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 forward this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 217)

(1) VERY SUBSTANTIAL ACQUISITIONS IN RELATION TO THE SALE AND LEASEBACK ARRANGEMENTS; (2) MAJOR TRANSACTION IN RELATION TO THE ASSIGNMENT; (3) DISCLOSURE PURSUANT TO RULE 13.13 OF THE LISTING RULES AND (4) NOTICE OF GENERAL MEETING

A notice convening the GM to be held at 22/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong on Friday, 27 November 2026 at 10:00 a.m. is set out on pages GM-1 to GM-6 of this circular. A form of proxy for use at the GM is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hk217.com) respectively.

Whether or not you are able to attend the GM in person, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return the same together with any power of attorney or other authority, if any, under which it is signed by 10:00 a.m. on Wednesday, 25 November 2026 or not later than 48 hours before the time appointed for holding any adjournment or postponement of the GM to the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the GM or any adjournment or postponement thereof should you so wish and, in such event, the form of proxy previously submitted shall be deemed to be revoked.

11 November 2026

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

"Assigned Properties"	means the rights of the Transferor as the lessor under the Jinmei Agreements, including but not limited to the ownership of the Jinmei Leased Assets, the rights to receive lease payments, default interests, liquidated damages, or any other payments or expenses from Jinmei under the Jinmei Agreements
"Assignment"	means the assignment of the Assigned Properties by the Transferor to Chengtong Financial Leasing pursuant to the terms of the Leased Assets Transfer Agreements
"associate"	has the meaning ascribed to it under the Listing Rules
"Board"	means the board of Directors
"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 Baowu"	means China Baowu Steel Group Co., Ltd., a state-owned enterprise established in the PRC with limited liability
"China Huadian"	means China Huadian Corporation Limited, a state-owned enterprise 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 the consideration payable by Chengtong Financial Leasing to the Transferor for the Assignment
"Datong"	means Huadian Datong New Energy Co., Ltd., a state-owned enterprise established in the PRC with limited liability

"Datong Agreements"	means, collectively, eight (8) sets of the following agreements in respect of the relevant leased assets dated 22 October 2026 and signed between Chengtong Financial Leasing and Datong: (1) leaseback assets transfer agreement; and (2) finance lease agreement (sale and leaseback)
"Datong Arrangement"	means the sale and leaseback arrangement under the Datong Agreements
"Director(s)"	means the director(s) of the Company
"Dunde"	means Bazhou Dunde Mining Co., Ltd., a state-owned enterprise established in the PRC with limited liability
"Dunde Agreements"	means, collectively, two (2) sets of the following agreements in respect of the Dunde Leased Assets all dated 20 October 2026 and signed between Chengtong Financial Leasing and Dunde: (1) leaseback assets transfer agreement; and (2) finance lease agreement (sale and leaseback)
"Dunde Arrangement"	means the sale and leaseback arrangement under the Dunde Agreements
"Dunde Leased Assets"	means a total of 27 asset items located in a mining plant of Dunde in Xinjiang of the PRC and can be categorised into ore grinding and crushing equipment, supporting lighting and drainage equipment, and power infrastructure, which included roller mill, vertical mill cyclone, mine intrinsically safe transient electromagnetic instrument, power transformer and rectifier, high pressure grinding rolls, wet overflow ball mill, cone crusher, jaw crusher, mine increased safety electric heater, belt conveyer, bottom-side dump mine vehicle, high and low voltage switch gear, underground smart lighting, power supply expansion and modification equipment, power transmission equipment, water inflow transmission equipment, power supply equipment and substation

"Final Payment"	means the amount of outstanding lease principal and the accrued interest payable by the relevant lessee(s) under the relevant Sale and Leaseback Arrangement(s) in the event of early termination of the relevant Sale and Leaseback Agreements
"GM"	means the general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Sale and Leaseback Arrangements and the Assignment
"Group"	means the Company and its subsidiaries as at the Latest Practicable Date
"HK$"	means Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	means the Hong Kong Special Administrative Region of the PRC
"Huadian Leased Assets"	means the leased assets under the Yanggao Arrangement, the Shuojing Arrangement, the Wenshui Arrangement, the Datong Arrangement and/or the Yungang Arrangement (as the case may be)
"Huadian Lessees"	means, collectively, Yanggao, Shuojing, Wenshui, Datong and Yungang
"Huadian New Energy Group"	means Huadian New Energy Group Corporation Limited, a joint stock limited company established in the PRC, whose A shares are listed on the Shanghai Stock Exchange (stock code: 600930.SH)
"Huadian Sale and Leaseback Agreements"	means, collectively, the Yanggao Agreements, the Shuojing Agreements, the Wenshui Agreements, the Datong Agreements and the Yungang Agreements
"Huadian Sale and Leaseback Arrangements"	means, collectively, the Yanggao Arrangement, the Shuojing Arrangement, the Wenshui Arrangement, the Datong Arrangement and the Yungang Arrangement
"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)

"Jinmei"	means Shanxi Jinmei Taigang Energy Co., Ltd., a state-owned enterprise established in the PRC with limited liability
"Jinmei Agreements"	means two (2) sets of the following agreements dated 30 July 2026 and one (1) set of the following agreements dated 7 September 2026 entered into between the Transferor (as lessor) and Jinmei (as lessee) in respect of the sale and leaseback of the Jinmei Leased Assets: (1) leaseback assets transfer agreement; and (2) finance lease agreement (sale and leaseback)
"Jinmei Arrangement"	means the sale and leaseback arrangement under the Jinmei Agreements
"Jinmei Leased Assets"	means a total of 64 asset items located in a coal mining site in Shanxi province of the PRC which include certain coal mining and supporting equipment and facilities, and can be categorised into conveying equipment, ventilation equipment, electrical and power distribution equipment, compressed air equipment, crushing equipment, gas pipeline and explosion-suppression or safety devices, pumps and pumping systems, valves and valve control devices, pipeline connectors, boiler and auxiliary equipment, sewage treatment station equipment, air heating equipment, condensate recovery and heat exchange equipment, and coal-feeding equipment
"Latest Practicable Date"	means 10 November 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Leased Assets Transfer Agreements"	means three (3) sets of leased assets transfer agreement and the related supplemental agreements dated 22 October 2026 entered into between the Transferor and Chengtong Financial Leasing, pursuant to which the Transferor has agreed to transfer and assign to Chengtong Financial Leasing the Assigned Properties
"Listing Rules"	means the Rules Governing the Listing of Securities on the Stock Exchange

"LPR"	means the 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 Transactions"	means, collectively, the Previous Baosteel Transactions, the Previous Huadian Transactions and the Previous Yili Transaction
"Previous Baosteel Transactions"	means, collectively, the following sale and leaseback arrangements previously entered into by Chengtong Financial Leasing and Baosteel Desheng Stainless Steel Co., Ltd.: (1) the sale and leaseback arrangement entered into on 16 December 2024, the details of which are set out in the announcement of the Company dated 16 December 2024 and the circular of the Company dated 24 January 2025; (2) the sale and leaseback arrangement entered into on 8 July 2025, the details of which are set out in the announcement of the Company dated 8 July 2025 and the circular of the Company dated 15 August 2025; and (3) the sale and leaseback arrangement entered into on 16 July 2025, the details of which are set out in the announcement of the Company dated 16 July 2025 and the circular of the Company dated 15 August 2025
"Previous Huadian Transactions"	means, collectively, the following transactions previously entered into by Chengtong Financial Leasing: (1) the sale and leaseback arrangement entered into with Sichuan Luzhou Chuannan Power Generation Co., Ltd., the details of which are set out in the announcement of the Company dated 17 November 2023 and the circular of the Company dated 15 December 2023;

(2) 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 circular of the Company dated 12 November 2025;

(3) the sale and leaseback arrangement entered into with Xinte, the details of which are set out in the announcement of the Company dated 13 November 2025 and the circular of the Company dated 15 December 2025;

(4) 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 circular of the Company dated 16 January 2026;

(5) the sale and leaseback arrangement entered into with Datong, the details of which is set out in the announcement of the Company dated 13 January 2026 and the circular of the Company dated 13 February 2026;

(6) the sale and leaseback arrangement entered into with Datong, the details of which are set out in the announcement of the Company dated 13 April 2026 and the circular of the Company dated 21 May 2026;

(7) 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 April 2026 and the circular of the Company dated 21 May 2026; and

(8) the sale and leaseback arrangement entered into with Inner Mongolia Huadian Honggeer New Energy Co., Ltd., the details of which are set out in the announcement of the Company dated 2 July 2026 and the circular dated 20 July 2026

"Previous Yili Transaction"	means the sale and leaseback arrangement previously entered into between Chengtong Financial Leasing and Xinjiang Yili Iron and Steel Co., Ltd., the details of which are set out in the announcement of the Company dated 3 November 2025 and the circular of the Company dated 12 November 2025
"RMB"	means Renminbi, the lawful currency of the PRC
"Sale and Leaseback Agreements"	means, collectively, the Datong Agreements, the Dunde Agreements, the Shuojing Agreements, the Wengniuteqi Agreements, the Wenshui Agreements, the Xinte Agreements, the Yanggao Agreements and the Yungang Agreements
"Sale and Leaseback Arrangements"	means, collectively, the Datong Arrangement, the Dunde Arrangement, the Shuojing Arrangement, the Wengniuteqi Arrangement, the Wenshui Arrangement, the Xinte Arrangement, the Yanggao Arrangement and the Yungang Arrangement
"SASAC"	means The State-owned Assets Supervision and Administration Commission
"Shareholder(s)"	means the shareholder(s) of the Company
"Shuojing"	means Ningwu Shuojing Energy Technology Co., Ltd., a state-owned enterprise established in the PRC with limited liability
"Shuojing Agreements"	means, collectively, four (4) sets of the following agreements in respect of the relevant leased assets dated 22 October 2026 and signed between Chengtong Financial Leasing and Shuojing: (1) leaseback assets transfer agreement; and (2) finance lease agreement (sale and leaseback)
"Shuojing Arrangement"	means the sale and leaseback arrangement under the Shuojing Agreements
"Sinosteel"	means Sinosteel Xingtai Machinery & Mill Roll Co., Ltd., a state-owned enterprise established in the PRC with limited liability

"Sinosteel Agreements"	means, collectively, the following agreements in respect of the Sinosteel Leased Assets dated 23 April 2025 and signed between Chengtong Financial Leasing and Sinosteel: (1) leaseback assets transfer agreement; and (2) finance lease agreement (sale and leaseback)
"Sinosteel Arrangement"	means the sale and leaseback arrangement under the Sinosteel Agreements, the details of which are set out in the announcement of the Company dated 23 April 2025 and the circular of the Company dated 13 May 2025
"Sinosteel Leased Assets"	means certain core ring molds, cold processing equipment, connection boxes, end cover connection boxes and ingot mold equipment, etc.
"Stock Exchange"	means The Stock Exchange of Hong Kong Limited
"Transfer Date"	means 31 December 2026 or such other date as agreed by Chengtong Financial Leasing and the Transferor
"Transferor"	means Coking Coal Financial Leasing Co., Ltd., a state-owned enterprise established in the PRC with limited liability
"Valuer"	means Jiangsu Zhongmao Land and Real Estate Asset Appraisal and Cost Consulting Co., Ltd., a qualified independent valuer in the PRC
"Wengniuteqi"	means Huadian Wengniuteqi Wind Power Co., Ltd., a state-owned enterprise established in the PRC with limited liability
"Wengniuteqi Agreements"	means, collectively, two (2) sets of the following agreements in respect of the Wengniuteqi Leased Assets dated 21 October 2026 and signed between Chengtong Financial Leasing and Wengniuteqi: (1) leaseback assets transfer agreement; and (2) finance lease agreement (sale and leaseback)

"Wengniuteqi Arrangement"	means the sale and leaseback arrangement under the Wengniuteqi Agreements
"Wengniuteqi Leased Assets"	means wind turbine towers and wind turbine generators located in Inner Mongolia Autonomous Region of the PRC
"Wengniuteqi Leased Assets Valuation Report"	means the valuation report issued by the Valuer in respect of the appraised value of the Wengniuteqi Leased Assets as at 12 June 2026
"Wenshui"	means Huadian Wenshui New Energy Co., Ltd., a state-owned enterprise established in the PRC with limited liability
"Wenshui Agreements"	means, collectively, three (3) sets of the following agreements in respect of the relevant leased assets dated 22 October 2026 and signed between Chengtong Financial Leasing and Wenshui: (1) leaseback assets transfer agreement; and (2) finance lease agreement (sale and leaseback)
"Wenshui Arrangement"	means the sale and leaseback arrangement under the Wenshui Agreements
"Xinte"	means Xinjiang Huadian Xinte Energy Co., Ltd., a state-owned enterprise established in the PRC with limited liability
"Xinte Agreements"	means, collectively, two (2) sets of the following agreements in respect of the Xinte Leased Assets dated 21 October 2026 and signed between Chengtong Financial Leasing and Xinte: (1) leaseback assets transfer agreement; and (2) finance lease agreement (sale and leaseback)
"Xinte Arrangement"	means the sale and leaseback arrangement under the Xinte Agreements
"Xinte Leased Assets"	means photovoltaic module support structures and transmission cables located in Xinjiang of the PRC

"Xinte Leased Assets Valuation Report"	means the valuation report issued by the Valuer in respect of the appraised value of the Xinte Leased Assets as at 30 October 2025
"Yanggao"	means Shanxi Huadian Yanggao Wind Power Generation Co., Ltd., a state-owned enterprise established in the PRC with limited liability
"Yanggao Agreements"	means, collectively, the following agreements in respect of the relevant leased assets dated 22 October 2026 and signed between Chengtong Financial Leasing and Yanggao: (1) leaseback assets transfer agreement; and (2) finance lease agreement (sale and leaseback)
"Yanggao Arrangement"	means the sale and leaseback arrangement under the Yanggao Agreements
"Yungang"	means Huadian Yungang Economic Development Zone New Energy Co., Ltd., a state-owned enterprise established in the PRC with limited liability
"Yungang Agreements"	means, collectively, two (2) sets of the following agreements in respect of the relevant Leased Assets dated 22 October 2026 and signed between Chengtong Financial Leasing and Yungang: (1) leaseback assets transfer agreement; and (2) finance lease agreement (sale and leaseback)
"Yungang Arrangement"	means the sale and leaseback arrangement under the Yungang Agreements
"%"	means per cent.

In this circular, amounts quoted in RMB have been converted into HK$ at the rate of RMB1.00 to HK$1.16. 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.

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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 217)

Executive Directors:
Zhao Peng *(Chairman)*
Chen Jianying
Bai Chunrui

Independent Non-Executive Directors:
Lee Man Chun, Tony
He Jia
Liu Lei

Registered address and principal place of business in Hong Kong:
22/F., Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

11 November 2026

To the Shareholders

Dear Sir or Madam,

(1) VERY SUBSTANTIAL ACQUISITIONS IN RELATION TO THE SALE AND LEASEBACK ARRANGEMENTS; (2) MAJOR TRANSACTION IN RELATION TO THE ASSIGNMENT; (3) DISCLOSURE PURSUANT TO RULE 13.13 OF THE LISTING RULES AND (4) NOTICE OF GENERAL MEETING

I. INTRODUCTION

Reference is made to the announcements of the Company dated 20 October 2026, 21 October 2026 and 22 October 2026 in respect of, among others, the Sale and Leaseback Agreements and the Sale and Leaseback Arrangements contemplated thereunder, the Leased Assets Transfer Agreements and the Assignment.

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

II. THE SALE AND LEASEBACK ARRANGEMENTS AND THE ASSIGNMENT

(A) The Dunde Arrangement

Date of the Dunde Agreements

20 October 2026

Parties

Lessor: Chengtong Financial Leasing

Lessee: Dunde

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, and based on the information publicly available as at the date of the Dunde Agreements and as at the Latest Practicable Date, (i) Dunde is owned as to approximately 95.20% by Xinjiang Bayi Iron and Steel Group Co., Ltd., which is ultimately controlled by China Baowu, which is wholly owned by SASAC of the State Council; (ii) Dunde and its ultimate beneficial owner are Independent Third Parties; and (iii) Dunde is principally engaged in the business of metal ore sales, mineral processing and mining machinery sales, etc.

