

---

## 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 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 – THE ASSIGNMENTS, THE SALE AND LEASEBACK ARRANGEMENTS AND THE LEASED ASSETS TRANSFER ARRANGEMENTS**

---

A letter from the Board is set out from pages 10 to 38 of this circular.

13 February 2026

---

## 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:*

“Assignment(s)”	means, Southern Airlines Assignment and/or Xinyin Assignment (as the case may be)
“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
“China Huadian”	means China Huadian Corporation Limited, a state-owned enterprise established in the PRC with limited liability
“China Insurance Investment”	means China Insurance Investment Co., Ltd., a company established in the PRC with limited liability
“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
“Consideration”	means Southern Airlines Consideration and/or Xinyin Consideration (as the case may be)
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“COSCO”	means Cosco Shipping Specialized Carriers Co., Ltd., a state-owned enterprise established in the PRC with limited liability
“COSCO Leased Assets”	means certain special containers

---

## DEFINITION

---

“COSCO Leasing Agreement”	means the leasing agreement dated 28 March 2024 entered into between Xinyin (as lessor) and COSCO (as lessee) in respect of the leasing of the COSCO Leased Assets
“COSCO Leasing Arrangement”	means the leasing arrangement under the COSCO Leasing Agreement
“COSCO Shipping”	means China COSCO Shipping Corporation Limited, a state owned enterprise established in the PRC with limited liability
“COSCO Shipping Development”	means COSCO Shipping Development Co., Ltd., a joint stock limited company established in the PRC
“Director(s)”	means the director(s) of the Company
“Group”	means the Company and its subsidiaries as at the date of this circular
“Haifa Baocheng”	means Haifa Baocheng Financial Leasing Co., Ltd., a company established in the PRC with limited liability
“Haifa Baocheng Lease Term”	means the lease term under the Haifa Baocheng Leased Assets Transfer Agreements
“Haifa Baocheng Leased Assets”	means high-voltage power-on cluster equipment, sewage treatment equipment, high-voltage electrical control equipment, etc.
“Haifa Baocheng Leased Assets Transfer Agreements”	<p>means, collectively, three (3) sets of the following agreements in respect of the Haifa Baocheng Leased Assets dated 26 January 2026 and signed between Chengtong Financial Leasing and Haifa Baocheng:</p> <p>(1) leased assets transfer agreements; and</p> <p>(2) leased assets agreements</p>
“Haifa Baocheng Leased Assets Transfer Arrangement”	means the purchase of the Haifa Baocheng Leased Assets by Chengtong Financial Leasing from Haifa Baocheng and the leasing of the Haifa Baocheng Leased Assets to Haifa Baocheng pursuant to the terms of the Haifa Baocheng Leased Assets Transfer Agreements
“Haifa Baocheng Purchase Price”	means the consideration payable by Chengtong Financial Leasing for the purchase of the Haifa Baocheng Leased Assets from Haifa Baocheng

---

## DEFINITION

---

“HK\$”	means Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“Huadian Datong”	means Huadian Datong New Energy Co., Ltd., a state-owned enterprise established in the PRC with limited liability
“Huadian Datong Lease Term”	means the lease term under the Huadian Datong Sale and Leaseback Agreements
“Huadian Datong Leased Assets”	means certain photovoltaic power generation equipment, etc.
“Huadian Datong Purchase Price”	means the consideration payable by Chengtong Financial Leasing for the purchase of the Huadian Datong Leased Assets from Huadian Datong
“Huadian Datong Sale and Leaseback Agreements”	<p>means, collectively, the following agreements in respect of the Huadian Datong Leased Assets dated 13 January 2026 and signed between Chengtong Financial Leasing and Huadian Datong:</p> <p>(1) leaseback assets transfer agreement; and</p> <p>(2) finance lease agreement (sale and leaseback)</p>
“Huadian Datong Sale and Leaseback Arrangement”	means the purchase of the Huadian Datong Leased Assets by Chengtong Financial Leasing from Huadian Datong and the leaseback of the Huadian Datong Leased Assets to Huadian Datong pursuant to the terms of the Huadian Datong Sale and Leaseback Agreements
“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)
“Jinshi”	means Sichuan Jinshi Leasing Co., Ltd., a state-owned enterprise established in the PRC with limited liability
“Jinshi Lease Term”	means the lease term under the Jinshi Leased Assets Transfer Agreements
“Jinshi Leased Assets”	means diesel generator sets, dry-type transformers, compressors, etc.

---

## DEFINITION

---

“Jinshi Leased Assets Transfer Agreements”	<p>means, collectively, the following agreements in respect of the Jinshi Leased Assets dated 13 January 2026 and signed between Chengtong Financial Leasing and Jinshi:</p> <p>(1) leased assets transfer agreement; and</p> <p>(2) leased assets agreement</p>
“Jinshi Leased Assets Transfer Arrangement”	<p>means the purchase of the Jinshi Leased Assets by Chengtong Financial Leasing from Jinshi and the leasing of the Jinshi Leased Assets to Jinshi pursuant to the terms of the Jinshi Leased Assets Transfer Agreements</p>
“Jinshi Purchase Price”	<p>means the consideration payable by Chengtong Financial Leasing for the purchase of the Jinshi Leased Assets from Jinshi</p>
“Keqiao”	<p>means Shaoxing Keqiao District Hangzhou-Shaoxing Intercity Rail Transit Construction Investment Co., Ltd., a state-owned enterprise established in the PRC with limited liability</p>
“Keqiao Guarantor”	<p>means Shaoxing Keqiao District Rail Transit Group Co., Ltd., a state-owned enterprise established in the PRC with limited liability</p>
“Keqiao Lease Term”	<p>means the lease term under the Keqiao Sale and Leaseback Agreements II</p>
“Keqiao Leased Assets I”	<p>means certain electric bus sets, electromechanical equipment, power distribution equipment, communication equipment, etc.</p>
“Keqiao Leased Assets II”	<p>means certain power supply equipment, high and low voltage complete sets of distribution equipment, etc.</p>
“Keqiao Purchase Price”	<p>means the consideration payable by Chengtong Financial Leasing for the purchase of the Keqiao Leased Assets II from Keqiao</p>
“Keqiao Sale and Leaseback Agreement I”	<p>means the sale and leaseback agreement dated 11 July 2024 entered into between the Southern Airlines (as lessor) and Keqiao (as lessee) in respect of the sale and leaseback of the Keqiao Leased Assets I</p>

