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If you have sold or transferred all your shares in **China Chengtong Development Group Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 217)

MAJOR TRANSACTIONS –
SALE AND LEASEBACK ARRANGEMENTS
AND
FINANCE LEASE ARRANGEMENT

A letter from the Board is set out from pages 5 to 20 of this circular.

24 November 2026

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Appendix II – **General Information** II-1

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

"Aircraft Asset"	means an Airbus A320−214 aircraft and associated equipment to be sold by the Seller to Chengtong Trading and leased to Hong Kong Airlines thereafter, under the Finance Lease Arrangement
"Aircraft Leasing Agreement"	means the aircraft leasing agreement entered into between Chengtong Trading as lessor and Hong Kong Airlines on 6 November 2026 in relation to the leasing of the Aircraft Asset
"Aircraft Purchase Agreement"	means the aircraft purchase agreement entered into between Chengtong Trading and the Seller on 6 November 2026 in relation to the purchase and sale of the Aircraft Asset
"Board"	means the board of Directors
"CCHG"	means China Chengtong Holdings Group Limited, a state-owned enterprise established in the PRC with limited liability and the ultimate holding company of the Company
"CCHK"	means China Chengtong Hong Kong Company Limited, a company incorporated in Hong Kong with limited liability and the controlling shareholder of the Company as at the Latest Practicable Date
"Chengtong Financial Leasing"	means Chengtong Financial Leasing Company Limited, a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Chengtong Trading"	means Chengtong Trading (International) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Company"	means China Chengtong Development Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	means the director(s) of the Company
"Finance Lease Arrangement"	means the purchase of the Aircraft Asset by Chengtong Trading from the Seller and the leasing of the Aircraft Asset from Chengtong Trading to Hong Kong Airlines pursuant to the terms of the Aircraft Leasing Agreement and Aircraft Purchase Agreement

"Group"	means the Company and its subsidiaries as at the date of this circular
"Guarantors"	means, collectively, the Jinta Guarantor and the Yangquan Guarantor
"HK$"	means Hong Kong dollar, the lawful currency of Hong Kong
"HKAS"	means the Hong Kong Accounting Standards
"Hong Kong"	means the Hong Kong Special Administrative Region of the PRC
"Hong Kong Airlines"	means Hong Kong Airlines Limited, a limited liability company incorporated in Hong Kong
"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)
"Jinta"	means Jinta Zhongguang Solar Power Generation Co., Ltd., a state-owned enterprise established in the PRC with limited liability
"Jinta Agreements"	means, collectively, three (3) sets of the following agreements in respect of the Jinta Leased Assets dated 13 November 2026 and signed between Chengtong Financial Leasing and Jinta, together with one (1) guarantee contract entered into between Chengtong Financial Leasing and the Jinta Guarantor in respect of all three (3) sets of agreements: (1) leaseback assets transfer agreements; and (2) finance lease agreements (sale and leaseback)
"Jinta Arrangement"	means the purchase of the Jinta Leased Assets by Chengtong Financial Leasing from Jinta and the leaseback of the Jinta Leased Assets to Jinta pursuant to the terms of the Jinta Agreements
"Jinta Guarantor"	means Green Development Electricity Group of Tianjin Co., Ltd., a state-owned enterprise established in the PRC with limited liability
"Jinta Leased Assets"	means photovoltaic power generation equipment
"Jinta Leased Assets Valuation Report"	means the valuation report issued by the Valuer in respect of the value of the Jinta Leased Assets as at 12 October 2026, which will expire on 11 October 2027
"Latest Practicable Date"	means 20 November 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

"Lease Assets"	means Jinta and/or Yangquan Lease Assets (as the case may be)
"Lease Term"	means the lease term under the Sale and Leaseback Agreements and/or the Finance Lease Arrangement (as the case may be)
"Leasing Delivery Day"	means the Purchasing Delivery Date or any other date as may otherwise be agreed by Chengtong Trading
"Lessee(s)"	means Jinta and/or Yangquan (as the case may be)
"Listing Rules"	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"LPR"	means the five (5)-year loan prime rate as promulgated by the National Interbank Funding Center under the authority of the People's Bank of China
"PRC"	means the People's Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Purchase Price"	means the purchase price under the Yangquan Arrangement, the Jinta Arrangement and/or the Finance Lease Arrangement (as the case may be)
"Purchasing Delivery Date"	means the date on which the Seller delivered the Aircraft Asset to Chengtong Trading
"RMB"	means Renminbi, the lawful currency of the PRC
"Sale and Leaseback Agreements"	means, collectively, the Jinta Agreements and the Yangquan Agreements
"Sale and Leaseback Arrangements"	means, collectively, the Jinta Arrangement and the Yangquan Arrangement
"SASAC"	means the State-owned Assets Supervision and Administration Commission
"Seller"	means HK Aircraft Sub6 Company Limited, a private company limited by shares incorporated in Hong Kong
"SFO"	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shareholder(s)"	means the shareholder(s) of the Company

