

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**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.

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

---



**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)**

**MAJOR TRANSACTION –  
SALE AND LEASEBACK ARRANGEMENTS**

---

A letter from the Board is set out from pages 10 to 27 of this circular.

---

## CONTENTS

---

	<i>Page</i>
<b>Definition</b> . . . . .	1
<b>Letter from the Board</b> . . . . .	10
<b>Appendix I – Financial Information of the Group</b> . . . . .	I-1
<b>Appendix II – General Information</b> . . . . .	II-1

---

## DEFINITION

---

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

“Bayin Leased Assets”	means certain wind power generation equipment
“Bayin Leased Assets Valuation Report”	means the valuation report issued by the Valuer II in respect of the value of the Bayin Leased Assets as at 4 December 2025, which will expire on 3 December 2026
“Bayin Lessee”	means Inner Mongolia Huadian Bayin Wind Power Generation Co., Ltd., a state-owned enterprise established in the PRC with limited liability
“Bayin Sale and Leaseback Agreements”	<p>means, collectively, two (2) sets of the following agreements in respect of the Bayin Leased Assets dated 17 December 2025 and signed between Chengtong Financial Leasing and the Bayin Lessee:</p> <p>(1) leaseback assets transfer agreements; and</p> <p>(2) finance lease agreements (sale and leaseback)</p>
“Bayin Sale and Leaseback Arrangement”	means the purchase of the Bayin Leased Assets by Chengtong Financial Leasing from the Bayin Lessee and the leaseback of the Bayin Leased Assets to the Bayin Lessee pursuant to the terms of the Bayin Sale and Leaseback Agreements
“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

---

## DEFINITION

---

“China Minmetals”	means China Minmetals Corporation, a state-owned enterprise established in the PRC with limited liability which is wholly-owned by SASAC of the State Council
“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
“Guarantors”	means the Kangxin Guarantor, the Wenzhou Guarantor, the Zhaoqing Guarantors and/or the Zhuji Guarantor (as the case may be)
“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 Party(ies)”	means third party(ies) independent of the Company and its connected persons (having the meaning ascribed to it under the Listing Rules)
“Jingtang Co-Lessees”	means, collectively, Jingtang Lessee I and Jingtang Lessee II
“Jingtang Leased Assets”	means certain construction machinery and auxiliary equipment
“Jingtang Leased Assets Valuation Report”	means the valuation report issued by the Valuer I in respect of the value of the Jingtang Leased Assets as at 13 November 2025, which will expire on 12 November 2026
“Jingtang Lessee I”	means Hebei Jingtang Industrial Technology Co., Ltd., a company established in the PRC with limited liability
“Jingtang Lessee II”	means China 22nd Metallurgical Construction Corporation Limited, a state-owned enterprise established in the PRC with limited liability

---

## DEFINITION

---

“Jingtang Sale and Leaseback Agreements”	means, collectively, Jingtang Sale and Leaseback Agreements I and Jingtang Sale and Leaseback Agreements II
“Jingtang Sale and Leaseback Agreements I”	<p>means, collectively, two (2) sets of the following agreements in respect of the Jingtang Leased Assets dated 21 November 2025 and signed between Chengtong Financial Leasing and the Jingtang Co-Lessees:</p> <p>(1) leaseback assets transfer agreements; and</p> <p>(2) finance lease agreements (sale and leaseback)</p>
“Jingtang Sale and Leaseback Agreements II”	<p>means, collectively, the following agreements in respect of the Jingtang Leased Assets dated 23 December 2025 and signed between Chengtong Financial Leasing and the Jingtang Co-Lessees:</p> <p>(1) leaseback assets transfer agreement; and</p> <p>(2) finance lease agreement (sale and leaseback)</p>
“Jingtang Sale and Leaseback Arrangement I”	means the purchase of the Jingtang Leased Assets by Chengtong Financial Leasing from the Jingtang Co-Lessees and the leaseback of the Jingtang Leased Assets to the Jingtang Co-Lessees pursuant to the terms of the Jingtang Sale and Leaseback Agreements I
“Jingtang Sale and Leaseback Arrangement II”	means the purchase of the Jingtang Leased Assets by Chengtong Financial Leasing from the Jingtang Co-Lessees and the leaseback of the Jingtang Leased Assets to the Jingtang Co-Lessees pursuant to the terms of the Jingtang Sale and Leaseback Agreements II
“Jingtang Sale and Leaseback Arrangements”	means, collectively, Jingtang Sale and Leaseback Arrangement I and Jingtang Sale and Leaseback Arrangement II
“Kangxin Guarantor”	means Wuxi Construction and Development Investment Co., Ltd., a state-owned enterprise established in the PRC with limited liability
“Kangxin Leased Assets”	means production machinery and equipment
“Kangxin Lessee”	means Hubei Kangxin New Materials Technology Co., Ltd., a state-owned enterprise established in the PRC with limited liability

---

## DEFINITION

---

“Kangxin Sale and Leaseback Agreements”	means, collectively, two (2) sets of the following agreements in respect of the Kangxin Leased Assets dated 17 December 2025 and signed between Chengtong Financial Leasing and the Kangxin Lessee:  (1) leaseback assets transfer agreements; and  (2) finance lease agreements (sale and leaseback)
“Kangxin Sale and Leaseback Arrangement”	means the purchase of the Kangxin Leased Assets by Chengtong Financial Leasing from the Kangxin Lessee and the leaseback of the Kangxin Leased Assets to the Kangxin Lessee pursuant to the terms of the Kangxin Sale and Leaseback Agreements
“Latest Practicable Date”	means 15 January 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Lease Term”	means the lease term under the Sale and Leaseback Agreements
“Leased Assets”	means the Bayin Leased Assets, the Jingtang Leased Assets, the Kangxin Leased Assets, the Wenzhou Leased Assets, the Zhaoqing Leased Assets and/or the Zhuji Leased Assets (as the case may be)
“Leased Assets Valuation Reports”	means, collectively, the Bayin Leased Assets Valuation Report, the Jingtang Leased Assets Valuation Report, the Wenzhou Leased Assets Valuation Report, the Zhaoqing Leased Assets Valuation Report and the Zhuji Leased Assets Valuation Report
“Lessee(s)”	means the Bayin Lessee, the Jingtang Co-Lessees, the Kangxin Lessee, the Wenzhou Lessee, the Zhaoqing Lessee and/or the Zhuji Lessee (as the case may be)
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“LPR”	means the one (1)-year or five (5)-year loan prime rate as promulgated by the National Interbank Funding Center under the authority of the People’s Bank of China
“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