---

## DEFINITION

---

“Keqiao Sale and Leaseback Agreements II”	<p>means, collectively, three (3) sets of the following agreements in respect of the Keqiao Leased Assets II dated 13 January 2026 and signed between Chengtong Financial Leasing and Keqiao:</p> <p>(1) leaseback assets transfer agreements; and</p> <p>(2) finance lease agreements (sale and leaseback)</p>
“Keqiao Sale and Leaseback Arrangement I”	<p>means the sale and leaseback arrangement under the Keqiao Sale and Leaseback Agreement I</p>
“Keqiao Sale and Leaseback Arrangement II”	<p>means the purchase of the Keqiao Leased Assets II by Chengtong Financial Leasing from Keqiao and the leaseback of the Keqiao Leased Assets II to Keqiao pursuant to the terms of the Keqiao Sale and Leaseback Agreements II</p>
“Latest Practicable Date”	<p>means 12 February 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein</p>
“Lease Term”	<p>means the Haifa Baocheng Lease Term, the Huadian Datong Lease Term, the Jinshi Lease Term, the Keqiao Lease Term, the Southern Airlines Lease Term and/or the Xinyin Lease Term (as the case may be)</p>
“Leased Assets”	<p>means the COSCO Leased Assets, the Haifa Baocheng Leased Assets, the Huadian Datong Leased Assets, the Jinshi Leased Assets, the Keqiao Leased Assets I, and/or the Keqiao Leased Assets II (as the case may be)</p>
“Leased Assets Transfer Agreements”	<p>means, Haifa Baocheng Leased Assets Transfer Agreements and/or Jinshi Leased Assets Transfer Agreements (as the case may be)</p>
“Leased Assets Transfer Arrangements”	<p>means, Haifa Baocheng Leased Assets Transfer Arrangements and/or Jinshi Leased Assets Transfer Arrangements (as the case may be)</p>
“Leased Assets Valuation Report I”	<p>means the valuation report issued by the Valuer I in respect of the value of the Haifa Baocheng Leased Assets as at 4 December 2025, which will expire on 3 December 2026</p>
“Leased Assets Valuation Report II”	<p>means the valuation report issued by the Valuer II in respect of the value of the Haifa Baocheng Leased Assets as at 12 September 2025, which will expire on 11 September 2026</p>

---

## DEFINITION

---

“Leased Assets Valuation Report III”	means the valuation report issued by the Valuer III in respect of the value of the Haifa Baocheng Leased Assets as at 18 April 2025, which will expire on 17 April 2026
“Leased Assets Valuation Reports”	means, collectively, Leased Assets Valuation Report I, Leased Assets Valuation Report II and Leased Assets Valuation Report III
“Lessee(s)”	means COSCO, Haifa Baocheng, Huadian Datong, Jinshi and/or Keqiao (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
“Previous Haifa Baocheng Transaction”	means the leased assets transfer arrangements between Chengtong Financial Leasing and Haifa Baocheng constituted under the terms and conditions of the relevant leased assets transfer agreements, pursuant to the Leased Assets Transfer Business Master Agreement detailed in the announcement dated 17 January 2025 and in the corresponding circular dated 21 February 2025
“Previous Huadian Transactions”	<p>means, collectively, the following transactions previously entered into by Chengtong Financial Leasing:</p> <ol style="list-style-type: none"><li>(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;</li><li>(2) the sale and leaseback arrangement entered into with Huadian Datong, the details of which are set out in the announcement of the Company dated 16 October 2025;</li></ol>



---

## DEFINITION

---

	(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;
	(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; and
	(5) the sale and leaseback arrangement entered into with Inner Mongolia Huadian Bayin Wind Power Generation Co., Ltd., the details of which are set out in the announcement of the Company dated 17 December 2025 and the corresponding circular dated 16 January 2026
“Previous Transactions”	means, collectively, Previous Haifa Baocheng Transaction and Previous Huadian Transactions
“Purchase Price”	means the Haifa Baocheng Purchase Price, the Huadian Datong Purchase Price, the Jinshi Purchase Price and/or the Keqiao Purchase Price (as the case may be)
“RMB”	means Renminbi, the lawful currency of the PRC
“Sale and Leaseback Agreements”	means, collectively, the Huadian Datong Sale and Leaseback Agreements and the Keqiao Sale and Leaseback Agreements II
“Sale and Leaseback Arrangements”	means, collectively, the Huadian Datong Sale and Leaseback Arrangements and the Keqiao Sale and Leaseback Arrangements II
“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
“Southern Airlines”	means China Southern Airlines International Financial Leasing Co., Ltd., a state-owned enterprise established in the PRC with limited liability

---

## DEFINITION

---

“Southern Airlines Assigned Properties”	means the rights of Southern Airlines as a lessor under the Keqiao Sale and Leaseback Agreement I, including but not limited to the ownership of the Keqiao Leased Assets I, the rights to receive lease payments, default interests, liquidated damages, or any other payments or expenses from Keqiao under the Keqiao Sale and Leaseback Agreement I
“Southern Airlines Assignment”	means the assignment of the Southern Airlines Assigned Properties by Southern Airlines to Chengtong Financial Leasing pursuant to the terms of the Southern Airlines Leased Assets Transfer Agreement
“Southern Airlines Consideration”	means the consideration payable by Chengtong Financial Leasing to Southern Airlines for the Southern Airlines Assignment
“Southern Airlines Lease Term”	means the outstanding lease term under the Keqiao Sale and Leaseback Agreement I from the Transfer Date
“Southern Airlines Leased Assets Transfer Agreement”	means the leased assets transfer agreement dated 29 December 2025 entered into between Southern Airlines and Chengtong Financial Leasing, pursuant to which Southern Airlines has agreed to transfer and assign to Chengtong Financial Leasing the Southern Airlines Assigned Properties
“State-owned Enterprise Reform Fund”	means China State-owned Enterprises Mixed Ownership Reform Fund Co., Ltd., a company established in the PRC with limited liability
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Transfer Date”	means 29 December 2025, being the date of payment of the relevant consideration under the Southern Airlines Leased Assets Transfer Agreement and/or Xinyin Leased Assets Transfer Agreement (as the case may be)
“Valuer I”	means Guangdong Jinghua Asset Appraisal, Real Estate and Land Valuation Co., Ltd., a qualified independent valuer in the PRC
“Valuer II”	means Jiangsu Zhongrun Real Estate Land Asset Appraisal Co., Ltd., a qualified independent valuer in the PRC
“Valuer III”	means Jiangsu Yuelong Land Real Estate Appraisal and Surveying Co., Ltd., a qualified independent valuer in the PRC
“Valuers”	means, collectively, Valuer I, Valuer II and Valuer III