"Stock Exchange"	means The Stock Exchange of Hong Kong Limited
"Valuer"	means Jiangsu Zhongmao Land and Real Estate Appraisal and Cost Consulting Co., Ltd., a qualified independent valuer in the PRC
"Yangquan"	means Yangquan Huaxin Liquefied Natural Gas Co., Ltd., a state-owned enterprise established in the PRC with limited liability
"Yangquan Agreements"	means, collectively, two (2) sets of the following agreements in respect of the Yangquan Leased Assets dated 26 October 2026 and signed between Chengtong Financial Leasing and Yangquan, together with the guarantee contracts entered into between Chengtong Financial Leasing and the Yangquan Guarantor in respect of each such set of agreements: (1) leaseback assets transfer agreements; (2) finance lease agreements (sale and leaseback); and (3) guarantee contracts entered into by the Yangquan Guarantor in favour of Chengtong Financial Leasing
"Yangquan Arrangement"	means the purchase of the Yangquan Leased Assets by Chengtong Financial Leasing from Yangquan and the leaseback of the Yangquan Leased Assets to Yangquan pursuant to the terms of the Yangquan Agreements
"Yangquan Guarantor"	means Shanxi Compressed Natural Gas Group Co., Ltd., a state-owned enterprise established in the PRC with limited liability
"Yangquan Leased Assets"	means LNG filling, purification, compression, cold box, storage equipment, etc.
"%"	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 purposes 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)

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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:
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189 Des Voeux Road Central
Hong Kong

24 November 2026

To the Shareholders

Dear Sir/Madam,

MAJOR TRANSACTIONS – SALE AND LEASEBACK ARRANGEMENTS AND FINANCE LEASE ARRANGEMENT

1. INTRODUCTION

Reference is made to the announcements of the Company dated (i) 26 October 2026 and 13 November 2026 in respect of the Sale and Leaseback Arrangements; and (ii) 6 November 2026 in respect of the Finance Lease Arrangement.

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

2. MAJOR TRANSACTIONS

(A) Sale and Leaseback Arrangements

Chengtong Financial Leasing, an indirect wholly-owned subsidiary of the Company, entered into (i) the Yangquan Agreements with Yangquan on 26 October 2026, and (ii) the Jinta Agreements with Jinta on 13 November 2026. The major terms of the Sale and Leaseback Arrangements are set out below.

Subject Matter

In each of the Sale and Leaseback Arrangements, subject to the fulfilment of the conditions as set out in the relevant Sale and Leaseback Agreements, Chengtong Financial Leasing will purchase the relevant Leased Assets from the relevant Lessee(s) and such Leased Assets will be leased back to the relevant Lessee(s) for the Lease Term of three (3) or five (5) years, commencing from the date on which the Purchase Price in respect of the relevant Leased Assets is paid by Chengtong Financial Leasing, subject to early termination in accordance with the terms and conditions of the relevant Sale and Leaseback Agreements.

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

(i) the signing and coming into effect of the relevant leaseback assets transfer agreements;

(ii) the signing of the relevant finance lease agreements (sale and leaseback) and all related agreements, appendices, confirmations and all other legal documents;

(iii) Chengtong Financial Leasing having received from the relevant Lessee(s) all documents and information that are required to be provided to Chengtong Financial Leasing and that comply with Chengtong Financial Leasing's requirements;

(iv) the provision of all necessary documents and information by the relevant Lessee(s) evidencing its ownership in the relevant Leased Assets;

(v) the full payment of security money (if applicable) by the relevant Lessee(s);

(vi) the obtaining of all necessary approvals by the relevant Lessee(s) in relation to the relevant Sale and Leaseback Arrangements;

(vii) if applicable, the signing and the coming into effect of the relevant security agreements and the completion of security registration of the relevant collateral;

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

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

If any of the conditions under the Sale and Leaseback Agreements is not satisfied on or before 31 December 2027, Chengtong Financial Leasing shall have the right to unilaterally terminate the Sale and Leaseback Agreements.

