to prevent loss from happening or further loss upon the occurrence of any specified financial, operational, or regulatory risk events which may threaten the security of the deposits placed by the Group.

CCHG has undertaken to the NFRA and the Company that it will increase its capital investment in Chengtong Finance in the event that Chengtong Finance is unable to fulfill its obligation to return the deposit to the Group upon request.

DEPOSIT CAP

It is proposed that the Deposit Cap during the Term is RMB400 million.

The Company confirms that there is currently no deposit placed with Chengtong Finance and there is no historical cap which is reasonably recent to serve as a reference for the determination of the Deposit Cap.

LETTER FROM THE BOARD

The proposed Deposit Cap was determined after taken into account the following factors:

- (a) For the financial year ended 31 December 2024 and for the six months ended 30 June 2025, the Group's average monthly bank and cash balances (excluding pledged bank deposits) amounted to approximately HK\$871.32 million and HK\$1,069.8 million respectively.
- (b) The Group's bank balances and cash (excluding pledged bank deposits) recorded significant growth in recent years. As at 31 December 2024, the Group had bank balances and cash of approximately HK\$1.0 billion, representing a significant increase of approximately 47.6% as compared to that as at 31 December 2023 of approximately HK\$698.6 million. The Group's bank balances and cash further rose to approximately HK\$1.8 billion as at 30 June 2025.
- (c) The Group's operating activities generated robust net cash flows. During the year ended 31 December 2024, the net cash generated from the Group's operating activities amounted to approximately HK\$2.4 billion.

The Deposit Cap represents (i) approximately 50% and 41% of the Group's average monthly bank and cash balances (excluding pledged bank deposits) for the financial year ended 31 December 2024 and for the six months ended 30 June 2025 respectively; (ii) approximately 25% of the Group's bank balances and cash (excluding pledged bank deposits) as at 30 June 2025; and (iii) approximately 18% of the net cash generated from the Group's operating activities for the year ended 31 December 2024. These demonstrate that the Deposit Cap maintains substantial liquidity buffers while representing only a moderate portion of the Group's strong cash position and robust operating cash flow generation.

The Deposit Cap is merely a maximum limit of the deposit which may be placed by the Group with Chengtong Finance. The Group is not obliged or committed to engage Chengtong Finance for the Deposit Services. Furthermore, according to the Financial Services Agreement, the Group is free to withdraw and use its deposits placed with Chengtong Finance without any restriction. Therefore, the Directors consider that the Deposit Cap will not have significant adverse impact on the Group's utilisation of fund.

INFORMATION OF THE GROUP AND CHENGTONG FINANCE

The Group is principally engaged in leasing, property development and investment, marine recreation services and hotel business.

Chengtong Finance is a company incorporated in the PRC and a non-banking financial institution subject to the supervision of the NFRA. It is principally engaged in the provision of a variety of financial services including deposit taking, credit facility granting, settlement services, and other types of financial services to member companies of the group of CCHG.

REASONS FOR AND BENEFITS OF THE FINANCIAL SERVICES AGREEMENT

As Chengtong Finance and the Company are both members of CCHG group, Chengtong Finance has much better understanding of the Group's operations than other financial institutions. Chengtong Finance is expected to be a cost-effective financial platform providing flexible and tailor-made financial services to the Group.

LETTER FROM THE BOARD

Chengtong Finance is subject to the supervision of the NFRA and provides its services in accordance with the rules and operational requirements of NFRA. To the best knowledge of the Directors and after making all reasonable enquiries, up to the Latest Practicable Date, Chengtong Finance has shown good financial positions with good corporate governance and established internal control systems. For the year ended 31 December 2024, Chengtong Finance recorded a total revenue and a net profit of approximately RMB329.8 million and RMB179.0 million respectively. As at 31 December 2024, the net asset value of Chengtong Finance was approximately RMB6.7 billion. Since its commencement of operation, Chengtong Finance has complied with the rules and regulations stipulated by the relevant regulatory government authorities. The Company believes that the risk profile of Chengtong Finance, as a financial services provider to the Group, is not greater than that of independent commercial banks in the PRC.

Moreover, CCHG, being the ultimate holding company of both Chengtong Finance and the Company, is a state-owned enterprise in the PRC with a registered capital of approximately RMB21 billion as at the Latest Practicable Date. The major businesses of CCHG and its subsidiaries include fund investment, equity management, asset management, financial services and nurturing of strategic emerging industries. CCHG's audited net asset value as at 31 December 2024 was approximately RMB241.8 billion. With CCHG's undertaking to increase its capital investment in Chengtong Finance if Chengtong Finance has difficulties to honour its payment obligations, the Directors are of the view that the Group's interest is well safeguarded.

Furthermore, pursuant to the terms of the Deposit Services contemplated under the Financial Services Agreement, the Group can make deposits with Chengtong Finance or any third party financial institutions at its own discretion. The Group is therefore neither obliged nor committed to engage Chengtong Finance to provide the Deposit Services under the Financial Services Agreement and Chengtong Finance is merely one of the financial institutions which will provide deposit services to the Group. This allows the Group to select the appropriate provider(s) for deposit services as and when the Group has such a need.

According to the Financial Services Agreement, Chengtong Finance has made certain undertakings to the Group to enable the Group to assess the risks on placing deposits with Chengtong Finance from time to time and to safeguard the Group's deposits. The Group did not obtain any similar undertakings from any other financial institutions which are currently providing deposit services to the Group.

The Directors (including the independent non-executive Directors who have taken into account the advice of the Independent Financial Adviser) are therefore of the view that (i) the terms of the Deposit Services under the Financial Services Agreement (including the Deposit Cap) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the entering into of the Financial Services Agreement is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group.