---

## DEFINITION

---

“Previous Bayin Transactions”

means, collectively, the following transactions previously entered into by Chengtong Financial Leasing:

- (1) the sale and leaseback arrangement entered into with Sichuan Luzhou Chuannan Power Generation Co., Ltd., the details of which are set out in the announcement of the Company dated 17 November 2023 and the corresponding circular dated 15 December 2023;
- (2) the sale and leaseback arrangement entered into with Huadian Datong New Energy Co., Ltd., the details of which are set out in the announcement of the Company dated 16 October 2025;
- (3) the sale and leaseback arrangement entered into with Bayannur Jianji Zhongyan Wind Power Generation Co., Ltd., the details of which are set out in the announcement of the Company dated 21 October 2025 and the corresponding circular dated 12 November 2025; and
- (4) the sale and leaseback arrangement entered into with Xinjiang Huadian Xinte Energy Co., Ltd., the details of which are set out in the announcement of the Company dated 13 November 2025 and the corresponding circular dated 15 December 2025

“Previous Jingtang Transactions”

means, collectively, the following transactions previously entered into by Chengtong Financial Leasing:

- (1) the sale and leaseback arrangement entered into with Zibo Chengxin Construction Investment Engineering Management Co., Ltd. and China Metallurgical Construction Engineering Group Co., Ltd., as co-lessees, the details of which are set out in the announcement of the Company dated 11 January 2023 and the corresponding circular dated 16 February 2023;
- (2) the sale and leaseback arrangement entered into with Hangzhou Fuyang Shenrong Construction Development Co., Ltd. and China MCC5 Group Corp., Ltd., as co-lessees, the details of which are set out in the announcement of the Company dated 11 January 2023 and the corresponding circular dated 16 February 2023 (ended on 15 December 2025);

---

## DEFINITION

---

- (3) the sale and leaseback arrangement entered into with Guangdong Zhaoqing High Tech Construction Development Co., Ltd. and China MCC5 Group Corp., Ltd., as co-lessees, the details of which are set out in the announcement of the Company dated 11 January 2023 and the corresponding circular dated 16 February 2023 (ended on 15 December 2025); and
- (4) the sale and leaseback arrangement entered into with (i) Dancheng Zhongyi Ecological Environment Governance Co., Ltd. and China First Metallurgical Group Co., Ltd., as co-lessees, and (ii) Hubei Songwei Tourist Road Construction and Management Co., Ltd. and China First Metallurgical Group Co., Ltd., as co-lessees, the details of which are set out in the announcement of the Company dated 26 August 2025 and the corresponding circular dated 18 September 2025

“Previous Transactions”	means, collectively, Previous Bayin Transactions and Previous Jingtang Transactions
“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
“Sale and Leaseback Agreements”	means, collectively, the Bayin Sale and Leaseback Agreements, the Jingtang Sale and Leaseback Agreements I, the Jingtang Sale and Leaseback Agreements II, the Kangxin Sale and Leaseback Agreements, the Wenzhou Sale and Leaseback Agreements, the Zhaoqing Sale and Leaseback Agreements and the Zhuji Sale and Leaseback Agreements
“Sale and Leaseback Arrangements”	means, collectively, the Bayin Sale and Leaseback Arrangement, the Jingtang Sale and Leaseback Arrangement I, the Jingtang Sale and Leaseback Arrangement II, the Kangxin Sale and Leaseback Arrangement, the Wenzhou Sale and Leaseback Arrangement, the Zhaoqing Sale and Leaseback Arrangement and the Zhuji Sale and Leaseback Arrangement



---

## DEFINITION

---

“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
“Valuer I”	means Shandong Lianbang Real Estate Land Appraisal and Surveying Co., Ltd., a qualified independent valuer in the PRC
“Valuer II”	means Jiangsu Zhongmao Land and Real Estate Appraisal and Cost Consulting Co., Ltd., a qualified independent valuer in the PRC
“Valuer III”	means Beijing Jingjian Asset Appraisal Co., Ltd., a qualified independent valuer in the PRC
“Valuers”	means, collectively, Valuer I, Valuer II and Valuer III
“Wenzhou Guarantor”	means Zhejiang Ouhai Industrial Investment Group Co., Ltd., a state-owned enterprise established in the PRC with limited liability
“Wenzhou Leased Assets”	means facilities and equipment such as hydrological monitoring, water treatment, X-ray photoelectron spectrometers, and activated carbon filters, etc.
“Wenzhou Leased Assets Valuation Report”	means the valuation report issued by the Valuer II in respect of the value of the Wenzhou Leased Assets as at 28 November 2025, which will expire on 27 November 2026
“Wenzhou Lessee”	means Wenzhou Smart Mobility Future Business Operation & Management Co., Ltd., a state-owned enterprise established in the PRC with limited liability
“Wenzhou Sale and Leaseback Agreements”	<p>means, collectively, three (3) sets of the following agreements in respect of the Wenzhou Leased Assets dated 11 December 2025 and signed between Chengtong Financial Leasing and the Wenzhou Lessee:</p> <p>(1) leaseback assets transfer agreements; and</p> <p>(2) finance lease agreements (sale and leaseback)</p>