Subject matter

The Dunde Agreements shall only become effective upon obtaining the approval of the Dunde Agreements by the Shareholders.

Subject to the fulfilment of all the conditions as set out in the relevant Dunde Agreements, Chengtong Financial Leasing has agreed to purchase the Dunde Leased Assets from Dunde at a total purchase price of RMB250 million (equivalent to HK$290 million), and the Dunde Leased Assets will be leased back to Dunde for a period of six (6) years from the date on which the purchase price in respect of the relevant Dunde Leased Assets is paid by Chengtong Financial Leasing, subject to early termination in accordance with the terms and conditions of the Dunde Agreements.

The conditions as stipulated in the Dunde Agreements are identical which include the following:

(i) the signing and the coming into effect of the Dunde Agreements and all other ancillary documents, and the obtaining of approval of the Dunde Agreements by the Shareholders;

(ii) the provision of all necessary documents or information by Dunde evidencing its ownership in the Dunde Leased Assets;

(iii) the full payment of security money (if applicable) by Dunde;

(iv) the obtaining of all necessary approvals by Dunde in relation to the Dunde Agreements;

(v) the signing and the coming into effect of the relevant security agreements (if applicable) and the completion of the relevant mortgage or pledge registration;

(vi) the purchase of insurance in respect of the Dunde Leased Assets in accordance with the terms of the Dunde Agreements by Dunde, as well as the signing and coming into effect of the insurance contracts (if applicable); and

(vii) any other condition(s) as may be required by Chengtong Financial Leasing.

None of the above conditions can be waived by the parties. If any of the conditions under the relevant Dunde Agreements is not satisfied on or before 31 December 2026, Chengtong Financial Leasing shall have the right to unilaterally terminate the Dunde Agreements.

As at the Latest Practicable Date, save for the condition (i) above, all other applicable conditions under the Dunde Agreements have been satisfied.

Purchase price

The purchase price payable by Chengtong Financial Leasing for the Dunde Leased Assets is RMB250 million (equivalent to HK$290 million) and was agreed between Chengtong Financial Leasing and Dunde with reference to the net book value of the Dunde Leased Assets as at 31 March 2026 of approximately RMB284.02 million (equivalent to approximately HK$329.46 million). The purchase price represents approximately 88.02% of the net book value, which was determined after arm's length negotiation between the parties with reference to age and condition of the Dunde Leased Assets.

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

The purchase price will be satisfied by the general working capital of the Group.

Legal title

Chengtong Financial Leasing owns the legal title of the Dunde Leased Assets during the lease term.

Lease payment

The total amount of lease payment is estimated to be approximately RMB276.85 million (equivalent to approximately HK$321.15 million) which represents the sum of lease principal amount (being the total amount of the purchase price to be paid by Chengtong Financial Leasing) and the lease interest. Subject to the then applicable interest rate, the lease interest is estimated to be approximately RMB26.85 million (equivalent to approximately HK$31.15 million), and shall be payable by Dunde to Chengtong Financial Leasing in twelve (12) semi-annual instalments during the lease term.

The lease interests are calculated based on the then prevailing interest rate and the then outstanding lease principal amount. The interest rate under the Dunde Arrangement is a floating interest rate calculated at a fixed discount to the five-year LPR at the lease commencement date, subject to adjustment based on the five-year LPR on 1 January every year during the lease term.

The capital of the Group is derived from various sources, which mainly include revenue from its business operations, bank borrowings and corporate bonds. Prior to entering into the Dunde Agreements, the Group has assessed the internal rate of return achievable under the Dunde Arrangement, taking into account the Group's overall funding mix and cost of capital. On this basis and as the return achievable under the Dunde Arrangement remains commercially sound when considered against the Group's mixed cost of funds and the terms of the Dunde Arrangement as a whole, it is satisfied that the Group can meet its capital cost under the Dunde Arrangement notwithstanding that the interest rate is set at a discount to the five-year LPR.

If on any interest rate adjustment date, Dunde 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 interest was determined on an arm's length basis with reference to a comprehensive assessment of the Dunde Arrangement, taking into consideration (i) the target return of the Group and the financing cost to Dunde; and (ii) the credit profile of Dunde.

(i) Target return of the Group and the financing cost to Dunde

The lease interest rate applied to the Dunde Arrangement, including the discount to the five-year LPR from time to time, is a commercial term agreed among the parties. It is structured to deliver an expected satisfactory return for the Group while ensuring the overall financing cost remains competitive for Dunde.

(ii) Credit profile of Dunde

Prior to executing the Dunde Agreements, the relevant business department of Chengtong Financial Leasing conducted a comprehensive due diligence on Dunde, including evaluating Dunde's background, business profile and financial standing, and verifying the legal titles of Dunde Leased Assets to ensure their tradability. The evaluation primarily considered Dunde's market recognition, stable downstream supply, competitive advantage of the multi-metal product mix and the strong support from its ultimate controlling shareholder, namely China Baowu. A recent review of the financial information of Dunde demonstrated that there has been continuous growth in its operating revenue and its operating performance is solid and is improving steadily. Therefore, it is confirmed that Dunde has sufficient financial capacity to meet its financial obligations under the Dunde Arrangement.

By virtue of the abovementioned and taking into account that (i) the terms of the Dunde Arrangement were negotiated between Chengtong Financial Leasing and Dunde on an arm's length basis; (ii) after having conducted credit assessment on Dunde, it is believed that Dunde would have the financial ability to repay the lease payments; and (iii) the Dunde Arrangement would yield an expected satisfactory return that is within the Group's profitability benchmark for finance lease arrangements, the Directors consider that the terms of the Dunde Arrangement (including the lease interest rate) are fair and reasonable and on normal commercial terms.

Lessee's right to repurchase the Dunde Leased Assets

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

Termination

Pursuant to the terms of the Dunde Agreements, the Dunde Arrangement may be terminated prior to the expiration of the lease term only upon mutual agreement in writing of the parties thereto.

Either Dunde or Chengtong Financial Leasing may request for early termination of the Dunde Agreements. In case of a proposed early termination, the relevant department of Chengtong Financial Leasing will assess the internal rate of return with reference to the amount of outstanding lease principal and the accrued interest payable by Dunde as at the proposed date for early repayment. Chengtong Financial Leasing will propose or approve the request for early termination only if the internal rate of return achievable upon early termination of the Dunde Arrangement is no less favourable than that under the full lease term. If such threshold is not satisfied,

Chengtong Financial Leasing has the right to reject the request for early termination of the Dunde Arrangement if it is proposed by Dunde.

In the event that Chengtong Financial Leasing approves Dunde's request for early termination, a confirmation will then be signed by the parties upon termination to acknowledge and confirm that (i) the Final Payment and the nominal repurchase price have been received by Chengtong Financial Leasing in full and final settlement of all payment obligations of Dunde under the Dunde Arrangement; and (ii) the Dunde Agreements shall be terminated.

If the consent for early termination is withheld by Chengtong Financial Leasing, the Dunde Agreements shall remain in full force and effect, and Dunde will remain obliged to make payments in accordance with the Dunde Agreements during the remaining lease term.

Taking into consideration that, in the event of early termination of the Dunde Arrangement, (i) the internal rate of return achievable will be compared against, and ensured to be no less favourable than, that under the full lease term; and (ii) the funds recovered from Dunde can be utilised by the Group for other potential projects, the Directors are of the view that the terms in respect of early termination of the Dunde Arrangement are on normal commercial terms and are fair and reasonable.

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 Group also has post-lease management measures in place and as part of these measures, following the execution of a sale and leaseback arrangement, relevant department of Chengtong Financial Leasing is responsible for reviewing the financial information of the lessee(s) and any security provider(s) and conducting telephone calls or video conference or site inspection (where appropriate) of not less than twice a year to ascertain any changes in the business information and financial condition of the lessee(s) and security provider(s), use of funds by the lessee(s) and source of funds for lease payments, condition of the leased assets and operating conditions of the lessee(s) and any security provider(s).

Regular review of financial information of the lessee(s) enables the Group to track the operating condition and cash flow position of the lessee(s) and therefore their ongoing repayment ability. Site inspection allows the Group to monitor the

physical condition and value of the leased assets. Through review and inspection being conducted on a basis of not less than twice a year, it enables the Group to identify risks at an early stage and impose appropriate credit enhancement measure(s) in a timely manner to protect the interests of the Group and the Shareholders.

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

Reasons for and Benefits of the Dunde Arrangement

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

The entering into of the Dunde Arrangement is 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 RMB26.85 million (equivalent to approximately HK$31.15 million), being the lease interest under the Dunde Arrangement.

The Directors are of the view that the terms of the Dunde Arrangement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Implications under the Listing Rules

Since (i) the Previous Baosteel Transactions and the Previous Yili Transaction were still subsisting when the Dunde Agreements were entered into; and (ii) Dunde and the lessees under each of the Previous Baosteel Transactions and the Previous Yili Transaction are all subsidiaries of China Baowu, the Dunde Arrangement is aggregated with the Previous Baosteel Transactions and the Previous Yili Transaction for the purpose of calculating the relevant percentage ratios (as defined in the Listing Rules).

Reference is made to the announcement of the Company dated 23 April 2025. Pursuant to the terms of the Sinosteel Agreements, Sinosteel may, after one (1) year from the lease commencement date, terminate the Sinosteel Arrangement prior to the expiration of the lease term by serving at least three (3) months' prior notice. In accordance with the terms of the Sinosteel Agreements, Sinosteel served notice on Chengtong Financial Leasing, and early repaid the outstanding lease principal, accrued lease interest due and the nominal repurchase price on 27 April 2026. After due consideration and on the basis that the internal rate of return achievable upon the early termination of the Sinosteel Arrangement is no less favourable than that under the full lease term, the Board is of the view that the early termination of the Sinosteel

Arrangement by way of early repayment of Sinosteel in accordance with the terms of the Sinosteel Agreements is on normal commercial term and is fair and reasonable.

As Sinosteel has early repaid the outstanding lease principal, accrued lease interest due and the nominal repurchase price pursuant to the terms of the Sinosteel Agreements on 27 April 2026, the Sinosteel Arrangement is not aggregated with the Dunde Arrangement, the Previous Baosteel Transactions and the Previous Yili Transaction for the purpose of calculating the relevant percentage ratios of the Dunde Arrangement.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Dunde Arrangement (when aggregated with the Previous Baosteel Transactions and the Previous Yili Transaction) exceeds 100%, the Dunde Arrangement constitutes a very substantial acquisition of the Company and is subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

(B) The Assignment

The Transferor, as the lessor, entered into the Jinmei Agreements with Jinmei on 30 July 2026 and 7 September 2026 in respect of the Jinmei Arrangement.

On 22 October 2026, Chengtong Financial Leasing entered into the Leased Assets Transfer Agreements with the Transferor.

Subject matter

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

Consideration

Subject to the actual Transfer Date, the maximum Consideration is expected to be RMB300 million (equivalent to HK$348 million) which was agreed between Chengtong Financial Leasing and the Transferor after arm's length negotiation with reference to the outstanding amount of lease principal under the Jinmei Arrangement as at the date of the Leased Assets Transfer Agreements and was equivalent to the original purchase price of the Jinmei Leased Assets previously paid by the Transferor, which represented a discount of approximately 4.39% to the net book value of the Jinmei Leased Assets, being approximately RMB313.76 million (equivalent to approximately HK$363.96 million), as at the date of the Jinmei Agreements. The

actual Consideration will be determined with reference to the then outstanding amount of lease principal under the Jinmei Arrangement as at the actual Transfer Date.

Taking into account that (i) as at the date of the Leased Assets Transfer Agreements, Jinmei has not commenced repayment of any lease principal or interest under the Jinmei Arrangement, given that the first repayment date of the Jinmei Arrangement will be on 1 February 2027; (ii) the quality and market potential of the Jinmei Leased Assets; (iii) the terms of the Jinmei Arrangement (including but not limited to the lease term, and the expected stable lease income and reasonable return to be generated over the lease term); and (iv) the business and credit profile of Jinmei, the Board considered that the discount of approximately 4.39% applied to the net book value of the Jinmei Leased Assets balanced the assets' value with the overall economics and risk profile of the Jinmei Arrangement, and that the maximum Consideration of RMB300 million is fair and reasonable, and in the interests of the Company and its shareholders as a whole.

The Leased Assets Transfer Agreements shall only become effective upon obtaining the approval of the Leased Assets Transfer Agreements by the Shareholders.

Subject to the fulfilment of all the applicable conditions set out in the Leased Assets Transfer Agreements, Chengtong Financial Leasing shall pay the Consideration to the Transferor on the Transfer Date.

The conditions as stipulated in each of the Leased Assets Transfer Agreements are identical which include the following:

(i) the signing and the coming into effect of the Leased Assets Transfer Agreements and its corresponding attachments and schedules, and the obtaining of approval of the Leased Assets Transfer Agreements by the Shareholders;

(ii) the receipt of all relevant documentary proofs by Chengtong Financial Leasing showing the Transferor's legal title over the Jinmei Leased Assets and its creditor's rights and security rights in respect of the Jinmei Arrangement;

(iii) the receipt of payment notice issued by the Transferor to Chengtong Financial Leasing;

(iv) the registration of the Jinmei Arrangement by Chengtong Financial Leasing in the relevant registration system in the PRC;

(v) the registration of the receivables (if applicable) in the relevant registration system in the PRC in accordance with the terms of the Leased Assets Transfer Agreements;

(vi) any other conditions as may be required by Chengtong Financial Leasing; and

(vii) if the Leased Assets Transfer Agreements violates or fails to meet the requirements stipulated by relevant laws, regulations and regulatory authorities, Chengtong Financial Leasing has the right to early terminate the Leased Assets Transfer Agreements and recover all the funds.

None of the above conditions can be waived by the parties.

As at the Latest Practicable Date, save for the conditions (i), (iv) and (v) above, all other applicable conditions under the Leased Assets Transfer Agreements have been satisfied.

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

The Consideration will be satisfied by the general working capital of the Group.

The Jinmei Agreements

The key terms of the Jinmei Agreements are summarised as follows:

Date	30 July 2026	7 September 2026
Lessee	Jinmei	Jinmei

Leased assets	a total of 43 asset items located in a coal mining site in Shanxi province of the PRC which include certain coal mining and supporting equipment and facilities, and can be categorised into conveying equipment, ventilation equipment, electrical and power distribution equipment, compressed air equipment, crushing equipment, gas pipeline and explosion-suppression or safety devices, pumps and pumping systems, valves and valve control devices, pipeline connectors, boiler and auxiliary equipment, and sewage treatment station equipment.	a total of 21 asset items located in a coal mining site in Shanxi province of the PRC which include certain coal mining and supporting equipment and facilities, and can be categorised into air heating equipment, condensate recovery and heat exchange equipment, conveying and coal-feeding equipment, compressed air equipment, ventilation equipment, and electrical and power distribution equipment.
Expiry date of the lease term	1 August 2033	30 October 2033
Outstanding amount of lease principal as at the date of the Leased Assets Transfer Agreements	RMB180 million (equivalent to HK$208.80 million)	RMB120 million (equivalent to HK$139.20 million)
Outstanding amount of lease interest as at the date of the Leased Assets Transfer Agreements	Approximately RMB16.63 million (equivalent to approximately HK$19.29 million)	Approximately RMB10.87 million (equivalent to approximately HK$12.61 million)

Nominal consideration for repurchase of the Jinmei Leased Assets	RMB200.00 (equivalent to HK$232.00)	RMB100.00 (equivalent to HK$116.00)
Termination	Pursuant to the terms of the Jinmei Agreements, either party may unilaterally terminate the Jinmei Arrangement prior to the expiration of the lease term upon not less than three (3) months' notice in writing served by either party on the other after five (5) years from the lease commencement date. No consent is required from the other party for the proposed early termination. Upon early termination, the amount of outstanding lease principal and the accrued interest payable as at the date of the early termination, and the nominal repurchase price shall be paid by Jinmei in full and final settlement of all payment obligations of Jinmei under the Jinmei Arrangement.	Pursuant to the terms of the Jinmei Agreements, either party may unilaterally terminate the Jinmei Arrangement prior to the expiration of the lease term upon not less than three (3) months' notice in writing served by either party on the other after five (5) years from the lease commencement date. No consent is required from the other party for the proposed early termination. Upon early termination, the amount of outstanding lease principal and the accrued interest payable as at the date of the early termination, and the nominal repurchase price shall be paid by Jinmei in full and final settlement of all payment obligations of Jinmei under the Jinmei Arrangement.

