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Chuang's China Investments Limited

(莊士中國投資有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 298)

UPDATE ON CONTINUING CONNECTED TRANSACTIONS

On 12 February 2026, Xiamen JV (an indirect non-wholly-owned subsidiary of the Company for the purpose of the Listing Rules) as landlord entered into the Third Amendment Agreement with Mingjia Lujiang Hotel as tenant to amend certain terms of the Lujiang Agreements.

Mingjia Lujiang Hotel is indirectly wholly-owned by the JV Partner (a substantial shareholder of Xiamen JV) and thus is a connected person of the Company at the subsidiary level. As such, Xiamen JV's entry into of the Third Amendment Agreement constitutes continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

The Company has previously appointed Halcyon Capital as independent financial adviser to explain the reason why each of the Lujiang Agreements exceeded three years and to confirm whether this is normal practice for each of the Lujiang Agreements to be of such duration pursuant to Rule 14A.52 of the Listing Rules. The transaction contemplated under the Third Amendment Agreement, being rental concession for one year, constituted variation of terms of existing continuing connected transactions of the Company. However, the duration of the existing continuing connected transactions of the Company under the Lujiang Agreements, being more than three years, has not changed or varied under the Third Amendment Agreement (except for the Existing Tenancy Agreement, which has remaining duration of less than three years). Pursuant to Rule 14A.52 of the Listing Rules, the Company has appointed Halcyon Capital as an independent financial adviser to confirm whether there is any change in its opinion previously expressed on the duration of each of the Lujiang Agreements. Halcyon Capital confirms its opinions remain unchanged.

Since (i) Mingjia Lujiang Hotel is a connected person of the Company at the subsidiary level; (ii) the Directors (including the independent non-executive Directors) have approved the Third Amendment Agreement; (iii) the independent non-executive Directors have confirmed that the terms of the Third Amendment Agreement are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the shareholders of the Company as a whole, the Third Amendment Agreement will constitute continuing connected transaction which is only subject to the reporting and announcement requirements, but are exempted from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

INTRODUCTION

Reference is made to the announcements issued by the Company on (i) 15 October 2021 in relation to the New Tenancy Agreement and the Amendment Agreement; (ii) 26 January 2022 in relation to the Four Villas Agreement; and (iii) 26 June 2023 in relation to the Second Amendment Agreement. The sole business of Mingjia Lujiang Hotel is to operate the Lujiang Leased Properties leased under the Lujiang Agreements from Xiamen JV.

On 12 February 2026, Xiamen JV (an indirect non-wholly-owned subsidiary of the Company for the purpose of the Listing Rules) as landlord entered into the Third Amendment Agreement with Mingjia Lujiang Hotel as tenant to amend certain terms of the Lujiang Agreements.

THE THIRD AMENDMENT AGREEMENT

Under the Third Amendment Agreement dated 12 February 2026 between Xiamen JV as landlord and Mingjia Lujiang Hotel as tenant, the Lujiang Agreements are amended with the total monthly rental for the Lujiang Leased Properties to be reduced at the prevailing level of approximately RMB1,371,496 (equivalent to approximately HK$1,536,076) to approximately RMB1,165,772 (equivalent to approximately HK$1,305,665) for one year, starting from the commencement dates of the respective monthly rental period in February 2026 under the Lujiang Agreements.

The JV Partner will continue to provide joint and several guarantee with Lujiang Hotel for the performance of the obligations of Mingjia Lujiang Hotel under the Lujiang Agreements.

Save as the amendments aforesaid, all the other terms of the Lujiang Agreements remain in full force and effect.

As for the arrangements as stated above, this can help to support the business and cash flow of Mingjia Lujiang Hotel under the current difficult environment arising from the closure of road access to the Lujiang Leased Properties which has lasted for more than 3 years since the last quarter of 2022 and it is just notified by the relevant authority that it may need to further delay to 2027. The total rental receivable upto the maturity (under the Lujiang Agreements, as amended by the Third Amendment Agreement) will be reduced at the prevailing level by about 4.8%, changed from approximately RMB48.1 million (equivalent to approximately HK$53.9 million) to approximately RMB45.8 million (equivalent to approximately HK$51.3 million) under the prevailing terms of the respective Lujiang Agreements.

INFORMATION ON THE ULTIMATE BENEFICIAL OWNERS OF MINGJIA LUJIANG HOTEL

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Mingjia Lujiang Hotel is wholly-owned by Lujiang Hotel, both are principally engaged in the operation and management of hotel. Lujiang Hotel is wholly-owned by the JV Partner, which is principally engaged in tourism management and investment holding. The JV Partner is ultimately wholly-owned by 廈門市人民政府國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of People's Government of Xiamen Municipal*), which is principally engaged in the supervision and administration of state-owned assets in Xiamen Municipal.