The Directors are also of the view that the terms of the Credit Facilities Services and other financial services contemplated under the Financial Services Agreement are fair and reasonable and on normal commercial terms, and the entering into of such services is in the interest of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

None of the Directors has any material interest in the transactions contemplated under the Financial Services Agreement. Nevertheless, Mr. Li Qian, who was one of the then executive Director and the chairman of the Board when the Financial Services Agreement was approved, was also a director of CCHK (which is a fellow subsidiary of Chengtong Finance) and hence for the sake of good corporate governance, had abstained from voting on the Board resolutions in relation to the Financial Services Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

Chengtong Finance is a subsidiary of CCHG, the ultimate holding company of the Company, and is therefore a connected person of the Company and the transactions contemplated under the Financial Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Deposit Services

As the highest applicable percentage ratio in respect of the Deposit Services exceeds 25%, the provision of the Deposit Services by Chengtong Finance to the Group is subject to the reporting, annual review, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Further, the provision of the Deposit Services by Chengtong Finance to the Group also constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Credit Facilities Services

The provision of the Credit Facilities Services by Chengtong Finance to the Group under the Financial Services Agreement will constitute financial assistance to be provided by a connected person for the benefit of the Group. As the Credit Facilities Services will be conducted on normal commercial terms or better to the Group and no security over the assets of the Group will be required if the Group meets the credit requirements of Chengtong Finance, the provision of the Credit Facilities Services by Chengtong Finance to the Group is exempt under Rule 14A.90 of the Listing Rules from all reporting, annual review, announcement and Independent Shareholders' approval requirements.

Settlement services and other financial services

The settlement services will be provided to the Group free of charge, whereas the Company expects that each of the applicable percentage ratios in respect of the total fees payable by the Group to Chengtong Finance on annual basis for the other financial services under the Financial Services Agreement will fall within the de minimis threshold as stipulated under Chapter 14A of the Listing Rules and will therefore be exempt from all reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules if and when the total fees payable by the Group to Chengtong Finance for the other financial services under the Financial Services Agreement exceed the de minimis threshold.

LETTER FROM THE BOARD

INTERNAL CONTROL AND RISK MANAGEMENT IN RELATION TO THE DEPOSIT SERVICES

To safeguard the interest of the Shareholders, the Company has adopted, among others, the following internal control and risk management procedures to ensure that individual deposit transactions with Chengtong Finance will be conducted within the framework of the Deposit Services contemplated under the Financial Services Agreement:

- (a) The finance and capital department of the Company (“**F&C Department**”) is responsible for, among others, the management, risk assessment and disclosure of information in relation to the Deposit Services, and for establishing internal management systems based on the actual situation to ensure that relevant internal control measures are effectively implemented.
- (b) The F&C Department will record, among others, the amount of deposits placed by the Group with Chengtong Finance and the interests accrued thereon on a daily basis. When the sum of the deposit amount and interests accrued thereon reaches 80% of the Deposit Cap, the F&C Department will issue a warning notice to a working group of the Company (“**Working Group**”), which is led by the chairman of the Board.
- (c) The F&C Department will obtain information on the deposit interest rate(s) which Chengtong Finance offers to other member companies of the group of CCHG on a monthly basis to ensure that the deposit interest rate(s) offered to the Group is/are not lower than that offered by Chengtong Finance to other member companies of the group of CCHG.
- (d) In case of any adjustment to the benchmark interest rate by the PBC, the F&C Department will compare among the deposit interest rate from Chengtong Finance, the benchmark interest rate from the PBC, and the deposit interest rates from two independent commercial banks in respect of the same type of deposit during the same period. The F&C Department will request Chengtong Finance to make necessary adjustment to the deposit interest rate applied to the deposits placed with it by the Group in accordance with the provisions of the Financial Services Agreement.
- (e) The F&C Department will conduct credit risk stress testing on an annual basis to assess the resilience of deposits placed with Chengtong Finance under adverse conditions. Such test is performed by assuming a deterioration in the creditworthiness of Chengtong Finance, such as a downgrade in its credit rating or an increase in its probability of default, and assesses the subsequent impact on the safety of deposits placed by the Group and estimates the range of potential losses. The results of these stress tests will be reviewed by management in order to formulate appropriate risk mitigation strategies.
- (f) The F&C Department will obtain the annual operation report and risk management report submitted by Chengtong Finance to NFRA on an annual basis to monitor the financial position of Chengtong Finance.

LETTER FROM THE BOARD

- (g) The F&C Department will obtain and review the financial information of Chengtong Finance twice a year, analyse the business and financial risks of Chengtong Finance and prepare a risk assessment report to the Board to ascertain whether the deposits placed with Chengtong Finance are in order. The F&C Department may also request Chengtong Finance to provide information on its utilization and deposit status in respect of the deposit placed with it by the Group to enhance transparency.
- (h) The Company has established the Working Group to address any risk which may arise in respect of the Deposit Services.
- (i) Upon knowing there is any potential risk related to the deposits placed by the Group with Chengtong Finance, the F&C Department will report the matter to the Working Group immediately. The Working Group will then seek further information from Chengtong Finance to assess the situation. The Working Group will also be responsible to formulate and execute such measures to safeguard the Group's interest, which may include the withdrawal or adjustment of the amount of the deposits placed with Chengtong Finance.

GM AND CLOSURE OF REGISTER OF MEMBERS

The GM will be held on Thursday, 27 November 2025 at 10:00 a.m. at 22/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong for the purpose of considering and, if thought fit, approving, among other matters, the Deposit Services contemplated under the Financial Services Agreement (including the Deposit Cap). The notice of the GM is set out on pages GM-1 to GM-3 of this circular.

The record date for determining the entitlement of the Shareholders to attend and vote at the GM will be Thursday, 27 November 2025 and the register of members of the Company will be closed from Monday, 24 November 2025 to Thursday, 27 November 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to be entitled to attend and vote at the GM, all completed share transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's share registrar and transfer office, 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 Friday, 21 November 2025.

VOTING BY POLL

At the GM, resolution will be proposed by the Company to seek the Independent Shareholders' approval on the Deposit Services contemplated under the Financial Services Agreement (including the Deposit Cap).

In compliance with the Listing Rules, the resolution will be voted on by way of poll at the GM. After the conclusion of the GM, the results of the poll will be published on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.hk217.com).

