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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)

VERY SUBSTANTIAL ACQUISITIONS – SALE AND LEASEBACK ARRANGEMENTS

XINTE ARRANGEMENT AND WENGNIUTEQI ARRANGEMENT

On 21 October 2026, Chengtong Financial Leasing, an indirect wholly-owned subsidiary of the Company, entered into:

- (i) the Xinte Agreements with Xinte pursuant to which Chengtong Financial Leasing has agreed to purchase the Xinte Leased Assets from Xinte and will lease the Xinte Leased Assets back to Xinte for a lease term of two (2) years from the date on which the purchase price of Xinte Leased Assets is paid by Chengtong Financial Leasing, subject to early termination in accordance with the terms and conditions of the Xinte Agreements; and
- (ii) the Wengniuteqi Agreements with Wengniuteqi pursuant to which Chengtong Financial Leasing has agreed to purchase the Wengniuteqi Leased Assets from Wengniuteqi and will lease the Wengniuteqi Leased Assets back to Wengniuteqi for a lease term of two (2) years from the date on which the purchase price of Wengniuteqi Leased Assets is paid by Chengtong Financial Leasing, subject to early termination in accordance with the terms and conditions of the Wengniuteqi Agreements.

IMPLICATIONS UNDER THE LISTING RULES

Since (i) the Xinte Agreements, Wengniuteqi Agreements and the Previous Huadian Transactions are and were all entered into with the companies which are subsidiaries of or associated with China Huadian; and (ii) the Previous Huadian Transactions are still subsisting when the Xinte Agreements and Wengniuteqi Agreements were entered into, therefore the Xinte Arrangement and the Wengniuteqi Arrangement are aggregated with the Previous Huadian 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 Xinte Arrangement and the Wengniuteqi Arrangement (when aggregated with the Previous Huadian Transactions) exceeds 100%, the entering into of the Xinte Arrangement and the Wengniuteqi Arrangement constitutes very substantial acquisitions of the Company and is subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

THE GENERAL MEETING

The GM will be convened and held by the Company for the purpose of considering and, if thought fit, approving the Xinte Arrangement and the Wengniuteqi Arrangement.

A circular containing, among other things, (i) information on the Xinte Arrangement and the Wengniuteqi Arrangement; (ii) other information required under the Listing Rules; and (iii) the notice of the GM will be despatched to the Shareholders on or before 24 November 2026 as additional time is needed to finalise the circular.

XINTE ARRANGEMENT AND WENGNIUTEQI ARRANGEMENT

On 21 October 2026, Chengtong Financial Leasing, an indirect wholly-owned subsidiary of the Company, entered into (i) the Xinte Agreements with Xinte; and (ii) the Wengniuteqi Agreements with Wengniuteqi, the major terms of which are set out below.

Subject matter

Conditional upon the approval by the Shareholders of the Xinte Arrangement and the Wengniuteqi Arrangement, and subject to the fulfilment of all applicable conditions as set out in the Xinte Agreements and the Wengniuteqi Agreements (as the case may be), Chengtong Financial Leasing will purchase the Xinte Leased Assets and the Wengniuteqi Leased Assets from Xinte and Wengniuteqi respectively and such leased assets will be leased back to Xinte and Wengniuteqi for a period of two (2) years from the date on which the purchase price in respect of the Xinte Leased Assets or the Wengniuteqi Leased Assets (as the case may be) is paid by Chengtong Financial Leasing, subject to early termination in accordance with the terms and conditions of the Xinte Agreements and Wengniuteqi Agreements.

The conditions as stipulated in each of the Xinte Agreements and the Wengniuteqi Agreements are identical which include the following:

- (i) the signing and the coming into effect of the Xinte Agreements and the Wengniuteqi Agreements and all other ancillary documents;
- (ii) the provision of all necessary documents or information by Xinte and Wengniuteqi evidencing their respective ownership in the Xinte Leased Assets and Wengniuteqi Leased Assets;

- (iii) the full payment of security money (if applicable) by Xinte and Wengniuteqi;
- (iv) the obtaining of all necessary approvals by Xinte and Wengniuteqi in relation to the Xinte Agreements and the Wengniuteqi Agreements;
- (v) the signing and the coming into effect of the relevant security agreements (if applicable) and the completion of the relevant mortgage or pledge registration;
- (vi) the purchase of insurance in respect of the Xinte Leased Assets and the Wengniuteqi Leased Assets in accordance with the terms of the Xinte Agreements and the Wengniuteqi Agreements by Xinte and Wengniuteqi, as well as the signing and coming into effect of the insurance contracts; and
- (vii) any other condition(s) as may be required by Chengtong Financial Leasing.

