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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)

DISCLOSEABLE TRANSACTION – SALE AND LEASEBACK ARRANGEMENT

SALE AND LEASEBACK ARRANGEMENT

On 22 December 2025, Chengtong Financial Leasing, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Leaseback Agreement 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 Agreement.

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 5% but is less than 25%, the Sale and Leaseback Arrangement constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

On 22 December 2025, Chengtong Financial Leasing, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Leaseback Agreement with the Lessee in respect of the Sale and Leaseback Arrangement, the major terms of which are set out below.

SALE AND LEASEBACK ARRANGEMENT

Date of the Sale and Leaseback Agreement

22 December 2025

Parties

Lessor: Chengtong Financial Leasing

Lessee: The 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, the Lessee is (i) owned as to (a) approximately 38% by Jinneng Holding Equipment Manufacturing Group Co., Ltd., which is ultimately controlled by SASAC of the People's Government of Shanxi Province; (b) approximately 38% by Datang Huayin Power Co., Ltd., whose A shares are listed on the Shanghai Stock Exchange (stock code: 600744.SH), and the largest shareholder of Datang Huayin Power Co., Ltd. is China Datang (which held 46.94% therein), which is wholly-owned by SASAC of the State Council; (c) approximately 19% by Hunan Development Group Mining Development Co., Ltd., which is ultimately controlled by SASAC of the People's Government of Hunan Province; and (d) approximately 5% by Zhuzhou State-owned Assets Investment Holding Group Co., Ltd., which is ultimately controlled by SASAC of the People's Government of Zhuzhou City; (ii) the Lessee and its ultimate beneficial owner are Independent Third Parties; and (iii) the Lessee is principally engaged in the business of thermal power generation, maintenance and commissioning of power generation equipment, electric power technology consulting services, etc.

Subject Matter

Subject to the fulfilment of the conditions as set out in the Sale and Leaseback Agreement (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 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 Agreement.

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

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 RMB112.86 million (equivalent to approximately HK$123.02 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 of the Leased Assets during the Lease Term.

Lease Payment

The total amount of lease payment is estimated to be approximately RMB103.32 million (equivalent to approximately HK$112.62 million) which shall be payable by the Lessee to Chengtong Financial Leasing in eight (8) quarterly instalments during the Lease Term.

The total amount of lease payment represents the sum of the lease principal amount (being the amount of Purchase Price to be paid by Chengtong Financial Leasing) and the lease interest which is estimated to be approximately RMB3.32 million (equivalent to approximately HK$3.62 million).

Service Fee

The Lessee shall pay a one-off service fee of RMB500,000 (equivalent to HK$545,000) ("**Service Fee**") to Chengtong Financial Leasing for the preliminary services provided by Chengtong Financial Leasing in respect of the Sale and Leaseback Arrangement. Such services include the provision of corporate finance consulting services, including but not limited to advising the Lessee on strategic analysis, investment and financing channels and models, as well as macroeconomic and market research. The Service Fee is non-refundable.

The lease payment and the Service Fee of the Sale and Leaseback Arrangement have been agreed between the parties after arm's length negotiation taking into account a number of factors, such as the amount of lease principal, the lease term, the overall return rate attained by the Group having considered the amount of lease interests, the Service Fee 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 Agreement, the Lessee shall have the right to repurchase the Leased Assets under the Sale and Leaseback Agreement 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 entering into 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 RMB3.82 million (equivalent to approximately HK$4.16 million), being the sum of the Service Fee and 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 5% but is less than 25%, the Sale and Leaseback Arrangement constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

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 Datang"	means China Datang Corporation Limited, 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 Agreement
"Leased Assets"	means certain thermal power generation equipment
"Lessee"	means Datang Huayin Youxian Energy 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 Agreement"	means, collectively, the following agreements in respect of the Leased Assets dated 22 December 2025 and signed between Chengtong Financial Leasing and the Lessee: (1) leaseback assets transfer agreement; and (2) finance lease agreement (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 Agreement
"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, 22 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.