LETTER FROM THE BOARD

As Chengtong Finance is an associate of CCHK, CCHK has a material interest in the Deposit Services contemplated under the Financial Services Agreement. CCHK, which held 3,169,656,217 Shares, representing approximately 53.14% of the total issued share capital of the Company as at the Latest Practicable Date, will abstain from voting on the resolution regarding the Deposit Services. Save as disclosed, to the best knowledge of the Directors having made all reasonable enquiries, no other Shareholders are interested in the Deposit Services contemplated under the Financial Services Agreement and required to abstain from voting.

RECOMMENDATION

An Independent Board Committee comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders in relation to the Financial Services Agreement. Your attention is drawn to the advice of the Independent Board Committee set out in its letter on pages 14 to 15 of this circular. Your attention is also drawn to the letter of advice from VBG Capital to the Independent Board Committee and the Independent Shareholders in respect of the same set out on pages 16 to 26 of this circular.

The Independent Board Committee, having taken into account the advice of the VBG Capital, considers that (i) the terms of the Deposit Services under the Financial Services Agreement (including the Deposit Cap) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the entering into of the Financial Services Agreement is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution approving the Deposit Services contemplated under the Financial Services Agreement (including the Deposit Cap) at the GM.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices to this circular.

On behalf of the Board
China Chengtong Development Group Limited
Sun Jie
Chairlady

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the full text of the letter from the Independent Board Committee prepared for the purpose of inclusion in this circular:



CHINA CHENGTONG DEVELOPMENT GROUP LIMITED 中國誠通發展集團有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 217)

12 November 2025

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS AND MAJOR TRANSACTION IN RELATION TO THE FINANCIAL SERVICES AGREEMENT

We refer to the circular issued by the Company to its shareholders and dated 12 November 2025 (“**Circular**”) of which this letter forms part. Terms defined in the Circular have the same meanings when used in this letter unless the context otherwise requires.

Under the Listing Rules, the Deposit Services contemplated under the Financial Services Agreement will constitute continuing connected transactions for the Company and is subject to the approval of the Independent Shareholders at the GM.

We have been appointed by the Board to consider the Deposit Services contemplated under the Financial Services Agreement (including the Deposit Cap) and to advise the Independent Shareholders in connection therewith. VBG Capital has been appointed as the independent financial adviser to advise us in this respect. We wish to draw your attention to the letter from the Board and the letter from VBG Capital as set out in the Circular. Having considered (i) the ability of Chengtong Finance in providing the Group with flexible and tailor-made financial services in a more cost-effective manner; (ii) the more favourable terms offered by Chengtong Finance as compared with other major commercial banks in the PRC; (iii) the financial strength of Chengtong Finance; and (iv) the principal factors and reasons considered by, and the advice of, VBG Capital as set out in its letter of advice, we consider that (i) the terms of the Deposit Services under the Financial Services Agreement (including the Deposit Cap) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the entering into of the Financial Services

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Agreement is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution approving the Deposit Services contemplated under the Financial Services Agreement (including the Deposit Cap) at the GM.

Yours faithfully,

For and on behalf of

Independent Board Committee

Lee Man Chun, Tony He Jia Liu Lei

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from VBG Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Financial Services Agreement for the purpose of inclusion in this circular.



21/F., Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

12 November 2025

*To: The independent board committee and the independent shareholders
of China Chengtong Development Group Limited*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS AND MAJOR TRANSACTION IN RELATION TO FINANCIAL SERVICES AGREEMENT

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 Financial Services Agreement, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 12 November 2025 issued by the Company to the Shareholders (the “**Circular**”), of which this letter of advice forms part. Capitalized terms used in this letter of advice shall have the same meanings as ascribed to them under the section headed “Definitions” in the Circular unless the context requires otherwise.

On 27 October 2025, the Company and Chengtong Finance entered into the Financial Services Agreement in relation to the provision by Chengtong Finance to the Group of a scope of financial services, including the Deposit Services, for a term of three years commencing from the Effective Date.

According to the Letter from the Board, the provision of the Deposit Services under the Financial Services Agreement constitutes a major transaction and continuing connected transactions for the Company, and is subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Lee Man Chun, Tony, Professor He Jia and Mr. Liu Lei (all being the independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Deposit Services under the Financial Services Agreement (including the Deposit Cap) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the entering into of the Financial Services Agreement is in the interests of the Company and the Shareholders as a whole and

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is conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Deposit Services under the Financial Services Agreement at the GM. We, VBG Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our opinion with regard to the Financial Services Agreement, we have relied on the information and facts supplied, opinions expressed and representations made to us by the management of the Group. We have assumed that the information and facts supplied, opinions expressed and representations made to us by the management of the Group were true, accurate and complete at the time they were made and continue to be true, accurate and complete in all material aspects until the date of the Circular. We have also assumed that all statements of belief, opinions, expectation and intention made by the management of the Group in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its management and/or advisers, which have been provided to us.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business and affairs or future prospects of the Group, CCHG, Chengtong Finance, or their respective shareholders, subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Financial Services Agreement. Our opinion is necessarily based on the market, financial, economic and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to consider events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. Nothing contained in this letter of advice should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Shareholders should note that as the Deposit Cap is relating to future events and was estimated based on assumptions which may or may not remain valid for the entire period during the Term, and it does not represent forecast of revenue or cost to be recorded from the Financial Services Agreement. Consequently, we express no opinion as to how closely the actual revenue and/or cost to be incurred under the Financial Services Agreement will correspond with the Deposit Cap.

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Where information in this letter of advice has been extracted from published or otherwise publicly available sources, we have ensured that such information has been correctly and fairly extracted, reproduced or presented from the relevant sources but we did not conduct any independent investigation into the accuracy and completeness of such information.