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

Purchase Price

For the Yangquan Arrangement, the relevant Purchase Price was agreed between Chengtong Financial Leasing and Yangquan with reference to the net book value of the Yangquan Leased Assets. A discount was applied to the net book value after considering factors such as the nature of the Yangquan Leased Assets, their resale potential and the associated costs. The agreed discount balanced the assets' value with the overall economics and risk profile of the Yangquan Arrangement.

For the Jinta Arrangement, the relevant Purchase Price was agreed between Chengtong Financial Leasing and Jinta with reference to the appraised value of the Jinta Leased Assets as at 12 October 2026 which amounted to approximately RMB417.16 million (equivalent to approximately HK$483.91 million) as assessed by way of cost method by the Valuer.

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 Jinta Leased Assets.

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

The cost method, being adopted by the Valuer for the valuation of the Jinta 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, while the newness rate is determined through an on-site inspection and calculation and analysis based on technical and economic factors.

The replacement costs include the relevant costs and fees incurred in purchasing equipment. Based on the valuation, the total appraised replacement cost of the Jinta Leased Assets is approximately RMB429.40 million (equivalent to approximately HK$498.10 million). The newness rate of the appraised asset is determined after taking into account the economic life of the appraised asset, the remaining service life of the appraised asset and the status of the appraised asset through an on-site inspection. The newness rate for the Jinta Leased Assets, evaluated by the Valuer, is approximately 97.15%.

The Board has considered the valuation assumptions as set out in the Jinta Leased Assets Valuation Report, including 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/change in (1) the relevant policies and regulations; (2) the social environment in the future; and (3) the relevant national laws, regulations and policies in the future; and

(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 and has reviewed the Jinta Leased Assets Valuation Report and considered the valuation methods and assumptions adopted. The Board is of the view that the valuation method in respect of the Jinta Leased Assets is reasonable and the assumptions adopted are general assumptions commonly adopted in assets valuation in the PRC. Therefore, the Board considers that the appraised value of the Jinta Leased Assets is fair and reasonable.

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

The Purchase Price has been/will be satisfied by the general working capital of the Group.

Legal title

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

Lease payment

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

The lease interest will be calculated on the then outstanding lease principal amount with a floating interest rate to be determined at a fixed discount to the LPR. In determining the lease interest rate, Chengtong Financial Leasing will assess on a case-by-case basis taking into account factors including the background including shareholding structure, financial condition, credit profile (such as any track record in default payment) of the Lessee, the duration of the lease term, the principal amount of the lease, the value of the leased assets and whether any guarantee may be provided by the lessee or its holding company. For each Sale and Leaseback Arrangement, Chengtong Financial Leasing shall ensure that the return rate complies with the Company's internal guidelines for the types of projects to be developed and the minimum rates of return. These internal guidelines impose respective pricing standards across specific industries based on market research and prevailing market conditions for financial leasing. The internal guidelines are also reviewed by the Company regularly to consider if adjustment to the minimum return rate is necessary and to ensure they align with industry practices and market standards with the prerequisite that the sum of total lease payments to be received by the Group under each Sale and Leaseback Arrangement shall also not be less than the cost of financing incurred by the Group for the respective Sale and Leaseback Arrangement. The Company confirms that the return rate for each Sale and Leaseback Arrangement meets the applicable minimum return rate under the Company's internal pricing guidelines and is not lower than the Group's cost of financing for the relevant arrangement.

Yangquan is a direct wholly-owned subsidiary of the Yangquan Guarantor, which is owned equally by Huaxin Gas Group Co., Ltd. and Shanxi Natural Gas Limited Company. Huaxin Gas Group Co., Ltd. is ultimately controlled by SASAC of the People's Government of Shanxi Province. Shanxi Natural Gas Limited Company is wholly owned by Shanxi Guoxin Energy Corporation Limited, whose shares are listed on the Shanghai Stock Exchange (stock code: 600617.SH) and whose controlling shareholder is Huaxin Gas Group Co., Ltd. Yangquan is principally engaged in gas operations and petroleum and natural gas technical services. In assessing the interest rate of the Yangquan Arrangement, Chengtong Financial Leasing took into account Yangquan's operating background and affiliation with its shareholder group, its relatively limited financial indebtedness and modest funding requirements, and the centralized coordination of funding within its group. These funding arrangements were considered supportive of Yangquan's liquidity management and capacity to meet its scheduled lease payments, rather than constituting an assurance of repayment. The assessment also took into account the joint and several liability guarantee provided by the Yangquan Guarantor. Having considered these factors together with the transaction's tenor, repayment profile and applicable internal return requirements, Chengtong Financial Leasing considered a floating interest rate linked to the LPR, subject to a fixed discount, appropriate for the assessed credit risk of the Yangquan Arrangement.