---

## DEFINITION

---

“Xinyin”	means Xinyin Zhuoyuan 19 (Tianjin) Shipping Leasing Co., Ltd., a state-owned enterprise established in the PRC with limited liability
“Xinyin Assigned Properties”	means the rights of Xinyin as a lessor under the COSCO Leasing Agreement, including but not limited to the ownership of the COSCO Leased Assets, the rights to receive lease payments, default interests, liquidated damages, or any other payments or expenses from COSCO under the COSCO Leasing Agreement
“Xinyin Assignment”	means the assignment of the Xinyin Assigned Properties by Xinyin to Chengtong Financial Leasing pursuant to the terms of the Xinyin Leased Assets Transfer Agreement
“Xinyin Consideration”	means the consideration payable by Chengtong Financial Leasing to Xinyin for the Xinyin Assignment
“Xinyin Lease Term”	means the outstanding lease term under the COSCO Leasing Agreement from the Transfer Date
“Xinyin Leased Assets Transfer Agreement”	means the leased assets transfer agreement dated 29 December 2025 entered into among Xinyin, COSCO and Chengtong Financial Leasing, pursuant to which Xinyin has agreed to transfer and assign to Chengtong Financial Leasing the Xinyin Assigned Properties
“%”	means per cent.

*In this circular, amounts quoted in RMB have been converted into HK\$ at the following exchange rates: (i) at the rate of RMB1.00 to HK\$1.09 for the Assignments; and (ii) at the rate of RMB1.00 to HK\$1.11 for the Sale and Leaseback Arrangements and the Leased Assets Transfer Arrangements. 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)

*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

13 February 2026

*To the Shareholders*

Dear Sir/Madam,

### **MAJOR TRANSACTIONS – THE ASSIGNMENTS, THE SALE AND LEASEBACK ARRANGEMENTS AND THE LEASED ASSETS TRANSFER ARRANGEMENTS**

#### **1. INTRODUCTION**

References are made to the announcements of the Company dated 29 December 2025, 13 January 2026 and 26 January 2026 in respect of the Assignments, the Sale and Leaseback Arrangements and the Leased Assets Transfer Arrangements (as the case may be).

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

---

## LETTER FROM THE BOARD

---

### 2. MAJOR TRANSACTIONS

#### (A) The Assignments

##### *(1) The Southern Airlines Assignment and the Keqiao Sale and Leaseback Arrangement I*

Southern Airlines, as the lessor, entered into the Keqiao Sale and Leaseback Agreement I with Keqiao on 11 July 2024 in respect of the Keqiao Sale and Leaseback Arrangement I.

On 29 December 2025, Chengtong Financial Leasing entered into the Southern Airlines Leased Assets Transfer Agreement with Southern Airlines.

The major terms of the Southern Airlines Assignment and the Keqiao Sale and Leaseback Arrangement I are set out below.

##### *Subject matter*

Pursuant to the Southern Airlines Leased Assets Transfer Agreement, subject to the fulfilment of all the applicable conditions as set out in the Southern Airlines Leased Assets Transfer Agreement, Southern Airlines has agreed to transfer and assign the Southern Airlines Assigned Properties to Chengtong Financial Leasing. With effect from the Transfer Date, Chengtong Financial Leasing had acquired the right to receive directly from Keqiao all the lease payments and other sums outstanding and payable by it under the Keqiao Sale and Leaseback Agreement I. Pursuant to the Keqiao Sale and Leaseback Agreement I, the Southern Airlines Lease Term will be approximately 42 months from the Transfer Date, subject to early termination in accordance with the terms and conditions of the Keqiao Sale and Leaseback Agreement I.

##### *Consideration*

The Consideration paid by Chengtong Financial Leasing to Southern Airlines on the Transfer Date was approximately RMB245.46 million (equivalent to approximately HK\$267.55 million) which was agreed between Chengtong Financial Leasing and Southern Airlines after arm's length negotiation with reference to the outstanding amount of lease principal under the Keqiao Sale and Leaseback Arrangement I as at the Transfer Date.

Chengtong Financial Leasing has fully paid the Consideration to Southern Airlines upon the fulfilment of all the applicable conditions as set out in the Southern Airlines Leased Assets Transfer Agreement.

---

## LETTER FROM THE BOARD

---

The conditions as stipulated in the Southern Airlines Leased Assets Transfer Agreement include but are not limited to the following:

- (i) the signing and the coming into effect of the Southern Airlines Leased Assets Transfer Agreement and its corresponding attachments and schedules;
- (ii) Chengtong Financial Leasing has received the relevant documents or materials provided by Southern Airlines, which prove that Southern Airlines legally owns and effectively holds the ownership of the Keqiao Leased Assets I, the lease receivables and the security interest;
- (iii) Chengtong Financial Leasing has received the original “Payment Notice” issued by Southern Airlines;
- (iv) Chengtong Financial Leasing has registered the asset in the relevant registration system in the PRC;
- (v) complete the registration of accounts receivable transfer (if any) in the relevant registration system in the PRC in accordance with the terms of the Southern Airlines Leased Assets Transfer Agreement;
- (vi) other payment conditions proposed by Chengtong Financial Leasing; and
- (vii) if the Southern Airlines Leased Assets Transfer Agreement violates or fails to meet the requirements stipulated by relevant laws, regulations and regulatory authorities, Chengtong Financial Leasing has the right to terminate the Southern Airlines Leased Assets Transfer Agreement in advance and recover all the funds.

As at the Latest Practicable Date, all of the applicable conditions under the Southern Airlines Leased Assets Transfer Agreement have been satisfied.

The Consideration was satisfied by the general working capital of the Group.

---

## LETTER FROM THE BOARD

---

### *Keqiao Sale and Leaseback Arrangement I*

The key terms of the Keqiao Sale and Leaseback Agreement I are summarised as follows:

<b>Date</b>	11 July 2024
<b>Lessee</b>	Keqiao
<b>Keqiao Leased Assets I</b>	Certain electric bus sets, electromechanical equipment, power distribution equipment, communication equipment, etc.
<b>Expiry date of the Lease Term</b>	19 July 2029
<b>Outstanding amount of lease principal as at the date of the Southern Airlines Leased Assets Transfer Agreement and the Transfer Date</b>	Approximately RMB245.22 million (equivalent to approximately HK\$267.29 million)
<b>Outstanding amount of lease interest as at the date of the Southern Airlines Leased Assets Transfer Agreement and the Transfer Date</b>	Approximately RMB22.87 million (equivalent to approximately HK\$24.93 million)
<b>Nominal consideration for repurchase of the Leased Assets</b>	RMB100 (equivalent to HK\$109)
<b>Type of security provided</b>	100% joint and several liability guarantee by the Keqiao Guarantor
<b>Interest rate</b>	floating interest rate

The original book value of the Keqiao Leased Assets I amounts to approximately RMB353.24 million (equivalent to approximately HK\$385.03 million).