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

Lease payment

The total amount of lease payment under the Jinmei Arrangement is estimated to be approximately RMB325.38 million (equivalent to approximately HK$377.44 million) which represents the sum of the outstanding amount of lease principal as at the date of the Leased Assets Transfer Agreements and the outstanding amount of lease interest as at the Transfer Date. Subject to the then applicable interest rate and assuming that the actual Transfer Date is 27 November 2026 (the date of the GM), the lease interest is estimated to be approximately RMB25.38 million (equivalent to approximately HK$29.44 million), and shall be payable by Jinmei to Chengtong Financial Leasing in fourteen (14) semi-annual instalments during the lease term.

The lease interests were determined between the Transferor and Jinmei on a commercial basis, and are calculated based on the then prevailing interest rate and the then outstanding lease principal amount. The interest rate under the Jinmei Arrangement is a floating interest rate calculated at a fixed discount to the five-year LPR at the lease commencement date, subject to adjustment based on the five-year LPR on 1 January every year during the lease term.

If on any interest rate adjustment date, Jinmei 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.

Prior to entering into the Leased Assets Transfer Agreements, the relevant business department of Chengtong Financial Leasing conducted a due diligence on the background, business profile and credit profile of Jinmei, Jinmei Leased Assets and the industry risk associated with Jinmei. The assessment gave primary consideration to Jinmei's quality major coal mining project in Shanxi Province of the PRC. The coal extracted are high-quality, scarce coal characterised by low ash, low sulfur and high calorific value, which commands a significantly higher price than that of ordinary coal. Taking into account the distinguishing features of the Shanxi coal mining project are aligned with the PRC coal industry's shift in business model, which emphasises quality over quantity, and the expected stable downstream supply to reputable coal distributors in the PRC, the overall industry risk associated with Jinmei is considered to be acceptable. A review of credit report obtained from Jinmei confirmed that Jinmei has not provided any guarantees for other entities and none of its outstanding accounts contain any adverse credit records, such as bad debts, doubtful debts, overdue or interest arrears.

In light of the product advantages and the expected stable downstream supply of Jinmei, the credit profile of Jinmei and the robust support from its shareholders, namely SASAC of the People's Government of Shanxi Province and China Baowu, it is considered that Jinmei has sufficient financial capacity to meet its financial obligations under the Jinmei Arrangement.

The floating interest rate under the Jinmei Arrangement, which is determined at a discount to the prevailing five-year LPR from time to time ("**Jinmei Discount**"), is one of the commercial terms negotiated between the Transferor and Jinmei prior to the entering of the Jinmei Agreements and was not determined by Chengtong Financial Leasing in its capacity as a transferee under the Assignment. The Jinmei Discount nonetheless falls within the range of ordinary pricing policy of the Group for sale and leaseback arrangements conducted with state-owned enterprises with low credit risk profile in recent years, and is consistent with the Group's ordinary pricing policy and historical practice.

Based on the aforementioned, the Board considers the lease payment (including the lease interest rate) under the Jinmei Arrangement is on normal commercial terms and fair and reasonable.

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 Group also has post-lease management measures in place and as part of these measures, following the execution of a sale and leaseback arrangement, relevant department of Chengtong Financial Leasing is responsible for reviewing the financial information of the lessee(s) and any security provider(s) and conducting telephone calls or video conference or site inspection (where appropriate) of not less than twice a year to ascertain any changes in the business information and financial condition of the lessee(s) and security provider(s), use of funds by the lessee(s) and source of funds for lease payments, condition of the leased assets and operating conditions of the lessee(s) and any security provider(s).

Regular review of financial information of the lessee(s) enables the Group to track the operating condition and cash flow position of the lessee(s) and therefore their ongoing repayment ability. Site inspection allows the Group to monitor the physical condition and value of the leased assets. Through review and inspection being conducted on a basis of not less than twice a year, it enables the Group to identify risks at an early stage and impose appropriate credit enhancement measure(s) in a timely manner to protect the interests of the Group and the Shareholders.

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

Information of the Transferor and Jinmei

Transferor

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, and based on the information publicly available as of the date of the Leased Assets Transfer Agreements and as at the Latest Practicable Date, (i) the Transferor is indirectly wholly-owned by Shanxi Coking Coal Group Co., Ltd., which is ultimately controlled by SASAC of the People's Government of Shanxi Province; (ii) the Transferor and its ultimate beneficial owners are Independent Third Parties; and (iii) the Transferor is principally engaged in the financial leasing business.

Jinmei

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, and based on the information publicly available as at the date of the Leased Assets Transfer Agreements and as at the Latest Practicable Date, (i) Jinmei is (a) 51% owned by Shanxi Coking Coal Group Coal Industry Management Co., Ltd., which is ultimately controlled by SASAC of the People's Government of Shanxi Province; and (b) 49% owned by Taiyuan Iron and Steel (Group) Co., Ltd., which is ultimately controlled by China Baowu; (ii) Jinmei and its ultimate beneficial owners are Independent Third Parties; and (iii) Jinmei is principally engaged in the business of mineral resource extraction, coal mining and coal sales.

Reasons for and Benefits of the Assignment and the Jinmei Arrangement

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

The entering into the Assignment is in the ordinary and usual course of business of Chengtong Financial Leasing. It is expected that Chengtong Financial Leasing will earn an income of approximately RMB25.38 million (equivalent to approximately HK$29.44 million), being the outstanding lease interest under the Jinmei Arrangement as at the date of the Leased Assets Transfer Agreements minus the lease interest accrued from the relevant date of the Jinmei Agreements to the Transfer Date payable by Jinmei to the Transferor (assuming the actual Transfer Date is 27 November 2026 (the date of the GM)).

In light of the above, the Directors are of the view that the terms of the Assignment and the Jinmei Arrangement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Implications under the Listing Rules and Rule 13.13 Disclosure

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

Since (i) the Dunde Arrangement, the Previous Baosteel Transactions and the Previous Yili Transaction were still subsisting when the Leased Assets Transfer Agreements were entered into; and (ii) Jinmei, and the lessees under each of the Dunde Arrangement, the Previous Baosteel Transactions and the Previous Yili Transaction are either the subsidiaries or associates of China Baowu, the Jinmei Arrangement is aggregated with the Dunde Arrangement, the Previous Baosteel Transactions and the Previous Yili 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 Jinmei Arrangement (when aggregated with the Dunde Arrangement, the Previous Baosteel Transactions and the Previous Yili Transaction) exceeds 100%, the Jinmei Arrangement constitutes a very substantial acquisition of the Company and is subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, the aggregate outstanding lease principal amount under the Dunde Arrangement, Previous Baosteel Transactions and the Previous Yili Transaction is approximately RMB894.75 million (equivalent to approximately HK$1,037.91 million). Assuming that there is no change as to the above aggregate outstanding lease principal amount at the time when the Assignment becomes effective, the total outstanding amount payable to the Group by China Baowu and its subsidiaries and associates will exceed 8% of the assets ratio (as defined in the Listing Rules). Details of the Dunde Arrangement are disclosed under the section headed "II. The Sale and Leaseback Arrangements and the Assignment – (A) The Dunde Arrangement" in this circular, while details of the Previous Baosteel Transactions and the Previous Yili Transaction were disclosed in the Company's announcements and circulars as set out in the definition of "Previous Baosteel Transactions" and "Previous Yili Transaction" in this circular.

The Company will comply with the disclosure requirements under Rule 13.20 of the Listing Rules where the circumstances giving rise to the disclosure under Rule 13.13 of the Listing Rules continue to exist at the Company's interim period end or annual financial year end.

(C) The Xinte Arrangement and the Wengniuteqi Arrangement

On 21 October 2026, Chengtong Financial Leasing entered into (i) the Xinte Agreements with Xinte; and (ii) the Wengniuteqi Agreements with Wengniuteqi, the major terms of which are set out below.

Subject matter

The Xinte Agreements and the Wengniuteqi Agreements shall only become effective upon obtaining the approval of the Xinte Agreements and the Wengniuteqi Agreements by the Shareholders.

Subject to the fulfilment of all applicable conditions as set out in the Xinte Agreements and the Wengniuteqi Agreements (as the case may be), Chengtong Financial Leasing will purchase the Xinte Leased Assets and the Wengniuteqi Leased Assets from Xinte and Wengniuteqi respectively and such leased assets will be leased back to Xinte and Wengniuteqi for a period of two (2) years from the date on which the purchase price in respect of the Xinte Leased Assets or the Wengniuteqi Leased Assets (as the case may be) is paid by Chengtong Financial Leasing, subject to early termination in accordance with the terms and conditions of the Xinte Agreements or the Wengniuteqi Agreements.

The conditions as stipulated in each of the Xinte Agreements and the Wengniuteqi Agreements are identical which include the following:

(i) the signing and the coming into effect of the Xinte Agreements and the Wengniuteqi Agreements and all other ancillary documents, and the obtaining of approval of the Xinte Agreements and the Wengniuteqi Agreements by the Shareholders;

(ii) the provision of all necessary documents or information by Xinte and Wengniuteqi evidencing their respective ownership in the Xinte Leased Assets and Wengniuteqi Leased Assets;

(iii) the full payment of security money (if applicable) by Xinte and Wengniuteqi;

(iv) the obtaining of all necessary approvals by Xinte and Wengniuteqi in relation to the Xinte Agreements and the Wengniuteqi Agreements;

(v) the signing and the coming into effect of the relevant security agreements (if applicable) and the completion of the relevant mortgage or pledge registration;

(vi) the purchase of insurance in respect of the Xinte Leased Assets and the Wengniuteqi Leased Assets in accordance with the terms of the Xinte Agreements and the Wengniuteqi Agreements by Xinte and Wengniuteqi, as well as the signing and coming into effect of the insurance contracts (if applicable); and

(vii) any other condition(s) as may be required by Chengtong Financial Leasing.

None of the above conditions can be waived by the parties. If any of the applicable conditions under the Xinte Agreements or the Wengniuteqi Agreements is not satisfied on or before 21 October 2027, Chengtong Financial Leasing shall have the right to unilaterally terminate the Xinte Agreements or the Wengniuteqi Agreements.

As at the Latest Practicable Date, save for condition (i) above, all other applicable conditions under each of the Xinte Agreements and the Wengniuteqi Agreements have been satisfied.

Purchase price

The purchase price payable by Chengtong Financial Leasing for the Xinte Leased Assets under the Xinte Arrangement is RMB13 million (equivalent to HK$15.08 million) and was agreed between Chengtong Financial Leasing and Xinte with reference to the appraised value of the Xinte Leased Assets of approximately RMB16.55 million (equivalent to approximately HK$19.20 million) as at 30 October 2025, as assessed by way of cost method by the Valuer.

The purchase price payable by Chengtong Financial Leasing for the Wengniuteqi Leased Assets under the Wengniuteqi Arrangement is RMB30 million (equivalent to HK$34.80 million) and was agreed between Chengtong Financial Leasing and Wengniuteqi with reference to the appraised value of the Wengniuteqi Leased Assets of approximately RMB35.81 million (equivalent to approximately HK$41.54 million) as at 12 June 2026, as assessed by way of cost method by the Valuer.

Set forth below is the valuation methodology adopted by the Valuer in assessing the value of the Xinte Leased Assets and the Wengniuteqi Leased Assets.

Based on the assessment purpose and the characteristics and current situation of the appraised assets, the Valuer adopted the cost method taking into account the factors affecting the valuation of the Xinte Leased Assets and the Wengniuteqi Leased Assets respectively.

The cost method, being adopted by the Valuer for the valuation of the Xinte Leased Assets and the Wengniuteqi Leased Assets, is a method determining the value of an appraised asset by multiplying the replacement cost of the appraised asset by its

newness rate. The value of the appraised asset 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 asset. The replacement cost is determined on the basis of the current market value of the appraised asset on the appraisal date and taking into account the transportation and miscellaneous expenses, installation fee, equipment foundation fee and capital costs, while the newness rate is determined after taking into account the appraised asset's economic life, remaining service life and current condition as assessed through on-site inspection.

The appraised value of the Xinte Leased Assets in the Xinte Arrangement and the Wengniuteqi Leased Assets in the Wengniuteqi Arrangement and the key parameters used in the appraisals are summarised as follows:

	Xinte Arrangement	**Wengniuteqi Arrangement**
Valuation reference date	30 October 2025	12 June 2026
Appraised value of the relevant leased assets	Approximately RMB16.55 million (equivalent to approximately HK$19.20 million)	Approximately RMB35.81 million (equivalent to approximately HK$41.54 million)
Total appraised replacement cost of the relevant leased assets	Approximately RMB25.49 million (equivalent to approximately HK$29.57 million)	Approximately RMB48.52 million (equivalent to approximately HK$56.28 million)
Average newness rate of the relevant leased assets	64.91%	74%

The Xinte Leased Assets are grid-connected photovoltaic power station equipment, which are standardised new energy fixed assets in stable operation and with stable cash flows. Due diligence conducted on the Xinte Arrangement by Chengtong Financial Leasing revealed that, since the valuation reference date of 30 October 2025, the Xinte Leased Assets have been in normal operation to generate electricity in the photovoltaic power station with regular maintenance, and the legal titles of the Xinte Leased Assets are free from defects and with no encumbrances and mortgages, seizures, changes in ownership or rights. In addition, the industry policies, electricity pricing mechanisms, solar resource conditions and the operating environment of the photovoltaic industry have all remained stable. There have been no

material matters adversely affecting the appraised value of the Xinte Leased Assets since the valuation reference date of 30 October 2025.

Taking into account (i) the Xinte Leased Assets are established grid-connected photovoltaic fixed assets with minimal short-term volatility in value, (ii) the continuous stable cashflow generated from the photovoltaic power station, and (iii) no matters that have been or would have been materially affected the asset value of the Xinte Leased Assets, the Board is of the view that the appraised value of the Xinte Leased Assets as at the valuation reference date of 30 October 2025 continues to reflect their fair value as at the date of the Xinte Agreements and therefore, the valuation of the Xinte Leased Assets as at 30 October 2025 remains valid, fair and reasonable as at the date of the Xinte Agreements.

The Board has considered the valuation assumptions as set out in the Xinte Leased Assets Valuation Report and the Wengniuteqi Leased Assets Valuation Report, which include but not limited to the following:

(i) there are no significant errors in the content, quantity and book value of the assets declared by the property rights holder. There is no dispute over the ownership of the appraised assets, and the intrinsic quality of the appraised assets is intact;

(ii) there is no material adjustment or change in (a) the relevant policies and regulations; (b) the social environment in the future; and (c) the relevant national laws, regulations and policies in the future; and

(iii) it is assumed that the management of the enterprise being appraised has fulfilled its obligations responsibly for the operation of the enterprise and has effectively managed the relevant assets in a competent manner. The appraised enterprise has not violated any relevant national laws and regulations during its operation.

The Board noted that if there is any deviation from the above assumptions, the valuation results may differ. The Board has reviewed the Xinte Leased Assets Valuation Report and the Wengniuteqi Leased Assets Valuation Report and considered the valuation methods and assumptions adopted. The Board is of the view that the valuation method adopted in respect of each of Xinte Leased Assets and the Wengniuteqi 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 each of the Xinte Leased Assets and the Wengniuteqi Leased Assets is fair and reasonable.