Jinta is a direct wholly-owned subsidiary of the Jinta Guarantor, a joint stock limited company established in the PRC whose A shares are listed on the Shenzhen Stock Exchange (stock code: 000537.SZ). Jinta is principally engaged in solar power generation and power supply. In assessing the pricing of the Jinta Arrangement, Chengtong Financial Leasing considered Jinta's operating and financial position, the risks associated with its power-generation business, and the financial capacity of the Jinta Guarantor. In particular, it is noted that the Jinta Guarantor generated positive net cash inflows from operating activities in each of the three years ended 31 December 2025, while its gearing ratio increased gradually over that period attributable to its project-development phase and commencement of grid-connected operations in 2025. Having assessed the Jinta Guarantor's support together with Jinta's expected repayment sources, the contractual repayment profile and applicable internal return requirements, Chengtong Financial Leasing considered a floating interest rate linked to the LPR, subject to a fixed discount, appropriate for the assessed credit risk of the Jinta Arrangement.

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

In view of the above, the Board considers that the interest rate which is calculated with reference to the LPR is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

The lease payments applicable to the Sale and Leaseback Arrangements have been agreed between the parties after arm's length negotiation and taking into account a number of factors, such as the amount of lease principal, the lease term, the overall return rate attained by the Group having considered the amount of the lease interest and the prevailing market conditions.

Guarantee

Each of the Guarantors has provided a guarantee in favour of Chengtong Financial Leasing as security for all amounts payable by Yangquan and Jinta under the Sale and Leaseback Agreements, including but not limited to liquidated damages, outstanding and prospective lease payments and other payables. The guarantee is irrevocable and continuing in nature.

Yangquan Guarantor

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) the Yangquan Guarantor is owned as to (a) 50% by Huaxin Gas Group Co., Ltd., which is ultimately controlled by SASAC of the People's Government of Shanxi Province; and (b) 50% by Shanxi Natural Gas Limited Company, which is wholly owned by Shanxi Guoxin Energy Corporation Limited (whose shares are listed on the Shanghai Stock Exchange (stock code: 600617.SH) and its controlling shareholder is Huaxin Gas Group Co., Ltd.); (ii) the Yangquan Guarantor and its ultimate beneficial owners are Independent Third Parties; and (iii) the Yangquan Guarantor is principally engaged in the business of development of compressed natural gas technology and production, sales and after-sales service of related equipment, gas operation, etc.

Jinta Guarantor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Jinta Guarantor is a joint stock limited company established in the PRC, whose A Shares are listed on the Shenzhen Stock Exchange (stock code: 000537.SZ), whose largest shareholder is Luneng Group Co., Ltd. (which held 68.97% therein), which is wholly-owned by China Green Development Group Co., Ltd., whose single largest shareholder holding 28.8% interest therein is Sinochem Holdings Corporation Ltd. (which is wholly owned by SASAC of the State Council), and CCHG (the ultimate holding company of the Company) is the second largest shareholder holding 26.71% interest therein; (ii) the Jinta Guarantor and its ultimate beneficial owners (other than CCHG) are Independent Third Parties; and (iii) the Jinta Guarantor is principally engaged in the business of power generation, power transmission, power supply (distribution), etc.

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

Lessee's right to repurchase the Leased Assets

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

Termination

Pursuant to the terms of the Sale and Leaseback Agreements, either the relevant Lessee or Chengtong Financial Leasing may request early termination of the relevant Sale and Leaseback Arrangement, which requires mutual agreement between the parties and the signing of a written agreement. Chengtong Financial Leasing may reject an early termination request made by the relevant Lessee.

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 relevant 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 Sale and Leaseback 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 relevant Sale and Leaseback Arrangement if it is proposed by the relevant Lessee.