OUR INDEPENDENCE

As at the Latest Practicable Date, apart from having acted as the independent financial adviser of the Company relating to a discloseable and continuing connected transaction of which an announcement was published by the Company on 10 January 2024, we did not have any business relationship with the Company within the past two years. Save for the normal fees payable to us in connection with this appointment, no arrangement exists whereby we shall receive any fees or benefits from the Company and its subsidiaries or the Directors, chief executive or substantial shareholders (as defined in the Listing Rules) of the Company or any of their associates. We consider ourselves independent to form our opinion in respect of the Financial Services Agreement in compliance with Rule 13.84 of the Listing Rules.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Financial Services Agreement, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the Financial Services Agreement

Business and financial overview of the Group

The Group is principally engaged in leasing, property development and investment, marine recreation services and hotel business.

Based on the Company's annual report for the year ended 31 December 2024, revenue of the Group was approximately HK\$552.6 million and the Group's profit for the year was approximately HK\$38.7 million. The Group derived almost 78% of its revenue from the leasing business, followed by the property development and investment business (around 16%) and the marine recreation services and hotel business (around 6%). As at 31 December 2024, the Group had bank balances and cash of approximately HK\$1.0 billion, representing a significant increase of approximately 47.6% as compared to that as at 31 December 2023 of approximately HK\$698.6 million. As at 30 June 2025, the Group's bank balances and cash further increased to approximately HK\$1.8 billion. Majority of the Group's cash and deposits were denominated in RMB. During the year ended 31 December 2024, the net cash generated from the Group's operating activities amounted to approximately HK\$2.4 billion. As advised by the Directors, owing to the nature of the Group's leasing business, bulk volume of cash flows are incurred during the daily operations of the Group and the Group holds substantial amount of bank balances and cash; as a result, the Group has consistent demand for financial services (including deposit services) from financial institutions to support its daily cash and treasury management.

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Information on Chengtong Finance

As extracted from the Letter from the Board, Chengtong Finance is a non-banking financial institution subject to the supervision of the NFRA. It is principally engaged in the provision of a variety of financial services including deposit taking, credit facility granting, settlement services, and other types of financial services to member companies of the group of CCHG.

For our due diligence purpose, we have requested and obtained the required financial license of Chengtong Finance issued by the relevant regulatory authority in China.

For our due diligence purpose, we have also requested and obtained the latest financial information of Chengtong Finance, from which we noted that Chengtong Finance recorded total revenue and net profit of approximately RMB329.8 million and RMB179.0 million, respectively, for the year ended 31 December 2024. As at 31 December 2024, the net asset value of Chengtong Finance was approximately RMB6.7 billion.

Reasons for and possible benefits of the Financial Services Agreement

We have discussed with the Directors as regards the reasons for and possible benefits of the Financial Services Agreement:

Flexible and tailor-made, and favorable terms of services of Chengtong Finance

As represented by the Directors, for the reason that Chengtong Finance and the Group are both members of CCHG group, Chengtong Finance would be much more familiar with the Group's operations than other financial institutions. Chengtong Finance is expected to be a cost-effective financial platform providing flexible and tailor-made financial services to the Group

At the same time, as being presented in further details under the section headed "Principal terms of the Deposit Services under the Financial Services Agreement" of this letter of advice, pursuant to the terms of the Financial Services Agreement, Chengtong Finance agreed that the interest rates for the Deposit Services to the Group shall be (i) the deposit interest rate uniformly promulgated by the PBC during the same period for the same type of deposits with an upward floating range of 10-50 basis points; (ii) not lower than the interest rates offered to the Group by the major commercial banks in the PRC during the same period for the same type of deposits; and (iii) not lower than the interest rates offered by Chengtong Finance to any third party during the same period for the same type of deposits.

Regulatory environment of Chengtong Finance

Based on our independent research, we noted that as a non-bank financial institution in the PRC, Chengtong Finance is subject to stringent regulations and is regulated by the NFRA. In accordance with the relevant provisions of the "Measures for the Administration of Finance Companies of Enterprise Groups", Chengtong Finance is required to establish a sound corporate governance structure, improve internal controls, standardize business activities, conduct operations compliantly,

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and comply with multiple regulatory requirements to ensure fund safety, including but not limited to capital adequacy ratio, liquidity ratio, loan balance limits, total investment limits, net fixed asset limits, etc. Simultaneously, it must also deposit a certain proportion of statutory reserves with the PBC as stipulated by the relevant regulations.

Risk profile of Chengtong Finance

In assessing the possible credit risk involved in placing deposits with Chengtong Finance, we have taken into consideration that:

- (i) as depicted above, the operations of Chengtong Finance is subject to stringent supervision of the NFRA and is regulated by the relevant PRC financial regulations and rules;
- (ii) as depicted under the sub-section headed “Information on Chengtong Finance” of this letter of advice, Chengtong Finance has a strong financial position with total revenue and net profit of approximately RMB329.8 million and RMB179.0 million, respectively, for the year ended 31 December 2024, and net asset value of approximately RMB6.7 billion as at 31 December 2024; and
- (iii) as being presented under the section headed “Principal terms of the Deposit Services under the Financial Services Agreement” of this letter of advice, each of Chengtong Finance and CCHG has provided undertakings with an aim to protecting the Group’s interest.

In relation to the above, we have further researched for information on CCHG. Based on our research, we noted that CCHG is a state-owned enterprise supervised by the State-owned Assets Supervision and Administration Commission of the State Council with registered capital of RMB21 billion, and is one of the first batch of pilot enterprises of the State-owned Assets Supervision and Administration Commission to build a standardized board of directors, the first pilot enterprise of a state-owned asset management company and a pilot unit of a state-owned capital operating company. Since becoming a pilot state-owned capital operating company in February 2016, the CCHG group’s net assets and profit have expanded by approximately 6.5 times and 9.3 times, respectively, and it has entered the ranks of “double A” in the party building assessment and business performance appraisal of the State-owned Assets Supervision and Administration Commission for three consecutive years. In December 2022, CCHG was transferred from the pilot to the stage of continuous deepening reform. Besides the Company, CCHG also holds shares of a number of listed companies, namely Guangdong Guanhao High-Tech Co., Ltd. (600433.SH), Yueyang Forest & Paper Co., Ltd. (600963.SH) and MCC MeiLi Cloud Computing Industry Investment Co., Ltd. (000815.SZ). Given the solid background of CCHG, we consider that the undertakings provided by CCHG may effectively mitigate the credits risk of Chengtong Finance.

