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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:
THE ASSIGNMENT
AND
THE SALE AND LEASEBACK ARRANGEMENT

On 29 December 2025, Chengtong Financial Leasing, an indirect wholly-owned subsidiary of the Company, entered into the Leased Assets Transfer Agreement with the Transferor, pursuant to which the Transferor has agreed to transfer and assign the Assigned Properties to Chengtong Financial Leasing at an expected Consideration of approximately RMB245.46 million (equivalent to approximately HK$267.55 million), subject to the actual Transfer Date. With effect from the Transfer Date, Chengtong Financial Leasing shall acquire the right to receive directly from the Lessee all the lease payments and other sums outstanding and payable by it under the Sale and Leaseback Agreement. Pursuant to the Sale and Leaseback Agreement, the Lease Term will be approximately 42 months from the actual Transfer Date, 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 Assignment exceeds 25% but is less than 100%, the Assignment 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.

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 Director's 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 any material interest in the Assignment and 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 Assignment and 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 Assignment and 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 Assignment and the Sale and Leaseback Arrangement.

A circular containing, among other things, (i) information on the Assignment and the Sale and Leaseback Arrangement, and (ii) other information required under the Listing Rules will be despatched to the Shareholders on or before 20 January 2026, which is within 15 business days after the publication of this announcement.

THE ASSIGNMENT

The Transferor, as the lessor, entered into the Sale and Leaseback Agreement with the Lessee on 11 July 2024 in respect of the Sale and Leaseback Arrangement.

On 29 December 2025, Chengtong Financial Leasing, an indirect wholly-owned subsidiary of the Company, entered into the Leased Assets Transfer Agreement with the Transferor.

Subject matter

Pursuant to the Leased Assets Transfer Agreement, subject to the fulfilment of the conditions as set out in the Leased Assets Transfer Agreement, the Transferor has agreed to transfer and assign the Assigned Properties to Chengtong Financial Leasing. With effect from the Transfer Date, Chengtong Financial Leasing shall acquire the right to receive directly from the Lessee all the lease payments and other sums outstanding and payable by it under the Sale and Leaseback Agreement.

Consideration

Subject to the actual Transfer Date, the Consideration is expected to be approximately RMB245.46 million (equivalent to approximately HK$267.55 million) which was agreed between Chengtong Financial Leasing and the Transferor after arm's length negotiation with reference to the outstanding amount of lease principal under the Sale and Leaseback Arrangement as at the date of the Leased Assets Transfer Agreement. The actual Consideration will be determined with reference to the then outstanding amount of lease principal under the Sale and Leaseback Arrangement as at the actual Transfer Date.

Subject to the fulfilment of all the conditions set out in the Leased Assets Transfer Agreement, Chengtong Financial Leasing shall pay the consideration to the Transferor on the Transfer Date.

The conditions as stipulated in the Leased Assets Transfer Agreement include but are not limited to the following:

(i) the signing and the coming into effect of the Leased Assets Transfer Agreement and its corresponding attachments and schedules;

(ii) Chengtong Financial Leasing has received the relevant documents or materials provided by the Transferor, which prove that the Transferor legally owns and effectively holds the ownership of the Leased Assets, the lease receivables and the security interest;

(iii) Chengtong Financial Leasing has received the original "Payment Notice" issued by the Transferor;

(iv) Chengtong Financial Leasing has registered the asset in the relevant registration system in the PRC;

(v) complete the registration of accounts receivable transfer (if any) in the relevant registration system in the PRC in accordance with the terms of the Leased Assets Transfer Agreement;

(vi) other payment conditions proposed by Chengtong Financial Leasing; and

(vii) if the Leased Assets Transfer Agreement violates or fails to meet the requirements stipulated by relevant laws, regulations and regulatory authorities, Chengtong Financial Leasing has the right to terminate the Leased Assets Transfer Agreement in advance and recover all the funds.

The Consideration will be satisfied by the general working capital of the Group.

THE SALE AND LEASEBACK AGREEMENT

The key terms of the Sale and Leaseback Agreement are summarised as follows:

Date	11 July 2024
Lessee	Lessee
Leased Assets	Certain electric bus sets, electromechanical equipment, power distribution equipment, communication equipment, etc.
Expiry date of the Lease Term	19 July 2029
Outstanding amount of lease principal as at the date of the Leased Assets Transfer Agreement	Approximately RMB245.22 million (equivalent to approximately HK$267.29 million)
Outstanding amount of lease interest as at the date of the Leased Assets Transfer Agreement	Approximately RMB22.87 million (equivalent to approximately HK$24.93 million)
Nominal consideration for repurchase of the Leased Assets	RMB100 (equivalent to approximately HK$109)
Type of security provided	100% joint and several liability guarantee by the Guarantor

Pursuant to the Leased Assets Transfer Agreement, Chengtong Financial Leasing shall have the right to be registered as the registered owner of the Leased Assets as well as the lease payments and other receivables under the Sale and Leaseback Arrangement in the relevant registration system in the PRC.