If the requisite consent is withheld, the relevant agreements shall remain in full force and effect and the relevant Lessee shall remain obliged to make payments in accordance with the original contractual payment schedule, subject to contractual interest-rate adjustments and any separately exercisable acceleration or termination rights.

The settlement amount and payment arrangements for consensual early termination shall be agreed between the parties in writing. Where termination is approved through application of a sufficient security-deposit balance, the contractual rent and other payables shall not be reduced or waived, and any surplus deposit shall be refunded.

Following full settlement of all rent and other payables and payment of the nominal repurchase price of RMB1.00 under each lease, being RMB2.00 in aggregate for Yangquan and RMB3.00 in aggregate for Jinta, Chengtong Financial Leasing shall issue the relevant ownership transfer document and cooperate in releasing any security rights over the relevant Leased Assets. An early termination shall not release outstanding liabilities covered by the relevant guarantees, which remain subject to their terms and applicable guarantee periods.

Taking into consideration that, in the event of early termination of the relevant 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 Sale and Leaseback Arrangement can be utilized by the Group for other potential projects, the Directors are of the view that the terms in respect of early termination of the Sale and Leaseback Arrangements 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 a corporate guarantee to safeguard its interests as the lessor as and when Chengtong Financial Leasing considers necessary.

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

Material terms of the Sale and Leaseback Agreements

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

	Yangquan Agreements	**Jinta Agreements**
Date of the relevant Sale and Leaseback Agreements	26 October 2026	13 November 2026
Lessee(s)	Yangquan	Jinta
Leased Assets	LNG filling, purification, compression, cold box, storage equipment, etc.	photovoltaic power generation equipment
Purchase Price	RMB200.00 million (equivalent to HK$232.00 million)	RMB400.00 million (equivalent to HK$464.00 million)
Discount percentage	Approximately 3.39% (for the purchase price represents approximately 96.61% of the net book value of the leased assets)	Approximately 4.11% (for the purchase price represents approximately 95.89% of the appraised value of the leased assets)

	Yangquan Agreements	Jinta Agreements
Basis of Purchase Price	the net book value of the Yangquan Leased Assets of approximately RMB207.02 million (equivalent to approximately HK$240.14 million)	the appraised value of the Jinta Leased Assets of approximately RMB417.16 million (equivalent to approximately HK$483.91 million)
Lease Term	three (3) years	five (5) years
Lease Payments	approximately RMB209.97 million (equivalent to approximately HK$243.57 million), payable by Yangquan to Chengtong Financial Leasing in twelve (12) quarterly instalments during the Lease Term	approximately RMB444.19 million (equivalent to approximately HK$515.26 million), payable by Jinta to Chengtong Financial Leasing in ten (10) semi-annual instalments during the Lease Term
Nominal consideration for repurchase of the Leased Assets	RMB2.00 (equivalent to HK$2.32)	RMB3.00 (equivalent to HK$3.48)
Estimated income	approximately RMB9.97 million (equivalent to approximately HK$11.57 million)	approximately RMB44.19 million (equivalent to approximately HK$51.26 million)

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

(B) Finance Lease Arrangement

Introduction

On 6 November 2026, Chengtong Trading, an indirect wholly-owned subsidiary of the Company, entered into the Finance Lease Arrangement which includes:

(i) the Aircraft Purchase Agreement pursuant to which Chengtong Trading has agreed to purchase from the Seller the Aircraft Asset at a consideration of RMB155.00 million (equivalent to approximately HK$179.80 million); and

(ii) the Aircraft Leasing Agreement pursuant to which Chengtong Trading has agreed to lease the Aircraft Asset to Hong Kong Airlines for a term of five (5) years.

Aircraft Purchase Agreement

The principal terms of the Aircraft Purchase Agreement are set out as follows:

Date

6 November 2026

Parties

Seller: the Seller

Purchaser: Chengtong Trading

Subject Matter

Chengtong Trading's obligation to pay the Purchase Price of RMB155.00 million (equivalent to approximately HK$179.80 million) to the Seller under the Aircraft Purchase Agreement is conditional upon satisfaction of the conditions as set out therein, including but not limited to (i) the provision by the Seller of all necessary documents or information evidencing its ownership of the Aircraft Asset; (ii) the delivery of documents relating to the transfer of ownership of the Aircraft Asset; and (iii) the obtaining by the Seller of all necessary approvals and clearance in relation to the Aircraft Purchase Agreement.

