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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)

**MAJOR TRANSACTIONS –
LEASED ASSETS TRANSFER ARRANGEMENTS
AND SALE AND LEASEBACK ARRANGEMENT**

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DEFINITION

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

“Board”	means the board of Directors
“CCHG”	means China Chengtong Holdings Group Limited, a state-owned enterprise established in the PRC with limited liability and the ultimate holding company of the Company
“CCHK”	means China Chengtong Hong Kong Company Limited, a company incorporated in Hong Kong with limited liability and the controlling shareholder of the Company as at the Latest Practicable Date
“Chengtong Financial Leasing”	means Chengtong Financial Leasing Company Limited, a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	means China Chengtong Development Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	means the director(s) of the Company
“Group”	means the Company and its subsidiaries as at the date of this circular
“HK\$”	means Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“Independent Third Part(ies)”	means third party(ies) independent of the Company and its connected persons (having the meaning ascribed to it under the Listing Rules)
“Kangfu Co-Lessees”	means collectively, Kangfu Lessee I and Kangfu Lessee II
“Kangfu Leased Assets”	means certain vehicles, aerial work platforms, scissor lifts, towing vehicles, semitrailers, batteries, charging piles, etc.

DEFINITION

“Kangfu Leased Assets Transfer Agreement I”	means the leased assets transfer agreement and the leased assets agreement in respect of the relevant Leased Assets dated 17 September 2025 and signed between Chengtong Financial Leasing and the Kangfu Co-Lessees for a term of 12 months
“Kangfu Leased Assets Transfer Agreement II”	means the leased assets transfer agreement and the leased assets agreement in respect of the relevant Leased Assets dated 17 September 2025 and signed between Chengtong Financial Leasing and the Kangfu Co-Lessees for a term of 15 months
“Kangfu Leased Assets Transfer Agreement III”	means the leased assets transfer agreement and the leased assets agreement in respect of the relevant Leased Assets dated 17 September 2025 and signed between Chengtong Financial Leasing and the Kangfu Co-Lessees for a term of 24 months
“Kangfu Leased Assets Transfer Agreements”	means, collectively, Kangfu Leased Assets Transfer Agreement I, Kangfu Leased Assets Transfer Agreement II and Kangfu Leased Assets Transfer Agreement III
“Kangfu Leased Assets Transfer Arrangements”	means the leased assets transfer arrangements under the Kangfu Leased Assets Transfer Agreements
“Kangfu Lessee I”	means China KangFu International Leasing Co., Ltd., a joint stock limited company established in the PRC
“Kangfu Lessee II”	means Fuhong Capital (Hunan) Financial Leasing Co., Ltd., a company established in the PRC with limited liability
“Kangfu Purchase Price”	means the consideration payable by Chengtong Financial Leasing for the purchase of the Kangfu Leased Assets from the Kangfu Co-Lessees
“Latest Practicable Date”	means 14 October 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Lease Term”	means the respective lease term under the Kangfu Leased Assets Transfer Agreements, and/or the lease term under the Zhong’an Sale and Leaseback Agreements (as the case may be)
“Leased Assets”	means the Kangfu Leased Assets, and/or the Zhong’an Leased Assets (as the case may be)
“Lessee(s)”	means, the Kangfu Co-Lessees, and/or the Zhong’an Lessee (as the case may be)

DEFINITION

“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	means the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Previous Kangfu Transaction I”	means the sale and leaseback arrangement entered into between Chengtong Financial Leasing and Kangfu Lessee I for certain power generation and related equipment of a wind power station for a period of two (2) years, as detailed in the Company’s announcement dated 10 December 2024
“Previous Kangfu Transaction II”	means the sale and leaseback arrangement pursuant to the Sale and Leaseback Master Agreement entered into between Chengtong Financial Leasing and Kangfu Lessee I in respect of certain power generation and related equipment of a wind power station for a period of two (2) years, the details of which are set out in the announcement of the Company dated 20 December 2024 and the circular of the Company dated 24 January 2025
“Previous Kangfu Transactions”	means, collectively, the Previous Kangfu Transaction I, and the Previous Kangfu Transaction II
“Purchase Price”	means the consideration payable by Chengtong Financial Leasing for the purchase of the relevant Leased Assets from the relevant Lessee(s)
“RMB”	means Renminbi, the lawful currency of the PRC
“SASAC”	means The State-owned Assets Supervision and Administration Commission
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	means the shareholder(s) of the Company
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Zhong’an Leased Assets”	means coal-to-olefins production equipment, including torch system, power system, separation tower, etc