The lease interest is calculated based on the outstanding lease principal amount at a floating interest rate determined with reference to the five-year LPR plus a fixed premium. The fixed premium was agreed between the parties after arm's length negotiation taking into account factors including the lease term, the credit profile of Keqiao and the Keqiao Guarantor, the security structure of the transaction, and prevailing market pricing for comparable finance lease transactions.

---

## LETTER FROM THE BOARD

---

Pursuant to the Southern Airlines Leased Assets Transfer Agreement, Chengtong Financial Leasing shall have the right to be registered as the registered owner of the Keqiao Leased Assets I as well as the lease payments and other receivables under the Keqiao Sale and Leaseback Arrangement I in the relevant registration system in the PRC.

### *Keqiao Guarantor*

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) the Keqiao Guarantor is ultimately controlled by Finance Bureau of Keqiao District, Shaoxing City, Zhejiang Province; (ii) the Keqiao Guarantor and its ultimate beneficial owners are Independent Third Parties; and (iii) the Keqiao Guarantor is principally engaged in the business of the investment, construction, operation and management of rail transit projects, 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 Keqiao Guarantor, its directors and legal representatives and any ultimate beneficial owner(s) of the Lessee(s) who can exert influence on the transactions.

During the Lease Term, Keqiao Guarantor maintained a sound credit profile and stable financial position, with sufficient liquidity to meet their payment obligations. Rental payments were settled on time and there had been no default or overdue payment, and no enforcement of guarantee had been required. In addition, the nature and condition of the relevant Leased Assets provide a certain level of value preservation and risk resilience.

The above assessment was made by the Chengtong Financial Leasing based on its ongoing monitoring and credit risk management procedures, including (i) regular review of the repayment records and payment performance under the relevant lease agreement; (ii) periodic assessment of the financial position, liquidity and credit standing of Keqiao and the Keqiao Guarantor based on publicly available information and information provided by the counterparties; and (iii) evaluation of the value, condition and marketability of the relevant Leased Assets.

Taking into account the stable repayment history, the credit support provided by the Keqiao Guarantor and the risk profile of the Leased Assets, the Board considers that the credit risk associated with the transaction is manageable and that the terms of the relevant arrangement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.



---

## LETTER FROM THE BOARD

---

### *(2) The Xinyin Assignment and the COSCO Leasing Arrangement*

Xinyin, as lessor, entered into the COSCO Leasing Agreement with COSCO on 28 March 2024 in respect of the COSCO Leasing Arrangement.

On 29 December 2025, Chengtong Financial Leasing entered into the Xinyin Leased Assets Transfer Agreement with COSCO and Xinyin.

The major terms of the Xinyin Assignment and the COSCO Leasing Arrangement are set out below.

#### *Subject matter*

Pursuant to the Xinyin Leased Assets Transfer Agreement, subject to the fulfilment of all the applicable conditions as set out in the Xinyin Leased Assets Transfer Agreement, Xinyin has agreed to transfer and assign the Xinyin Assigned Properties to Chengtong Financial Leasing. With effect from the Transfer Date, Chengtong Financial Leasing had acquired the right to receive directly from COSCO all the lease payments and other sums outstanding and payable by it under the COSCO Leasing Agreement.

#### *Consideration*

The Consideration paid by Chengtong Financial Leasing to Xinyin on the Transfer Date was approximately RMB237.59 million (equivalent to approximately HK\$258.97 million) which was agreed between Chengtong Financial Leasing and Xinyin after arm's length negotiation with reference to the outstanding amount of lease payment under the COSCO Leasing Arrangement as at the Transfer Date, which has already included the value of the COSCO Leased Assets.

In accordance with the usual market practice for asset transactions under operating lease arrangements, Chengtong Financial Leasing and Xinyin negotiated the Consideration with reference to prevailing market conditions, taking into account publicly available market data indicating that the global container and shipping-related asset market has shown continued growth in recent years. For example, according to the industry reports published by independent market research institutions, the container shipping market is expected to grow from USD119.65 billion in 2025 to USD123.14 billion in 2026 and is forecast to reach USD 142.07 billion by 2031 (<https://www.mordorintelligence.com/industry-reports/global-container-shipping-market>), reflecting sustained demand and generally supportive market fundamentals. Against this backdrop, the Consideration was subject to a modest adjustment over the outstanding lease payment amount as at the Transfer Date following arm's length negotiation and discussion between Chengtong Financial Leasing and Xinyin, taking into account the prevailing market conditions and the expected economic return of the transaction.

Chengtong Financial Leasing has fully paid the Consideration to Xinyin upon the fulfilment of all the applicable conditions as set out in the Xinyin Leased Assets Transfer Agreement.

---

## LETTER FROM THE BOARD

---

The conditions as stipulated in the Xinyin Leased Assets Transfer Agreement include but are not limited to the following:

- (i) the signing and the coming into effect of the Xinyin Leased Assets Transfer Agreement and its corresponding attachments and schedules;
- (ii) Chengtong Financial Leasing receives the COSCO Leasing Agreement from Xinyin, and the resolution of the competent authority issued by COSCO agreeing to the signing and performance of the COSCO Leasing Agreement and other legal documents; and
- (iii) Chengtong Financial Leasing has received the original “Payment Notice” issued by Xinyin.

As at the Latest Practicable Date, all of the applicable conditions under the Xinyin Leased Assets Transfer Agreement have been satisfied.

The Consideration was satisfied by the general working capital of the Group.

### *Legal Title*

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

Pursuant to the Xinyin Leased Assets Transfer Agreement, Chengtong Financial Leasing shall have the right to be registered as the registered owner of the COSCO Leased Assets as well as the lease payments and other receivables under the COSCO Leasing Arrangement in the relevant registration system in the PRC.

---

## LETTER FROM THE BOARD

---

### *COSCO Leasing Agreement*

The key terms of the COSCO Leasing Agreement are summarised as follows:

<b>Date</b>	28 March 2024
<b>Lessee</b>	COSCO
<b>COSCO Leased Assets</b>	Certain special containers
<b>Expiry date of the Lease Term</b>	30 December 2036
<b>Outstanding amount of lease payment as at the date of the Xinyin Leased Assets Transfer Agreement and the Transfer Date</b>	approximately RMB225.31 million (equivalent to approximately HK\$245.59 million)

The net book value of the COSCO Leased Assets amounts to approximately RMB237.59 million (equivalent to approximately HK\$258.97 million).