The Xinte Leased Assets and the Wengniuteqi Leased Assets are not revenue generating assets with identifiable income stream.

The respective purchase price for the Xinte Leased Assets and the Wengniuteqi Leased Assets will be satisfied by the general working capital of the Group.

Having considered the above, the Directors are of the view that the respective purchase price of the Xinte Leased Assets and the Wengniuteqi Leased Assets is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Legal title

Chengtong Financial Leasing owns the respective legal title of the Xinte Leased Assets and Wengniuteqi Leased Assets during the lease term.

Lease payment

The total amount of lease payment in respect of each of the Xinte Arrangement and the Wengniuteqi Arrangement 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 relevant lease payment shall be payable by Xinte or Wengniuteqi to Chengtong Financial Leasing in four (4) semi-annual installments during the lease term.

The lease interests are calculated based on the then prevailing interest rate and the then outstanding lease principal amount. The interest rate under the Xinte Arrangement is a floating interest rate calculated at a fixed premium over, whereas the interest rate under the Wengniuteqi Arrangement is a floating interest rate calculated at a fixed discount to, the one-year LPR at the lease commencement date, subject to adjustment based on the one-year LPR on 1 January every year during the lease term.

The capital of the Group is derived from various sources, which mainly include revenue from its business operations, bank borrowings and corporate bonds. Prior to entering into the Wengniuteqi Agreements, the Group has assessed the internal rate of return achievable under the Wengniuteqi Arrangement, taking into account the Group's overall funding mix and cost of capital. On this basis and as the return achievable under the Wengniuteqi Arrangement remains commercially sound when considered against the Group's mixed cost of funds and the terms of the Wengniuteqi Arrangement as a whole, it is satisfied that the Group can meet its capital cost under the Wengniuteqi Arrangement notwithstanding that the interest rate is set at a discount to the one-year LPR.

If on any interest rate adjustment date, Xinte or Wengniuteqi 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 payments of the Xinte Arrangement and the Wengniuteqi Arrangement 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 and the overall return rate to be achieved that is commensurate with the prevailing market conditions.

With regard to the Xinte Arrangement, the premium over the LPR was determined on an arm's length basis with reference to a comprehensive assessment of the Xinte Arrangement, taking into account (i) the lease term, (ii) the credit profile of Xinte, (iii) the type and value of the Xinte Leased Assets, (iv) the industry risk associated with Xinte and (v) the transaction size of the Xinte Arrangement.

(i) Lease term

The two-year lease term matches the expected remaining operating life of the Xinte Leased Assets and aligns with the common lease term within the photovoltaic industry, maintaining a manageable risk exposure.

(ii) Credit profile of Xinte

Prior to executing the Xinte Agreements, the relevant business department of Chengtong Financial Leasing conducted a comprehensive risk assessment on Xinte, which involved conducting due diligence on Xinte's background, business profile and financial standing, as well as verifying the legal titles of the Xinte Leased Assets to ensure their tradability. The assessment gave primary consideration to the financial condition of Xinte and the robust support from its ultimate parent company, Huadian New Energy Group, whose credit rating is "AAA", with a stable outlook. A review of Xinte's recent financial statements confirmed that it maintains a positive cashflow from its operating activities, demonstrating Xinte's ability to meet its financial obligations under the Xinte Arrangement.

(iii) Type and value of the Xinte Leased Assets

The Xinte Leased Assets included photovoltaic module support structures and transmission cables of a photovoltaic power station located in Xinjiang of the PRC. These photovoltaic equipment is subject to fast-paced technological advancement and short upgrade cycle, resulting in a higher risk of asset replacement and depreciation. Therefore, the overall risk associated with Xinte Leased Assets is considered to be moderate.

(iv) Industry risk associated with Xinte

Photovoltaic power generation is heavily affected by the climate and weather conditions, resulting in a considerable fluctuation in power generation, and consequentially weakening the revenue stability of Xinte.

(v) Transaction size

The transaction size of the Xinte Arrangement is relatively small and the transaction framework is similar and comparable to most finance lease arrangements conducted by the Group, thereby minimising risk control and operational costs.

By virtue of the above, despite the healthy financial position of Xinte and the strong support from Xinte's shareholder, the overall risk associated with the Xinte Leased Assets is considered to be moderate. The floating interest rate under the Xinte Arrangement, which is determined at a premium over the prevailing one-year LPR from time to time, was set as a commercial measure to keep the risk associated with the Xinte Arrangement controllable. It is considered that the said premium is consistent with the Group's ordinary pricing policy and historical practice.

In respect of the Wengniuteqi Arrangement, the discount to the LPR ("**Wengniuteqi Discount**") was set as a commercial measure to secure a high-quality, low-risk investment on competitive terms. The Wengniuteqi Discount was determined on an arm's length basis with reference to a thorough assessment of the Wengniuteqi Arrangement, taking into account (i) the lease term, (ii) the credit profile of Wengniuteqi, (iii) the type and value of the Wengniuteqi Leased Assets, (iv) the industry risk associated with Wengniuteqi and (v) the transaction size of the Wengniuteqi Arrangement.

(i) Lease term

The two-year lease term of the Wengniuteqi Arrangement is short as compared to other finance lease arrangements conducted by the Group, thereby minimising the Group's risk exposure.

(ii) Credit profile of Wengniuteqi

Prior to executing the Wengniuteqi Agreements, the relevant business department of Chengtong Financial Leasing conducted a comprehensive risk assessment on Wengniuteqi, which involved conducting due diligence on Wengniuteqi's background, business profile and financial standing, as well as verifying the legal titles of the Wengniuteqi Leased Assets to ensure their tradability. The assessment gave primary consideration to the stable financial condition of Wengniuteqi and the robust support from its ultimate parent company, Huadian New Energy Group, whose credit rating is "AAA", with a stable outlook. A review of Wengniuteqi's recent financial statements confirmed that it maintains a positive cashflow from its operating activities, representing a solid capacity to meet its financial obligations under the Wengniuteqi Arrangement.

(iii) Type and value of the Wengniuteqi Leased Assets

The Wengniuteqi Leased Assets mainly comprised wind turbine towers and wind turbine generators of a wind power station in Inner Mongolia Autonomous Region of the PRC. These assets are built on well-established technology and possess a long equipment life, and therefore greater asset stability. Furthermore, the gradual depreciation characteristic of the Wengniuteqi Leased Assets supports stronger asset value retention and sustainability. Hence, the overall risks associated with the Wengniuteqi Leased Assets are limited.

(iv) Industry risk associated with Wengniuteqi

In view of the general stable power output in wind power stations, with minimal fluctuation in the annual utilisation hours and minimal disruption due to climatic changes, it is considered that the wind power industry is characterised by strong operational stability.

(v) Transaction size

The transaction size of the Wengniuteqi Arrangement is relatively small and the transaction framework is similar and comparable to most finance lease arrangements conducted by the Group, thereby minimising risk control and operational costs.

The floating interest rate under the Wengniuteqi Arrangement, which is being determined at a discount to the prevailing one-year LPR from time to time, falls within the range of ordinary pricing policy of the Group for sale and leaseback arrangements conducted with state-owned enterprises with low credit risk profile engaging in wind power business in recent years. It is considered that the Wengniuteqi Discount is consistent with the Group's ordinary pricing policy and historical practice.

Based on the aforementioned, the Board considers the pricing policy in respect of the lease interest under each of the Xinte Arrangement and the Wengniuteqi Arrangement is on normal commercial terms and fair and reasonable.

Lessees' right to repurchase the Xinte Leased Assets and Wengniuteqi Leased Assets

Upon Xinte and Wengniuteqi having paid all the lease payments and other payables (if any) to Chengtong Financial Leasing in accordance with the terms of the Xinte Agreements and the Wengniuteqi Agreements, each of Xinte and Wengniuteqi shall have the right to repurchase the relevant Xinte Leased Assets and the relevant Wengniuteqi Leased Assets at a nominal consideration of RMB0.46 (in respect of the Xinte Agreements) and RMB2 (in respect of the Wengniuteqi Agreements) respectively.

Termination

Pursuant to the terms of the Xinte Agreements, either party may request to terminate the Xinte Arrangement prior to the expiration of the lease term by serving not less than forty-five (45) days' notice on the other after six (6) months from the lease commencement date and shall only be terminated upon mutual agreement in writing of the parties thereto.

Pursuant to the terms of the Wengniuteqi Agreements, the Wengniuteqi Arrangement may be terminated prior to the expiration of the lease term only upon mutual agreement in writing of the parties thereto.

Either Xinte, Wengniuteqi or Chengtong Financial Leasing may request for early termination. In case of a proposed early termination, the relevant department of Chengtong Financial Leasing will assess the internal rate of return with reference to the amount of outstanding lease principal and the accrued interest payable by Xinte or Wengniuteqi as at the relevant proposed date for early repayment. Chengtong Financial Leasing will propose or approve the request for early termination only if the internal rate of return achievable upon early termination of the Xinte Arrangement or the Wengniuteqi Arrangement is no less favourable than that under the respective full lease term. If such threshold is not satisfied, Chengtong Financial Leasing has the right to reject the request for early termination of the Xinte Arrangement or the Wengniuteqi Arrangement if it is proposed by Xinte or Wengniuteqi.

In the event that Chengtong Financial Leasing approves the request by Xinte or Wengniuteqi for early termination, a confirmation will then be signed by the relevant parties upon termination to acknowledge and confirm that (i) the Final Payment and the nominal repurchase price have been received by Chengtong Financial Leasing in full and final settlement of all payment obligations of Xinte or Wengniuteqi under the Xinte Arrangement or the Wengniuteqi Arrangement; and (ii) the Xinte Agreements or the Wengniuteqi Agreements shall be terminated.

If the consent for early termination is withheld by Chengtong Financial Leasing, the Xinte Agreements or the Wengniuteqi Agreements shall remain in full force and effect, and Xinte or Wengniuteqi will remain obliged to make payments in accordance with the Xinte Agreements or the Wengniuteqi Agreements during the respective remaining lease term.

Taking into consideration that, in the event of early termination of the Xinte Arrangement or the Wengniuteqi Arrangement, (i) the internal rate of return achievable will be compared against, and ensured to be no less favourable than, that under the full lease term; and (ii) the funds recovered from Xinte or Wengniuteqi can be utilised by the Group for other potential projects, the Directors are of the view that the terms in respect of early termination of the Xinte Arrangement or Wengniuteqi Arrangement are on normal commercial terms and are fair and reasonable.

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 Group also has post-lease management measures in place and as part of these measures, following the execution of a sale and leaseback arrangement, relevant department of Chengtong Financial Leasing is responsible for reviewing the financial information of the lessee(s) and any security provider(s) and conducting telephone calls or video conference or site inspection (where appropriate) of not less than twice a year to ascertain any changes in the business information and financial condition of the lessee(s) and security provider(s), use of funds by the lessee(s) and source of funds for lease payments, condition of the leased assets and operating conditions of the lessee(s) and any security provider(s).

Regular review of financial information of the lessee(s) enables the Group to track the operating condition and cash flow position of the lessee(s) and therefore their ongoing repayment ability. Site inspection allows the Group to monitor the physical condition and value of the leased assets. Through review and inspection being conducted on a basis of not less than two times a year, it enables the Group to identify risks at an early stage and impose appropriate credit enhancement measure(s) in a timely manner to protect the interests of the Group and the Shareholders.

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

Material terms of each of the Xinte Arrangement and Wengniuteqi Arrangement

The general terms and conditions of each of the Xinte Arrangement and Wengniuteqi Arrangement are substantially the same. Their respective key terms are summarised as follows:

	Xinte Arrangement	**Wengniuteqi Arrangement**
Date of the relevant sale and leaseback agreements	21 October 2026	21 October 2026
Lessee	Xinte	Wengniuteqi

	Xinte Arrangement	Wengniuteqi Arrangement
Leased assets	Photovoltaic module support structures and transmission cables located in Xinjiang of the PRC	Wind turbine towers and wind turbine generators located in Inner Mongolia Autonomous Region of the PRC
Purchase price	RMB13 million (equivalent to approximately HK$15.08 million)	RMB30 million (equivalent to approximately HK$34.80 million)
Lease term	two (2) years	two (2) years
Lease payment	Approximately RMB13.63 million (equivalent to approximately HK$15.81 million)	Approximately RMB31.08 million (equivalent to approximately HK$36.05 million)
Lease interest	Approximately RMB0.63 million (equivalent to approximately HK$0.73 million)	Approximately RMB1.08 million (equivalent to approximately HK$1.25 million)

Information of Xinte and Wengniuteqi

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, and based on the information publicly available as at the date of the Xinte Agreements and the Wengniuteqi Agreements and as at the Latest Practicable Date, (i) Xinte is a direct wholly-owned subsidiary of Huadian New Energy Group; (ii) Wengniuteqi is a direct wholly-owned subsidiary of Huadian Beifang New Energy Co. Ltd., which is in turn wholly-owned by Huadian New Energy Group; (iii) Huadian New Energy Group 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% shareholding interest in Huadian New Energy Group) and Huadian Power International Corporation Limited (which held 26.78% shareholding interest in Huadian New Energy Group), 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 are in turn wholly owned by SASAC; and (iv) each of Xinte and Wengniuteqi is principally engaged in the business of new energy power generation.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Xinte, Wengniuteqi and their respective ultimate beneficial owners are Independent Third Parties.

Reasons for and Benefits of the Xinte Arrangement and Wengniuteqi Arrangement

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

The entering into each of the Xinte Arrangement and Wengniuteqi Arrangement is in the ordinary and usual course of business of Chengtong Financial Leasing and it is expected that Chengtong Financial Leasing will earn (i) an income of approximately RMB0.63 million (equivalent to approximately HK$0.73 million) under the Xinte Arrangement; and (ii) an income of approximately RMB1.08 million (equivalent to approximately HK$1.25 million) under the Wengniuteqi Arrangement, each being the lease interest under the Xinte Arrangement and Wengniuteqi Arrangement respectively.

In light of the above, the Directors are of the view that the terms of each of the Xinte Arrangement and the Wengniuteqi Arrangement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Implications under the Listing Rules

Since (i) the Xinte Agreements, the Wengniuteqi Agreements and the Previous Huadian Transactions are and were all entered into with the companies who are subsidiaries of or associated with China Huadian; and (ii) the Previous Huadian Transactions are still subsisting when the Xinte Agreements and Wengniuteqi Agreements were entered into, therefore the Xinte Arrangement and the Wengniuteqi Arrangement are 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 Xinte Arrangement and the Wengniuteqi Arrangement (when aggregated with the Previous Huadian Transactions) exceeds 100%, the entering into of the Xinte Arrangement and the Wengniuteqi Arrangement constitutes very substantial acquisitions of the Company and are subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

(D) The Huadian Sale and the Leaseback Arrangements

On 22 October 2026, Chengtong Financial Leasing entered into (i) the Yanggao Agreements with Yanggao; (ii) the Shuojing Agreements with Shuojing; (iii) the Wenshui Agreements with Wenshui; (iv) the Datong Agreements with Datong; and (v) the Yungang Agreements with Yungang, the major terms of which are set out below.

Subject matter

The Huadian Sale and Leaseback Agreements shall only become effective upon obtaining the approval of the Huadian Sale and Leaseback Agreements.

Subject to the fulfilment of all the applicable conditions as set out in the relevant Huadian Sale and Leaseback Agreements, Chengtong Financial Leasing will purchase the Huadian Leased Assets from the relevant Huadian Lessees and the Huadian Leased Assets will be leased back to the relevant Huadian Lessees from the date on which the purchase price is paid by Chengtong Financial Leasing in respect of the Huadian Leased Assets, subject to early termination in accordance with the terms and conditions of the relevant Huadian Sale and Leaseback Agreements.