DEFINITION

“Zhong’an Lessee”	means Zhong’an United Coal Chemical Co., Ltd., a state-owned enterprise established in the PRC with limited liability
“Zhong’an Purchase Price”	means the consideration payable by Chengtong Financial Leasing for the purchase of the Zhong’an Leased Assets from the Zhong’an Lessee
“Zhong’an Sale and Leaseback Arrangement”	means the sale and leaseback arrangement under the Zhong’an Sale and Leaseback Agreements
“Zhong’an Sale and Leaseback Agreements”	means, collectively, three (3) sets of the following agreements in respect of the Zhong’an Leased Assets dated 12 September 2025 and signed between Chengtong Financial Leasing and the Zhong’an Lessee: <ul style="list-style-type: none">(1) leaseback assets transfer agreement; and(2) finance lease agreement (sale and leaseback)
“%”	means per cent.

In this circular, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1.00 to HK\$1.09. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

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

LETTER FROM THE BOARD



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)

Executive Directors:

Li Qian (Chairman)

Sun Jie

Independent Non-Executive Directors:

Lee Man Chun, Tony

He Jia

Liu Lei

Registered address and principal place

of business in Hong Kong:

22/F., Li Po Chun Chambers

189 Des Voeux Road Central

Hong Kong

17 October 2025

To the Shareholders

Dear Sir/Madam,

MAJOR TRANSACTIONS – LEASED ASSETS TRANSFER ARRANGEMENTS AND SALE AND LEASEBACK ARRANGEMENT

1. INTRODUCTION

Reference is made to the announcements of the Company dated 12 September 2025 and 17 September 2025 in respect of the Zhong'an Sale and Leaseback Arrangement and the Kangfu Leased Assets Transfer Arrangements (as the case may be).

The purpose of this circular is to provide you with (i) information on the Kangfu Leased Assets Transfer Arrangements and the Zhong'an Sale and Leaseback Arrangement; and (ii) other information required to be disclosed under the Listing Rules.

2. MAJOR TRANSACTIONS

(A) The Kangfu Leased Assets Transfer Arrangements

On 17 September 2025, Chengtong Financial Leasing entered into the Kangfu Leased Assets Transfer Agreements with the Kangfu Co-Lessees, in respect of the Leased Assets Transfer Arrangements, the major terms of which are set out below.

LETTER FROM THE BOARD

Subject matter

Subject to the fulfillment of the conditions as set out in the relevant Leased Assets Transfer Agreements, Chengtong Financial Leasing will purchase the Leased Assets from the Kangfu Co-Lessees at the Purchase Price of RMB95 million (equivalent to HK\$103.55 million), and the relevant Leased Assets will be leased to the Kangfu Co-Lessees for periods of 12 months, 15 months and 24 months respectively, commencing from the date on which the Kangfu Purchase Price in respect of the relevant Leased Assets is paid by Chengtong Financial Leasing, subject to early termination in accordance with the terms and conditions of the relevant Kangfu Leased Assets Transfer Agreements.

The conditions as stipulated in the relevant Leased Assets Transfer Agreements include the following:

- (i) the signing and coming into effect of the relevant leased assets transfer agreements;
- (ii) the signing of the relevant leased assets agreements and all related agreements, appendices, confirmations and all other legal documents;
- (iii) Chengtong Financial Leasing having received from the Kangfu Co-Lessees all documents and information that are required to be provided to Chengtong Financial Leasing and that comply with Chengtong Financial Leasing's requirements;
- (iv) the provision of all necessary documents and information by the Kangfu Co-Lessees evidencing their ownership in the relevant Leased Assets;
- (v) the full payment of security money (if applicable) by the Kangfu Co-Lessees;
- (vi) the obtaining of all necessary approvals by the Kangfu Co-Lessees in relation to the Kangfu Leased Assets Transfer Arrangements;
- (vii) if applicable, the signing and the coming into effect of the relevant security agreements and the completion of security registration of the relevant collateral;
- (viii) if applicable, the purchase of insurance in respect of the Kangfu Leased Assets in accordance with the terms of the Kangfu Leased Assets Transfer Agreements by the Kangfu Co-Lessees, as well as the signing and coming into effect of the insurance contracts; and
- (ix) any other condition(s) as may be required by Chengtong Financial Leasing.