Having considered the foregoing, we concur with the Directors that the credit risk of Chengtong Finance is likely to be low and manageable.

In light of the aforesaid reasons for and possible benefits of the Financial Services Agreement, we concur with the Directors that the entering into of the Financial Services Agreement is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group.

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2. Principal terms of the Deposit Services under the Financial Services Agreement

A summary of the principal terms of the Deposit Services under the Financial Services Agreement dated 27 October 2025 as extracted from the Letter from the Board is set out below:

- | | |
|---|--|
| Parties: | (1) The Company; and

(2) Chengtong Finance |
| Term: | Three years from the Effective Date |
| Key terms of the Deposit Services: | <ul style="list-style-type: none">(1) The Group can make deposits with Chengtong Finance at its discretion, such as current deposit, call deposit and time deposit.(2) The interest rates offered by Chengtong Finance to the Group for any deposits placed with it shall be (i) the deposit interest rate uniformly promulgated by the PBC during the same period for the same type of deposits with an upward floating range of 10-50 basis points; (ii) not lower than the interest rates offered to the Group by the major commercial banks in the PRC during the same period for the same type of deposits; and (iii) not lower than the interest rates offered by Chengtong Finance to any third party during the same period for the same type of deposits.(3) Chengtong Finance will ensure the security of the Group's deposits and will deposit them into commercial banks approved by the PRC government.(4) In case Chengtong Finance is unable to pay back the Group's deposits in full, the Company shall have the right to terminate the Financial Services Agreement and offset the amount of deposits due to the Group from Chengtong Finance against any loan repayable by the Group to Chengtong Finance.(5) Chengtong Finance shall indemnify the Company in full for any economic loss suffered by the Company as a result of Chengtong Finance's breach of the Financial Services Agreement. |

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**Chengtong Finance's
undertaking:**

Chengtong Finance undertakes to the Group that, among other things, it shall:

- (a) ensure the safety and independence of the Group's deposits whereas the Group shall have right to withdraw or use its deposits at any time, and to deposit funds into its account held with any third party at any time without restriction;
- (b) cooperate with the Group in compliance with the monitoring, approval and disclosure requirements under the relevant rules and regulations regarding continuing connected transactions contemplated under the Financial Services Agreement;
- (c) regularly provide its annual audit report or such other financial information as requested by the Group, regularly disclose its operation and financial conditions to the Group, allow the Group's auditors to review its accounting records for the purpose of complying with the Listing Rules;
- (d) allow and cooperate with the Group to carry on stress testing on its deposits with Chengtong Finance from time to time; and
- (e) notify the Company and take measures to prevent loss from happening or further loss upon occurrence of any specified financial, operational, or regulatory risk events which may threaten the security of the deposits placed by the Group.

CCHG's undertaking:

CCHG, the ultimate holding company of Chengtong Finance, has undertaken to the NFRA and the Company that it will increase its capital investment in Chengtong Finance in the event that Chengtong Finance is unable to fulfill its obligation to return the deposits to the Group upon request.

Pursuant to the Financial Services Agreement, the interest rates offered by Chengtong Finance to the Group for any deposits shall be (i) the deposit interest rate uniformly promulgated by the PBC during the same period for the same type of deposits with an upward floating range of 10-50 basis points; (ii) not lower than the interest rates offered to the Group by the major commercial banks in the PRC during the same period for the same type of deposits; and (iii) not lower than the interest rates offered by Chengtong Finance to any third party during the same period for the same type of deposits. As advised by the Directors, in assessing the interest rates offered by Chengtong Finance to the Group in respect of the Deposit Services, reference will be made with the interest rates offered by two major

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commercial banks in the PRC. In view of the above, these provisions could ensure a higher return to the Group from its idle cash and the pricing mechanism of interest rates under the Financial Services Agreement is no less favourable terms as compared to the terms offered by other independent third parties. Besides, the security of the deposits of the Group with Chengtong Finance is enhanced by the undertakings given by Chengtong Finance and CCHG. In particular, CCHG has undertaken to the NFRA and the Company that it will increase its capital investment in Chengtong Finance in the event that Chengtong Finance is unable to fulfill its obligation to return the deposits to the Group upon request.

Pursuant also to the Financial Services Agreement, the Group is not restricted to approach, and in fact may choose, any bank or financial institution to satisfy its business and financial service needs. That is to say, the Group may, but is not obliged to, use the services provided by Chengtong Finance. We consider that such provision could provide flexibility for the Group to decide on which financial institution(s) to place its idle cash with depending on its own circumstances.

Taking into account of the above, we are of the opinion that the terms of the Deposit Services under the Financial Services Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

The Deposit Cap

The Deposit Cap for the Deposit Services under the Financial Services Agreement is set at RMB400 million during the Term.

To assess the fairness and reasonableness of the Deposit Cap, we have considered the following factors:

- (i) as mentioned under the sub-section headed “Business and financial overview of the Group” of this letter of advice, at 31 December 2024, the Group had bank balances and cash (excluding pledged bank deposits) of approximately HK\$1.0 billion, representing a significant increase of approximately 47.6% as compared to that as at 31 December 2023 of approximately HK\$698.6 million. As at 30 June 2025, the Group’s bank balances and cash (excluding pledged bank deposits) further increased to approximately HK\$1.8 billion. That is to say, the Group’s cash on hand has been increasing significantly in a row in recent years;
- (ii) during the year ended 31 December 2024, the net cash generated from the Group’s operating activities amounted to approximately HK\$2.4 billion. Owing to the nature of the Group’s leasing business, bulk volume of cash flows are incurred during the daily operations of the Group;
- (iii) the Group’s total bank balances and cash (excluding pledged bank deposits) as at 30 June 2025 and net cash generated from operating activities for the year ended 31 December 2024 are approximately 4.4 times and 6.0 times, respectively, of the Deposit Cap;