The conditions as stipulated in the Huadian Sale and Leaseback Agreements are identical which include the following:

(i) the signing and the coming into effect of the Huadian Sale and Leaseback Agreements and all other ancillary documents, and the obtaining of approval of the Huadian Sale and Leaseback Agreements by the Shareholders;

(ii) the provision of all necessary documents or information by the relevant Huadian Lessees evidencing their respective ownership in the Huadian Leased Assets;

(iii) the full payment of security money (if applicable) by the Huadian Lessees;

(iv) the obtaining of all necessary approvals by the Huadian Lessees in relation to the Huadian Sale and Leaseback Agreements;

(v) the signing and the coming into effect of the relevant security agreements (if applicable) and the completion of the relevant mortgage or pledge registration;

(vi) the purchase of insurance in respect of the Huadian Leased Assets in accordance with the terms of the Huadian Sale and Leaseback Agreements by the Huadian Lessees, as well as the signing and coming into effect of the insurance contracts (if applicable); and

(vii) any other condition(s) as may be required by Chengtong Financial Leasing.

None of the above conditions can be waived by the parties. If any of the conditions under the relevant Huadian Sale and Leaseback Agreements is not satisfied on or before 31 December 2027, Chengtong Financial Leasing shall have the right to unilaterally terminate the relevant Huadian Sale and Leaseback Agreements.

As at the Latest Practicable Date, save for condition (i) above, all other applicable conditions under each of the Huadian Sale and Leaseback Agreements have been satisfied.

Purchase price

The purchase price of the relevant Huadian Leased Assets represents a certain discount to the net book value of the relevant Huadian Leased Assets, which was determined after arm's length negotiation between the parties with reference to the nature, age and condition, and remaining useful life of the relevant Huadian Leased Assets. The expected useful life of the wind power equipment under the Yanggao Arrangement is estimated to be approximately 20 years, while the expected useful life of the solar photovoltaic equipment under each of the Shuojing Arrangement, Wenshui Arrangement, Datong Arrangement and Yungang Arrangement is estimated to be approximately 25 years. All of the Huadian Leased Assets are currently in their prime operational phase and with the professional asset maintenance conducted by the relevant Huadian Lessees on a regular basis, the Huadian Leased Assets are demonstrating strong operational performance. Furthermore, the remaining useful life of the Huadian Leased Assets sufficiently exceeds their respective lease term, which ensure adequate residual value throughout the lease term.

Taking into account of the abovementioned, the discount rates applied to the net book value of the respective Huadian Leased Assets in determining the purchase price falls within the range of the ordinary pricing policy of the Group for sale and leaseback arrangements conducted with state-owned enterprises engaging in new energy business.

The net book value of the relevant Huadian Leased Assets under the Huadian Sale and Leaseback Arrangements are set out as follows:

	Yanggao Arrangement	**Shuojing Arrangement**	**Wenshui Arrangement**	**Datong Arrangement**	**Yungang Arrangement**
Purchase price	RMB45 million (equivalent to HK$52.20 million)	RMB60 million (equivalent to HK$69.60 million)	RMB50 million (equivalent to HK$58 million)	RMB80 million (equivalent to HK$92.80 million)	RMB10 million (equivalent to HK$11.60 million)
Net book value of the relevant Huadian Leased Assets	RMB48.22 million (equivalent to approximately HK$55.94 million) as at 31 July 2026	RMB62.95 million (equivalent to approximately HK$73.02 million) as at 31 July 2026	RMB52.78 million (equivalent to approximately HK$61.22 million) as at 31 July 2026	RMB81.16 million (equivalent to approximately HK$94.15 million) as at 31 July 2026	RMB10.79 million (equivalent to approximately HK$12.52 million) as at 31 July 2026
Discount to the relevant net book value	6.68%	4.69%	5.27%	1.43%	7.32%

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

The purchase price of the Huadian Leased Assets will be satisfied by the general working capital of the Group.

Material terms of each of the Huadian Sale and Leaseback Arrangements

The general terms and conditions of each of the Huadian Sale and Leaseback Arrangements are substantially the same. Their respective key terms are summarised as follows:

	Yanggao Arrangement	**Shuojing Arrangement**	**Wenshui Arrangement**	**Datong Arrangement**	**Yungang Arrangement**
Date of the relevant Huadian Sale and Leaseback Agreements	22 October 2026	22 October 2026	22 October 2026	22 October 2026	22 October 2026
Lessee	Yanggao	Shuojing	Wenshui	Datong	Yungang

	Yanggao Arrangement	Shuojing Arrangement	Wenshui Arrangement	Datong Arrangement	Yungang Arrangement
Leased assets	a total of 15 asset items located in Shanxi province of the PRC which include wind turbine towers, wind turbine generators, electrical transformer and transmission cables	a total of 36 asset items located in Shanxi province of the PRC which include photovoltaic module support structures, electrical transformers and transmission cables	a total of 13 asset items located in Shanxi province of the PRC which include photovoltaic power generation equipment and photovoltaic module support structures	a total of 24 asset items located in Shanxi province of the PRC which include power substations and photovoltaic module support structures	a total of 27 asset items located in Shanxi province of the PRC which include photovoltaic module support structures and electrical transformers
Purchase price	RMB45 million (equivalent to HK$52.20 million)	RMB60 million (equivalent to HK$69.60 million)	RMB50 million (equivalent to HK$58 million)	RMB80 million (equivalent to HK$92.80 million)	RMB10 million (equivalent to HK$11.60 million)
Lease term	three (3) years	two (2) years	two (2) years	two (2) years	two (2) years
Lease payment *(Note 1)*	Approximately RMB47.24 million (equivalent to approximately HK$54.80 million), payable by Yanggao to Chengtong Financial Leasing in twelve (12) quarterly instalments during the lease term	Approximately RMB62.12 million (equivalent to approximately HK$72.06 million), payable by Shuojing to Chengtong Financial Leasing in eight (8) quarterly instalments during the lease term	Approximately RMB51.75 million (equivalent to approximately HK$60.03 million), payable by Wenshui to Chengtong Financial Leasing in eight (8) quarterly instalments during the lease term	Approximately RMB83.05 million (equivalent to approximately HK$96.34 million), payable by Datong to Chengtong Financial Leasing in eight (8) quarterly instalments during the lease term	Approximately RMB10.35 million (equivalent to approximately HK$12.01 million), payable by Yungang to Chengtong Financial Leasing in eight (8) quarterly instalments during the lease term

	Yanggao Arrangement	Shuojing Arrangement	Wenshui Arrangement	Datong Arrangement	Yungang Arrangement
Lease interests	Approximately RMB2.24 million (equivalent to approximately HK$2.60 million), subject to the then applicable lease interest rate *(Note 2)*	Approximately RMB2.12 million (equivalent to approximately HK$2.46 million), subject to the then applicable lease interest rate *(Note 3)*	Approximately RMB1.75 million (equivalent to approximately HK$2.03 million), subject to the then applicable lease interest rate *(Note 4)*	Approximately RMB3.05 million (equivalent to approximately HK$3.54 million), subject to the then applicable lease interest rate *(Note 5)*	Approximately RMB0.35 million (equivalent to approximately HK$0.41 million), subject to the then applicable lease interest rate *(Note 6)*
Repurchase price *(Note 7)*	Aggregate nominal consideration of RMB1.00	Aggregate nominal consideration of RMB4.00	Aggregate nominal consideration of RMB3.00	Aggregate nominal consideration of RMB8.00	Aggregate nominal consideration of RMB2.00

Notes:

1. The total amount of lease payment represents the sum of lease principal amount (being the total amount of the purchase price to be paid by Chengtong Financial Leasing) and the lease interest. The lease payment of each of the Huadian Sale and Leaseback Arrangements has been agreed between Chengtong Financial Leasing and the relevant Huadian Lessees 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 with reference to the amount of lease interests and the prevailing market conditions.

2. The lease interests are calculated based on the then prevailing interest rate and the then outstanding lease principal amount. The interest rate under the Yanggao Arrangement is a floating interest rate calculated at a fixed discount to the five-year LPR on the lease commencement date, subject to adjustment based on the five-year LPR on 1 January every year during the lease term.

   If on any interest rate adjustment date, Yanggao 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.

3. The lease interests are calculated based on the then prevailing interest rate and the then outstanding lease principal amount. The interest rate under the Shuojing Arrangement is a floating interest rate calculated at a fixed discount to the five-year LPR on the lease commencement date, subject to adjustment based on the five-year LPR on 1 January every year during the lease term.

   If on any interest rate adjustment date, Shuojing 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.

4. The lease interests are calculated based on the then prevailing interest rate and the then outstanding lease principal amount. The interest rate under the Wenshui Arrangement is a floating interest rate calculated at a fixed discount to the five-year LPR on the lease commencement date, subject to adjustment based on the five-year LPR on 1 January every year during the lease term.

   If on any interest rate adjustment date, Wenshui 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.

5. The lease interests are calculated based on the then prevailing interest rate and the then outstanding lease principal amount. The interest rate under the Datong Arrangement is a floating interest rate calculated at a fixed discount to the five-year LPR on the lease commencement date, subject to adjustment based on the five-year LPR on 1 January every year during the lease term.

   If on any interest rate adjustment date, Datong 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.

6. The lease interests are calculated based on the then prevailing interest rate and the then outstanding lease principal amount. The interest rate under the Yungang Arrangement is a floating interest rate calculated at a fixed discount to the five-year LPR on the lease commencement date, subject to adjustment based on the five-year LPR on 1 January every year during the lease term.

   If on any interest rate adjustment date, Yungang 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.

7. Upon the relevant Huadian Lessees having paid all the lease payments and other payables (if any) to Chengtong Financial Leasing in accordance with the terms of the relevant Huadian Sale and Leaseback Agreements, each of the relevant Huadian Lessees shall have the right to repurchase the relevant Huadian Leased Assets under each of the relevant Huadian Sale and Leaseback Agreements at a nominal consideration as set out in the above table.

The discount to the LPR applied to each of the Huadian Sale and Leaseback Arrangements was identical and was determined on an arm's length basis with reference to a comprehensive assessment of each of the Huadian Sale and Leaseback Arrangements, taking into account (i) the prevailing interest rate and the lease term within the new energy industry in the PRC; (ii) good operating condition of each Huadian Lessee with the strong support of their ultimate controlling shareholder, Huadian New Energy Group, whose credit rating is "AAA" with a stable outlook; (iii) satisfactory repayment track record of Huadian Lessees; and (iv) the type and value of the Huadian Leased Assets.

Given the fierce competition within the financing market in the PRC and based on the foregoing, the floating interest rate as determined at a discount to the prevailing five-year LPR from time to time falls within the range of the ordinary pricing policy of the Group for sale and leaseback arrangements conducted with state-owned enterprises with low credit risk profile engaging in new energy business

in recent years. It is considered that the discount is consistent with the Group's ordinary pricing policy and historical practice.

Based on the aforementioned, the Board considers the pricing policy in respect of the lease payment (including the interest rate) under each of the Huadian Sale and Leaseback Arrangements is on normal commercial terms and fair and reasonable.

Legal title

Chengtong Financial Leasing owns the legal title of the Huadian Leased Assets during the lease term.

Termination

Pursuant to the terms of the Huadian Sale and Leaseback Agreements, the Huadian Sale and Leaseback Arrangements may be terminated prior to the expiration of the lease term only upon mutual agreement in writing of the parties thereto.

Either Huadian Lessees or Chengtong Financial Leasing may request for early termination of the Huadian Sale and Leaseback Agreements. In case of a proposed early termination, the relevant department of Chengtong Financial Leasing will assess the internal rate of return with reference to the amount of outstanding lease principal and the accrued interest payable by the Huadian Lessee as at the proposed date for early repayment. Chengtong Financial Leasing will propose or approve the request for early termination only if the internal rate of return achievable upon early termination of the relevant Huadian Sale and Leaseback Arrangement is no less favourable than that under the respective full lease term. If such threshold is not satisfied, Chengtong Financial Leasing has the right to reject the request for early termination of the Huadian Sale and Leaseback Arrangement if it is proposed by the relevant Huadian Lessee.

In the event that Chengtong Financial Leasing approves the request by the relevant Huadian Lessee for early termination, a confirmation will then be signed by the parties upon termination to acknowledge and confirm that (i) the Final Payment and the nominal repurchase price have been received by Chengtong Financial Leasing in full and final settlement of all payment obligations of the relevant Huadian Lessee under the relevant Huadian Sale and Leaseback Arrangement; and (ii) the relevant Huadian Sale and Leaseback Agreements shall be terminated.

If the consent for early termination is withheld by Chengtong Financial Leasing, the relevant Huadian Sale and Leaseback Agreements shall remain in full force and effect, and the relevant Huadian Lessee will remain obliged to make payments in accordance with the relevant Huadian Sale and Leaseback Agreements during the remaining lease term.

Taking into consideration that, in the event of early termination of the relevant Huadian Sale and Leaseback Arrangement, (i) the internal rate of return achievable will be compared against, and ensured to be no less favourable than, that under the full lease term; and (ii) the funds recovered from the relevant Huadian Lessee can be utilised by the Group for other potential projects, the Directors are of the view that the terms in respect of early termination of the Huadian Sale and Leaseback Arrangement are on normal commercial terms and are fair and reasonable.

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 Group also has post-lease management measures in place and as part of these measures, following the execution of a sale and leaseback arrangement, relevant department of Chengtong Financial Leasing is responsible for reviewing the financial information of the lessee(s) and any security provider(s) and conducting telephone calls or video conference or site inspection (where appropriate) of not less than twice a year to ascertain any changes in the business information and financial condition of the lessee(s) and security provider(s), use of funds by the lessee(s) and source of funds for lease payments, condition of the leased assets and operating conditions of the lessee(s) and any security provider(s).

Regular review of financial information of the lessee(s) enables the Group to track the operating condition and cash flow position of the lessee(s) and therefore their ongoing repayment ability. Site inspection allows the Group to monitor the physical condition and value of the leased assets. Through review and inspection being conducted on a basis of not less than twice a year, it enables the Group to identify risks at an early stage and impose appropriate credit enhancement measure(s) in a timely manner to protect the interests of the Group and the Shareholders.

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

Information of the Huadian Lessees

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, and based on the information publicly available as at the date of the Huadian Sale and Leaseback Agreements and as at the Latest Practicable Date, (i) Wenshui, Datong, Yungang and Shuojing are directly or indirectly wholly-owned by

Huadian New Energy Group; and Yanggao is owned as to (a) 65% by Huadian New Energy Group; and (b) 35% by Zhejiang New Energy Investment Group Co., Ltd., whose A shares are listed on the Shanghai Stock Exchange (stock code: 600032.SH), which is ultimately controlled by SASAC of People's Government of Zhejiang Province; (ii) Huadian New Energy Group 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; and (iii) each of Yanggao, Shuojing, Wenshui, Datong and Yungang is principally engaged in the business of new energy power generation.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Yanggao, Shuojing, Wenshui, Datong, Yungang and their respective ultimate beneficial owners are Independent Third Parties.

Reasons for and Benefits of the Huadian Sale and Leaseback 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 entering into the Huadian Sale and Leaseback Arrangements is in the ordinary and usual course of business of Chengtong Financial Leasing and it is expected that Chengtong Financial Leasing will earn (i) an income of approximately RMB2.24 million (equivalent to approximately HK$2.60 million) under the Yanggao Arrangement; (ii) an income of approximately RMB2.12 million (equivalent to approximately HK$2.46 million) under the Shuojing Arrangement; (iii) an income of approximately RMB1.75 million (equivalent to approximately HK$2.03 million) under the Wenshui Arrangement; (iv) an income of approximately RMB3.05 million (equivalent to approximately HK$3.54 million) under the Datong Arrangement; and (v) an income of approximately RMB0.35 million (equivalent to approximately HK$0.41 million) under the Yungang Arrangement, each being the lease interest under the relevant Huadian Sale and Leaseback Arrangements.