If any of the conditions under the Kangfu Leased Assets Transfer Agreements is not satisfied on or before 31 December 2025, Chengtong Financial Leasing shall have the right to unilaterally terminate the Kangfu Leased Assets Transfer Agreements.

LETTER FROM THE BOARD

All the conditions under the Kangfu Leased Assets Transfer Agreements have been satisfied.

Purchase Price

The Kangfu Purchase Price was agreed between Chengtong Financial Leasing and the Kangfu Co-Lessees with reference to the net book value of the Kangfu Leased Assets of approximately RMB98.70 million (equivalent to approximately HK\$107.58 million) as at 31 August 2025, while taking into account the average period of use, residual value rate and depreciation period of the Kangfu Leased Assets. The Group has also evaluated the expected income generated from and the risk profile of the Kangfu Leased Assets Transfer Arrangements, and believes that the expected income represents an attractive return to the Group. Having considered the aforesaid factors and that the Kangfu Purchase Price carries a minimal discount on the Kangfu Leased Assets' net book value as at 31 August 2025, which is at close proximity to the date of the Kangfu Leased Assets Transfer Agreements, the Group is of the view that the Kangfu Purchase Price is in line with the Group's leasing business operating standards and is fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Kangfu Leased Assets are not revenue generating assets with identifiable income stream.

The Kangfu Purchase Price was satisfied by the general working capital of the Group.

Legal title

Chengtong Financial Leasing owns the legal title of the relevant Leased Assets during the relevant Lease Term.

Lease payment

The total amount of lease payment over the relevant Lease Term in respect of the Kangfu Leased Assets Transfer Arrangements shall be paid by the Kangfu Co-Lessees to Chengtong Financial Leasing in accordance with the payment schedules and represents the sum of the lease principal amount (being the amount of the Kangfu Purchase Price to be paid by Chengtong Financial Leasing) and the lease interest under the relevant Kangfu Leased Assets Transfer Agreements.

The lease payment of the Kangfu Leased Assets Transfer Arrangements have been agreed between the parties after arm's length negotiation taking into account a number of factors, such as the amount of lease principal, the lease term, the overall return rate attained by the Group taking into account the amount of lease interest and the prevailing market conditions.

Having considered the above factors in the specific circumstances of the Kangfu Leased Assets Transfer Arrangements, the Board considers that the lease payment and interest rate as agreed in the Kangfu Leased Assets Transfer Agreements are fair and reasonable which are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

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Security

In order to guarantee the performance of the Kangfu Leased Assets Transfer Agreements, the Kangfu Co-Lessees have agreed to pledge certain of their receivables to Chengtong Financial Leasing as security for all payables under the Kangfu Leased Assets Transfer Agreements.

Co-Lessees' right to repurchase the Leased Assets

Upon the Kangfu Co-Lessees having paid all the lease payments and other payables (if any) to Chengtong Financial Leasing in accordance with the terms of the Kangfu Leased Assets Transfer Agreements, the Kangfu Co-Lessees shall have the right to repurchase the relevant Leased Assets under the Kangfu Leased Assets Transfer Agreements at a certain nominal consideration.

Credit enhancement measures

Depending on the overall risks associated with a leased assets transfer arrangement, Chengtong Financial Leasing may request appropriate credit enhancement measure(s) on a case-by-case basis. Chengtong Financial Leasing will monitor, among others, the financial conditions of the lessee(s) and the security provider(s) (if any) from time to time and may request the lessee(s) to provide security such as the payment of security money and the provision of corporate guarantee to safeguard its interests as the lessor as and when Chengtong Financial Leasing considers necessary.

The Board considers that the existing credit enhancement measure is sufficient to safeguard the interests of the Company and the Shareholders as a whole.

