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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 TRANSACTION – SALE AND LEASEBACK ARRANGEMENT

SALE AND LEASEBACK ARRANGEMENT

On 17 December 2025, Chengtong Financial Leasing, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Leaseback Agreements with the Lessee, pursuant to which Chengtong Financial Leasing will purchase the Leased Assets from the Lessee and will lease the Leased Assets back to the Lessee for a Lease Term of two (2) years, subject to early termination in accordance with the terms and conditions of the Sale and Leaseback Agreements.

IMPLICATIONS UNDER THE LISTING RULES

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

To the best of the knowledge, information and belief of the Directors, 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 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 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 Arrangement from China Chengtong Hong Kong Company Limited, 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 announcement. Accordingly, no general meeting of the Company will be convened for the purpose of approving Sale and Leaseback Arrangement.

A circular containing, among other things, (i) information on the Sale and Leaseback Arrangement; and (ii) other information required under the Listing Rules will be despatched to the Shareholders on or before 12 January 2026, which is within 15 business days after the publication of this announcement.

SALE AND LEASEBACK ARRANGEMENT

On 17 December 2025, Chengtong Financial Leasing, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Leaseback Agreements with the Lessee in respect of the Sale and Leaseback Arrangement, the major terms of which are set out below.

Date of the Sale and Leaseback Agreements

17 December 2025

Parties

Lessor: Chengtong Financial Leasing

Lessee: Lessee

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, and based on the information publicly available as of the date of this announcement, (i) the Lessee is an indirect wholly-owned subsidiary of Huadian New Energy Group Corporation Limited, which is a joint stock limited company established in the PRC, whose A shares are listed on the Shanghai Stock Exchange (stock code: 600930.SH), whose first and second largest shareholders are Fujian Huadian Furui Energy Development Co. Ltd. (which held 45.22% therein) and Huadian Power International Corporation Limited (which held 26.78% therein), whose A shares and H shares are listed on the Shanghai Stock Exchange (stock code: 600027.SH) and the Stock Exchange (stock code: 1071.HK), respectively. Fujian Huadian Furui Energy Development Co. Ltd. and Huadian Power International Corporation Limited are subsidiaries of China Huadian, which is wholly owned by SASAC; (ii) the Lessee and its ultimate beneficial owners are Independent Third Parties; and (iii) the Lessee is principally engaged in the business of wind power generation, the development, investment, construction and operation management of photovoltaic power generation projects, etc.

Subject matter

Subject to the fulfilment of the conditions as set out in the Sale and Leaseback Agreements (including but not limited to the provision of all necessary documents or information by the Lessee evidencing its ownership in the Leased Assets, and the obtaining of all necessary approvals by the Lessee in relation to the Sale and Leaseback Arrangement), Chengtong Financial Leasing will purchase the Leased Assets from the Lessee at a total Purchase Price of RMB100 million (equivalent to HK$109 million), and the Leased Assets will be leased back to the Lessee for a period of two (2) years from the date on which the Purchase Price is paid by Chengtong Financial Leasing in respect of the Leased Assets, subject to early termination in accordance with the terms and conditions of the Sale and Leaseback Agreements.

If any of the conditions under the Sale and Leaseback Agreements is not satisfied on or before 31 August 2026, Chengtong Financial Leasing shall have the right to unilaterally terminate the Sale and Leaseback Agreements.

Purchase Price

The Purchase Price of the Leased Assets was agreed between Chengtong Financial Leasing and the Lessee with reference to the appraised value of the Leased Assets of approximately RMB122.88 million (equivalent to approximately HK$133.94 million) as at 4 December 2025, as assessed by way of cost method by the Valuer. The Leased Assets are not revenue generating assets with identifiable income stream. The Purchase Price represents approximately 81.38% of the appraised value, which was determined after arm's length negotiation between the parties with reference to the risk profile, asset condition and financing costs.

The cost method determines the value of an appraised asset by estimating its replacement cost and deducting various estimated depreciation factors that currently exist in the appraised asset. The appraised value is determined by multiplying the replacement cost of the appraised asset by its newness rate.

In accordance with the purpose of the appraisal, and the characteristics and current situation of the assets being appraised, the cost method is adopted.

The replacement costs include the relevant costs and fees incurred in purchasing equipment. Based on the valuation, the total appraised replacement cost of the Leased Assets is approximately RMB223.43 million (equivalent to approximately HK$243.54 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 rates for the Leased Assets, evaluated by the Valuer, are approximately 55%.

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 Leased Assets during the Lease Term.