ANNUAL CAP AMOUNTS

The annual aggregate maximum rental receivable by Xiamen JV under the Lujiang Agreements (as amended by the Third Amendment Agreement) for each of the 7 financial years ending 31 March 2032 will be subject to the following cap amounts (the "**Annual Cap Amounts**") denominated in RMB and has remained unchanged as previously announced on 26 January 2022:

(A) On an aggregate basis

Year ending 31 March	**Rental**	**Annual Cap Amounts**	
	RMB'000	*RMB'000*	*Equivalent to HK$'000*
2026	16,348	16,348	18,310
2027 *(Note)*	14,394	14,394	16,121
2028	6,319	6,319	7,077
2029	6,302	6,302	7,058
2030	6,302	6,302	7,058
2031	6,302	6,302	7,058
2032	3,869	3,869	4,333

Note: The Existing Tenancy Agreement will expire in January 2027.

(B) On a separate basis

(i) Existing Tenancy Agreement

Year ending 31 March	Rental	Annual Cap Amounts	
	RMB'000	*RMB'000*	*Equivalent to HK$'000*
2026	10,046	10,046	11,252
2027	8,092	8,092	9,063

(ii) New Tenancy Agreement

Year ending 31 March	Rental	Annual Cap Amounts	
	RMB'000	*RMB'000*	*Equivalent to HK$'000*
2026	4,736	4,736	5,304
2027	4,736	4,736	5,304
2028	4,749	4,749	5,319
2029	4,736	4,736	5,304
2030	4,736	4,736	5,304
2031	4,736	4,736	5,304
2032	2,556	2,556	2,863

(iii) Four Villas Agreement

Year ending 31 March	Rental	Annual Cap Amounts	
	RMB'000	*RMB'000*	*Equivalent to HK$'000*
2026	1,566	1,566	1,754
2027	1,566	1,566	1,754
2028	1,570	1,570	1,758
2029	1,566	1,566	1,754
2030	1,566	1,566	1,754
2031	1,566	1,566	1,754
2032	1,313	1,313	1,470

The Annual Cap Amounts were determined with reference to the effective rental denominated in RMB, which has taken into account the rental amounts and the rent-free periods as stipulated in the Lujiang Agreements and the Third Amendment Agreement.

REASONS FOR, AND BENEFITS OF, ENTERING INTO THE THIRD AMENDMENT AGREEMENT

Xiamen JV is a company established in the PRC and is recorded as a joint venture in the consolidated financial statements of the Group, in which Dragon Rich has a 70% interest and the JV Partner has the remaining 30% interest. The principal activities of Xiamen JV are property and hotel development and investment and its sole development project is the Project located at Xiamen, the PRC, which comprises the Hotel and 30 villas.

The Group is principally engaged in property development, investment and trading, hotel operation and management, development and operation of cemetery, sales of goods and merchandises, and securities investment and trading.

From the last quarter of 2022, the main road (龍虎山路) where the Project is located was closed to facilitate the construction of underground metro train of Siming District. This has adversely affected not only accessibility to the Project but also business demands of Mingjia Lujiang Hotel. It led to cancelation of rooms, events and tours of Mingjia Lujiang Hotel. Mingjia Lujiang Hotel has therefore requested for certain rental concession until road access is resumed by the relevant authority, which was agreed by Xiamen JV and was amended in the Second Amendment Agreement. The original expected resumption date of the road access was in February 2025, but it is just notified by the relevant authority that it may need to further delay to 2027. The road block and site hoarding work have significantly affected the operating environment and tourism business of Mingjia Lujiang Hotel. Moreover, the economic downturn under the current business environment, as well as the change in travelling pattern/behavior of the young generation from local tour to overseas traveling, have also brought a big challenge to the customer demands and business level of Mingjia Lujiang Hotel.

As disclosed in the interim report of the Company for the period dated 30 September 2025, the Project is not fully occupied and there are still 3 villas which have been vacant for around one year. The terms of the last tenancy of the villa which was just leased out in the last quarter of 2025 to an independent third party are even worse than the average new terms for the villas of the Project under the Third Amendment Agreement. This reflects the poor business environment in Xiamen and the difficulty in leasing the villas of the Project.