### *Lease Payment under the COSCO Leasing Agreement*

The lease payment is prepaid on a natural monthly basis. COSCO should pay the lease payment of the next month during the period from the 25th day of the month to the last day of the month. The lease payment is determined based on the basis of an agreed fixed rent.

Monthly lease payment = (Quantity of containers \* the corresponding daily lease payment) \* the actual days of the next natural month.

If the last period is less than one natural month, the lease payment payable for the current period shall be calculated based on the remaining natural days corresponding to that period.

### *Disposal of the COSCO Leased Assets*

According to the COSCO Leasing Agreement, COSCO shall, at least one year in advance before the expiration of the Xinyin Lease Term, deliver to Chengtong Financial Leasing in writing a notice of intention to renew the lease, a notice of intention to purchase or a notice of termination.

---

## LETTER FROM THE BOARD

---

If COSCO opts to purchase the COSCO Leased Assets, COSCO shall purchase all the COSCO Leased Assets under the COSCO Leasing Agreement and pay the purchase price in one lump sum. The total purchase price (including tax) shall not be less than approximately RMB65.94 million (equivalent to approximately HK\$71.87 million), which was determined between Xinyin and COSCO at the time of entering into the COSCO Leasing Agreement after arm's length negotiation with reference to the then prevailing market conditions and the estimated residual value of the COSCO Leased Assets, with the purchase price determined by reference to a pricing formula based on the applicable market price per unit weight multiplied by the aggregate quantity and weight of the COSCO Leased Assets to be purchased.

Although no additional security was provided in respect of the Xinyin Assignment and the COSCO Leasing Arrangement, Chengtong Financial Leasing has conducted an assessment of the credit risk of COSCO. COSCO is a subsidiary of COSCO Shipping, a large state-owned enterprise group with established market position and sound credit record. During the Lease Term, there had been no default or overdue lease payment. COSCO operates a sizable specialised transportation fleet and maintains relatively stable financial metrics, including a reasonable debt-to-asset ratio and interest coverage level, which indicate an adequate capacity to meet its payment obligations.

### **(B) The Sale and Leaseback Arrangements**

Chengtong Financial Leasing entered into the Huadian Datong Sale and Leaseback Agreements with Huadian Datong and the Keqiao Sale and Leaseback Agreements II with Keqiao on 13 January 2026, respectively, 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 one(1) year 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;

---

## LETTER FROM THE BOARD

---

- (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);
- (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 March 2026 or 30 June 2026 (as the case may be), Chengtong Financial Leasing shall have the right to unilaterally terminate the 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 net book value of the relevant Leased Assets. Discounts of 14.14% and 16.45% were applied to the net book value of the Huadian Datong Leased Assets and the Keqiao Leased Assets II, respectively, after taking into account the nature of the relevant Leased Assets, their resale potential and associated costs. The agreed discount balanced the assets' value with the overall economics and risk profile of the Sale and Leaseback Arrangements.

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

The Purchase Price was 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.

---

## LETTER FROM THE BOARD

---

### *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 schedule 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.

The lease payment applicable to the 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 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*

The Keqiao Guarantor has provided a guarantee in favour of Chengtong Financial Leasing for all amounts payable by Keqiao under the Keqiao Sale and Leaseback Agreements II, 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.

### *Keqiao Guarantor*

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) the Keqiao Guarantor is ultimately controlled by Finance Bureau of Keqiao District, Shaoxing City, Zhejiang Province; (ii) the Keqiao Guarantor and its ultimate beneficial owners are Independent Third Parties; and (iii) the Keqiao Guarantor is principally engaged in the business of the investment, construction, operation and management of rail transit projects, etc.

---

## LETTER FROM THE BOARD

---

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 Keqiao Guarantor, its directors and legal representatives and any ultimate beneficial owner(s) of the Lessee(s) who can exert influence on the transactions.

### *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.

### *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:

	<b>Huadian Datong Sale and Leaseback Agreements</b>	<b>Keqiao Sale and Leaseback Agreements II</b>
<b>Date of the relevant Sale and Leaseback Agreements</b>	13 January 2026	13 January 2026
<b>Lessee(s)</b>	Huadian Datong	Keqiao
<b>Leased assets</b>	Certain photovoltaic power generation equipment, etc.	Certain power supply equipment, high and low voltage complete sets of distribution equipment, etc.

## LETTER FROM THE BOARD

	<b>Huadian Datong Sale and Leaseback Agreements</b>	<b>Keqiao Sale and Leaseback Agreements II</b>
<b>Purchase Price</b>	RMB30 million (equivalent to HK\$33.30 million)	RMB300 million (equivalent to HK\$333 million)
<b>Basis of Purchase Price</b>	the net book value of the Huadian Datong Leased Assets of approximately RMB34.94 million (equivalent to approximately HK\$38.78 million)	the net book value of the Keqiao Leased Assets II of approximately RMB359.08 million (equivalent to approximately HK\$398.58 million)
<b>Lease Term</b>	one (1) year	three (3) years
<b>Lease Payments</b>	approximately RMB30.61 million (equivalent to approximately HK\$33.98 million), payable by Huadian Datong to Chengtong Financial Leasing in four (4) quarterly instalments during the Lease Term	approximately RMB323.54 million (equivalent to approximately HK\$359.13 million), payable by Keqiao to Chengtong Financial Leasing in six (6) semi-annual instalments during the Lease Term
<b>Nominal consideration for repurchase of the Leased Assets</b>	RMB 1.00 (equivalent to HK\$1.11)	RMB 1.00 (equivalent to HK\$1.11)
<b>Estimated income</b>	approximately RMB0.61 million (equivalent to approximately HK\$0.68 million)	approximately RMB23.54 million (equivalent to approximately HK\$26.13 million)

### (C) The Leased Assets Transfer Arrangements

Chengtong Financial Leasing entered into (i) the Jinshi Leased Assets Transfer Agreements with Jinshi on 13 January 2026; and (ii) the Haifa Baocheng Leased Assets Transfer Agreements with Haifa Baocheng on 26 January 2026, pursuant to which Chengtong Financial Leasing will purchase the relevant Leased Assets from the relevant Lessee(s) and will lease the relevant Leased Assets to the relevant Lessee(s) for the respective Lease Term, subject to early termination in accordance with the terms and conditions of the relevant Leased Assets Transfer Agreements. The major terms of the Leased Assets Transfer Arrangements are set out below.



---

## LETTER FROM THE BOARD

---

### *Subject matter*

In each of the Leased Assets Transfer Arrangements, subject to the fulfillment of the conditions as set out in the relevant Leased Assets Transfer Agreements (including but not limited to the provision of all necessary documents or information by the Lessee(s) evidencing their ownership in the Leased Assets, and the obtaining of all necessary approvals by the Lessee(s) in relation to the Leased Assets Transfer Arrangements), Chengtong Financial Leasing will purchase the Leased Assets from the relevant Lessee(s) and such Leased Assets will be leased to the relevant Lessee(s) for the Lease Term of 15 months or 24 months, 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 Leased Assets Transfer Agreements.