---

## DEFINITION

---

“Wenzhou Sale and Leaseback Arrangement”	means the purchase of the Wenzhou Leased Assets by Chengtong Financial Leasing from the Wenzhou Lessee and the leaseback of the Wenzhou Leased Assets to the Wenzhou Lessee pursuant to the terms of the Wenzhou Sale and Leaseback Agreements
“Zhaoqing Guarantor I”	means Zhaoqing New District Investment Holding Co., Ltd., a state-owned enterprise established in the PRC with limited liability
“Zhaoqing Guarantor II”	means Zhaoqing New District Investment Development Group Co., Ltd., a state-owned enterprise established in the PRC with limited liability
“Zhaoqing Guarantors”	means, collectively, Zhaoqing Guarantor I and Zhaoqing Guarantor II
“Zhaoqing Leased Assets”	means intelligent system equipment, smart parking management system equipment, etc.
“Zhaoqing Leased Assets Valuation Report”	means the valuation report issued by the Valuer II in respect of the value of the Zhaoqing Leased Assets as at 28 November 2025, which will expire on 27 November 2026
“Zhaoqing Lessee”	means Zhaoqing Guoxin Industrial Investment Co., Ltd., a state-owned enterprise established in the PRC with limited liability
“Zhaoqing Sale and Leaseback Agreements”	<p>means, collectively, three (3) sets of the following agreements in respect of the Zhaoqing Leased Assets dated 11 December 2025 and signed between Chengtong Financial Leasing and the Zhaoqing Lessee:</p> <p>(1) leaseback assets transfer agreements; and</p> <p>(2) finance lease agreements (sale and leaseback)</p>
“Zhaoqing Sale and Leaseback Arrangement”	means the purchase of the Zhaoqing Leased Assets by Chengtong Financial Leasing from the Zhaoqing Lessee and the leaseback of the Zhaoqing Leased Assets to the Zhaoqing Lessee pursuant to the terms of the Zhaoqing Sale and Leaseback Agreements
“Zhuji Guarantor”	means Zhuji Construction Group Co., Ltd., a state-owned enterprise established in the PRC with limited liability

---

## DEFINITION

---

“Zhuji Leased Assets”	means intelligent customs clearance checkpoint facilities and customs inspection and quarantine equipment, etc.
“Zhuji Leased Assets Valuation Report”	means the valuation report issued by the Valuer III in respect of the value of the Zhuji Leased Assets as at 15 November 2025, which will expire on 14 November 2026
“Zhuji Lessee”	means Zhuji Transportation and Logistics Co., Ltd., a state-owned enterprise established in the PRC with limited liability
“Zhuji Sale and Leaseback Agreements”	<p>means, collectively, three (3) sets of the following agreements in respect of the Zhuji Leased Assets dated 22 December 2025 and signed between Chengtong Financial Leasing and the Zhuji Lessee:</p> <p>(1) leaseback assets transfer agreements; and</p> <p>(2) finance lease agreements (sale and leaseback)</p>
“Zhuji Sale and Leaseback Arrangement”	means the purchase of the Zhuji Leased Assets by Chengtong Financial Leasing from the Zhuji Lessee and the leaseback of the Zhuji Leased Assets to the Zhuji Lessee pursuant to the terms of the Zhuji Sale and Leaseback Agreements
“%”	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 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 address 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

16 January 2026

*To the Shareholders*

Dear Sir/Madam,

### MAJOR TRANSACTION – SALE AND LEASEBACK ARRANGEMENTS

#### 1. INTRODUCTION

Reference are made to the announcements of the Company dated 21 November 2025, 11 December 2025, 17 December 2025, 22 December 2025 and 23 December 2025 in respect of the Sale and Leaseback Arrangements.

The purpose of this circular is to provide you with (i) information on the Sale and Leaseback Arrangements; and (ii) other information required to be disclosed under the Listing Rules.

---

## LETTER FROM THE BOARD

---

### 2. MAJOR TRANSACTION

#### (A) Sale and Leaseback Arrangements

Chengtong Financial Leasing, an indirect wholly-owned subsidiary of the Company, entered into (i) the Jingtang Sale and Leaseback Agreements with the Jingtang Co-Lessees on 21 November 2025 and 23 December 2025, respectively; (ii) the Wenzhou Sale and Leaseback Agreements with the Wenzhou Lessee and the Zhaoqing Sale and Leaseback Agreements with the Zhaoqing Lessee on 11 December 2025, respectively; (iii) the Bayin Sale and Leaseback Agreements with the Bayin Lessee and the Kangxin Sale and Leaseback Agreements with the Kangxin Lessee on 17 December 2025, respectively; and (iv) the Zhuji Sale and Leaseback Agreements with the Zhuji Lessee on 22 December 2025, pursuant to which Chengtong Financial Leasing will purchase the relevant Leased Assets from the Lessee(s) and will lease the relevant Leased Assets back to the Lessee(s) for the respective Lease Term, subject to early termination in accordance with the terms and conditions of the relevant Sale and Leaseback Agreements. The major terms of the Sale and Leaseback Arrangements are set out below.

#### *Subject Matter*

In each of the Sale and Leaseback Arrangements, subject to the fulfilment of the conditions as set out in the relevant Sale and Leaseback Agreements, Chengtong Financial Leasing will purchase the relevant Leased Assets from the relevant Lessee(s) and such Leased Assets will be leased back to the relevant Lessee(s) for the Lease Term of two (2) or three (3) years, commencing from the date on which the 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 Sale and Leaseback Agreements.

The conditions as stipulated in the 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 relevant Lessee(s) 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 relevant Lessee(s) evidencing its ownership in the relevant Leased Assets;
- (v) the full payment of security money (if applicable) by the relevant Lessee(s);

---

## LETTER FROM THE BOARD

---

- (vi) the obtaining of all necessary approvals by the relevant Lessee(s) in relation to the relevant Sale and Leaseback 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 relevant Leased Assets in accordance with the terms of the relevant Sale and Leaseback Agreements by the relevant Lessee(s), 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 Sale and Leaseback Agreements is not satisfied on or before 31 December 2025, 31 March 2026, 30 June 2026 or 31 August 2026 (as the case may be), Chengtong Financial Leasing shall have the right to unilaterally terminate the Sale and Leaseback Agreements.