Material terms of the Kangfu Leased Assets Transfer Agreements

The general terms and conditions of the Kangfu Leased Assets Transfer Agreements are similar. The respective key terms are summarized as follows:

	Kangfu Leased Assets Transfer Agreement I	Kangfu Leased Assets Transfer Agreement II	Kangfu Leased Assets Transfer Agreement III
Date of the Kangfu Leased Assets Transfer Agreements	17 September 2025	17 September 2025	17 September 2025
Lessee	Kangfu Co-Lessees	Kangfu Co-Lessees	Kangfu Co-Lessees

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	Kangfu Leased Assets Transfer Agreement I	Kangfu Leased Assets Transfer Agreement II	Kangfu Leased Assets Transfer Agreement III
Leased Assets	Certain vehicles, aerial work platforms and scissor lifts	Certain scissor lifts, towing vehicles and semitrailers	Certain vehicles, aerial work platforms, batteries, charging piles, etc.
Purchase Price	RMB10.45 million (equivalent to HK\$11.39 million)	RMB23.75 million (equivalent to HK\$25.89 million)	RMB60.80 million (equivalent to HK\$66.27 million)
Basis of Purchase Price	The net book value of the relevant Kangfu Leased Assets of approximately RMB10.82 million (equivalent to approximately HK\$11.79 million)	The net book value of the relevant Kangfu Leased Assets of approximately RMB23.83 million (equivalent to approximately HK\$25.98 million)	The net book value of the relevant Kangfu Leased Assets of approximately RMB64.05 million (equivalent to approximately HK\$69.81 million)
Lease Term	12 months	15 months	24 months
Lease Payments	Approximately RMB10.71 million (equivalent to approximately HK\$11.67 million) payable on a quarterly basis during the lease term	Approximately RMB24.42 million (equivalent to approximately HK\$26.62 million) payable on a quarterly basis during the lease term	Approximately RMB63.35 million (equivalent to approximately HK\$69.05 million) payable on a quarterly basis during the lease term
Nominal consideration for repurchase of the Leased Assets	RMB1.00 (equivalent to HK\$1.09)	RMB1.00 (equivalent to HK\$1.09)	RMB1.00 (equivalent to HK\$1.09)

LETTER FROM THE BOARD

	Kangfu Leased Assets Transfer Agreement I	Kangfu Leased Assets Transfer Agreement II	Kangfu Leased Assets Transfer Agreement III
Estimated income	Approximately RMB0.26 million (equivalent to approximately HK\$0.28 million)	Approximately RMB0.67 million (equivalent to approximately HK\$0.73 million)	Approximately RMB2.55 million (equivalent to approximately HK\$2.78 million)

(B) The Zhong'an Sale and Leaseback Arrangement

On 12 September 2025, Chengtong Financial Leasing entered into the Zhong'an Sale and Leaseback Agreements with the Zhong'an Lessee in respect of the Zhong'an Sale and Leaseback Arrangement, the major terms of which are set out below.

Subject Matter

Subject to the fulfillment of the conditions as set out in the Zhong'an Sale and Leaseback Agreements, Chengtong Financial Leasing will purchase the relevant Leased Assets from the Zhong'an Lessee at the Purchase Price of RMB350 million (equivalent to HK\$381.5 million), and the relevant Leased Assets will be leased back to the Zhong'an Lessee for a period of three (3) years, commencing from the date on which the Zhong'an Purchase Price in respect of the relevant Leased Assets is paid by Chengtong Financial Leasing, subject to early termination in accordance with the terms and conditions of the Zhong'an Sale and Leaseback Agreements.

The conditions as stipulated in the Zhong'an Sale and Leaseback Agreements include the following:

- (i) the signing and coming into effect of the relevant leaseback assets transfer agreements;
- (ii) the signing of the relevant finance lease agreements (sale and leaseback) and all related agreements, appendices, confirmations and all other legal documents;
- (iii) Chengtong Financial Leasing having received from the Zhong'an Lessee all documents and information that are required to be provided to Chengtong Financial Leasing and that comply with Chengtong Financial Leasing's requirements;
- (iv) the provision of all necessary documents and information by the Zhong'an Lessee evidencing its ownership in the relevant Leased Assets;
- (v) the full payment of security money (if applicable) by the Zhong'an Lessee;

LETTER FROM THE BOARD

- (vi) the obtaining of all necessary approvals by the Zhong'an Lessee in relation to the Zhong'an Sale and Leaseback Arrangement;
- (vii) if applicable, the signing and the coming into effect of the relevant security agreements and the completion of security registration of the relevant collateral;
- (viii) the purchase of insurance in respect of the Zhong'an Leased Assets in accordance with the terms of the Zhong'an Sale and Leaseback Agreements by the Zhong'an Lessee, as well as the signing and coming into effect of the insurance contracts; and
- (ix) any other condition(s) as may be required by Chengtong Financial Leasing.