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- (iv) as represented by the Directors, the Group's average monthly bank balances and cash (excluding pledged bank deposits) amounted to approximately HK\$871.3 million and HK\$1,069.8 million, respectively, for the year ended 31 December 2024 and the six months ended 30 June 2025. As such, the Deposit Cap represents around 50% and 41% of the Group's average monthly bank balances and cash (excluding pledged bank deposits) for the year ended 31 December 2024 and the six months ended 30 June 2025, respectively;
- (v) points (iii) and (iv) above demonstrate that the Deposit Cap maintains substantial liquidity buffers while representing only a moderate portion of the Group's strong cash position and robust operating cash flow generation. Moreover, the Deposit Cap is merely a maximum limit of the deposits which may be placed by the Group with Chengtong Finance. Pursuant to the Financial Services Agreement, the Group is free to withdraw and use its deposits placed with Chengtong Finance without any restriction; and
- (vi) pursuant to the Financial Services Agreement, the Group can select other financial institutions for financial services at its discretion. Moreover, the interest rates offered by Chengtong Finance to the Group for any deposits shall be (i) the deposit interest rate uniformly promulgated by the PBC during the same period for the same type of deposits with an upward floating range of 10-50 basis points; (ii) not lower than the interest rates offered to the Group by the major commercial banks in the PRC during the same period for the same type of deposits; and (iii) not lower than the interest rates offered by Chengtong Finance to any third party during the same period for the same type of deposits. The said arrangements can on one hand provide the Group with flexibility in selecting financial institutions for deposit services, and on the other hand allowing the Group to capture higher interest earnings from its idle cash.

As such, we are of the view the Deposit Cap for the Deposits Services under the Financial Services Agreement is fair and reasonable so far as the Independent Shareholders are concerned.

3. Internal control and compliance with the Listing Rules

We noted from the sub-section headed "Internal control and risk management in relation to the Deposit Services" of the Letter from the Board that the Company has established strict internal control policies to supervise the Deposit Services under the Financial Services Agreement. Overall speaking, the finance and capital department of the Company (the "**F&C Department**") is responsible for, amongst others, the management, risk assessment and disclosure of information in relation to the Deposit Services. A working group (the "**Working Group**") which is led by the chairman of the Board is set up to address any risk which may arise in respect of the Deposit Services. Upon knowing there is any potential risk related to the deposits placed by the Group with Chengtong Finance, the F&C Department will report the matter to the Working Group immediately. The Working Group will then seek further information from Chengtong Finance to assess the situation. The Working Group will also be responsible to formulate and execute such measures to safeguard the Group's interest, which may include the withdrawal or adjustment of the amount of deposits placed with Chengtong Finance.

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In case of any adjustment to the benchmark interest rate by the PBC, the F&C Department will compare among the deposit interest rate from Chengtong Finance, the benchmark interest rate from the PBC, and the deposit interest rates from two independent commercial banks in respect of the same type of deposits during the same term. The F&C Department will request Chengtong Finance to make necessary adjustment to the deposit interest rate applied to the deposits placed with it by the Group in accordance with the provisions of the Financial Services Agreement.

We have studied the internal control policies of the Company as aforesaid and compared the same with the measures adopted by other Hong Kong listed companies to monitor deposit transactions under similar financial services agreements. Based on our study and comparison, we noted that the internal control policies of the Company comprehensively cover the process from execution, management to supervision, and include measures which are commonly adopted by the market for similar purposes.

Furthermore, the Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 and 14A.55 of the Listing Rules pursuant to which (i) the maximum daily balance of deposits (including accrued interest) placed by the Group with Chengtong Finance must be restricted by the Deposit Cap during the term of the Financial Services Agreement; (ii) the terms of the Financial Services Agreement (together with the Deposit Cap) must be reviewed by the independent non-executive Directors annually; and (iii) details of independent non-executive Directors' annual review on the terms of the Financial Services Agreement (together with the Deposit Cap) must be included in the Company's subsequent published annual reports and financial accounts. As also stipulated under Rule 14A.56 of the Listing Rules, auditors of the Company must provide annually a letter to the Board confirming, among other things, that the Deposit Services under the Financial Services Agreement are carried out in accordance with the terms under relevant agreements and the pricing policies of the Company in all material respects, and the Deposit Cap is not being exceeded. In the event that the maximum daily balance of deposits (including accrued interest) placed by the Group with Chengtong Finance exceeds the Deposit Cap, or that there is any material amendment to the terms of the Financial Services Agreement (together with the Deposit Cap), the Company, as confirmed by the Directors, shall comply with the applicable provisions of the Listing Rules governing continuing connected transaction.

With the internal control measures of the Group as well as the stipulated requirements for continuing connected transactions of the Listing Rules in place, the Deposit Services under the Financial Services Agreement will be monitored and hence the interest of the Independent Shareholders would be safeguarded.

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RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Deposit Services under the Financial Services Agreement (including the Deposit Cap) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the entering into of the Financial Services Agreement is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the GM to approve the Deposit Services under the Financial Services Agreement and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
VBG Capital Limited
Doris Sing
Managing Director

Ms. Doris Sing is a licensed person and responsible officer of VBG Capital Limited registered with the Securities and Futures Commission to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and has over 20 years of experience in corporate finance.

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for the three financial years ended 31 December 2022, 2023 and 2024, and for the six months ended 30 June 2025 have been set out in the following documents respectively:

- (a) the annual report of the Company for the year ended 31 December 2022 from pages 79 to 224 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0424/2023042400489.pdf>);
- (b) the annual report of the Company for the year ended 31 December 2023 from pages 91 to 241 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0424/2024042400654.pdf>);
- (c) the annual report of the Company for the year ended 31 December 2024 from pages 65 to 163 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0429/2025042900805.pdf>); and
- (d) the interim report of the Company for the six months ended 30 June 2025 from pages 4 to 32 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0929/2025092901932.pdf>).