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

Implications under the Listing Rules

Since (i) the Huadian Sale and Leaseback Agreements, the Xinte Arrangement, the Wengniuteqi Arrangement and the Previous Huadian Transactions are and were all entered into with the companies who are subsidiaries of or associated with China Huadian; and (ii) the Xinte Arrangement, the Wengniuteqi Arrangement and the Previous Huadian Transactions are still subsisting when the Huadian Sale and Leaseback Agreements were entered into, therefore the Huadian Sale and Leaseback Arrangements are aggregated with the Xinte Arrangement, the Wengniuteqi Arrangement and 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 Sale and Leaseback Arrangements (when aggregated with the Xinte Arrangement, the Wengniuteqi Arrangement and the Previous Huadian Transactions) exceeds 100%, the entering into of the Huadian Sale and Leaseback Arrangements constitutes very substantial acquisitions of the Company and are subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

III. MATERIAL LOAN CONFIRMATION

To the best of the directors' knowledge, information and belief having made all reasonable enquiry, 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 transaction); and (b) each lessee and each other counterparty (other than members of the Group) under the Sale and Leaseback Agreements, the Jinmei Agreements and the Leased Assets Transfer Agreements, their respective directors and legal representatives, and any of their respective ultimate beneficial owners who can exert influence on the relevant transaction.

IV. FINANCIAL EFFECTS OF THE TRANSACTIONS

As at 30 June 2026, the unaudited consolidated total assets of the Group amounted to approximately HK$14,274 million and the unaudited consolidated total liabilities of the Group amounted to approximately HK$11,186 million.

(i) The Sale and Leaseback Arrangements

Upon implementation of the Sale and Leaseback Arrangements, the Directors consider that there is no significant immediate change to the Group's net asset value, as the Sale and Leaseback Arrangements will be accounted for as secured loans and recognised as loan receivables of the Group in the amount of RMB538 million (equivalent to HK$624.08 million) (assuming that the purchase price under each of the Sale and Leaseback

Agreements is paid simultaneously) which will offset the decrease in the amount of bank balances and cash as a result of the payment of the respective purchase price by Chengtong Financial Leasing. A breakdown of the aforementioned loan receivables is set out below:

(a) RMB250 million (equivalent to HK$290 million) under the Dunde Arrangement;

(b) RMB13 million (equivalent to approximately HK$15.08 million) under the Xinte Arrangement;

(c) RMB30 million (equivalent to approximately HK$34.80 million) under the Wengniuteqi Arrangement;

(d) RMB45 million (equivalent to HK$52.20 million) under the Yanggao Arrangement;

(e) RMB60 million (equivalent to HK$69.60 million) under the Shuojing Arrangement;

(f) RMB50 million (equivalent to HK$58 million) under the Wenshui Arrangement;

(g) RMB80 million (equivalent to HK$92.80 million) under the Datong Arrangement; and

(h) RMB10 million (equivalent to HK$11.60 million) under the Yungang Arrangement.

As regards earnings, the Group would be entitled to recognise the interest income from the Sale and Leaseback Arrangements as additional income to the Group.

(ii) The Assignment and the Jinmei Arrangement

In respect of the Assignment and the Jinmei Arrangement, the Directors consider that there will be no significant immediate change to the Group's net asset value, as the underlying Jinmei Arrangement will be accounted for as secured loans and recognised as loan receivables of the Group in the amount of RMB300 million (equivalent to HK$348 million) which will offset the decrease in the amount of bank balances and cash as a result of the payment of the Consideration to the Transferor.

As regards earnings, based on the preliminary assessment, if the Jinmei Arrangement is not early terminated, it is expected that the Group will record a gain of approximately RMB25.38 million (equivalent to approximately HK$29.44 million) from the Jinmei Arrangement, being the outstanding lease interest under the Jinmei Arrangement as at the date of the Leased Assets Transfer Agreements minus the lease interest accrued from the relevant date of the Jinmei Agreements to the Transfer Date payable by Jinmei to the Transferor (assuming the actual Transfer Date is 27 November 2026 (the date of the GM)).

Save as disclosed above, the Assignment and the Jinmei Arrangement are not expected to have any material impact on the assets and liabilities and the earnings of the Group. The final financial impact on the Group will be subject to the final audit to be performed by the auditors of the Company.

V. GM AND CLOSURE OF REGISTER OF MEMBERS

The GM will be held on Friday, 27 November 2026 at 10:00 a.m. at 22/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong for the purpose of considering and, if thought fit, approving (i) the Sale and Leaseback Agreements and the Sale and Leaseback Arrangements contemplated thereunder; and (ii) the Leased Assets Transfer Agreements and the Assignment. The notice of the GM is set out on pages GM-1 to GM-6 of this circular.

The record date for determining the entitlement of the Shareholders to attend and vote at the GM will be Friday, 27 November 2026 and the register of members of the Company will be closed from Tuesday, 24 November 2026 to Friday, 27 November 2026, both days inclusive, during which period no transfer of Shares will be registered. In order to be entitled to attend and vote at the GM, all completed share transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 23 November 2026.

VI. VOTING BY POLL

At the GM, resolutions will be proposed by the Company to seek the Shareholders' approval on (i) the Sale and Leaseback Agreements and the Sale and Leaseback Arrangements contemplated thereunder; and (ii) the Leased Assets Transfer Agreements and the Assignment.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder or any of his/her/its close associate(s) has any material interest in the Sale and Leaseback Agreements and the Sale and Leaseback Arrangements contemplated thereunder, the Leased Assets Transfer Agreements and the Assignment. Thus, no Shareholder is required to abstain from voting on the resolutions approving the Sale and Leaseback Agreements and the Sale and Leaseback Arrangements contemplated thereunder, the Leased Assets Transfer Agreements and the Assignment.

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

VII. RECOMMENDATION

The Directors, having considered the terms of, the reasons for and benefits of each of the Sale and Leaseback Arrangements and the Assignment, are of the view that the terms of the foregoing are fair and reasonable. The Directors consider that the entering into each of the Sale and Leaseback Agreements and the Leased Assets Transfer Agreements is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolutions approving (i) the Sale and Leaseback Agreements and the Sale and Leaseback Arrangements contemplated thereunder; and (ii) the Leased Assets Transfer Agreements and the Assignment to be proposed at the GM.

VIII. ADDITIONAL INFORMATION

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

On behalf of the Board
China Chengtong Development Group Limited
Zhao Peng
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for the three financial years ended 31 December 2023, 31 December 2024, 31 December 2025 and for the six months ended 30 June 2026 have been set out in the following documents respectively:

(a) 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);

(b) 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);

(c) the annual report of the Company for the year ended 31 December 2025 from pages 66 to 172 (https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0424/2026042403944.pdf); and

(d) the interim report of the Company for the six months ended 30 June 2026 from pages 4 to 30 (https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0925/2026092500391.pdf).

2. INDEBTEDNESS OF THE GROUP

As at the close of business on 30 September 2026, 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$5,289.23 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$585.30 million; (iii) unsecured and unguaranteed corporate bonds of HK$1,174.07 million; (iv) secured and guaranteed asset-backed securities of approximately HK$2,126.56 million which are secured by charges over loan receivables of the Group and guaranteed by the ultimate holding company; (v) unsecured and unguaranteed loans from related parties of approximately HK$275.63 million; and (vi) unsecured and unguaranteed lease liabilities of approximately HK$6.72 million.

As at the close of business on 30 September 2026, the Group had contingent liabilities in relation to guarantees of approximately HK$66.01 million given to banks in respect of mortgage loans granted to purchasers of certain property units.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business, the Group did not have any other debt securities issued and outstanding or authorised or otherwise created but unissued, term loans, other borrowings or indebtedness in the nature of borrowing, mortgages or charges, contingent liabilities or guarantees as at 30 September 2026.

3. WORKING CAPITAL SUFFICIENCY OF THE GROUP

The Directors are of the opinion that, after taking into account the effects of the Sale and Leaseback Arrangements and the Assignment, 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 PROSPECT 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.

Regarding leasing operations, firstly, the Group will continue to adhere to a prudent, risk-first investment strategy, continuously optimizing its full-process risk management system covering pre-lease, during-lease, and post-lease phases. While ensuring asset security, the Group will enhance operational efficiency to achieve steady business performance. Secondly, in business expansion, the Group will closely align with national strategic priorities, focusing on core sectors such as major energy, major transportation, new equipment, and new infrastructure. Assets will be scientifically allocated based on industry development and actual demand to enhance asset quality and operational performance. Thirdly, in capital management, the Group will continue to expand diversified financing channels, deepen cooperation with major financial institutions, leverage issuance windows for bonds and asset securitization programs, further optimize financing structures, and effectively reduce funding costs to provide robust support for steady business growth. Simultaneously, the Group will accelerate digital transformation, drive information system upgrades and enhance data application capabilities. The Group will strengthen technological empowerment for business expansion, customer management, and risk monitoring, continuously elevating the level of informatization and refined management.

Regarding property development and investment operations, the Group will continue to advance sales and inventory clearance for existing projects, accelerate capital recovery, enhance asset turnover efficiency, and optimize resource allocation in a timely manner to support the sustained development of its core leasing business.

Regarding marine recreation services and hotel operations, the Group will continue to optimize the operational management of existing businesses, enrich its product portfolio, expand diversified business models, and further enhance operational efficiency.

5. MATERIAL ADVERSE CHANGE

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 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

6. MANAGEMENT DISCUSSION AND ANALYSIS

Set out below is the management discussion and analysis of the Group for each of the three years ended 31 December 2023, 2024, 2025 and the six months ended 30 June 2026.

For the year ended 31 December 2023

For the year ended 31 December 2023, the Group recorded a consolidated revenue of approximately HK$740.01 million, representing a decrease of 42% as compared to that for the year ended 31 December 2022. In the year ended 31 December 2023, the Group continued its impressive expansion in the leasing business and had led to a remarkable increase in the segment revenue from both finance lease and operating lease, which represented an overall increase of 46% as compared to the previous year. The total leasing revenue for the year ended 31 December 2023 accounted for 82% of the Group's total revenue. As a result of the Group's further shifting of its business focus to leasing, the contribution of the total revenue from other business segments to the total revenue dropped to 18%. During the year ended 31 December 2023, the revenue from bulk commodity trade dropped significantly due to the suspension of bulk commodity trade business in early 2023; the property market in the PRC remained sluggish but the segment's revenue was relatively stable as compared to that of the year ended 31 December 2022; the marine recreation services and hotel business demonstrated improved performance and a recovery from the impacts of the COVID-19 pandemic.

As at 31 December 2023, the Group's financial position remained stable and robust. The equity attributable to owners of the Company stood at approximately HK$2,855.04 million and represented a decrease of 2% from approximately HK$2,926.93 million recorded as at 31 December 2022. The decline was primarily caused by the depreciation of RMB during the year ended 31 December 2023.

The total equity of the Group as at 31 December 2023 was approximately HK$2,860.10 million. As at 31 December 2023, the Group's total assets moderately increased to approximately HK$10.57 billion, representing a rise of 6% as compared to the total assets of approximately HK$10.01 billion as at 31 December 2022. Current assets constituted 47% of the total assets, with leasing receivables being the largest component of the assets, accounted for 84% of the total assets. The Group increased its total liabilities to approximately HK$7,710.09 million or by 9% as at 31 December 2023 from approximately HK$7,074.49 million as at 31 December 2022. The Group obtained further external financing such as issuance of ABS and bank borrowings in the PRC to support the growth

of the leasing business. The current and non-current portions of the total liabilities were 53% and 47% respectively. The current ratio as at 31 December 2023 was 1.21 times, indicating the Group had sufficient liquidity and a favorable solvency position.

As at 31 December 2023, the Group had cash and deposits (including pledged bank deposits, and bank balances and cash) of approximately HK$710.55 million, which were primarily denominated in RMB. Other cash and deposits were denominated in HKD and USD. The cash and deposits accounted for 7% of the total assets.

As at 31 December 2023, the bank borrowings of the Group amounted to approximately HK$3,747.90 million, represented a rise of 18% from that of the year ended 31 December 2022. During the year ended 31 December 2023, the Group has maintained a rather steady profile in respect of the bank borrowings in the PRC to finance the development of leasing business. As at 31 December 2023, about HK$3,247.90 million or 87% of the Group's total bank borrowings were denominated in RMB with repayment due dates ranging from 2024 to 2027. The remaining balance of HK$500 million was a bank loan denominated in HKD. The HKD bank loan was matured in June 2024. Among the RMB-denominated bank borrowings of approximately HK$3,247.90 million, approximately HK$958.63 million was based on fixed interest rates and approximately HK$2,289.28 million was based on floating interest rates. The HKD-denominated bank borrowings of HK$500 million were based on floating interest rates. The effective annual interest rates of the bank borrowings in 2023 ranged from 2.70% to 6.75%.

As the Group further developed and expanded the leasing business, the Group's financial structure was slightly changed and resulted in an increase in leverage in 2023. The debt to equity ratio and debt to asset ratio were 2.42 times and 0.66 times respectively as at 31 December 2023.

For the year ended 31 December 2024

For the year ended 31 December 2024, the Group recorded a consolidated revenue of approximately HK$552.6 million, representing a decrease of 25% as compared to that for the year ended 31 December 2023. In the year ended 31 December 2024, the Group has adopted a prudent strategy in the operation of its core leasing business to mitigate the overall risk associated with fluctuating interest rates, rising concerns on global inflation, geopolitical tensions and economic growth. The segmental revenue from the Group's leasing business decreased by 29% from the year ended 31 December 2023 and accounted for approximately 78% of the consolidated revenue while the revenue from the other two business segments showed little fluctuation and was maintained approximately at the same level over the two consecutive financial years.

As the Group's leasing business slowed down during the year ended 31 December 2024, both the Group's total assets and liabilities declined. Notwithstanding this, the Group continued to maintain sound financial position. As at 31 December 2024, the equity attributable to owners of the Company amounted to approximately HK$2,764.34 million

and represented a decrease of 3% from approximately HK$2,855.04 million recorded as at 31 December 2023. The decline was primarily caused by the depreciation of RMB against HKD during the year ended 31 December 2024.

The total equity of the Group as at 31 December 2024 was approximately HK$2,769.51 million. As at 31 December 2024, the Group's total net assets were slightly reduced by 3% from 31 December 2023 to approximately HK$2,769.51 million which was mainly due to the impact of RMB depreciation against HK$. As at 31 December 2024, the Group's total assets stood at approximately HK$8,377.37 million, representing a decrease of 21% as compared to the total assets of approximately HK$10.57 billion as at 31 December 2023. Current assets constituted 54% of the total assets, while leasing receivables remained the largest component of the assets, constituting 78% of the total assets. At the same time, the Group's total liabilities also shrank to approximately HK$5,607.86 million, decreased by 27% as at 31 December 2024 from approximately HK$7,710.09 million as at 31 December 2023. During the year ended 31 December 2024, the Group recovered the matured leasing receivables and applied the proceeds to repay external financing such as ABS and bank borrowings. The current and non-current portion of the total liabilities was 63% and 37% respectively. The current ratio (calculated as total current assets divided by total current liabilities) as at 31 December 2024 was 1.28 times, indicating the Group had sufficient liquidity and healthy solvency position. In addition, the Group had ample of standby credit facilities in place as at 31 December 2024 to enhance the liquidity when needed.

As at 31 December 2024, the Group had cash and deposits (including pledged bank deposits, and bank balances and cash) of approximately HK$1,033.80 million, which accounted for 12% of the total assets. The majority of the Group's cash and deposits were denominated in RMB, while the rest were denominated in HKD and United States dollars.

As at 31 December 2024, the bank borrowings of the Group reduced by 31% from that as at 31 December 2023 and amounted to approximately HK$2,593.11 million. All of the Group's bank borrowings were denominated in RMB with repayment due dates ranging from 2025 to 2028. Among the bank borrowings, approximately HK$2,466.09 million were based on floating interest rates and approximately HK$127.02 million were based on fixed interest rates. The effective annual interest rates of the bank borrowings for the year ended 31 December 2024 ranged from approximately 2.65% to 4.70%. As at 31 December 2024, the total outstanding balance of the ABS were approximately HK$2,136.28 million.