INFORMATION OF THE PARTIES

Transferor

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 Transferor is wholly-owned by China Southern Airlines Group Co., Ltd., whose ultimate controller is SASAC of the State Council; (ii) the Transferor and its ultimate beneficial owners are Independent Third Parties; and (iii) the Transferor is principally engaged in the financial leasing business.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, 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 Transferor, its directors, legal representatives and ultimate beneficial owner(s) who can exert influence on the transactions.

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 (a) 51% owned by the Guarantor, which is ultimately controlled by Finance Bureau of Keqiao District, Shaoxing City, Zhejiang Province; and (b) 49% owned by Zhejiang Shaoxing Hangzhou-Shaoxing Airport Economic Demonstration Zone Development Group Co., Ltd., which is ultimately controlled by Finance Bureau of Keqiao District, Shaoxing City, Zhejiang Province; (ii) the Lessee and its ultimate beneficial owners are Independent Third Parties; and (iii) the Lessee is principally engaged in the business of the investment and construction of Hangzhou-Shaoxing Intercity Rail Transit Project.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, 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, its directors, legal representatives and ultimate beneficial owner(s) who can exert influence on the transactions.

Guarantor

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 Guarantor is ultimately controlled by Finance Bureau of Keqiao District, Shaoxing City, Zhejiang Province; (ii) the Guarantor and its ultimate beneficial owners are Independent Third Parties; and (iii) the Guarantor is principally engaged in the business of the investment, construction, operation and management of rail transit projects, etc.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, 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 Guarantor, its directors, legal representatives and ultimate beneficial owner(s) who can exert influence on the transactions.

REASONS FOR AND BENEFITS OF THE ASSIGNMENT

The Group is principally engaged in leasing, property development and investment, marine recreation services and hotel business. The Group's leasing business is mainly carried out through Chengtong Financial Leasing as its principal business. The entering into the Assignment is in the ordinary and usual course of business of Chengtong Financial Leasing. It is expected that Chengtong Financial Leasing will earn an income of approximately RMB22.87 million (equivalent to approximately HK$24.93 million), being the outstanding lease interest under the Sale and Leaseback Arrangement (assuming the actual Transfer Date is 29 December 2025).

In light of the above, the Directors are of the view that the terms of the Leased Assets Transfer Agreement and the Sale and Leaseback Agreement 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 Assignment exceeds 25% but is less than 100%, the Assignment 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.

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 Director's 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 any material interest in the Assignment and 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 Assignment and 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 Assignment and 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 Assignment and the Sale and Leaseback Arrangement.

A circular containing, among other things, (i) information on the Assignment and the Sale and Leaseback Arrangement, and (ii) other information required under the Listing Rules will be despatched to the Shareholders on or before 20 January 2026, which is within 15 business days after the publication of this announcement.

DEFINITIONS

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

"Assigned Properties"	means the rights of the Transferor as the lessor under the Sale and Leaseback Agreement, including but not limited to the ownership of the Leased Assets, the rights to receive lease payments, default interests, liquidated damages, or any other payments or expenses from the Lessee under the Sale and Leaseback Agreement
"Assignment"	means the assignment of the Assigned Properties by the Transferor to Chengtong Financial Leasing pursuant to the terms of the Leased Assets Transfer Agreement
"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
"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

"Consideration"	means the consideration payable by Chengtong Financial Leasing to the Transferor for the Assignment
"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 Shaoxing Keqiao District Rail Transit Group 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(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 outstanding lease term under the Sale and Leaseback Agreement from the actual Transfer Date
"Leased Assets"	means certain electric bus sets, electromechanical equipment, power distribution equipment, communication equipment, etc.
"Leased Assets Transfer Agreement"	means the leased assets transfer agreement dated 29 December 2025 entered into between the Transferor and Chengtong Financial Leasing, pursuant to which the Transferor has agreed to transfer and assign to Chengtong Financial Leasing the Assigned Properties
"Lessee"	means Shaoxing Keqiao District Hangzhou-Shaoxing Intercity Rail Transit Construction Investment 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
"RMB"	means Renminbi, the lawful currency of the PRC

"Sale and Leaseback Agreement"	means the sale and leaseback agreement dated 11 July 2024 entered into between the Transferor (as lessor) and the Lessee (as lessee) in respect of the sale and leaseback of the Leased Assets
"Sale and Leaseback Arrangement"	means the sale and leaseback arrangement under 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
"Transfer Date"	means 29 December 2025 (or such other date as may be agreed between the Transferor and Chengtong Financial Leasing)
"Transferor"	means China Southern Airlines International Financial Leasing Co., Ltd., a state-owned enterprise established in the PRC with limited liability
"%"	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.

On behalf of the Board
China Chengtong Development Group Limited
Chen Jianying
Executive Director

Hong Kong, 29 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.