2. INDEBTEDNESS OF THE GROUP

As at the close of business on 30 September 2025, being the latest practicable date for the purpose of this statement of indebtedness of the Group prior to the printing of this circular, the Group had (i) secured and unguaranteed bank borrowings of approximately HK\$3,523.72 million which are secured by charges over loan receivables and trade receivable under operating lease business of the Group; (ii) unsecured and unguaranteed bank borrowings of approximately HK\$44.69 million; (iii) unsecured and unguaranteed corporate bonds of approximately HK\$1,100.55 million; (iv) secured and guaranteed asset-backed securities of approximately HK\$2,082.02 million which are secured by charges over loan receivables and finance lease receivables of the Group and guaranteed by the ultimate holding company; (v) unsecured and unguaranteed loans from related parties of approximately HK\$354.25 million.

As at the close of business on 30 September 2025, the Group had contingent liabilities in relation to guarantees of approximately HK\$232.26 million given to banks in respect of mortgage loans granted to purchasers of certain property units.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business, the Group did not have any other debt securities issued and outstanding or authorised or otherwise created but unissued, term loans, other borrowings or indebtedness in the nature of borrowing, mortgages or charges, contingent liabilities or guarantees as at 30 September 2025.

3. WORKING CAPITAL SUFFICIENCY OF THE GROUP

The Directors are of the opinion that, after taking into account the effects of the Financial Services Agreement, the internally generated funds, existing facilities available to the Group and financial resources presently available to the Group, the Group will have sufficient working capital to satisfy its requirements for at least twelve (12) months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in leasing, property development and investment, marine recreation services and hotel business as of the Latest Practicable Date.

In respect of leasing, the Group will maintain its strategic focus on business layout, diligently advancing its efforts in the “Five Major Initiatives” (五篇大文章), increase investment in nationally prioritised sectors and accelerate the pace of its professional transformation. Chengtong Financial Leasing Company Limited (“**Chengtong Financial Leasing**”), the main operating subsidiary of the Company for the leasing business, will actively diversify its funding channels and continue to strengthen in-depth communication and cooperation with financial institutions, including domestic and international banks. In response to dynamic market changes, Chengtong Financial Leasing will closely monitor industry trends and adopt a market demand-oriented approach to precisely capture market opportunities. Chengtong Financial Leasing will actively explore innovative business models and specialised sectors, fully leveraging its distinctive strengths in “financing and asset facilitation” to enhance service efficiency and quality, striving to achieve sustained and stable operations within the diverse and evolving market environment, with an aim to contribute more substantially to the high-quality development of the real economy.

In respect of the property development and investment business, the Group will pay close attention to the industry policies, actively seize the market opportunities, speed up the sales of our property stock, and utilise the recovered funds for the principal business of leasing.

In respect of the marine recreation services and hotel business, the Company’s subsidiaries in Hainan Province will focus on key initiatives of restructuring customer source channels, strengthening customer lifecycle management, and leveraging platforms to enhance online traffic generation.

5. MATERIAL ADVERSE CHANGE

As disclosed in the interim report of the Company for the six months ended 30 June 2025, the Company recorded a consolidated profit after tax of approximately HK\$10 million, representing a decrease of 63% from that for the corresponding period in 2024 which was mainly affected by the lukewarm global economic recovery, the ongoing changes in geopolitical and economic landscape, the downward trend in the interest rates in the PRC, and the tight supply of high-quality assets in the market, which resulted in a significant decrease in revenue and gross profit contribution from the leasing segment.

Other than the foregoing and as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

6. EFFECT OF THE DEPOSIT SERVICES ON THE EARNINGS AND ASSETS AND LIABILITIES OF THE GROUP

As at 30 June 2025, the unaudited consolidated total assets of the Group amounted to approximately HK\$9,131.11 million and the unaudited consolidated total liabilities of the Group amounted to approximately HK\$6,260.67 million.

Given the interest income expected to be earned from the Group's deposits with Chengtong Finance under the Financial Services Agreement will only represent an insignificant contribution to the Company's earnings and assets, the Company anticipates that the interest income to be earned from the deposits during the Term will not have any material impact on its earnings, assets and liabilities.

The final financial impact on the Group will be subject to the audit to be performed by the auditors of the Company.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(i) Interests of Directors and chief executive of the Company

As at the Latest Practicable Date, the interests and short position of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be 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 they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules were as follows:

Long position

Name of Directors	Interests in the Company or its associated corporation	Nature of interest	Number of Shares held	Approximate percentage of the issued share capital as at the Latest Practicable Date
				(Note)
Ms. Sun Jie	The Company	Beneficial owner	570,960	0.01%
Ms. Bai Chunrui	The Company	Beneficial owner	292,000	0.00%

Note: Rounded up to 2 decimal places.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be 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 they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

(ii) Interests of substantial Shareholders

As at the Latest Practicable Date, so far as was known to the Directors, the following persons, other than the Directors and chief executive of the Company, had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as follows:

Long position

Name of Shareholder	Nature of interest	Number of Shares held	Approximate percentage of the issued share capital of the Company as at the Latest Practicable Date
			(Note 2)
CCHK	Beneficial owner (Note 1)	3,169,656,217	53.14%
CCHG	Interest in controlled corporation (Note 1)	3,169,656,217	53.14%

Notes:

1. The entire issued share capital of CCHK is beneficially owned by CCHG. Under the SFO, CCHG is deemed to be interested in all the Shares held by CCHK.
2. Rounded up to 2 decimal places.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, there was no other person, other than the Directors and chief executive of the Company, who had any interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

As at the Latest Practicable Date, (i) Ms. Sun Jie, a non-executive Director and the Chairlady of the Board, was the chief accountant and a member of the executive committee of CCHK; (ii) Mr. Zhang Chuanyi, an executive Director, was an assistant general manager of CCHK and a director of several subsidiaries of CCHK; and (iii) Ms. Bai Chunrui, an executive Director, was the general manager of the Legal and Compliance Department of CCHK and a director of a subsidiary of CCHK. Save as disclosed herein, no Director was a director or an employee of a company which had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. MATERIAL CONTRACT

The Directors confirm there is no contract (not being contract entered into in the ordinary course of business) entered into by the members of the Group within two (2) years immediately preceding the Latest Practicable Date and is, or may be, material.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which is not expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

5. LITIGATION

As at the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors, neither the Company nor any member of the Group was engaged in any litigation or claims of material importance and there was no litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

6. COMPETING INTERESTS

As at the Latest Practicable Date, so far as was known to the Directors, none of the Directors nor any of their respective close associate(s) had any interests in a business, which competed or was likely to compete, either directly or indirectly, with the business of the Group which would be required to be disclosed under Rule 8.10 of the Listing Rules.

