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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 three (3) years, subject to early termination in accordance with the terms and conditions of the Sale and Leaseback Agreements.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Sale and Leaseback Arrangement 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 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 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 the 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, after making all reasonable enquiries, and based on the information publicly available as of the date of this announcement, (i) the Lessee is directly 100% owned by Kangxin New Materials Co., Ltd., whose A shares are listed on Shanghai Stock Exchange (stock code: 600076.SH) and its largest shareholder holding approximately 38.81% of its equity interest is the Guarantor, which is wholly-owned by the SASAC of Wuxi Municipal People's Government; (ii) the Lessee and its ultimate beneficial owners are Independent Third Parties; and (iii) the Lessee is principally engaged in the business of the production and sale of container flooring and environmentally friendly boards, as well as the cultivation and sale of landscaping seedlings and fast-growing poplar seedlings.

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 of 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 RMB200 million (equivalent to HK$218 million), and the Leased Assets will be leased back to the Lessee for a period of three (3) 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 March 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 net book value of the Leased Assets of approximately RMB248.73 million (equivalent to approximately HK$271.12 million). The 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 to the Leased Assets during the Lease Term.

Lease payment

The total amount of lease payment over the Lease Term is estimated to be approximately RMB211.83 million (equivalent to approximately HK$230.89 million) which shall be payable by the Lessee to Chengtong Financial Leasing in twelve (12) quarterly installments during the Lease Term.

The total amount of lease payment represents the sum of the lease principal amount (being the amount of the Purchase Price to be paid by Chengtong Financial Leasing) and the lease interest which is estimated to be approximately RMB11.83 million (equivalent to approximately HK$12.89 million).

Guarantee

The Guarantor has provided a guarantee in favour of Chengtong Financial Leasing as security for all amounts payable by the Lessee 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.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) the Guarantor is wholly-owned by SASAC of Wuxi Municipal People's Government; (ii) the Guarantor and its ultimate beneficial owner are Independent Third Parties; and (iii) the Guarantor is principally engaged in the business of undertaking key municipal construction projects in Wuxi City, with a primary focus on infrastructure construction.

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 each of the Sale and Leaseback Agreements at a 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 Sale and Leaseback Arrangement forms part of Chengtong Financial Leasing's ordinary and usual course of business in providing financing solutions to customers, which is consistent with the Group's principal business of financial leasing. It is expected that Chengtong Financial Leasing will earn an income of approximately RMB11.83 million (equivalent to approximately HK$12.89 million), being the lease interest to be received by Chengtong Financial Leasing pursuant to the Sale and Leaseback Arrangement.

In light of the above, 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

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Sale and Leaseback Arrangement 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 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 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 the 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
"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
"Guarantor"	means Wuxi Construction and Development Investment Co., Ltd., a state-owned enterprise established in the PRC with limited liability
"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"	means a third party 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 production machinery and equipment
"Lessee"	means Hubei Kangxin New Materials Technology 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
"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
"%"	means per cent

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