Save as the Bayin Sale and Leaseback Agreements, all the conditions under the Sale and Leaseback Agreements have been satisfied.

### ***Purchase Price***

The Purchase Price was agreed between Chengtong Financial Leasing and the relevant Lessee(s) with reference to the appraised/net book value of the relevant Leased Assets, as assessed by way of cost/market method by Valuers. A discount was applied to the appraised/net book value after considering factors such as the nature of the relevant Leased Assets, their resale potential and the associated costs. The agreed discount balanced the assets' value with the overall economics and risk profile of the Sale and Leaseback Arrangements.

In appraising the value of the relevant Leased Assets, the Valuers had also considered (i) the market approach, which appraises the value of an appraised asset by comparing the appraised assets with comparable assets in the market based on market prices; and (ii) the income approach, which calculates the value of an appraised asset by estimating the expected future earnings of the appraised asset and converting into the present value with the appropriate discounted rate. Since (i) there is a lack of open active market for the relevant Leased Assets and a lack of information about comparable transactions of similar assets, and (ii) it is hard to estimate the income of the relevant Leased Assets on a standalone basis, both the market approach and the income approach were considered inappropriate methods for assessing the fair value of the relevant Leased Assets. In accordance with the relevant procedures for the valuation of assets, the Valuers adopted the cost method taking into account the factors affecting the valuation of the relevant Leased Assets.

---

## LETTER FROM THE BOARD

---

The cost method, being adopted by the Valuers for the valuation of the relevant Leased Assets, is a method that determining the value of an appraised assets by multiplying the replacement cost of the appraised assets by its newness rate. The value of the appraised assets is first to be obtained by estimating the replacement cost of the appraised asset, followed by deducting various estimated depreciation factors that currently exist in the appraised assets. The replacement cost is determined on the basis of the current market value of the appraised assets on the appraisal date, while the newness rate is determined through an on-site inspection and calculation and analysis based on technical and economic factors.

Based on the valuation, the total appraised replacement cost of the relevant Leased Assets was determined by aggregating the replacement cost of each of the Leased Assets. The replacement cost of each individual Leased Asset, where applicable, is composed of the necessary and reasonable costs incurred in purchasing the assets.

The newness rate of the appraised asset is determined after taking into account the economic life of the appraised assets, the remaining service life of the appraised assets and the status of the appraised assets through an on-site inspection.

Based on the above-mentioned, the total appraised value of the relevant Leased Assets is calculated by multiplying the total replacement cost of the relevant Leased Assets by the relevant newness rate of the relevant Leased Assets.

## LETTER FROM THE BOARD

The appraised value of the Leased Assets in each of the Sale and Leaseback Arrangements and the key parameters used in the appraisals are summarised as follows:

	Jingtang Sale and Leaseback Arrangement I	Jingtang Sale and Leaseback Arrangement II	Wenzhou Sale and Leaseback Arrangement	Zhaoying Sale and Leaseback Arrangement	Bayin Sale and Leaseback Arrangement	Zhuji Sale and Leaseback Arrangement
Appraised value of the relevant Leased Assets	approximately RMB301.75 million (equivalent to approximately HK\$328.91 million)	approximately RMB41.30 million (equivalent to approximately HK\$45.02 million)	approximately RMB385.56 million (equivalent to approximately HK\$420.26 million)	approximately RMB303.30 million (equivalent to approximately HK\$330.60 million)	approximately RMB122.88 million (equivalent to approximately HK\$133.94 million)	approximately RMB347.27 million (equivalent to approximately HK\$378.52 million)
Assessment base date of relevant Leased Assets Valuation Report	13 November 2025	13 November 2025	28 November 2025	28 November 2025	4 December 2025	15 November 2025
Assessment Method	Cost method	Cost method	Cost method	Cost method	Cost method	Market method
Total appraised replacement cost of the relevant Leased Assets	approximately RMB403.05 million (equivalent to approximately HK\$439.32 million)	approximately RMB52.93 million (equivalent to approximately HK\$57.69 million)	approximately RMB385.56 million (equivalent to approximately HK\$420.26 million)	approximately RMB352.68 million (equivalent to approximately HK\$384.42 million)	approximately RMB223.43 million (equivalent to approximately HK\$243.54 million)	Nil
Newness rate of the relevant Leased Assets	74.87%	78.03%	100%	86%	55%	Nil



# LETTER FROM THE BOARD

Jingtang Sale and Leaseback Arrangement I	Jingtang Sale and Leaseback Arrangement II	Wenzhou Sale and Leaseback Arrangement	Zhaoqing Sale and Leaseback Arrangement	Bayin Sale and Leaseback Arrangement	Zhuji Sale and Leaseback Arrangement
---	--	--	---	--------------------------------------	--------------------------------------