7. INTERESTS IN THE GROUP'S ASSETS OR CONTRACT OR ARRANGEMENTS

As at the Latest Practicable Date, so far as was known to the Directors, none of the Directors had any interest, direct or indirect, in any assets which have been, since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to any member of the Group.

None of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

8. EXPERT

The following is the qualification of the expert who has been named in this circular or has given opinion, letter or advice contained in this circular:

Name	Qualification
VBG Capital Limited	a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities

VBG Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its letter and/or reference to its name, in the form and context in which they appear.

As at the Latest Practicable Date, VBG Capital was not beneficially interested in the share capital of any member of the Group nor had any right, whether legally or beneficially enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any interest, either directly or indirectly, in the assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

9. GENERAL

- (a) The registered office and the principal place of business of the Company is at 22/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong.
- (b) The share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) The joint company secretaries of the Company are Ms. Liu Chang and Mr. Cheng King Yip. Mr Cheng is a member of the Hong Kong Institute of Certified Public Accountants.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be published on the website of the Stock Exchange at <https://www.hkexnews.com> and the website of the Company at <https://www.hk217.com> for a period of fourteen (14) days from the date of this circular:

- (a) the Financial Services Agreement; and
- (b) the letter from VBG Capital to the Independent Board Committee, the text of which is set out on pages 16 to 26 of this circular; and
- (c) the written consent referred to in the paragraph headed "Expert" in this appendix.



CHINA CHENGTONG DEVELOPMENT GROUP LIMITED

中國誠通發展集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 217)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting ("**Meeting**") of China Chengtong Development Group Limited ("**Company**") will be held at 22/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong on Thursday, 27 November 2025 at 10:00 a.m., to consider and, if thought fit, pass the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

"THAT

- (a) the Financial Services Agreement (as defined in the circular of the Company dated 12 November 2025) dated 27 October 2025 and entered into between the Company and China Chengtong Finance Corporation Ltd. ("**Chengtong Finance**")) (copy of which has been produced to the meeting marked "A" and initialed by the chairman of the meeting for the purpose of identification) in relation to the provision of a range of financial services by Chengtong Finance to the Company and its subsidiaries (collectively, the "**Group**"), including but not limited to the provision of the deposit services as stipulated thereunder, be and is hereby approved, confirmed and ratified;
- (b) the proposed maximum daily outstanding balance of deposits placed by the Group with Chengtong Finance (including any interest accrued therefrom) in the amount not exceeding RMB400 million during the term of the Financial Services Agreement be and is hereby approved;
- (c) any one of the directors of the Company (each a "**Director**") be and is hereby authorised to take all steps, for and on behalf of the Company, which are in his/her opinion necessary or expedient to implement and/or give effect to the terms of the Financial Services Agreement; and

NOTICE OF GM

- (d) any one of the Directors be and is hereby authorised to execute all such other documents, instruments and agreements and to do all such acts or things, for and on behalf of the Company, which he/she deems to be incidental to, ancillary to or in connection with the matters contemplated under the Financial Services Agreement and to agree to any amendment to any of the terms of the Financial Services Agreement which in the opinion of such Director is not of a material nature and is in the interests of the Company.”

On behalf of the Board
China Chengtong Development Group Limited
Sun Jie
Chairlady

12 November 2025

Registered office in Hong Kong:
22/F., Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

Notes:

1. A shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote in his/her/its stead. A proxy need not be a shareholder of the Company. In case of a joint holding, the form of proxy may be signed by any joint holder; but if more than one joint holder is present at the Meeting, whether in person or by proxy, that one of the joint holders whose name stands first in the register of members of the Company in respect of the relevant joint holding shall alone be entitled to vote in respect thereof.
2. To be valid, the form of proxy together with any power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 10:00 a.m. on Tuesday, 25 November 2025 or not later than 48 hours before the time appointed for holding any adjournment or postponement of the Meeting. Completion and return of the form of proxy will not preclude shareholders of the Company from attending and voting in person at the Meeting or any adjournment or postponement thereof should they so wish and, in such event, the form of proxy previously submitted shall be deemed to be revoked.
3. The record date for determining the entitlement of the shareholders of the Company to attend and vote at the Meeting will be Thursday, 27 November 2025 and the register of members of the Company will be closed from Monday, 24 November 2025 to Thursday, 27 November 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be entitled to attend and vote at the Meeting, all completed share transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's share registrar and transfer office, 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 Friday, 21 November 2025.
4. The above resolution will be voted by way of poll as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

NOTICE OF GM

5. If a tropical cyclone warning signal no. 8 or above is hoisted, or a black rainstorm warning signal or “extreme conditions” announced by the Hong Kong Government is/are in force in Hong Kong at or at any time after 7:00 a.m. on the date of the Meeting, the Meeting will be postponed. The Company will post an announcement on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and the Company (www.hk217.com) to notify the shareholders of the Company of the date, time and place of the rescheduled meeting. The Meeting will be held as scheduled when an amber or a red rainstorm warning signal is in force. Shareholders of the Company should decide on their own whether they would attend the Meeting under bad weather condition bearing in mind their own situations.

As at the date hereof, the non-executive Director is Ms. Sun Jie (Chairlady); the executive Directors are Mr. Chen Jianying, Mr. Zhang Chuanyi and Ms. Bai Chunrui; and the independent non-executive Directors are Mr. Lee Man Chun, Tony, Professor He Jia and Mr. Liu Lei.