The conditions as stipulated in the 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 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);
- (vi) the obtaining of all necessary approvals by the relevant Lessee(s) in relation to the relevant 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 relevant Leased Assets in accordance with the terms of the relevant Leased Assets Transfer 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.

---

## LETTER FROM THE BOARD

---

If any of the conditions under the relevant Leased Assets Transfer Agreements is not satisfied on or before 30 March 2026 or 26 April 2026 (as the case may be), Chengtong Financial Leasing shall have the right to unilaterally terminate the relevant Leased Assets Transfer Agreements.

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

### ***Purchase Price***

#### ***Jinshi Purchase Price***

The Jinshi Purchase Price was agreed between Chengtong Financial Leasing and Jinshi with reference to the net book value of the Jinshi Leased Assets. A discount of 14.47% was applied to the net book value of Jinshi Leased Assets 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 Jinshi Leased Assets Transfer Arrangement.

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

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

#### ***Haifa Baocheng Purchase Price***

The Haifa Baocheng Purchase Price was agreed between Chengtong Financial Leasing and Haifa Baocheng with reference to the appraised value of the Haifa Baocheng Leased Assets, as assessed by way of cost method by the Valuers. A discount was applied to the appraised value after considering factors such as the nature of the Haifa Baocheng Leased Assets, their resale potential and the associated costs. The agreed discount balanced the assets' value with the overall economics and risk profile of Haifa Baocheng Leased Assets Transfer Arrangement.

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.

The appraised value of the Leased Assets in Haifa Baocheng Leased Assets Transfer Arrangement and the key parameters used in the appraisals are summarised as follows:

	<b>Leased Assets Valuation Report I</b>	<b>Leased Assets Valuation Report II</b>	<b>Leased Assets Valuation Report III</b>
<b>Appraised value of the relevant Leased Assets</b>	approximately RMB128.64 million (equivalent to approximately HK\$142.79 million)	approximately RMB266.08 million (equivalent to approximately HK\$295.35 million)	approximately RMB121.71 million (equivalent to approximately HK\$135.10 million)
<b>Assessment base date of relevant Leased Assets Valuation Report</b>	4 December 2025	12 September 2025	18 April 2025

---

## LETTER FROM THE BOARD

---

	<b>Leased Assets Valuation Report I</b>	<b>Leased Assets Valuation Report II</b>	<b>Leased Assets Valuation Report III</b>
<b>Total appraised replacement cost of the relevant Leased Assets</b>	approximately RMB142.93 million (equivalent to approximately HK\$158.65 million)	approximately RMB295.64 million (equivalent to approximately HK\$328.16 million)	approximately RMB128.12 million (equivalent to approximately HK\$142.21 million)
<b>Newness rate of the relevant Leased Assets</b>	90%	90%	95%
<b>The valuation assumptions as set out in the Leased Assets Valuation Reports</b>	<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) assuming that the basic and financial information provided by the property rights holding entity is true, accurate and complete;</p>		

---

## LETTER FROM THE BOARD

---

Leased Assets Valuation Report I	Leased Assets Valuation Report II	Leased Assets Valuation Report III
--	---	--

- (vi) 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;
- (vii) 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
- (viii) 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.

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

The Haifa Baocheng 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.

---

## LETTER FROM THE BOARD

---

### *Lease payment*

The total amount of lease payment over the relevant Lease Term in respect of the relevant Leased Assets Transfer Arrangement shall be paid by the relevant Lessee(s) to Chengtong Financial Leasing in accordance with the payment schedule as set out in the relevant Leased Assets Transfer Agreements.

The total amount of lease payment 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 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 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*

Jinshi 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 Jinshi Leased Assets Transfer Arrangement. Such services include the provision of corporate finance consulting services, including but not limited to advising the Lessee on strategic analysis, investment and financing channels and models, as well as macroeconomic and market research. The Service Fee is non-refundable.

The lease payment and the Service Fee applicable to the 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 interests, the Service Fee and the prevailing market conditions.

Having considered the above factors in the specific circumstances of the Leased Assets Transfer Arrangements, the Board considers that the lease payment, interest rate and the Service Fee as agreed in the 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.

### *Security*

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

---

## 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 Leased Assets Transfer Agreements, the relevant Lessee(s) shall have the right to repurchase the relevant Leased Assets under the relevant Leased Assets Transfer Agreements at 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 interest of the Company and the Shareholders.

### *Material terms of the Leased Assets Transfer Agreements*

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

	<b>Jinshi Leased Assets Transfer Arrangement</b>	<b>Haifa Baocheng Leased Assets Transfer Arrangement</b>
<b>Date of the relevant Leased Assets Transfer Agreements</b>	13 January 2026	26 January 2026
<b>Lessee(s)</b>	Jinshi	Haifa Baocheng
<b>Leased assets</b>	Diesel generator sets, dry-type transformers, compressors, etc.	High-voltage power-on cluster equipment, sewage treatment equipment, high-voltage electrical control equipment, etc.
<b>Purchase Price</b>	RMB225.64 million (equivalent to approximately HK\$250.46 million)	RMB400 million (equivalent to HK\$444 million)

---

## LETTER FROM THE BOARD

---

	<b>Jinshi Leased Assets Transfer Arrangement</b>	<b>Haifa Baocheng Leased Assets Transfer Arrangement</b>
<b>Basis of Purchase Price</b>	the net book value of the Jinshi Leased Assets of approximately RMB263.80 million (equivalent to approximately HK\$292.82 million)	the appraised value of the Haifa Baocheng Leased Assets of approximately RMB516.43 million (equivalent to approximately HK\$573.24 million)
<b>Lease Term</b>	three (3) years	15 months or 24 months
<b>Lease Payments</b>	approximately RMB238.93 million (equivalent to approximately HK\$265.21 million), payable by Jinshi to Chengtong Financial Leasing in twelve (12) quarterly instalments during the Lease Term	approximately RMB415.06 million (equivalent to approximately HK\$460.72 million), payable by Haifa Baocheng to Chengtong Financial Leasing in five (5) or eight (8) quarterly instalments during the Lease Term
<b>Service Fee</b>	RMB1.13 million (equivalent to approximately HK\$1.25 million)	Nil
<b>Nominal consideration for repurchase of the Leased Assets</b>	RMB1.00 (equivalent to HK\$1.11)	RMB1.00 (equivalent to HK\$1.11)
<b>Estimated income</b>	approximately RMB14.42million (equivalent to approximately HK\$16.01 million)	approximately RMB15.06 million (equivalent to approximately HK\$16.72 million)



---

## LETTER FROM THE BOARD

---

### (D) Information of the Parties

#### *Southern Airlines*

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) Southern Airlines is wholly-owned by China Southern Airlines Group Co., Ltd., whose ultimate controller is SASAC of the State Council; (ii) Southern Airlines and its ultimate beneficial owners are Independent Third Parties; and (iii) Southern Airlines is principally engaged in the financial leasing business.