Having considered the circumstance as mentioned above and the financial strength of Lujiang Hotel and the JV Partner (who will guarantee the performance of Mingjia Lujiang Hotel under the Lujiang Agreements), and the fact that the rental concession is only for one year (which represents the expected delay period of the construction of the underground metro train), and the concession amount represented about 4.8% of the aggregate rental amount at the prevailing level receivable from Mingjia Lujiang Hotel for the remaining period of the Lujiang Agreements, the Group considered that the entry into of the Third Amendment Agreement will enable Mingjia Lujiang Hotel to continue its business and Xiamen JV to continue to enjoy a steady recurrent income under the current difficult business environment.

Given that the terms of the Third Amendment Agreement were negotiated on an arm's length basis with reference to market condition, the Directors (including the independent non-executive Directors) consider that the terms of the Third Amendment Agreement are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group, and in the interests of the Group and the shareholders of the Company as a whole.

As no Director has any interest in the Third Amendment Agreement, none of them has abstained from voting on the Board resolutions approving the Third Amendment Agreement.

OPINION FROM THE INDEPENDENT FINANCIAL ADVISER

Halcyon Capital, as the independent financial adviser to the Board, had confirmed that it is normal business practice for each of the Lujiang Agreements to be of such duration exceeding three years pursuant to Rule 14A.52 of the Listing Rules. Details of the opinions were set out in the announcements of the Company dated (a) 19 January 2017, (b) 30 April 2018, (c) 15 October 2021, and (d) 26 January 2022, respectively. Halcyon Capital has also performed a review under the Second Amendment Agreement with details set out in the announcement of the Company dated 26 June 2023.

The transaction contemplated under the Third Amendment Agreement, being rental concession for one year, constituted variation of terms of existing continuing connected transactions of the Company. However, the duration of the existing continuing connected transactions of the Company under the Lujiang Agreements, being more than three years, has not changed or varied under the Third Amendment Agreement (except for the Existing Tenancy Agreement, which has remaining duration of less than three years). Pursuant to Rule 14A.52 of the Listing Rules, the Company has appointed Halcyon Capital as an independent financial adviser to confirm whether there is any change in its opinion previously expressed on the duration of each of the Lujiang Agreements.

In arriving at its opinion, Halcyon Capital has principally taken into consideration the fact that the Third Amendment Agreement does not amend the duration of any of the Lujiang Agreements.

In addition, Halcyon Capital has also obtained and reviewed the latest annual reports (if available) of the companies identified in formulating its opinion included in the announcements of the Company dated 26 January 2022 and 26 June 2023, and noted that the previous observations remain materially unchanged based on their respective latest published annual reports. Taking into account of the above, Halcyon Capital confirms its opinions that it is normal business practice for each of the Lujiang Agreements to be of such duration pursuant to Rule 14A.52 of the Listing Rules remain unchanged.

IMPLICATIONS UNDER THE LISTING RULES

Mingjia Lujiang Hotel is indirectly wholly-owned by the JV Partner (a substantial shareholder of Xiamen JV) and thus is a connected person of the Company at the subsidiary level. As such, Xiamen JV's entry into of the Third Amendment Agreement constitutes continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

Since (i) Mingjia Lujiang Hotel is a connected person of the Company at the subsidiary level; (ii) the Directors (including the independent non-executive Directors) have approved the Third Amendment Agreement; (iii) the independent non-executive Directors have confirmed that the terms of the Third Amendment Agreement are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the shareholders of the Company as a whole, the Third Amendment Agreement will constitute continuing connected transaction which is only subject to the reporting and announcement requirements, but are exempted from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

DEFINITIONS

In this announcement, the following terms shall have the meanings set opposite them unless the context otherwise requires:

"Amendment Agreement"	the amendment agreement dated 15 October 2021 entered into between Xiamen JV as landlord and Mingjia Lujiang Hotel as tenant and other related agreements in respect of the amendment of certain terms of the Existing Tenancy Agreement
"Board"	the board of Directors
"Company"	Chuang's China Investments Limited (莊士中國投資有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 298)
"Directors"	the directors of the Company
"Dragon Rich"	Dragon Rich Investments Limited, a company incorporated in Hong Kong, which is indirectly held as to 85% by the Company with the balance of the 15% held by Lawdion Investments Limited, a company beneficially owned by Mrs. Lilian Lam
"Existing Tenancy Agreement"	collectively, the Hotel Agreement and the Supplemental Agreement, and as amended by the Amendment Agreement
"Four Villas"	4 villas of approximately 1,386.5 sq. m. in aggregate located within the Project leased under the Four Villas Agreement
"Four Villas Agreement"	the tenancy agreement dated 26 January 2022 entered into between Xiamen JV as landlord and Mingjia Lujiang Hotel as tenant and other related agreements in respect of the Four Villas
"Group"	the Company and its subsidiaries
"Halcyon Capital"	Halcyon Capital Limited, being a corporation licensed to carry out type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hotel"	a six-storey hotel with about 100 guest rooms and a basement of approximately 6,675 sq. m. located within the Project leased under the Hotel Agreement