Lease payment

The total amount of lease payment over the Lease Term is estimated to be approximately RMB103.56 million (equivalent to approximately HK$112.88 million) which shall be paid by the Lessee to Chengtong Financial Leasing in four (4) semi-annual installments 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 Financial Leasing) and the lease interest which is estimated to be approximately RMB3.56 million (equivalent to approximately HK$3.88 million).

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

Lessee's right to repurchase the Leased Assets

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

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.

REASONS FOR AND BENEFITS OF THE SALE AND LEASEBACK ARRANGEMENT

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

The entering into of the Sale and Leaseback 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 RMB3.56 million (equivalent to approximately HK$3.88 million), being the lease interest in respect of the Sale and Leaseback Arrangement.

The Directors are of the view that the terms of the Sale and Leaseback 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 Sale and Leaseback Agreements and the Previous Transactions are and were all entered into with, among others, the subsidiaries of China Huadian; and (ii) the Previous Transactions are still subsisting when the Sale and Leaseback Agreements are entered into, therefore the Sale and Leaseback Arrangement is aggregated with the Previous 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 Sale and Leaseback Arrangement, when aggregated with the Previous Transactions, exceeds 25% but is less than 100%, the Sale and Leaseback Arrangement constitutes a major transaction of the Company and is subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, 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 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 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 Arrangement from China Chengtong Hong Kong Company Limited, 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 announcement. Accordingly, no general meeting of the Company will be convened for the purpose of approving Sale and Leaseback Arrangement.

A circular containing, among other things, (i) information on the Sale and Leaseback Arrangement; and (ii) other information required under the Listing Rules will be despatched to the Shareholders on or before 12 January 2026, which is within 15 business days after the publication of this announcement.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

"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 Huadian"	means China Huadian Corporation Ltd., a state-owned enterprise established in the PRC with limited liability
"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
"Director(s)"	means the director(s) of the Company
"Group"	means the Company and its subsidiaries as at the date of this announcement
"HK$"	means Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	means the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	means third party(ies) independent of the Company and its connected persons (having the meaning ascribed to it under the Listing Rules)
"Lease Term"	means the lease term under the Sale and Leaseback Agreements
"Leased Assets"	means certain wind power generation equipment
"Lessee"	means Inner Mongolia Huadian Bayin Wind Power Generation Co., Ltd., a state-owned enterprise established in the PRC with limited liability
"Listing Rules"	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

"PRC"	means the People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Previous Transactions"	means, collectively, the following transactions previously entered into by Chengtong Financial Leasing: (1) the sale and leaseback arrangement entered into with Sichuan Luzhou Chuannan Power Generation Co., Ltd., the details of which are set out in the announcement of the Company dated 17 November 2023 and the corresponding circular dated 15 December 2023; (2) the sale and leaseback arrangement entered into with Huadian Datong New Energy Co., Ltd., the details of which are set out in the announcement of the Company dated 16 October 2025; (3) the sale and leaseback arrangement entered into with Bayannur Jianji Zhongyan Wind Power Generation Co., Ltd., the details of which are set out in the announcement of the Company dated 21 October 2025 and the corresponding circular dated 12 November 2025; and (4) the sale and leaseback arrangement entered into with Xinjiang Huadian Xinte Energy Co., Ltd., the details of which are set out in the announcement of the Company dated 13 November 2025 and the corresponding circular dated 15 December 2025
"Purchase Price"	means the consideration payable by Chengtong Financial Leasing for the purchase of the Leased Assets from the Lessee
"RMB"	means Renminbi, the lawful currency of the PRC
"Sale and Leaseback Agreements"	means, collectively, two (2) sets of the following agreements in respect of the Leased Assets dated 17 December 2025 and signed between Chengtong Financial Leasing and the Lessee: (1) leaseback assets transfer agreements; and (2) finance lease agreements (sale and leaseback)

"Sale and Leaseback Arrangement"	means the purchase of the Leased Assets by Chengtong Financial Leasing from the Lessee and the leaseback of the Leased Assets to the Lessee pursuant to the terms of the Sale and Leaseback Agreements
"SASAC"	means the State-owned Assets Supervision and Administration Commission
"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
"%"	means per cent

In this announcement, amounts quoted in RMB have been converted into HK$ at the rate of RMB1.00 to HK$1.09. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

The English names of all PRC entities in this announcement are for identification purpose only.

By order of the Board
China Chengtong Development Group Limited
Chen Jianying
Executive Director

Hong Kong, 17 December 2025

As at the date of this announcement, the non-executive Director is Ms. Sun Jie (Chairlady); the executive Directors are Mr. Chen Jianying, Mr. Zhang Chuanyi and Ms. Bai Chunrui; and the independent non-executive Directors are Mr. Lee Man Chun, Tony, Professor He Jia and Mr. Liu Lei.