## The valuation assumptions as set out in the Leased Assets Valuation Reports

- |  |   |  |
|--|---|--|
| <p>(i) all the assets subject to this assessment are based on the actual stock as of the assessment base date, and the current market prices of the relevant assets are determined by the domestic effective prices as of the assessment base date;</p> <p>(ii) there is no material adjustment/change in (1) the relevant policies and regulations; (2) the social environment in the future; and (3) the relevant national laws, regulations and policies in the future;</p> <p>(iii) the business operations of the asset occupier are legal, and there will be no unforeseen factors that lead to a change in the current use of the appraised assets;</p> <p>(iv) the relevant basic and financial data are true, accurate and complete;</p> <p>(v) the appraisal, unless otherwise specified, did not take into account the impact of possible mortgage and guarantee matters related to the assets of the asset occupant on the assessment value, nor did it consider the influence of changes in national macroeconomic policies and the occurrence of natural forces and other force majeure on asset prices; and</p> <p>(vi) the scope of the assessment is subject only to the assessment declaration form provided by the asset possessor.</p> | <p>(i) there are no significant errors in the content, quantity and book value of the assets declared by the property rights holder. There is no dispute over the ownership of the appraised assets, and the intrinsic quality of the appraised assets is intact;</p> <p>(ii) there is no material adjustment/change in (1) the relevant policies and regulations; (2) the social environment in the future; and (3) the relevant national laws, regulations and policies in the future; and</p> <p>(iii) it is assumed that the management of the enterprise being appraised has fulfilled its obligations responsibly for the operation of the enterprise and has effectively managed the relevant assets in a competent manner. The appraised enterprise has not violated any relevant national laws and regulations during its operation.</p> | <p>(i) assuming that all the appraised assets are already in the transaction process, the valuer simulates the market valuation based on the transaction conditions and other factors of the appraised assets;</p> <p>(ii) assuming that the market is open and fair, and the transaction activities of both the buyer and the seller are carried out voluntarily and rationally, rather than under compulsory or restricted conditions;</p> <p>(iii) assuming that the appraised assets are in or presumed to be in continuous use;</p> <p>(iv) there is no material adjustment/change in (1) the relevant policies and regulations; (2) the social environment in the future; and (3) the relevant national laws, regulations and policies in the future;</p> <p>(v) all the assets subject to this assessment are based on the actual stock as of the assessment base date, and the current market prices of the relevant assets are determined by the domestic effective prices as of the assessment base date; and</p> <p>(vi) assuming that the basic and financial information provided by the property rights holding entity is true, accurate and complete.</p> |
|--|---|--|

---

## LETTER FROM THE BOARD

---

The Board noted that if there is any deviation from the above assumptions, the valuation results may differ and has reviewed the Leased Assets Valuation Reports and considered the valuation methods and assumptions adopted. The Board is of the view that the valuation method in respect of the relevant Leased Assets is reasonable and the assumptions adopted are general assumptions commonly adopted in assets valuation in the PRC. Therefore, the Board considers that the appraised value of the relevant Leased Assets is fair and reasonable.

The Leased Assets are not revenue-generating assets with identifiable income stream.

The 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 Leased Assets during the Lease Term.

### *Lease payment*

The total amount of lease payment over the relevant Lease Term in respect of the relevant Sale and Leaseback Arrangement shall be paid by the relevant Lessee(s) to Chengtong Financial Leasing in accordance with the payment schedules as set out in the relevant Sale and Leaseback Agreements, and represents the sum of the relevant lease principal amount (being the amount of relevant Purchase Price to be paid by Chengtong Financial Leasing) and the relevant lease interest.

The lease interest will be calculated on the then outstanding lease principal amount with a floating interest rate to be determined at fixed premium/discount over the LPR.

The interest rate will be subject to review on 1 January every year. In the event that the LPR changes, the lease interest rate will be adjusted to a rate at the aforesaid fixed premium/discount over the new LPR, except in the case where the Lessee(s) has an overdue lease payment and has not paid all overdue payments and liquidated damages, the interest rate to be applied will not be adjusted when the LPR is reduced.

### *Service Fee*

The relevant Lessee(s) shall pay a one-off service fee (“**Service Fee**”) to Chengtong Financial Leasing for the preliminary services provided by Chengtong Financial Leasing in respect of the relevant Sale and Leaseback Arrangements, respectively. Such services include the provision of corporate finance consulting services, including but not limited to advising the relevant Lessee(s) on strategic analysis, investment and financing channels and models, as well as macroeconomic and market research. The Service Fee is non-refundable.

---

## LETTER FROM THE BOARD

---

The lease payment and Service Fee applicable to the relevant Sale and Leaseback Arrangements have been agreed between the parties after arm's length negotiation and 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 having considered the amount of lease interests, the Service Fee and the prevailing market conditions.

Having considered the above factors in the specific circumstances of the Sale and Leaseback Arrangements, the Board considers that the terms of the 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.

### ***Guarantee***

Each of the Guarantors has provided a guarantee in favour of Chengtong Financial Leasing for all amounts payable by the Kangxin Lessee, the Wenzhou Lessee, the Zhaoqing Lessee and the Zhuji Lessee under the relevant Sale and Leaseback Agreements, respectively, including but not limited to liquidated damages, outstanding and prospective lease payments, repurchase price and other payables. The guarantee is irrevocable and continuing in nature.

### ***Kangxin Guarantor***

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) the Kangxin Guarantor is wholly-owned by SASAC of Wuxi Municipal People's Government; (ii) the Kangxin Guarantor and its ultimate beneficial owner are Independent Third Parties; and (iii) the Kangxin Guarantor is principally engaged in the business of undertaking key municipal construction projects in Wuxi City, with a primary focus on infrastructure construction.

### ***Wenzhou Guarantor***

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) the Wenzhou Guarantor is a direct wholly-owned subsidiary of Wenzhou Ou Hai New Economic Industry Development Co., Ltd., which is wholly owned by Wenzhou Ou Hai State-owned Assets Administration Office, the ultimate beneficial owner of the Wenzhou Lessee; (ii) the Wenzhou Guarantor and its ultimate beneficial owner are Independent Third Parties; and (iii) the Wenzhou Guarantor is principally engaged in the business of project agency construction services and labor dispatch services.

---

## LETTER FROM THE BOARD

---

### *Zhaoqing Guarantor I*

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) the Zhaoqing Guarantor I is wholly owned by Zhaoqing Guoying Investment Co., Ltd., which is in turn wholly owned by SASAC of the Zhaoqing Municipal People's Government; (ii) the Zhaoqing Guarantor I and its ultimate beneficial owner are Independent Third Parties; and (iii) the Zhaoqing Guarantor I is principally engaged in the business of infrastructure construction in the core area of Zhaoqing City, namely Zhaoqing New District, safeguarding and improving people's livelihood, industrial incubation and cultivation, industrial investment and operation, and the development and construction of industrial parks.