As the Group diligently optimised and fine-tuned its leasing business scale, the Group's financial structure was changed and resulted in a decrease in leverage in the year ended 31 December 2024. The debt to equity ratio and debt to asset ratio were 1.77 times and 0.59 times respectively as at 31 December 2024.

For the year ended 31 December 2025

For the year ended 31 December 2025, the Group recorded a consolidated revenue of approximately HK$579.0 million, representing an increase of 5% as compared to that for the year ended 31 December 2024, primarily driven by accelerated delivery progress of the CCT-Champs-Elysees project under the property development and investment segment, which led to a significant growth of 54% in the revenue of this segment to HK$137.58 million. Such growth mainly reflects increased revenue recognition from the concentrated delivery of properties sold during the year. In 2025, China's financial leasing industry entered a period of profound adjustment characterized by stringent regulation, rigorous compliance, and a return to fundamentals. Overall, the industry exhibited a development trajectory marked by slowing growth, structural optimization, and quality enhancement, gradually transitioning from scale expansion to high-quality development. The industry faced challenges including rising compliance costs and narrowing interest margins. The revenue of the leasing business for the year decreased by 4% compared to 2024, primarily due to the settlement of several projects from previous years during the current year. Although the investment amount of new projects increased substantially during the year, they were mainly concentrated in the second half, and the related projects have not yet entered a full annual interest calculation period.

During the year, the Group continued to advance the development of its finance leasing business, intensifying efforts to deploy capital into high-quality projects, resulting in a significant increase in new deployments for the full year. As new projects were primarily concentrated on year-end deployments, the interest income contribution from related leased assets in the year ended 31 December 2025 was limited while certain previously deployed finance leasing projects were settled during the current year. As a result, revenue from the leasing operation segment decreased by 4% to HK$412.58 million.

During the year ended 31 December 2025, the property development and investment segment recorded revenue of approximately HK$137.58 million, representing an increase of about 54% compared to the year ended 31 December 2024. This growth was primarily driven by the accelerated delivery progress of the CCT-Champs-Elysees project, which significantly boosted property sales revenue. Property sales revenue for the year ended 31 December 2025 amounted to approximately HK$135.79 million, marking an increase of about 55% over the year ended 31 December 2024.

Revenue for the marine recreation services and hotel segment amounted to approximately HK$28.84 million, representing a decrease of 12% over the year ended 31 December 2024. This decline was primarily attributable to challenges faced by the Company in Hainan's increasingly diversified tourism market, coupled with the phased impact of extreme weather conditions on marine recreation operation.

The total equity as at 31 December 2025 was approximately HK$2,946.10 million. The Group's total net assets increased by 6% from approximately HK$2,769.51 million as at 31 December 2024 to approximately HK$2,946.10 million as at 31 December 2025,

which was mainly due to the impact of RMB appreciation against HKD. As the leasing operation of the Group recorded rapid growth during the year ended 31 December 2025, there was a notable growth in the total assets and liabilities of the Group. Specifically, as at 31 December 2025, the Group's total assets stood at approximately HK$12,385.47 million, representing a significant increase of 48% from the end of the previous year. Current assets constituted 61% of the total assets, while Leasing Receivables remained the largest component of the assets, constituting 85% of the total assets.

Meanwhile, as at 31 December 2025, the Group's total liabilities amounted to approximately HK$9,439.37 million, representing an increase of 68% from the end of the previous year. The increase in total liabilities resulted from a rise in total borrowings to support the expansion of leasing operations. Among the total liabilities, the ratios of the current and non-current portion were 49% and 51% respectively.

As at 31 December 2025, the Group had cash and deposits (including pledged bank deposits, and bank balances and cash) of approximately HK$1,057.04 million, which accounted for 9% of the total assets. The majority of the Group's cash and deposits were denominated in RMB, while the rest were denominated in HKD and USD.

As at 31 December 2025, the bank borrowings of the Group increased by 102% from the previous year and amounted to approximately HK$5,243.98 million. All of the Group's bank borrowings were denominated in RMB with repayment due dates ranging from 2026 to 2030. Among the bank borrowings, approximately HK$785.97 million were based on floating interest rates and approximately HK$4,458.01 million were based on fixed interest rates. The effective annual interest rates of the bank borrowings in FY2025 ranged from approximately 2.80% to 4.81%. As at 31 December 2025, the total outstanding balance of the ABS was approximately HK$2,326.45 million.

As the Group's leasing business has grown, the financial structure of the Group has undergone changes. As at 31 December 2025, the debt-to-equity ratio (as calculated by dividing total interest bearing loans by total equity) and debt-to-asset ratio were 3.07 times and 0.73 times respectively. Due to the increase in the Group's profit before tax for the year and the decrease in finance costs, the interest coverage ratio (as calculated by dividing consolidated profit before tax and finance costs by finance costs) increased significantly to 10 times, suggesting that the Group maintained sufficient funds to meet its interest payment obligation.

For the six months ended 30 June 2026

During the six months ended 30 June 2026 ("**1H2026**"), the consolidated revenue was approximately HK$339.25 million, which represented an increase of 65% as compared to that of the six-month period ended 30 June 2025 ("**1H2025**"). The gross profit and net interest income and the profit attributable to the shareholders for 1H2026 showed an increase of 56% and 343% respectively from 1H2025.

During 1H2026, the Group's revenue increased by 65% compared with 1H2025, mainly due to continued leasing business disbursements, which drove significant growth in average interest-earning assets, while the revenue of the leasing segment increased by 49% compared with the corresponding period of last year. Additionally, property development and investment business accelerated delivery progress and the sales of property inventory with revenue for 1H2026 increasing by 413% compared with the corresponding period of last year. Meanwhile, due to expansion of business scale, the consolidated cost of sales increased by 71% to approximately HK$214.99 million and was basically in line with the growth rate of revenue. During IH2026, the consolidated gross profit and net interest income increased by 56% to approximately HK$124.25 million. The overall gross profit margin was 37% and represented a slight decrease from that of 1H2025.

The segment results of the leasing business for 1H2026 increased by approximately 71% to approximately HK$78.89 million, primarily driven by the growth in gross profit. The disposal of operating lease assets from certain projects during 1H2026 contributed to an increase in other income.

During 1H2026, revenue from the property development and investment segment increased significantly by 413% as compare to 1H2025. The segment results turned from a loss of approximately HK$2.70 million in 1H2025 to a profit of approximately HK$7.38 million, mainly due to a significant increase in delivered floor area and a further reduction in unsold floor area during the period. As at 30 June 2026, the completed and unsold area of the project included residential and commercial space of approximately 3,659 square meters (as at 31 December 2025: approximately 14,956 square meters). In addition, the average selling price per square meter of the residential area of the project for 1H2026 declined slightly to approximately RMB4,363 from approximately RMB4,800 in 1H2025. The Group will strive to complete the sales of the project in the following years as soon as possible.

The Group operated its marine recreation services and hotel business in Hainan Province, the PRC. In 1H2026, segment revenue for the Group's marine recreation services and hotel business increased by 19% from 1H2025 and segment loss narrowed by 83%.

During 1H2026, with ongoing business disbursements, the Company recorded a growth in its assets. As at 30 June 2026, the total assets of the Group increased by 15% to approximately HK$14,273.91 million, with 49% representing current portion. Leasing receivables remained the largest component, constituting 83% of the total assets. Concurrently, the Group's total liabilities increased by 19% from 31 December 2025 to approximately HK$11,186.01 million as at 30 June 2026, and the gearing level increased slightly. The current and non-current portions of total liabilities were 56% and 44% respectively as at 30 June 2026.

The current ratios (calculated as total current assets divided by total current liabilities) as at 30 June 2026 and 31 December 2025 were approximately 1.11 times and 1.63 times respectively. The Group's leasing business has a strong customer base with low default risk

and stable cash flow which enables the Group to meet its short-term payment obligations. Furthermore, the Group had ample credit facilities in place, which will enable the Group to steadily grow its businesses while preserving its liquidity.

As at 30 June 2026, the Group had cash and deposits (including pledged bank deposits, and bank balances and cash) of approximately HK$1,681.59 million, accounting for 12% of total assets. The cash and deposits held by the Group were primarily denominated in RMB with a minority portion denominated in HKD and USD.

As at 30 June 2026, the Group's total debts increased by 21% to approximately HK$10,910.83 million when compared with approximately HK$9,054.26 million as at 31 December 2025. The total borrowings as at 30 June 2026 mainly comprised bank borrowings, ABS, corporate bonds, lease liabilities and loans from related parties. All the Group's borrowings were denominated in RMB. During the period, the Group continued to expand its financing channels based on business development and funding requirements, maintaining a robust overall financing structure and liquidity.

As at 30 June 2026, the Group's bank borrowings comprised RMB-denominated bank borrowings of approximately HK$6,834.79 million. Among the bank borrowings, approximately HK$2,351.94 million were based on floating interest rates and approximately HK$4,482.85 million were based on fixed interest rates.

As at 30 June 2026, the bank borrowings bore contractual annual interest rates ranging from 2.19% to 3.90% and repayment due dates ranged from 2026 to 2030. The priority class ABS had coupon rates ranging from 1.55% to 2.98% per annum and the expected maturity dates ranged from January 2027 to April 2030. The corporate bonds carried coupon rates ranging from 2.1% to 2.15% per annum and are expected to be repaid in January 2027 and June 2027, respectively. The loans from related parties bore fixed interest rate, of which approximately HK$175 million was repayable in March 2027 and approximately HK$111.78 million was repayable in November 2026.

As the Group increased bank borrowings to finance its leasing business, the total debts increased during 1H2026, thus increasing the debt to equity ratio (calculated as dividing total interest-bearing loans by total equity) to 3.53 times and debt to asset ratio (calculated as dividing total interest-bearing loans by total assets) to 0.76 times accordingly. During 1H2026, the interest coverage ratio (calculated as dividing consolidated profit before tax and finance costs (EBIT) by finance costs) was 19 times which indicated that the Group had a comfortable buffer to meet its interest payment obligation securely.

Funding and Treasury Policies

The business activities and operation of the Group were mainly carried out in mainland China and Hong Kong, with transactions denominated in RMB, HKD and the USD, which exposed the Group to foreign currency risks. As at 31 December 2023, 2024, 2025 and 30 June 2026, the Group had bank borrowings denominated in RMB, and/or HKD

with a total of approximately HK$3,747.90 million, HK$2,593.11 million, HK$5,243.98 million and HK$6,834.79 million, respectively, which were based on fixed and floating interest rates, thereby exposing the Group to interest rate risk.

The Group does not take any hedging measures against the aforementioned risks but will closely monitor the movements of interest rates and foreign currency exchange rate, and will use interest rate and foreign currency swaps and forward foreign exchange contracts for risk management and hedging purposes, where appropriate, with a view to managing the Group's exposure to those risks. The Group has adopted a conservative treasury policy and will not enter any derivative financing transactions for speculative purposes. It is also the Group's policy not to invest in financial products with significant underlying leverage or derivative exposure, including hedge funds or similar instruments.

The Group would, where appropriate, use interest rate and foreign currency swaps and forward foreign exchange contracts for risk management and hedging purposes with a view to managing the Group's exposure to interest rate and foreign exchange rate fluctuations. It was the Group's policy not to enter into derivative financing transactions for speculative purposes. It was also the Group's policy not to invest in financial products with significant underlying leverage or derivative exposure, including hedge funds or similar instruments. The Group would also continue to closely monitor the risks arising from interest rate changes and apply appropriate hedging strategies to mitigate the interest rate risks caused by the debt instruments which are based on floating interest rates.

Foreign Exchange Risk

During the years ended 31 December 2023, 2024 and 2025 and six months ended 30 June 2026, the Group's businesses were principally conducted in RMB, while most of the Group's assets and liabilities were denominated in HKD and RMB. Any fluctuation in the exchange rate of HKD against RMB may have an impact on the Group's results. As at 31 December 2023, 2024 and 2025 and 30 June 2026, the net assets of the Group's business in the PRC were approximately RMB2,888.69 million, RMB2,950.81 million, RMB3,118.87 million and RMB2,873.04 million, respectively. According to the Hong Kong Accounting Standards, such amount of net assets denominated in RMB would be converted into HKD at the exchange rate applicable as at the end of the respective reporting periods. The Group's foreign exchange reserve decreased respectively by approximately HK$81.81 million and HK$108.29 million as at 31 December 2023 and 2024, respectively and increased by approximately HK$127.52 million and HK$119.93 million as at 31 December 2025 and 30 June 2026 respectively. During the years ended 31 December 2023, 2024, 2025 and six months ended 30 June 2026, the Group did not have any hedging measures against foreign exchange risks. However, the Group would continue to closely monitor the possible risks arising from currency fluctuations.

Pledge of Assets

For the year ended 31 December 2023

As at 31 December 2023, the Group's pledged bank deposits amounted to approximately HK$11.97 million, representing a decrease of 81% from the balance of approximately HK$61.71 million as at 31 December 2022. The pledged bank deposits mainly included approximately HK$9.31 million pledged as security for certain bills payables for leasing business, and approximately HK$2.56 million pledged as security for banking facilities granted to mortgagors of the CCT-Champs-Elysees project.

As at 31 December 2023, the leasing receivables of the Group with an aggregate carrying value of approximately HK$6,776.88 million were charged as security for the Group's ABS and bank borrowings with carrying amounts of approximately HK$3,006.22 million and HK$2,915.40 million respectively.

For the year ended 31 December 2024

As at 31 December 2024, the Group's pledged bank deposits amounted to approximately HK$2.63 million. The pledged bank deposits as at 31 December 2024 mainly included approximately HK$2.47 million pledged as security for banking facilities granted to mortgagors of the CCT-Champs-Elysees project.

As at 31 December 2024, leasing receivables with an aggregate carrying value of approximately HK$2,636.19 million and trade receivables under operating lease business with carrying amount of approximately HK$123,000 were charged as security for the Group's bank borrowings with carrying amount of approximately HK$2,286.12 million. Leasing receivables with an aggregate carrying value of approximately HK$2,074.85 million and trade receivables under operating lease business with carrying amount of approximately HK$1.19 million were charged as security for the Group's ABS with carrying amount of approximately HK$2,136.28 million.

For the year ended 31 December 2025

As at 31 December 2025, the Group's pledged bank deposits amounted to approximately HK$2.76 million. As at 31 December 2025, the pledged bank deposits mainly included approximately HK$2.58 million pledged as security for banking facilities granted to mortgagors of the CCT-Champs-Elysees project. As at 31 December 2025, no bank deposit was pledged as security for bills payables for leasing business.

As at 31 December 2025, leasing receivables with an aggregate carrying value of approximately HK$5,671 million and trade receivables under operating lease business with carrying amount of approximately HK$315,713 were charged as security for the Group's bank borrowings with carrying amount of approximately HK$5,081.79 million.

Leasing receivables with an aggregate carrying value of approximately HK$2,902.47 million and trade receivables under operating lease business with carrying amount of approximately HK$1.71 million were charged as security for the Group's ABS with carrying amount of approximately HK$2,322.10 million.

For the six months ended 30 June 2026

As at 30 June 2026, the Group's pledged bank deposits amounted to approximately HK$2.87 million. Approximately HK$2.68 million of the said pledged bank deposits represented the security for banking facilities granted to mortgagors of the CCT-Champs-Elysees project.

As at 30 June 2026, leasing receivables with an aggregate carrying value of approximately HK$7,151.60 million and trade receivables under operating lease business with carrying amount of approximately HK$6.17 million were charged as security for the Group's bank borrowings with carrying amount of approximately HK$5,940.54 million.

Leasing receivables with an aggregate carrying value of approximately HK$3,131.76 million and no trade receivables under operating lease business were charged as security for the Group's ABS with carrying amount of approximately HK$2,621.58 million.