#### *Keqiao*

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) Keqiao is (a) 51% owned by the Keqiao Guarantor, which is ultimately controlled by Finance Bureau of Keqiao District, Shaoxing City, Zhejiang Province; and (b) 49% owned by Zhejiang Shaoxing Hangzhou-Shaoxing Airport Economic Demonstration Zone Development Group Co., Ltd., which is ultimately controlled by Finance Bureau of Keqiao District, Shaoxing City, Zhejiang Province; (ii) Keqiao and its ultimate beneficial owners are Independent Third Parties; and (iii) Keqiao is principally engaged in the business of the investment and construction of Hangzhou-Shaoxing Intercity Rail Transit Project.

#### *Xinyin*

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) Xinyin is directly wholly-owned by CITIC Financial Leasing Co., Ltd., which is directly wholly-owned by China CITIC Bank Corporation Limited, whose H shares are listed on the Main Board of the Stock Exchange (stock code: 998) and whose A shares are listed on the Shanghai Stock Exchange (stock code: 601998), whose ultimate controller is Ministry of Finance of PRC; (ii) Xinyin and its ultimate beneficial owners are Independent Third Parties; and (iii) Xinyin is principally engaged in the financial leasing business.

#### *COSCO*

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) COSCO is owned as to (a) approximately 41.01% by China Ocean Shipping Company Limited, which is a wholly-owned subsidiary of COSCO Shipping, and (b) approximately 10.88% by COSCO Shipping, which is ultimately controlled by SASAC of the State Council; (ii) all the shares of COSCO are listed on the Shanghai Stock Exchange (stock code: 600428); (iii) COSCO and its ultimate beneficial owners are Independent Third Parties; and (iv) COSCO is principally engaged in the business of international ocean cargo transportation, shipping agency, freight forwarding and import and export trade, etc.

---

## LETTER FROM THE BOARD

---

### *Huadian Datong*

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) Huadian Datong is a direct wholly-owned subsidiary of Huadian New Energy Group Corporation, Ltd., 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) Huadian Datong and its ultimate beneficial owner are Independent Third Parties; and (iii) Huadian Datong is principally engaged in the business of the development, investment and construction of new energy projects, etc.

### *Jinshi*

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, (a) Jinshi is directly owned as to approximately (i) 60% by Sichuan Energy Investment Jinding Industrial Finance Holding Group Co., Ltd., whose ultimate controller is SASAC of the Government of Sichuan Province; (ii) 15.38% by Sichuan Aviation Investment Management Co., Ltd., whose ultimate controller is SASAC of the Government of Sichuan Province; (iii) 13.08% by Gree Titanium New Energy Co., Ltd., whose largest shareholder is Gree Electric Appliances, Inc. of Zhuhai (which held 30.47% therein); (iv) 6.15% by Deyang Industrial Investment and Development Group Co., Ltd., whose ultimate controller is SASAC of Deyang City; (v) 3.08% by Guangyuan Investment and Development Group Co., Ltd., whose ultimate controller is SASAC of Guangyuan Municipal Government; and (vi) 2.31% by Sichuan Hengzhan Investment Co., Ltd. whose equity interests are equally held by Ms. He Zongping and Mr. Zhang Xinmin, respectively; (b) Jinshi and its ultimate beneficial owners are Independent Third Parties; and (c) Jinshi is principally engaged in the business of financial leasing.

---

## LETTER FROM THE BOARD

---

### *Haifa Baocheng*

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, Haifa Baocheng is directly owned as to approximately 40.81% by COSCO Shipping Development, approximately 36.99% by China Insurance Investment and approximately 22.20% by State owned Enterprise Reform Fund.

COSCO Shipping Development is a joint stock limited company incorporated in the PRC, whose shares are listed on the Main Board of the Stock Exchange (stock code: 2866) and Shanghai Stock Exchange (stock code: 601866.SH). The ultimate holding company of COSCO Shipping Development is COSCO Shipping, which is ultimately controlled by SASAC of the State Council.

China Insurance Investment was approved to be established by the State Council of the PRC as the general partner of the China Insurance Investment Fund and is owned by a total of 46 shareholders, which comprise 27 insurance companies, 15 insurance asset management companies and 4 social enterprises.

State-owned Enterprise Reform Fund is a state-owned fund, the establishment of which was approved by the State Council of the PRC, with CCHG as its principal founder owning approximately 34.23% of its equity interest. As State-owned Enterprise Reform Fund only owns approximately 22.20% of Haifa Baocheng, Haifa Baocheng is not an associate of CCHG and therefore not a connected person of the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) Haifa Baocheng and its ultimate beneficial owners (save for CCHG) are Independent Third Parties; and (ii) Haifa Baocheng is principally engaged in the business of provision of finance lease services.

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), Southern Airlines, Xinyin, their directors and legal representatives and any ultimate beneficial owner(s) of the Lessee(s), Southern Airlines and Xinyin who can exert influence on the transactions.

---

## LETTER FROM THE BOARD

---

### **(E) Reasons for and Benefits of the Assignments, the Sale and Leaseback Arrangements and the Leased Assets Transfer Arrangements**

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 Southern Airlines Assignment and the Keqiao Sale and Leaseback Arrangement I***

The entering into of the Southern Airlines Assignment 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 RMB22.87 million (equivalent to approximately HK\$24.93 million), being the outstanding lease interest under the Keqiao Sale and Leaseback Arrangement I.

In assessing whether the basis of the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole, the Board has considered, among other things, (i) the Consideration was determined after arm's length negotiation with reference to the outstanding lease principal and lease interest under the Keqiao Sale and Leaseback Arrangement I as at the Transfer Date; (ii) the expected stable lease income and reasonable return to be generated over the remaining Lease Term; and (iii) the sound credit profile and repayment record of Keqiao together with the joint and several liability guarantee provided by the Keqiao Guarantor, which mitigates credit risk.