### *Zhaoqing Guarantor II*

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) the Zhaoqing Guarantor II is directly owned as to (a) 60% by Zhaoqing New District Administrative Committee, which is wholly owned by Zhaoqing Municipal People's Government; (b) 30% by the Zhaoqing Guarantor I, which is wholly owned by Zhaoqing Guoying Investment Co., Ltd., which is in turn wholly owned by the SASAC of the Zhaoqing Municipal People's Government; and (c) 10% by the Department of Finance of Guangdong Province; (ii) the Zhaoqing Guarantor II and its ultimate beneficial owner are Independent Third Parties; and (iii) the Zhaoqing Guarantor II is principally engaged in the business of engineering construction in Zhaoqing New District and the sale of real estate properties.

### *Zhuji Guarantor*

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) the Zhuji Guarantor is 100% owned by Zhuji State-owned Assets Operation Co., Ltd., which is controlled by SASAC of the People's Government of Zhuji City; (ii) the Zhuji Guarantor and its ultimate beneficial owner are Independent Third Parties; and (iii) the Zhuji Guarantor is principally engaged in the business of logistics engineering development and operation, domestic cargo transportation agency, etc.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, 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) the Guarantors, its 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

---

### *Lessee's right to repurchase the Leased Assets*

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

### *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

### *Material terms of the Sale and Leaseback Agreements*

The general terms and conditions of the Sale and Leaseback Agreements are similar. The respective key terms are summarised as follows:

	Jinggang Sale and Leaseback Agreements I	Wenzhou Sale and Leaseback Agreements	Zhaoqing Sale and Leaseback Agreements	Bayin Sale and Leaseback Agreements	Kangxin Sale and Leaseback Agreements	Zhuji Sale and Leaseback Agreements	Jinggang Sale and Leaseback Agreements II
<b>Date of the relevant Sale and Leaseback Agreements</b>	21 November 2025	11 December 2025	11 December 2025	17 December 2025	17 December 2025	22 December 2025	23 December 2025
<b>Lessee(s)</b>	Jinggang Co-Lessee	Wenzhou Lessee	Zhaoqing Lessee	Bayin Lessee	Kangxin Lessee	Zhuji Lessee	Jinggang Co-Lessee
<b>Leased assets</b>	certain construction machinery and auxiliary equipment	facilities and equipment such as hydrological monitoring, water treatment, X-ray photoelectron spectrometers, and activated carbon filters, etc.	intelligent system equipment, smart parking management system equipment, etc.	certain wind power generation equipment	production machinery and equipment	intelligent customs clearance checkpoint facilities and customs inspection and quarantine equipment, etc.	certain construction machinery and auxiliary equipment
<b>Purchase Price</b>	RMB220 million (equivalent to HK\$239.80 million)	RMB300 million (equivalent to HK\$327 million)	RMB300 million (equivalent to HK\$327 million)	RMB100 million (equivalent to HK\$109 million)	RMB200 million (equivalent to HK\$218 million)	RMB300 million (equivalent to HK\$327 million)	RMB30 million (equivalent to HK\$32.7 million)

# LETTER FROM THE BOARD

	Jingtang Sale and Leaseback Agreements I	Wenzhou Sale and Leaseback Agreements	Zhaoqing Sale and Leaseback Agreements	Bayin Sale and Leaseback Agreements	Kangyin Sale and Leaseback Agreements	Zhuji Sale and Leaseback Agreements	Jingtang Sale and Leaseback Agreements II
<b>Basis of Purchase Price</b>	the appraised value of the Jingtang Leased Assets of approximately RMB301.75 million (equivalent to approximately HK\$328.91 million)	the appraised value of the Wenzhou Leased Assets of approximately RMB385.56 million (equivalent to approximately HK\$420.26 million)	the appraised value of the Zhaoqing Leased Assets of approximately RMB303.30 million (equivalent to approximately HK\$330.60 million)	the appraised value of the Bayin Leased Assets of approximately RMB122.88 million (equivalent to approximately HK\$133.94 million)	the net book value of the Kangyin Leased Assets of approximately RMB248.73 million (equivalent to approximately HK\$271.12 million)	the appraised value of the Zhuji Leased Assets of approximately RMB347.27 million (equivalent to approximately HK\$378.52 million)	the appraised value of the Jingtang Leased Assets of approximately RMB41.30 million (equivalent to approximately HK\$45.02 million)
<b>Lease Term</b>	three (3) years	three (3) years	three (3) years	two (2) years	three (3) years	three (3) years	three (3) years
<b>Lease Payments</b>	approximately RMB235.67 million (equivalent to approximately HK\$256.88 million), payable by the Jingtang Co-Lessee to Chengtong Financial Leasing in twelve (12) quarterly instalments during the Lease Term	approximately RMB317.77 million (equivalent to approximately HK\$346.37 million), payable by the Wenzhou Lessee to Chengtong Financial Leasing in twelve (12) quarterly instalments during the Lease Term	approximately RMB323.49 million (equivalent to approximately HK\$352.60 million), payable by the Zhaoqing Lessee to Chengtong Financial Leasing in twelve (12) quarterly instalments during the Lease Term	approximately RMB103.56 million (equivalent to approximately HK\$112.88 million), payable by the Bayin Lessee to Chengtong Financial Leasing in four (4) semi-annual instalments during the Lease Term	approximately RMB211.83 million (equivalent to approximately HK\$230.89 million), payable by the Kangyin Lessee to Chengtong Financial Leasing in twelve (12) quarterly instalments during the Lease Term	approximately RMB319.08 million (equivalent to approximately HK\$347.80 million), payable by the Zhuji Lessee to Chengtong Financial Leasing in twelve (12) quarterly instalments during the Lease Term	approximately RMB321.3 million (equivalent to approximately HK\$355.02 million), payable by the Jingtang Co-Lessee to Chengtong Financial Leasing in twelve (12) quarterly instalments during the Lease Term