If any of the conditions under the Zhong'an Sale and Leaseback Agreements is not satisfied on or before 12 March 2026, Chengtong Financial Leasing shall have the right to unilaterally terminate the Zhong'an Sale and Leaseback Agreements.

All the conditions under the Zhong'an Sale and Leaseback Agreements have been satisfied.

Purchase Price

The Zhong'an Purchase Price was agreed between Chengtong Financial Leasing and the Zhong'an Lessee with reference to the net book value of the Zhong'an Leased Assets of approximately RMB356.12 million (equivalent to approximately HK\$388.17 million) as at 31 August 2025, while taking into account the average period of use, residual value rate and depreciation period of the Zhong'an Leased Assets. Having considered the aforesaid factors and that the Zhong'an Purchase Price carries a minimal discount on the Zhong'an Leased Assets' net book value as at 31 August 2025, which is at close proximity to the date of the Zhong'an Sale and Leaseback Agreements, the Group is of the view that the Zhong'an Purchase Price is in line with the Group's leasing business operating standards and is fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Zhong'an Leased Assets are not revenue generating assets with identifiable income stream.

The Zhong'an Purchase Price was/will be satisfied by the general working capital of the Group.

Legal title

Chengtong Financial Leasing owns the legal title of the Zhong'an Leased Assets during the relevant Lease Term.

LETTER FROM THE BOARD

Lease payment

The total amount of lease payment over the Lease Term is estimated to be approximately RMB370.21 million (equivalent to approximately HK\$403.53 million) which shall be payable by the Zhong'an Lessee to Chengtong Financial Leasing in six (6) semi-annual installments during the Lease Term, and represents the sum of the lease principal amount (being the amount of Zhong'an Purchase Price to be paid by Chengtong Financial Leasing) and the lease interest which is estimated to be approximately RMB20.21 million (equivalent to approximately HK\$22.03 million).

The lease payment of the Zhong'an Sale and Leaseback Arrangement has been agreed between the parties after arm's length negotiation taking into account a number of factors, such as amount of lease principal, the lease term, the overall return rate attained by the Group taking into account the amount of lease interest and the prevailing market conditions.

Having considered the above factors in the specific circumstances of the Zhong'an Sale and Leaseback Arrangement, the Board considers that the terms of the Zhong'an Sale and Leaseback Agreements are fair and reasonable which are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Lessee's right to repurchase the Leased Assets

Upon the Zhong'an Lessee having paid all the lease payments and other payables (if any) to Chengtong Financial Leasing in accordance with the terms of the Zhong'an Sale and Leaseback Agreements, the Zhong'an Lessee shall have the right to repurchase the Leased Assets under each of the Zhong'an Sale and Leaseback Agreements at a nominal consideration of RMB1.00.

Credit enhancement measures

Depending on the overall risks associated with a sale and leaseback arrangement, Chengtong Financial Leasing may request appropriate credit enhancement measure(s) on a case-by-case basis. Chengtong Financial Leasing will monitor, among others, the financial conditions of the lessee(s) and the security provider(s) (if any) from time to time and may request the lessee(s) to provide security such as the payment of security money and the provision of corporate guarantee to safeguard its interests as the lessor as and when Chengtong Financial Leasing considers necessary.

The Board considers that the existing credit enhancement measure is sufficient to safeguard the interests of the Company and the Shareholders.

LETTER FROM THE BOARD

(C) Information of the Lessee(s)

The Kangfu Co-Lessees

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) Kangfu Lessee I is a company whose shares are quoted on the National Equities Exchanges and Quotations in the PRC (stock code: 833499) and its largest shareholder holding approximately 20.05% of its equity interest is Diantou Ronghe New Energy Development Co., Ltd., a state-owned enterprise owned as to 35.64% by State Power Investment Group Co., Ltd., whose ultimate beneficial owner is SASAC of the State Council; (ii) Kangfu Lessee II is wholly-owned by Kangfu Lessee I; (iii) the Kangfu Co-Lessees and their ultimate beneficial owner(s) are Independent Third Parties; and (iv) the Kangfu Co-Lessees are principally engaged in the business of leasing.