#### ***The Xinyin Assignment and the COSCO Leasing Arrangement***

The entering into of the Xinyin Assignment is in the ordinary and usual course of business of Chengtong Financial Leasing. In the event that COSCO purchases the COSCO Leased Assets, it is expected that Chengtong Financial Leasing will earn an aggregate income of approximately RMB53.66 million (equivalent to approximately HK\$58.49 million), being the sum of the purchase price of the COSCO Leased Assets payable by COSCO at the expiration of the Xinyin Lease Term and the outstanding amount of lease payment minus the Xinyin Consideration.

In accordance with the usual market practice for asset transactions under operating lease arrangements, Chengtong Financial Leasing and Xinyin determined the Consideration after arm's length negotiation with reference to prevailing market conditions and the expected economic return of the transaction. In assessing the fairness and reasonableness of the Consideration, the Company has considered the overall economic outcomes under different scenarios, and is of the view that, irrespective of whether COSCO chooses to renew or terminate the lease, the Group is able to continue deriving economic benefits from the arrangement with appropriate downside protection. Taking into account the above risk and return profile, the Directors consider that the basis of the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

---

## LETTER FROM THE BOARD

---

### *The Sale and Leaseback Arrangements*

The entering into of the Sale and Leaseback Arrangements are in the ordinary and usual course of business of Chengtong Financial Leasing and it is expected that Chengtong Financial Leasing will earn an income of approximately RMB24.15 million (equivalent to approximately HK\$26.81 million), being the lease interest in respect of the Sale and Leaseback Arrangements.

### *The Leased Assets Transfer Arrangements*

The entering into of the Leased Assets Transfer Arrangements are in the ordinary and usual course of business of Chengtong Financial Leasing and it is expected that Chengtong Financial Leasing will earn an income of approximately RMB 29.48 million (equivalent to approximately HK\$32.72 million), being the sum of the Service Fee and the lease interest to be received by Chengtong Financial Leasing pursuant to the Leased Assets Transfer Arrangements.

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

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

### *The Southern Airlines Assignment and the Keqiao Sale and Leaseback Arrangement I*

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Southern Airlines Assignment exceeds 25% but is less than 100%, the Southern Airlines Assignment 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.

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

### *The Xinyin Assignment and the COSCO Leasing Arrangement*

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Xinyin Assignment exceeds 25% but is less than 100%, the Xinyin Assignment 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

---

### ***Huadian Datong Sale and Leaseback Arrangement***

Since (i) the Huadian Datong Sale and Leaseback Agreements and the Previous Huadian Transactions are and were all entered into with, among others, the subsidiaries of China Huadian; and (ii) the Previous Huadian Transactions are still subsisting when the Huadian Datong Sale and Leaseback Agreements are entered into, therefore the Huadian Datong Sale and Leaseback Arrangement is aggregated with the Previous Huadian 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 Huadian Datong Sale and Leaseback Arrangement, when aggregated with the Previous Huadian Transactions, exceeds 25% but is less than 100%, the Huadian Datong 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.

### ***Keqiao Sale and Leaseback Arrangement II***

Since (i) Chengtong Financial Leasing and Keqiao entered into the Keqiao Sale and Leaseback Arrangement I on 29 December 2025; and (ii) the Keqiao Sale and Leaseback Arrangement I is still subsisting when the Keqiao Sale and Leaseback Agreements II are entered into, therefore the Keqiao Sale and Leaseback Arrangement II is aggregated with the Keqiao Sale and Leaseback Arrangement I 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 Keqiao Sale and Leaseback Arrangement II, both on standalone basis and when aggregated with the Keqiao Sale and Leaseback Arrangement I, exceeds 25% but is less than 100%, the Keqiao Sale and Leaseback Arrangement II 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.

### ***Jinshi Leased Assets Transfer Arrangement***

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Jinshi Leased Assets Transfer Arrangement exceeds 25% but is less than 100%, the Jinshi Leased Assets Transfer 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

---

### *Haifa Baocheng Leased Assets Transfer Arrangement*

Since (i) Chengtong Financial Leasing and Haifa Baocheng entered into the Previous Haifa Baocheng Transaction on 17 January 2025; and (ii) the Previous Haifa Baocheng Transaction is still subsisting when the Haifa Baocheng Leased Assets Transfer Agreements are entered into, therefore the Haifa Baocheng Leased Assets Transfer Arrangement is aggregated with the Previous Haifa Baocheng Transaction 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 Haifa Baocheng Leased Assets Transfer Arrangement, both on standalone basis and when aggregated with the Previous Haifa Baocheng Transaction, exceeds 25% but is less than 100%, the Haifa Baocheng Leased Assets Transfer 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 Assignments, the Sale and Leaseback Arrangements and the Leased Assets Transfer Arrangements. Thus, no Shareholder is required to abstain from voting if the Company were to convene a general meeting to approve the Assignments, the Sale and Leaseback Arrangements and the Leased Assets Transfer 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 Assignments, the Sale and Leaseback Arrangements and the Leased Assets Transfer 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 Assignments, the Sale and Leaseback Arrangements and the Leased Assets Transfer Arrangements.

---

## LETTER FROM THE BOARD

---

### 3. RECOMMENDATION

The Directors are of the view that the terms of the Southern Airlines Leased Assets Transfer Agreement, the Xinyin Leased Assets Transfer Agreement, the Sale and Leaseback Agreements and the Leased Assets Transfer Agreements are normal commercial terms and are fair and reasonable. The Directors also consider that the entering into of the Assignment, the Sale and Leaseback Arrangements and the Leased Assets Transfer Arrangements are in the ordinary and usual course of business of the Group and are 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 Assignment, the Sale and Leaseback Arrangements and the Leased Assets Transfer 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 31 December 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\$ 5,090.55 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\$153.43 million; (iii) unsecured and unguaranteed corporate bonds of HK\$1,124 million; (iv) secured and guaranteed asset-backed securities of approximately HK\$2,326.45 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\$359.83 million.

As at the close of business on 31 December 2025, the Group had contingent liabilities in relation to guarantees of approximately HK\$82.63 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 December 2025.

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

The Directors are of the opinion that, after taking into account the effects of the Assignments, the Sale and Leaseback Arrangements and the Leased Assets Transfer 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 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 Assignments, the Sale and Leaseback Arrangements and the Leased Assets Transfer Arrangements. In respect of the implementation of the Assignments, the Sale and Leaseback Arrangements and the Leased Assets Transfer Arrangements, such assignments and 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 Assignments, the Sale and Leaseback Arrangements and the Leased Assets Transfer 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 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), Southern Airlines, Xinyin, their directors and legal representatives and any ultimate beneficial owner(s) of the Lessee(s), Southern Airlines and Xinyin who can exert influence on the transactions.

## 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 Assignments, the Leased Assets Transfer Agreements and 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.