## LETTER FROM THE BOARD

	Jingtang Sale and Leaseback Agreements I	Wenzhou Sale and Leaseback Agreements	Zhaoping Sale and Leaseback Agreements	Bayin Sale and Leaseback Agreements	Kangxin Sale and Leaseback Agreements	Zhuji Sale and Leaseback Agreements	Jingtang Sale and Leaseback Agreements II
<b>Service Fee</b>	RMB5.50 million (equivalent to approximately HK\$6 million)	RMB7.50 million (equivalent to approximately HK\$8.18 million)	RMB7.50 million (equivalent to approximately HK\$8.18 million)	Nil	Nil	RMB6 million (equivalent to HK\$6.54 million)	RMB0.75 million (equivalent to approximately HK\$0.82 million)
<b>Nominal consideration for repurchase of the Leased Assets</b>	RMB 0.73 (equivalent to approximately HK\$0.80)	RMB 3.00 (equivalent to HK\$3.27)	RMB 3.00 (equivalent to HK\$3.27)	RMB1.00 (equivalent to HK\$1.09)	RMB2.00 (equivalent to HK\$2.18)	RMB3.00 (equivalent to HK\$3.27)	RMB0.10 (equivalent to approximately HK\$0.11)
<b>Estimated income</b>	approximately RMB21.17 million (equivalent to approximately HK\$23.08 million)	approximately RMB25.27 million (equivalent to approximately HK\$27.54 million)	approximately RMB30.99 million (equivalent to approximately HK\$33.78 million)	approximately RMB3.56 million (equivalent to approximately HK\$3.88 million)	approximately RMB11.83 million (equivalent to approximately HK\$12.89 million)	approximately RMB25.08 million (equivalent to approximately HK\$27.34 million)	approximately RMB2.88 million (equivalent to approximately HK\$3.14 million)



---

## LETTER FROM THE BOARD

---

### **(B) Information of the Lessees**

#### ***Bayin 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 date of the Latest Practicable Date, (i) the Bayin Lessee is an indirect wholly-owned subsidiary of Huadian New Energy Group Corporation Limited, which is a joint stock limited company established in the PRC, whose A shares are listed on the Shanghai Stock Exchange (stock code: 600930.SH), whose first and second largest shareholders are Fujian Huadian Furui Energy Development Co. Ltd. (which held 45.22% therein) and Huadian Power International Corporation Limited (which held 26.78% therein) whose A shares and H shares are listed on the Shanghai Stock Exchange (stock code: 600027.SH) and the Stock Exchange (stock code: 1071.HK), respectively. Fujian Huadian Furui Energy Development Co. Ltd. and Huadian Power International Corporation Limited are subsidiaries of China Huadian, which is wholly owned by SASAC; (ii) the Bayin Lessee and its ultimate beneficial owners are Independent Third Parties; and (iii) the Bayin Lessee is principally engaged in the business of wind power generation, the development, investment, construction and operation management of photovoltaic power generation projects, etc.

#### ***Jingtang Lessee I***

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 date of the Latest Practicable Date, (i) the Jingtang Lessee I is 20% controlled by the Jingtang Lessee II and the remaining 80% shares are averagely owned by four different private companies, namely Qinghai Weilong Steel Structure Engineering Co., Ltd. (51.2195%, 41.8324% and 6.9480% of its equity interests are held by three individuals, namely Mr. Li Yuexian, Ms. Li Dinghui and Mr. Cai Banglun, respectively), Changzhou Jintan Tiandi Construction Co., Ltd. (98% and 2% of its equity interests are held by Ms. Qiu Liyun and Mr. Chen Yuliang, respectively), Beijing Hongjiu Jiye Mechanical and Electrical Installation Co., Ltd. (wholly owned by Mr. Chen Guoqing), and Qiqihar Hongju Construction Labour Service Co., Ltd. (70% and 30% of its equity interests are held by Mr. Niu Tiefeng and Mr. Bao Zhicheng, respectively); (ii) the Jingtang Lessee I and its ultimate beneficial owners are Independent Third Parties; and (iii) the Jingtang Lessee I is principally engaged in the business of specialized equipment repair; general equipment repair, repair of electrical equipment, etc.

---

## LETTER FROM THE BOARD

---

### *Jingtang Lessee II*

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 date of the Latest Practicable Date, (i) the Jingtang Lessee II is a subsidiary of Metallurgical Corporation of China Ltd., whose shares are listed on the Main Board of the Stock Exchange (stock code: 1618) and which in turn is a subsidiary of China Minmetals; (ii) the Jingtang Lessee II and its ultimate beneficial owners are Independent Third Parties; and (iii) the Jingtang Lessee II is principally engaged in the business of construction project construction and design, interior decoration and renovation of residential buildings, electrical installation services, etc.

### *Kangxin Lessee*

To the best of the Directors' knowledge, information and belief, after making all reasonable enquiries, and based on the information publicly available as of the date of the Latest Practicable Date, (i) the Kangxin Lessee is directly 100% owned by Kangxin New Materials Co., Ltd., whose A shares are listed on Shanghai Stock Exchange (stock code: 600076.SH) and its largest shareholder holding approximately 38.81% of its equity interest is the Kangxin Guarantor, which is wholly-owned by SASAC of Wuxi Municipal People's Government; (ii) the Kangxin Lessee and its ultimate beneficial owners are Independent Third Parties; and (iii) the Kangxin Lessee is principally engaged in the business of the production and sale of container flooring and environmentally friendly boards, as well as the cultivation and sale of landscaping seedlings and fast-growing poplar seedlings.

### *Wenzhou 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 Wenzhou Lessee is a direct wholly-owned subsidiary of Wenzhou Ouhai Smart City Management Co., Ltd., which is wholly owned by Wenzhou Ouhai State-owned Assets Administration Office, the ultimate beneficial owner of Wenzhou Lessee; (ii) the Wenzhou Lessee and its ultimate beneficial owner are Independent Third Parties; and (iii) the Wenzhou Lessee is principally engaged in the business of development, leasing, and comprehensive operation of industrial plants and specialized industrial parks.