The Zhong'an Lessee

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, and based on the information publicly available as of the Latest Practicable Date, (i) the Zhong'an Lessee is (a) 50% owned by Sinopec Great Wall Energy and Chemical Co., Ltd., which is a direct wholly-owned subsidiary of China Petroleum & Chemical Corporation, a joint stock limited company established in the PRC, whose H Shares and A Shares are listed on the Stock Exchange (Stock Code: 386) and the Shanghai Stock Exchange (Stock Code: 600028) respectively, which is ultimately controlled by SASAC of the State Council; and (b) 50% owned by Anhui Wanbei Coal and Electricity Group Co., Ltd., which is ultimately wholly-owned by SASAC of People's Government of Anhui Province, (ii) the Zhong'an Lessee and its ultimate beneficial owners are Independent Third Parties; and (iii) the Zhong'an Lessee is principally engaged in the business of production and sales of coal and coal chemical products, sales of coal mine and coal chemical machinery and equipment, and related import and export business, etc.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, save as the Previous Kangfu Transactions, there is, and in the past twelve months, there has been, no material loan arrangement between (a) the Company, any connected person at the Company's level, and/or any connected person at the subsidiary level (to the extent that such subsidiary/ subsidiaries is/are involved in the transactions); and (b) any of the Lessee(s), and their directors and legal representatives and any ultimate beneficial owner(s) of the Lessee(s) who can exert influence on the transactions.

LETTER FROM THE BOARD

(D) Reasons for and Benefits of the Leased Assets Transfer Arrangements and Sale and Leaseback Arrangement

The Group is principally engaged in leasing, property development and investment, marine recreation services and hotel business. The Group's leasing business is mainly carried out through Chengtong Financial Leasing as its principal business.

The entering into the Kangfu Leased Assets Transfer Arrangements and the Zhong'an Sale and Leaseback Arrangement are in the ordinary and usual course of business of Chengtong Financial Leasing and it is expected that Chengtong Financial Leasing will earn an aggregate income of approximately RMB23.69 million (equivalent to approximately HK\$25.82 million), being the lease interest under the Kangfu Leased Assets Transfer Arrangements and the Zhong'an Sale and Leaseback Arrangement.

In light of the above, the Directors are of the view that the terms of the Kangfu Leased Assets Transfer Arrangements and the Zhong'an Sale and Leaseback Arrangement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

(E) Implications under the Listing Rules

Kangfu Leased Assets Transfer Arrangements

Chengtong Financial Leasing and Kangfu Lessee I entered into the Previous Kangfu Transactions on 10 December 2024 and 20 December 2024 respectively. Since the Previous Kangfu Transactions are still subsisting when the Kangfu Leased Assets Transfer Arrangements were entered into, the Kangfu Leased Assets Transfer Arrangements are aggregated with the Previous Kangfu Transactions for the purpose of calculating the relevant percentage ratios (as defined in the Listing Rules).

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Kangfu Leased Assets Transfer Arrangements, when aggregated with the Previous Kangfu Transactions, exceeds 25% but is less than 100%, the entering into the Kangfu Leased Assets Transfer Arrangements constitutes a major transaction of the Company and is subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Zhong'an Sale and Leaseback Arrangement

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Zhong'an Sale and Leaseback Arrangement exceeds 25% but is less than 100%, the Zhong'an Sale and Leaseback Arrangement constitutes a major transaction of the Company and is subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder or any of his/her/its close associate(s) (as defined in the Listing Rules) has a material interest in the Kangfu Leased Assets Transfer Arrangements and the Zhong'an Sale and Leaseback Arrangement. Thus, no Shareholder is required to abstain from voting if the Company were to convene a general meeting to approve the Kangfu Leased Assets Transfer Arrangements and the Zhong'an Sale and Leaseback Arrangement. In light of the foregoing, written Shareholders' approval may be accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules. The Company has obtained written Shareholder's approval in respect of the Kangfu Leased Assets Transfer Arrangements and the Zhong'an Sale and Leaseback Arrangement from CCHK, which is a controlling shareholder (as defined in the Listing Rules) of the Company holding 3,169,656,217 issued shares of the Company, representing approximately 53.14% of the issued share capital of the Company as at the date of this circular. Accordingly, no general meeting of the Company will be convened for the purpose of approving the Kangfu Leased Assets Transfer Arrangements and the Zhong'an Sale and Leaseback Arrangement.