If the Seller did not provide requisite documents in accordance with the terms of the Aircraft Purchase Agreement on or before the Purchasing Delivery Date, Chengtong Trading may, at its discretion, waive such conditions or, after a five-business-day negotiation period, terminate the Aircraft Purchase Agreement in accordance with the terms and require the Seller to repurchase the Aircraft Asset at the Purchase Price and Chengtong Trading may claim against the Seller for all losses, costs, and expenses incurred under the Aircraft Purchase Agreement.

Purchase Price

The Purchase Price of the Aircraft Asset was agreed between Chengtong Trading and the Seller with reference to the net book value of the Aircraft Asset of approximately HK$189.88 million (equivalent to approximately RMB163.69 million) as at 31 August 2026, as calculated by the Seller after charging annual depreciation since its introduction in 2012, under the HKAS 16, Property, Plant and Equipment. The Purchase Price represents approximately 94.69% of the net book value, which was determined after arm's length negotiation between the parties with reference to age, condition and market comparables of the Aircraft Asset.

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

Aircraft Leasing Agreement

The principal terms of the Aircraft Leasing Agreement are set out as follows:

Date

6 November 2026

Parties

Lessor: Chengtong Trading

Lessee: Hong Kong Airlines

Subject matter of the lease

Subject to the fulfilment of the conditions as set out in the Aircraft Leasing Agreement (including but not limited to the execution of the Aircraft Purchase Agreement and the delivery of the Aircraft Asset, the provision of all necessary documents or information by Hong Kong Airlines as set out in the Aircraft Leasing Agreement, certificates and evidence in form and substance reasonably satisfactory to Chengtong Trading, and the obtaining of all necessary approvals by both Chengtong Trading and the Seller in relation to the Aircraft Leasing Agreement), Chengtong Trading will lease the Aircraft Asset to Hong Kong Airlines for a period of five (5) years from the date on which the Aircraft Asset is delivered to Hong Kong Airlines.

If any of the conditions under the Aircraft Leasing Agreement is not satisfied on or before the Leasing Delivery Day, Chengtong Trading may, at its discretion, waive such conditions. Pursuant to the Aircraft Leasing Agreement, i) the Aircraft Leasing Agreement shall automatically terminate upon the requisition of the Aircraft Asset; ii) should the Seller fail to deliver the Aircraft Asset by the Purchasing Delivery Date, either Chengtong Trading or Hong Kong Airlines has the right to terminate the Aircraft Leasing Agreement, and if such non-delivery is attributable to the Seller or Hong Kong Airlines, Chengtong Trading may pursue recourse against the Seller and/or Hong Kong Airlines for all losses, costs, and expenses incurred under the Finance Lease Arrangement; and iii) upon the occurrence of an event of default on the part of Hong Kong Airlines, Chengtong Trading shall be entitled to terminate the Aircraft Leasing Agreement, demand the return of the Aircraft Asset and claim all losses and damages from Hong Kong Airlines, in any of the above cases, in accordance with the terms of the Aircraft Leasing Agreement.

Legal title

Chengtong Trading owns the legal title of the Aircraft Asset during the Lease Term.

Lease payment

The total amount of lease payment over the Lease Term is estimated to be approximately RMB177.78 million (equivalent to approximately HK$206.22 million) which shall be paid by Hong Kong Airlines to Chengtong Trading in twenty (20) quarterly instalments during the Lease Term.

The total amount of lease payment represents the sum of the lease principal amount (being the total amount of the Purchase Price to be paid by Chengtong Trading) and the lease interest which is estimated to be approximately RMB22.78 million (equivalent to approximately HK$26.42 million).

The lease interest rate under the Aircraft Leasing Agreement is floating with a fixed premium. The applicable rate is adjusted annually on 1 January to reflect changes in the LPR, while the premium remains unchanged. Lease payments comprise principal and interest and are payable quarterly in arrears in accordance with the contractual payment schedule, as adjusted to reflect changes in the applicable interest rate.

In determining the applicable pricing, Chengtong Trading assessed Hong Kong Airlines' financial condition, credit profile and repayment capacity, the cash flows available from the underlying operating leases, and the Aircraft Asset's value, remaining economic life, maintenance condition and expected realisation value. The assessment also took account of the concentration of principal repayment in the final instalment and the interest-free security deposit required under the Aircraft Leasing Agreement. These factors were considered together in determining whether the pricing and floating interest rate appropriately reflected the credit risk and repayment structure of the Finance Lease Arrangement.