### *Zhaoqing 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 date of the Latest Practicable Date, (i) the Zhaoqing Lessee is a direct wholly-owned subsidiary of the Zhaoqing Guarantor I, which is wholly owned by Zhaoqing Guoying Investment Co., Ltd., which is in turn wholly owned by SASAC of the Zhaoqing Municipal People's Government; (ii) the Zhaoqing Lessee and its ultimate beneficial owners are Independent Third Parties; and (iii) the Zhaoqing Lessee is principally engaged in the business of asset operation services, hotel and catering services, sales of water, electricity, oil and gas, and industrial investment.

---

## LETTER FROM THE BOARD

---

### *Zhuji 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 date of the Latest Practicable Date, (i) the Zhuji Lessee is directly wholly-owned by Zhuji Transportation Investment Group Co., Ltd. which is indirectly owned as to 51% by the Zhuji Guarantor, whose ultimate controller is SASAC of the People's Government of Zhuji City, and the remaining 49% of Zhuji Transportation Investment Group Co., Ltd. is owned by Zhuji State-owned Assets Operation Co., Ltd., which is controlled by SASAC of the People's Government of Zhuji City; (ii) the Zhuji Lessee and its ultimate beneficial owners are Independent Third Parties; and (iii) the Zhuji Lessee is principally engaged in the business of operation of road freight transport stations, international freight forwarding agency by sea, import and export of goods, etc.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as the Previous 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) the Lessee(s), its directors and legal representatives and any ultimate beneficial owner(s) of the Lessee(s) who can exert influence on the transactions.

### **(C) Reasons for and Benefits of the 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 of the Sale and Leaseback Arrangements is 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 RMB120.78 million (equivalent to approximately HK\$131.65 million), being the sum of the lease interests and the Service Fee under the Sale and Leaseback Arrangements.

In light of the above, the Directors are of the view that the terms of the Sale and Leaseback Arrangements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **(D) Implications under the Listing Rules**

#### ***Bayin Sale and Leaseback Arrangement***

Since (i) the Bayin Sale and Leaseback Agreements and the Previous Bayin Transactions are and were all entered into with, among others, the subsidiaries of China Huadian; and (ii) the Previous Bayin Transactions are still subsisting when the Bayin Sale and Leaseback Agreements are entered into, therefore the Bayin Sale and Leaseback Arrangement is aggregated with the Previous Bayin Transactions for the purpose of calculating the relevant percentage ratios (as defined in the Listing Rules).

---

## LETTER FROM THE BOARD

---

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Bayin Sale and Leaseback Arrangement, when aggregated with the Previous Bayin Transactions, exceeds 25% but is less than 100%, the Bayin 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.

### ***Jingtang Sale and Leaseback Arrangements***

Since (i) the Jingtang Sale and Leaseback Agreements and the Previous Jingtang Transactions are and were all entered into with, among others, the subsidiaries of China Minmetals; and (ii) the Previous Jingtang Transactions are still subsisting when the Jingtang Sale and Leaseback Agreements are entered into, therefore the Jingtang Sale and Leaseback Arrangements are aggregated with the Previous Jingtang 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 Jingtang Sale and Leaseback Arrangements, when aggregated with the Previous Jingtang Transactions, exceeds 25% but is less than 100%, the Jingtang Sale and Leaseback Arrangements constitute major transactions of the Company and are subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

### ***Kangxin Sale and Leaseback Arrangement***

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Kangxin Sale and Leaseback Arrangement exceeds 25% but is less than 100%, the Kangxin 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.

### ***Wenzhou Sale and Leaseback Arrangement***

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Wenzhou Sale and Leaseback Arrangement exceeds 25% but is less than 100%, the Wenzhou 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.

### ***Zhaoqing Sale and Leaseback Arrangement***

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Zhaoqing Sale and Leaseback Arrangement exceeds 25% but is less than 100%, the Zhaoqing 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

---

### *Zhuji Sale and Leaseback Arrangement*

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Zhuji Sale and Leaseback Arrangement exceeds 25% but is less than 100%, the Zhuji 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.

To the best of the Directors' knowledge, information and belief, 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 Sale and Leaseback Arrangements. Thus, no Shareholder is required to abstain from voting if the Company were to convene a general meeting to approve the Sale and Leaseback Arrangements. In light of the foregoing, written Shareholder's 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 Sale and Leaseback Arrangements 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 Sale and Leaseback Arrangements.

### **3. RECOMMENDATION**

The Directors are of the view that the terms of the Sale and Leaseback Agreements are normal commercial terms and are fair and reasonable. The Directors also consider that the entering into of the Sale and Leaseback Arrangements 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 Sale and Leaseback Arrangements, 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**  
**Chen Jianying**  
*Executive Director*

**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 30 November 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\$3,965.87 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\$151.55 million; (iii) unsecured and unguaranteed corporate bonds of HK\$1,104.54 million; (iv) secured and guaranteed asset-backed securities of approximately HK\$1,376.59 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 30 November 2025, the Group had contingent liabilities in relation to guarantees of approximately HK\$230.44 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 November 2025.

**3. WORKING CAPITAL SUFFICIENCY OF THE GROUP**

The Directors are of the opinion that, after taking into account the effects of the Sale and Leaseback Arrangements, 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 confirmed that there had been no 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 Sale and Leaseback Arrangements. In respect of the implementation of the Sale and Leaseback Arrangements, the Sale and Leaseback Arrangements 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 Sale and Leaseback Arrangements as additional income to the Group.

Save as disclosed above, the Sale and Leaseback Arrangements 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.

## **7. MATERIAL LOAN CONFIRMATION**

To the best of the directors' knowledge, information and belief having made all reasonable enquiry, 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 transaction); and (b) the Lessees, their directors and legal representatives and any ultimate beneficial owner(s) of the Lessees who can exert influence on the transaction.



## 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	0.01%
Ms. Bai Chunrui	The Company	Beneficial owner	292,000	Ordinary shares	0.00%

*Note: The percentage has been 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 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 (Note 1)	3,169,656,217	Ordinary shares	53.14%
CCHG	Interest in controlled corporation (Note 1)	3,169,656,217	Ordinary shares	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 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, (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 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 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.