3. RECOMMENDATION

The Directors are of the view that the terms of the Kangfu Leased Assets Transfer Agreements and the Zhong'an Sale and Leaseback Agreements are normal commercial terms and are fair and reasonable. The Directors also consider that the entering into of the Kangfu Leased Assets Transfer Arrangements and the Zhong'an Sale and Leaseback Arrangement is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole. Accordingly, if a general meeting were to be convened for the approval of the Kangfu Leased Assets Transfer Arrangements and the Zhong'an Sale and Leaseback Arrangement, the Board would recommend the Shareholders to vote in favour of the resolution to approve the same at such general meeting.

4. ADDITIONAL INFORMATION

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

Yours faithfully,
On behalf of the Board
China Chengtong Development Group Limited
Li Qian
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for the three financial years ended 31 December 2022, 31 December 2023, and 31 December 2024 and 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 31 August 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\$3,421.39 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 HK\$141.70 million; (iii) unsecured and unguaranteed corporate bonds of HK\$1,098.60 million; (iv) secured and guaranteed asset-backed securities of approximately HK\$860.45 million which are secured by charges over loan receivables and finance lease receivables of the Group and guaranteed by the ultimate holding company; and (v) unsecured and unguaranteed loans from related parties of approximately HK\$354.25 million.

As at the close of business on 31 August 2025, the Group had contingent liabilities in relation to guarantees of approximately HK\$228.95 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 31 August 2025.

3. WORKING CAPITAL SUFFICIENCY OF THE GROUP

The Directors are of the opinion that, after taking into account the effects of the Kangfu Leased Assets Transfer Arrangements and the Zhong'an Sale and Leaseback Arrangement, 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.

As at 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 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. FINANCIAL EFFECTS OF THE TRANSACTIONS

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.

The Directors consider that there is no significant immediate change to the Group's net asset value upon implementation of the Kangfu Leased Assets Transfer Arrangements and the Zhong'an Sale and Leaseback Arrangement. In respect of the implementation of the Kangfu Leased Assets Transfer Arrangements and the Zhong'an Sale and Leaseback Arrangement, the Kangfu Leased Assets Transfer Arrangements and the Zhong'an Sale and Leaseback Arrangement will be accounted for as a secured loan and recognised as loan receivables of the Group which will offset the decrease in the amount of bank balances and cash as a result of the payment of the Purchase Price by Chengtong Financial Leasing.

As regards earnings, the Group would be entitled to recognise interest income from the Kangfu Leased Assets Transfer Arrangements and the Zhong'an Sale and Leaseback Arrangement as additional income to the Group.

Save as disclosed above, the Kangfu Leased Assets Transfer Agreements and the Zhong'an Sale and Leaseback Arrangement are not expected to have any material impact on the assets and liabilities and the earnings of the Group. 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 Director	Interest in the company or its associated corporation	Nature of interest	Number of shares held	Class of shares	Approximate percentage of the issued share capital as at the Latest Practicable Date
Ms. Sun Jie	The Company	Beneficial owner	570,960	Ordinary shares	0.0096%

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 of the Company 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	Class of shares	Approximate percentage of the issued share capital of the Company as at the Latest Practicable Date
CCHK	Beneficial owner <i>(Note)</i>	3,169,656,217	Ordinary shares	53.14%
CCHG	Interest in controlled corporation <i>(Note)</i>	3,169,656,217	Ordinary shares	53.14%

Note: 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.

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 of the Company 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, Mr. Li Qian, an executive Director and the Chairman of the Board, was the chairman of CCHK and Ms. Sun Jie, an executive Director, was the chief accountant of CCHK. Mr. Li Qian and Ms. Sun Jie were members of the executive committee of CCHK as at the Latest Practicable Date. 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 as at the Latest Practicable Date.

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, 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, 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 CONTRACTS 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. GENERAL

- (a) The registered office and the principal place of business of the Company is at 22nd Floor, 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 King Yip is a member of the Hong Kong Institute of Certified Public Accountants.

9. DOCUMENTS ON DISPLAY

Copies of the Kangfu Leased Assets Transfer Agreements and the Zhong’an Sale and Leaseback Agreements are on display and are published on the website of the Stock Exchange at <https://www.hkexnews.hk> and the website of the Company at <https://www.hk217.com> for a period of 14 days from the date of this circular.