Contingent Liabilities and Capital Commitments

Contingent Liabilities

As at 31 December 2023, 2024, 2025 and 30 June 2026, the Group had contingent liabilities in relation to guarantees of approximately HK$233.12 million, HK$230.47 million, HK$82.63 million and HK$65.39 million, respectively, given to banks in respect of mortgage loans granted to purchasers of certain property units of CCT-Champs-Elysees project.

As at 31 December 2023, 2024, 2025 and 30 June 2026, the Group was not involved in any litigation or arbitration of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against the Group.

Capital commitments

As at 31 December 2023 and 2024, the Group's capital commitments consisted of purchase of property, plant and equipment, which will be funded by its internal resources. As at 31 December 2025 and 30 June 2026, the Group did not have any capital commitment.

	At 30 June	At 31 December		
	2026	2025	2024	2023
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Contracted but not provided for:				
Purchase of property, plant and equipment	–	–	135	140

Operating lease arrangement – where the Group as a lessor

The Group has contracted with tenants for the following future minimum lease receivables:

Investment Properties	**At 30 June 2026**	**2025**	**2024**	**2023**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	1,664	1,785	1,155	1,452
Later than one year and not later than two years	1,113	1,601	265	275
Later than two years and not later than three years	–	263	–	–
	2,777	3,649	1,420	1,727

For the years ended 31 December 2023, 2024 and 2025, leases for investment properties were negotiated for terms ranging from three (3) to ten (10) years. For the six months ended 30 June 2026, leases for investment properties were negotiated for terms of three (3) years.

Machineries and equipment	At 30 June 2026	2025	2024	2023
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	59,221	120,351	80,447	125,684
Later than one year and not later than two years	30,779	30,442	–	–
Later than two years and not later than three years	28,899	28,711	–	–
Later than three years and not later than four years	27,092	26,939	–	–
Later than four years and not later than five years	25,149	25,102	–	–
After five years	97,546	105,537	–	–
	268,686	337,082	80,447	125,684

For the years ended 31 December 2023 and 2024, leases for machineries and equipment are negotiated for terms of one (1) year. For the years ended 31 December 2025 and for the six months ended 30 June 2026, leases for machineries and equipment are negotiated for terms ranging from one (1) to twelve (12) years.

Significant Investments

The Group had no significant investment exceeding 5% of the total asset value of the Group as at 31 December 2023, 2024, 2025 and 30 June 2026.

Material Acquisitions, Disposals and Future Plans for Material Investments or Capital Assets

For the years ended 31 December 2023, 2024, 2025 and for the six months ended 30 June 2026, the Group did not conduct any material acquisitions or disposals of subsidiaries, associates and joint ventures, and did not have any future plans for other material investments or capital assets.

Human Resources and Emolument Policy

As at 31 December 2023, 2024, 2025 and 30 June 2026, the Group employed a total of 253, 230, 209 and 202 full-time and part-time employees, respectively. Employee's remunerations are determined in accordance with their experiences, competence, qualifications, nature of duties, and prevailing market trend. Apart from basic salary, discretionary bonus and other incentives may be offered to employees of the Group to reward their performance and contributions. The emoluments of the Directors were determined having regard to the Company's corporate goals, the roles and duties of the

Directors in the Group as well as in the group members of the Company's ultimate holding company.

The Company had a share option scheme ("**Share Option Scheme**") under which the Company might grant options to the directors and eligible employees of the Group to subscribe for shares of the Company. The Share Option Scheme expired on 26 June 2023.

For the years ended 31 December 2023, 2024, 2025 and for the six months ended 30 June 2026, the Group provided or subsidised various training programmes and courses to its employees according to business needs, to ensure that its employees were kept updated with the relevant laws, regulations and guidelines, such as the Listing Rules, accounting standards, risk management knowledge, labour regulations and employees' code of conduct.

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**	**Class of shares**	**Number of shares held**	**Approximate percentage of the issued share capital as at the Latest Practicable Date** *(Note)*
Ms. Bai Chunrui	The Company	Beneficial owner	Ordinary shares	292,000	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 interest or short position in the shares, underlying shares and 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**	**Class of shares**	**Number of Shares held**	**Approximate percentage of the issued share capital of the Company as at the Latest Practicable Date** *(Note 2)*
CCHK	Beneficial owner *(Note 1)*	Ordinary shares	3,169,656,217	53.14%
CCHG	Interest in controlled corporation *(Note 1)*	Ordinary shares	3,169,656,217	53.14%

Notes:

1. The entire issued share capital of CCHK is beneficially owned by CCHG. Under the SFO, CCHG is deemed to be interested in all the shares held by CCHK.

2. Rounded up to 2 decimal places.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, there was no other person, other than the Directors and chief executive of the Company, who had any interests or short positions in the shares or underlying shares 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) Mr. Zhao Peng, an executive Director and the Chairman of the Board, was the deputy general manager of CCHK; and (ii) Ms. Bai Chunrui, an executive Director, was a General Counsel of CCHK, the general manager of the Legal and Compliance Department of CCHK and a director of several subsidiaries 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 2025, 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 following documents 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:

(a) the Dunde Agreements;

(b) the Leased Assets Transfer Agreements;

(c) the Jinmei Agreements;

(d) the Xinte Agreements;

(e) the Xinte Leased Assets Valuation Report;

(f) the Wengniuteqi Agreements;

(g) the Wengniuteqi Leased Assets Valuation Report;

(h) the Yanggao Agreements;

(i) the Shuojing Agreements;

(j) the Wenshui Agreements;

(k) the Datong Agreements; and

(l) the Yungang Agreements.

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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 217)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that the general meeting ("**Meeting**") of China Chengtong Development Group Limited ("**Company**", together with its subsidiaries, the "**Group**") will be held at 22/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong on Friday, 27 November 2026 at 10:00 a.m. to consider and, if thought fit, pass, with or without modifications, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

1. "**THAT**

   (a) the Dunde Agreements (as defined in the circular of the Company dated 11 November 2026) all dated 20 October 2026 (copies of which are tabled at the Meeting and marked "A" and initialled by the chairman of the Meeting for identification purpose) and entered into between Chengtong Financial Leasing Company Limited ("**Chengtong Financial Leasing**"), an indirect wholly-owned subsidiary of the Company, as lessor and Bazhou Dunde Mining Co., Ltd., as lessee be and are hereby approved, confirmed and ratified;

   (b) the transactions contemplated under the Dunde Agreements be and are hereby approved; and

   (c) any one of the directors of the Company be and is hereby authorised to do all such acts and things and to sign and execute all such documents, instruments, agreements or deeds on behalf of the Company as he/she considers necessary, appropriate, desirable and expedient for the purposes of giving effect to or in connection with the Dunde Agreements and all transactions contemplated thereunder, and to agree to such variation, amendments or waiver or matters relating thereto as are, in the opinion of such director, in the interests of the Company and its shareholders as a whole."

2. "**THAT**

(a) the Leased Assets Transfer Agreements (as defined in the circular of the Company dated 11 November 2026) all dated 22 October 2026 (copies of which are tabled at the Meeting and marked "B" and initialled by the chairman of the Meeting for identification purpose) and entered into between Coking Coal Financial Leasing Co., Ltd., as transferor and Chengtong Financial Leasing as transferee be and are hereby approved, confirmed and ratified;

(b) the transactions contemplated under the Leased Assets Transfer Agreements (including but not limited to the Jinmei Arrangement (as defined in the circular of the Company dated 11 November 2026)) be and are hereby approved;

(c) any one of the directors of the Company be and is hereby authorised to do all such acts and things and to sign and execute all such documents, instruments, agreements or deeds on behalf of the Company as he/she considers necessary, appropriate, desirable and expedient for the purposes of giving effect to or in connection with the Leased Assets Transfer Agreements and all transactions contemplated thereunder, and to agree to such variation, amendments or waiver or matters relating thereto as are, in the opinion of such director, in the interests of the Company and its shareholders as a whole."

3. "**THAT**

(a) the Xinte Agreements (as defined in the circular of the Company dated 11 November 2026), all dated 21 October 2026 (copies of which are tabled at the Meeting and marked "C" and initialled by the chairman of the Meeting for identification purpose) and entered into between Chengtong Financial Leasing as lessor and Xinjiang Huadian Xinte Energy Co., Ltd. as lessee be and are hereby approved, confirmed and ratified;

(b) the transactions contemplated under the Xinte Agreements be and are hereby approved;

(c) any one of the directors of the Company be and is hereby authorised to do all such acts and things and to sign and execute all such documents, instruments, agreements or deeds on behalf of the Company as he/she considers necessary, appropriate, desirable and expedient for the purposes of giving effect to or in connection with the Xinte Agreements and all transactions contemplated thereunder, and to agree to such variation, amendments or waiver or matters relating thereto as are, in the opinion of such director, in the interests of the Company and its shareholders as a whole."

4. "**THAT**

(a) the Wengniuteqi Agreements (as defined in the circular of the Company dated 11 November 2026), all dated 21 October 2026 (copies of which are tabled at the Meeting and marked "D" and initialled by the chairman of the Meeting for identification purpose) and entered into between Chengtong Financial Leasing as lessor and Huadian Wengniuteqi Wind Power Co., Ltd. as lessee be and are hereby approved, confirmed and ratified;

(b) the transactions contemplated under the Wengniuteqi Agreements be and are hereby approved;

(c) any one of the directors of the Company be and is hereby authorised to do all such acts and things and to sign and execute all such documents, instruments, agreements or deeds on behalf of the Company as he/she considers necessary, appropriate, desirable and expedient for the purposes of giving effect to or in connection with the Wengniuteqi Agreements and all transactions contemplated thereunder, and to agree to such variation, amendments or waiver or matters relating thereto as are, in the opinion of such director, in the interests of the Company and its shareholders as a whole."

5. "**THAT**

(a) the Yanggao Agreements (as defined in the circular of the Company dated 11 November 2026), all dated 22 October 2026 (copies of which are tabled at the Meeting and marked "E" and initialled by the chairman of the Meeting for identification purpose) and entered into between Chengtong Financial Leasing as lessor and Shanxi Huadian Yanggao Wind Power Generation Co., Ltd. as lessee be and are hereby approved, confirmed and ratified;

(b) the transactions contemplated under the Yanggao Agreements be and are hereby approved;

(c) any one of the directors of the Company be and is hereby authorised to do all such acts and things and to sign and execute all such documents, instruments, agreements or deeds on behalf of the Company as he/she considers necessary, appropriate, desirable and expedient for the purposes of giving effect to or in connection with the Yanggao Agreements and all transactions contemplated thereunder, and to agree to such variation, amendments or waiver or matters relating thereto as are, in the opinion of such director, in the interests of the Company and its shareholders as a whole."

6. "**THAT**

(a) the Shuojing Agreements (as defined in the circular of the Company dated 11 November 2026), all dated 22 October 2026 (copies of which are tabled at the Meeting and marked "F" and initialled by the chairman of the Meeting for identification purpose) and entered into between Chengtong Financial Leasing as lessor and Ningwu Shuojing Energy Technology Co., Ltd. as lessee be and are hereby approved, confirmed and ratified;

(b) the transactions contemplated under the Shuojing Agreements be and are hereby approved;

(c) any one of the directors of the Company be and is hereby authorised to do all such acts and things and to sign and execute all such documents, instruments, agreements or deeds on behalf of the Company as he/she considers necessary, appropriate, desirable and expedient for the purposes of giving effect to or in connection with the Shuojing Agreements and all transactions contemplated thereunder, and to agree to such variation, amendments or waiver or matters relating thereto as are, in the opinion of such director, in the interests of the Company and its shareholders as a whole."

7. "**THAT**

(a) the Wenshui Agreements (as defined in the circular of the Company dated 11 November 2026), all dated 22 October 2026 (copies of which are tabled at the Meeting and marked "G" and initialled by the chairman of the Meeting for identification purpose) and entered into between Chengtong Financial Leasing as lessor and Huadian Wenshui New Energy Co., Ltd. as lessee be and are hereby approved, confirmed and ratified;

(b) the transactions contemplated under the Wenshui Agreements be and are hereby approved;

(c) any one of the directors of the Company be and is hereby authorised to do all such acts and things and to sign and execute all such documents, instruments, agreements or deeds on behalf of the Company as he/she considers necessary, appropriate, desirable and expedient for the purposes of giving effect to or in connection with the Wenshui Agreements and all transactions contemplated thereunder, and to agree to such variation, amendments or waiver or matters relating thereto as are, in the opinion of such director, in the interests of the Company and its shareholders as a whole."

8. "**THAT**

(a) the Datong Agreements (as defined in the circular of the Company dated 11 November 2026), all dated 22 October 2026 (copies of which are tabled at the Meeting and marked "H" and initialled by the chairman of the Meeting for identification purpose) and entered into between Chengtong Financial Leasing as lessor and Huadian Datong New Energy Co., Ltd. as lessee be and are hereby approved, confirmed and ratified;

(b) the transactions contemplated under the Datong Agreements be and are hereby approved;

(c) any one of the directors of the Company be and is hereby authorised to do all such acts and things and to sign and execute all such documents, instruments, agreements or deeds on behalf of the Company as he/she considers necessary, appropriate, desirable and expedient for the purposes of giving effect to or in connection with the Datong Agreements and all transactions contemplated thereunder, and to agree to such variation, amendments or waiver or matters relating thereto as are, in the opinion of such director, in the interests of the Company and its shareholders as a whole."

9. "**THAT**

(a) the Yungang Agreements (as defined in the circular of the Company dated 11 November 2026), all dated 22 October 2026 (copies of which are tabled at the Meeting and marked "I" and initialled by the chairman of the Meeting for identification purpose) and entered into between Chengtong Financial Leasing as lessor and Huadian Yungang Economic Development Zone New Energy Co., Ltd. as lessee be and are hereby approved, confirmed and ratified;

(b) the transactions contemplated under the Yungang Agreements be and are hereby approved;

(c) any one of the directors of the Company be and is hereby authorised to do all such acts and things and to sign and execute all such documents, instruments, agreements or deeds on behalf of the Company as he/she considers necessary, appropriate, desirable and expedient for the purposes of giving effect to or in connection with the Yungang Agreements and all transactions contemplated thereunder, and to agree to such variation, amendments or waiver or matters relating thereto as are, in the opinion of such director, in the interests of the Company and its shareholders as a whole."

By order of the Board
China Chengtong Development Group Limited
Zhao Peng
Chairman

11 November 2026

Registered address in Hong Kong:
22nd Floor
Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

Notes:

(1) A shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote in his/her/its stead. A proxy need not be a shareholder of the Company. In case of a joint holding, the form of proxy may be signed by any joint holder; but if more than one joint holder is present at the Meeting, whether in person or by proxy, that one of the joint holders whose name stands first in the register of members of the Company in respect of the relevant joint holding shall alone be entitled to vote in respect thereof.

(2) To be valid, the form of proxy together with any power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 10:00 a.m. on Wednesday, 25 November 2026 or not later than 48 hours before the time appointed for holding any adjournment or postponement of the Meeting. Completion and return of the form of proxy will not preclude shareholders of the Company from attending and voting in person at the Meeting or any adjournment or postponement thereof should they so wish and, in such event, the form of proxy previously submitted shall be deemed to be revoked.

(3) The record date for determining the entitlement of the of the shareholders of the Company to attend and vote at the Meeting will be Friday, 27 November 2026 and the register of members of the Company will be closed from Tuesday, 24 November 2026 to Friday, 27 November 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be entitled to attend and vote at the Meeting, all completed share transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 23 November 2026.

(4) The above resolutions will be voted by way of poll as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

As at the date of this circular, the executive Directors are Mr. Zhao Peng (Chairman), Mr. Chen Jianying and Ms. Bai Chunrui; and the independent non-executive Directors are Mr. Lee Man Chun, Tony, Professor He Jia and Mr. Liu Lei.