Having taken into account the contractual repayment profile, the security deposit and the relevant costs of the arrangement, Chengtong Trading determined that the projected transaction return at the agreed pricing met the applicable minimum return requirement under the Company's internal pricing guidelines and was not lower than the Group's funding cost for the arrangement. On this basis, the Board considers that the pricing is consistent with the Company's applicable internal pricing policy and appropriately reflects the transaction-specific risks and expected return.

Security deposit

Hong Kong Airlines agrees to pay a sum of RMB12.00 million (equivalent to approximately HK$13.92 million) as security deposit for the performance of its obligations under the Aircraft Leasing Agreement within one (1) business day after the Purchase Price is paid by Chengtong Trading. Provided that there is no breach of any obligations under the Finance Lease Arrangement on the part of the Seller and/or Hong Kong Airlines and subject to the discharge and settlement of all secured obligations under the Aircraft Leasing Agreement, the security deposit can be used to offset the lease payment for the corresponding amount of the last period.

Hong Kong Airlines' right to purchase the Aircraft Asset

Upon Hong Kong Airlines having paid all the lease payments and other payables (if any) to Chengtong Trading in accordance with the terms of the Aircraft Leasing Agreement, Hong Kong Airlines shall have the right to purchase the Aircraft Asset under the Aircraft Leasing Agreement at a nominal consideration of RMB1.00.

Credit enhancement measures

Depending on the overall risks associated with the Finance Lease Arrangement, Chengtong Trading may request appropriate credit enhancement measure(s) on a case-by-case basis. Chengtong Trading will monitor, among others, the financial condition of Hong Kong Airlines from time to time and may request Hong Kong Airlines to provide security such as payment of additional security money and the provision of a corporate guarantee to safeguard its interests as the lessor as and when Chengtong Trading considers necessary.

(C) Information of the Parties

Yangquan

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, and based on the information publicly available as of the Latest Practicable Date, (i) Yangquan is directly wholly-owned by the Yangquan Guarantor; (ii) Yangquan and its ultimate beneficial owner are Independent Third Parties; and (iii) Yangquan is principally engaged in the business of gas operation, petroleum and natural gas technical services, etc.

Jinta

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, and based on the information publicly available as of the Latest Practicable Date, (i) Jinta is directly wholly-owned by the Jinta Guarantor; (ii) Jinta and its ultimate beneficial owner (other than CCHG) are Independent Third Parties; and (iii) Jinta is principally engaged in the business of solar power generation, power supply, etc.

Hong Kong Airlines and the Seller

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, and based on the information publicly available as of the Latest Practicable Date, (i) Hong Kong Airlines is owned as to approximately 99.00% by Hong Kong Air Limited. Hong Kong Airlines has a diversified shareholder base; no natural person controls, directly or indirectly, more than 30% of its voting rights; and, for the purposes of its Air Operator's Certificate granted by Civil Aviation Department and Air Transport Licence granted by Air Transport Licensing Authority, the company is treated as being controlled by its board of directors. Hong Kong Airlines is the second largest full-service airline in Hong Kong, with its flight network based in Hong Kong and covers more than 30 major cities across the Asia-Pacific region by the end of 2025. Hong Kong Airlines' own fleet consisted of 27 Airbus aircraft, mainly the Airbus A320/A330. Currently, there are 30 routes. Hong Kong Airlines is also a member of Fortune Wings Club. There are exquisite Hong Kong delicacies and advanced in-flight entertainment facilities, which provide passengers with a superior flight experience; (ii) the Seller is a wholly-owned subsidiary of Hong Kong Airlines; and (iii) both Hong Kong Airlines and the Seller are principally engaged in the business of aerospace transportation, including passenger transportation, cargo transportation and charter services.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, and based on the information publicly available as of the Latest Practicable Date, Hong Kong Airlines and the Seller are Independent Third Parties.

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

(D) Reasons for and Benefits of the Sale and Leaseback Arrangements and the Finance Lease Arrangement

The Group is principally engaged in leasing, property development and investment, marine recreation services and hotel business. Both Chengtong Financial Leasing and Chengtong Trading are principally engaged in the business of finance leasing.