"Hotel Agreement"	the tenancy agreement dated 19 January 2017 entered into between Xiamen JV as landlord and Lujiang Hotel as tenant in respect of the Hotel and a portion of the basement of approximately 4,439 sq. m., which has been subsequently assigned by Lujiang Hotel to its wholly-owned subsidiary, Mingjia Lujiang Hotel
"JV Partner"	廈門旅遊集團有限公司 (Xiamen Tourism Group Limited*), a company established in the PRC, which has a 30% interest in Xiamen JV
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Lujiang Agreements"	collectively, the Existing Tenancy Agreement, the New Tenancy Agreement and the Four Villas Agreement, as amended by the Amendment Agreement and the Second Amendment Agreement from time to time as applicable respectively
"Lujiang Hotel"	廈門鷺江賓館 (Xiamen Lujiang Harbourview Hotel*), a company established in the PRC and wholly-owned by the JV Partner
"Lujiang Leased Properties"	collectively, the Hotel, the portions of the basement of the Hotel and 23 villas leased by Mingjia Lujiang Hotel from Xiamen JV under the Lujiang Agreements
"Mingjia Lujiang Hotel"	廈門佲家鷺江酒店有限公司 (Xiamen Mingjia Lujiang Hotel Limited*), a wholly-owned subsidiary of Lujiang Hotel, established in the PRC for the operation of the 鷺江 • 佲家酒店 (Mega Lujiang Hotel) under the Existing Tenancy Agreement
"New Leased Villas and Hotel Basement"	16 villas of approximately 4,179.8 sq. m. in aggregate, and a portion of the basement of the Hotel of approximately 297.2 sq. m. located within the Project leased under the New Tenancy Agreement
"New Tenancy Agreement"	the tenancy agreement dated 15 October 2021 entered into between Xiamen JV as landlord and Mingjia Lujiang Hotel as tenant and other related agreements in respect of the New Leased Villas and Hotel Basement
"PRC"	the People's Republic of China
"Project"	the development project located in Siming District, Xiamen City, Fujian Province, the PRC, owned by Xiamen JV which comprises the Hotel and 30 villas

"RMB"	Renminbi, the lawful currency of the PRC
"Second Amendment Agreement"	the second amendment agreement dated 26 June 2023 entered into between Xiamen JV as landlord and Mingjia Lujiang Hotel as tenant and other related agreements in respect of the amendment of certain terms of the Lujiang Agreements
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary"	has the meaning ascribed thereto in the Listing Rules
"Supplemental Agreement"	the supplemental tenancy agreement dated 30 April 2018 entered into between Xiamen JV as landlord and Mingjia Lujiang Hotel as tenant in respect of the Villas and Hotel Basement
"Third Amendment Agreement"	the third amendment agreement dated 12 February 2026 entered into between Xiamen JV as landlord and Mingjia Lujiang Hotel as tenant in respect of the amendment of certain terms of the Lujiang Agreements
"Villas and Hotel Basement"	three villas of approximately 990.3 sq. m. in aggregate adjacent to the Hotel, and a portion of the basement of the Hotel of approximately 983.7 sq. m. located within the Project leased under the Supplemental Agreement
"Xiamen JV"	廈門佲家濱海度假村有限公司 (Xiamen Mingjia Binhai Resort Company Limited*), a company established in the PRC and is recorded as a joint venture in the consolidated financial statements of the Group, in which Dragon Rich has a 70% interest
"sq. m."	square metres
"%"	percent

By order of the Board of
Chuang's China Investments Limited
Albert Chuang Ka Pun
Chairman

Hong Kong, 12 February 2026

As at the date of this announcement, Mr. Albert Chuang Ka Pun, Miss Ann Li Mee Sum, Mr. Edwin Chuang Ka Fung and Mr. Geoffrey Chuang Ka Kam are the Executive Directors of the Company, Mr. Dominic Lai is the Non-Executive Director of the Company, and Mr. Abraham Shek Lai Him, Dr. Ng Kit Chong and Mr. Yau Chi Ming are the Independent Non-Executive Directors of the Company.

For the purpose of this announcement, the translation of RMB into HK$ is based on the approximate exchange rate of RMB1.00 = HK$1.12. Such translation should not be construed as a representation that the amount in question has been, could have been or could be converted at any exchange rate or at all.

* *English translation only*