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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 23 December 2025, Chengtong Financial Leasing, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Leaseback Agreements with the Co-Lessees, pursuant to which Chengtong Financial Leasing will purchase the Leased Assets from the Co-Lessees and will lease the Leased Assets back to the Co-Lessees 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

Since (i) the Sale and Leaseback Agreements and the Previous Transactions are and were all entered into with, among others, the subsidiaries of China Minmetals; 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 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 Shareholder's 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 16 January 2026, which is within 15 business days after the publication of this announcement.

SALE AND LEASEBACK ARRANGEMENT

On 23 December 2025, Chengtong Financial Leasing, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Leaseback Agreements with the Co-Lessees in respect of the Sale and Leaseback Arrangement, the major terms of which are set out below.

Date of the Sale and Leaseback Agreements

23 December 2025

Parties

Lessor: Chengtong Financial Leasing

Lessee: The Co-Lessees

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 Co-Lessees evidencing their ownership in the Leased Assets, and the obtaining of all necessary approvals by the Co-Lessees in relation to the Sale and Leaseback Arrangement), Chengtong Financial Leasing will purchase the Leased Assets from the Co-Lessees at the Purchase Price of RMB30 million (equivalent to HK$32.70 million), and the Leased Assets will be leased back to the Co-Lessees 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 30 June 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 Co-Lessees with reference to the appraised value of the Leased Assets of approximately RMB41.30 million (equivalent to approximately HK$45.02 million) as at 13 November 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 72.64% 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, based on the principle of continuous use of machinery and equipment and taking the current market price as the basis, the cost method is adopted.

The replacement costs include the necessary and reasonable costs, profits and related taxes and fees incurred in purchasing equipment. Based on the valuation, the total appraised replacement cost of the Leased Assets is approximately RMB52.93 million (equivalent to approximately HK$57.69 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 average newness rate for the Leased Assets, evaluated by the Valuer, is approximately 78.03%.

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 RMB32.13 million (equivalent to approximately HK$35.02 million) which shall be payable by the Co-Lessees 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 Purchase Price to be paid by Chengtong Financial Leasing) and the lease interest which is estimated to be approximately RMB2.13 million (equivalent to approximately HK2.32 million).

Service Fee

The Co-Lessees shall pay a one-off service fee of RMB0.75 million (equivalent to approximately HK$0.82 million) ("**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 Co-Lessees 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 under 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.

Co-Lessees' right to repurchase the Leased Assets

Upon the Co-Lessees 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 Co-Lessees shall have the right to repurchase the Leased Assets under the Sale and Leaseback Agreements at a nominal consideration of RMB0.10.

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.

INFORMATION OF THE PARTIES

Lessee I

To the best of the Directors' knowledge, information and belief, after making all reasonable inquiries, and based on the information publicly available as of the date of this announcement, (i) Lessee I is 20% controlled by Lessee II and the remaining 80% shares are averagely owned by four different private companies, namely Qinghai Weilong Steel Structure Engineering Co., Ltd. (51.2195%, 41.8324% and 6.9480% of its equity interests are held by three individuals, namely Mr. Li Yuexian, Ms. Li Dinghui and Mr. Cai Banglun, respectively), Changzhou Jintan Tiandi Construction Co., Ltd. (98% and 2% of its equity interests are held by Ms. Qiu Liyun and Mr. Chen Yuliang, respectively), Beijing Hongjiu Jiye Mechanical and Electrical Installation Co., Ltd. (wholly owned by Mr. Chen Guoqing), and Qiqihar Hongju Construction Labour Service Co., Ltd. (70% and 30% of its equity interests are held by Mr. Niu Tiefeng and Mr. Bao Zhicheng, respectively); (ii) Lessee I and its ultimate beneficial owners are Independent Third Parties; and (iii) Lessee I is principally engaged in the business of specialized equipment repair; general equipment repair, repair of electrical equipment, etc.

Lessee II

To the best of the Directors' knowledge, information and belief, after making all reasonable inquiries, and based on the information publicly available as of the date of this announcement, (i) Lessee II is a subsidiary of Metallurgical Corporation of China Ltd., whose shares are listed on the Main Board of the Stock Exchange (stock code: 1618) and which in turn is a subsidiary of China Minmetals; (ii) Lessee II and its ultimate beneficial owners are Independent Third Parties; and (iii) Lessee II is principally engaged in the business of construction project construction and design, interior decoration and renovation of residential buildings, electrical installation services, etc.

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 RMB2.88 million (equivalent to approximately HK$3.14 million), being the total of the Service Fee and 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

Since (i) the Sale and Leaseback Agreements and the Previous Transactions are and were all entered into with, among others, the subsidiaries of China Minmetals; 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 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 Shareholder's 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 16 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 Minmetals"	means China Minmetals Corporation, a state-owned enterprise established in the PRC with limited liability which is wholly-owned by SASAC of the State Council
"Co-Lessees"	means, collectively, Lessee I and Lessee II
"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"	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 certain construction machinery and auxiliary equipment
"Lessee I"	means Hebei Jingtang Industrial Technology Co., Ltd., a company established in the PRC with limited liability
"Lessee II"	means China 22nd Metallurgical Construction Corporation Limited, 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 Zibo Chengxin Construction Investment Engineering Management Co., Ltd. and China Metallurgical Construction Engineering Group Co., Ltd. as co-lessees, the details of which are set out in the announcement of the Company dated 11 January 2023 and the corresponding circular dated 16 February 2023; (2) the sale and leaseback arrangement entered into with (i) Dancheng Zhongyi Ecological Environment Governance Co., Ltd. and China First Metallurgical Group Co., Ltd. as co-lessees, and (ii) Hubei Songwei Tourist Road Construction and Management Co., Ltd. and China First Metallurgical Group Co., Ltd. as co-lessees, the details of which are set out in the announcement of the Company dated 26 August 2025 and the corresponding circular dated 18 September 2025; and (3) the sale and leaseback arrangement entered into with the Co-Lessees, the details of which are set out in the announcement of the Company dated 21 November 2025
"Purchase Price"	means the consideration payable by Chengtong Financial Leasing for the purchase of the Leased Assets from the Co-Lessees
"RMB"	means Renminbi, the lawful currency of the PRC

"Sale and Leaseback Agreements"	means, collectively, the following agreements in respect of the Leased Assets dated 23 December 2025 and signed between Chengtong Financial Leasing and the Co-Lessees: (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 Co-Lessees and the leaseback of the Leased Assets to the Co-Lessees 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"	Shandong Lianbang Real Estate Land Appraisal and Surveying 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 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, 23 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.