The entering into of the Sale and Leaseback Arrangements and the Finance Lease Arrangement is in the ordinary and usual course of business of Chengtong Financial Leasing and/or Chengtong Trading, and it is expected that (i) Chengtong Financial Leasing will earn an aggregate income of approximately RMB54.16 million (equivalent to approximately HK$62.83 million) under the Sale and Leaseback Arrangements being the sum of the lease interest amounts under the Sale and Leaseback Arrangements; and (ii) Chengtong Trading will earn an income of approximately RMB22.78 million (equivalent to approximately HK$26.42 million), being the lease interest in respect of the Aircraft Leasing Agreement.

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

(E) Implications under the Listing Rules

Yangquan Arrangement

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

Jinta Arrangement

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

Finance Lease Arrangement

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

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

3. RECOMMENDATION

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

4. ADDITIONAL INFORMATION

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

Yours faithfully,
On behalf of the Board
China Chengtong Development Group Limited
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 (http://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 receivables 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 Finance Lease Arrangement, the internally generated funds, existing facilities available to the Group and financial resources presently available to the Group, the Group will have sufficient working capital to satisfy its requirements for at least twelve (12) months from the date of this circular.

As at the date of this circular, the Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in leasing, property development and investment, marine recreation services and hotel business as of the Latest Practicable Date.

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. FINANCIAL EFFECTS OF THE TRANSACTIONS

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

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

As regards earnings, the Group would be entitled to recognise an aggregate interest income of approximately (i) RMB9.97 million (equivalent to approximately HK$11.57 million) under the Yangquan Arrangement, being the lease interest under the Yangquan Arrangement; (ii) RMB44.19 million (equivalent to approximately HK$51.26 million) under the Jinta Arrangement, being the lease interest under the Jinta Arrangement; and (iii) RMB22.78 million (equivalent to approximately HK$26.42 million) under the Finance Lease Arrangement, being the lease interest under the Finance Lease Arrangement.

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

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(i) Interests of Directors and chief executive of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules were as follows:

Long position

Name of Director	Interest in the Company or its associated corporation	Nature of interest	Number of shares held	Class of shares	Approximate percentage of the issued share capital as at the Latest Practicable Date
Ms. Bai Chunrui	The Company	Beneficial owner	292,000	Ordinary shares	0.00%

Note: The percentage has been rounded up to 2 decimal places.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

(ii) Interests of substantial Shareholders

As at the Latest Practicable Date, so far as was known to the Directors, the following persons, other than the Directors and chief executive of the Company, had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as follows:

Long position

Name of Shareholder	Nature of interest	Number of shares held	Class of shares	Approximate percentage of the issued share capital of the Company as at the Latest Practicable Date
CCHK	Beneficial owner *(Note 1)*	3,169,656,217	Ordinary shares	53.14%
CCHG	Interest in controlled corporation *(Note 1)*	3,169,656,217	Ordinary shares	53.14%

Notes:

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

2. Rounded up to 2 decimal places.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, there was no other person, other than the Directors and chief executive of the Company, who had any interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

As at the Latest Practicable Date, (i) 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 the general manager of the Legal and Compliance Department of CCHK and a director of a subsidiary of CCHK. Save as disclosed herein, no Director was a director or an employee of a company which had an interest or short position in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as at the Latest Practicable Date.

3. MATERIAL CONTRACT

The Directors confirm there is no contract (not being contract entered into in the ordinary course of business) entered into by the members of the Group within two (2) years immediately preceding the Latest Practicable Date and is, or may be, material.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which is not expiring or determinable by the Group within one year without payment of compensation other than statutory compensation.

5. LITIGATION

As at the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors, neither the Company nor any member of the Group was engaged in any litigation or claims of material importance and there was no litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

6. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors nor any of their respective close associate(s) had any interests in a business, which competed or was likely to compete, directly or indirectly, with the business of the Group which would be required to be disclosed under Rule 8.10 of the Listing Rules.

7. INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, so far as was known to the Directors, none of the Directors had any interest, direct or indirect, in any assets which have been, since 31 December 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 are at 22nd Floor, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong.

(b) The share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712−1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(c) The joint company secretaries of the Company are Ms. Liu Chang and Mr. Cheng King Yip. Mr. Cheng King Yip is a member of the Hong Kong Institute of Certified Public Accountants.

9. DOCUMENTS ON DISPLAY

Copies of the Sale and Leaseback Arrangements and Finance Lease Arrangement 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.