If any of the applicable conditions under the Xinte Agreements or the Wengniuteqi Agreements is not satisfied on or before 21 October 2027, Chengtong Financial Leasing shall have the right to unilaterally terminate the Xinte Agreements or the Wengniuteqi Agreements.

Purchase price

The purchase price payable by Chengtong Financial Leasing for the Xinte Leased Assets under the Xinte Arrangement is RMB13 million (equivalent to HK\$15.08 million) and was agreed between Chengtong Financial Leasing and Xinte with reference to the appraised value of the Xinte Leased Assets of approximately RMB16.55 million (equivalent to approximately HK\$19.20 million) as at 30 October 2025, as assessed by way of cost method by the Valuer.

The purchase price payable by Chengtong Financial Leasing for the Wengniuteqi Leased Assets under the Wengniuteqi Arrangement is RMB30 million (equivalent to HK\$34.80 million) and was agreed between Chengtong Financial Leasing and Wengniuteqi with reference to the appraised value of the Wengniuteqi Leased Assets of approximately RMB35.81 million (equivalent to approximately HK\$41.54 million) as at 12 June 2026, as assessed by way of cost method by the Valuer.

Set forth below is the valuation methodology adopted by the Valuer in assessing the value of the Xinte Leased Assets and the Wengniuteqi Leased Assets.

Based on the assessment purpose and the characteristics and current situation of the appraised assets, the Valuer adopted the cost method taking into account the factors affecting the valuation of the Xinte Leased Assets and the Wengniuteqi Leased Assets respectively.

The cost method, being adopted by the Valuer for the valuation of the Xinte Leased Assets and the Wengniuteqi Leased Assets, is a method determining the value of an appraised asset by multiplying the replacement cost of the appraised asset by its newness rate. The value of the appraised asset is first to be obtained by estimating the replacement cost of the appraised asset, followed by deducting various estimated depreciation factors that currently exist in the appraised asset. The replacement cost is determined on the basis of the current market value of the appraised asset on the appraisal date and taking into account the transportation and miscellaneous expenses, installation fee, equipment foundation fee and capital costs, while the newness rate is determined after taking into account the appraised asset's economic life, remaining service life and current condition as assessed through on-site inspection.

The appraised value of the Xinte Leased Assets in the Xinte Arrangement and the Wengniuteqi Leased Assets in the Wengniuteqi Arrangement and the key parameters used in the appraisals are summarised as follows:

	Xinte Arrangement	Wengniuteqi Arrangement
Valuation reference date	30 October 2025	12 June 2026
Appraised value of the relevant leased assets	Approximately RMB16.55 million (equivalent to approximately HK\$19.20 million)	Approximately RMB35.81 million (equivalent to approximately HK\$41.54 million)
Total appraised replacement cost of the relevant leased assets	Approximately RMB25.49 million (equivalent to approximately HK\$29.57 million)	Approximately RMB48.52 million (equivalent to approximately HK\$56.28 million)
Average newness rate of the relevant leased assets	64.91%	74%

The Xinte Leased Assets are grid-connected photovoltaic power station equipment, which are standardised new energy fixed assets in stable operation and with stable cash flows. Due diligence conducted on the Xinte Arrangement by Chengtong Financial Leasing revealed that, since the valuation reference date of 30 October 2025, the Xinte Leased Assets have been in normal operation to generate electricity in the photovoltaic power station with regular maintenance, and the legal titles of the Xinte Leased Assets are free from defects and with no encumbrances and mortgages, seizures, changes in ownership or rights. In addition, the industry policies, electricity pricing mechanisms, solar resource conditions and the operating environment of the photovoltaic industry have all remained stable. There have been no material matters adversely affecting the appraised value of the Xinte Leased Assets since the valuation reference date of 30 October 2025.

Taking in account (i) the Xinte Leased Assets are established grid-connected photovoltaic fixed assets with minimal short-term volatility in value, (ii) the continuous stable cashflow generated from the photovoltaic power station, and (iii) no matters that have been or would have been materially affected the asset value of the Xinte Leased Assts, the Board is of the view that the appraised value of the Xinte Leased Assets as at the valuation reference date of 30 October 2025 continues to reflect their fair value as at the date of the Xinte Agreements and therefore, the valuation of the Xinte Leased Assets as at 30 October 2025 remains valid, fair and reasonable as at the date of the Xinte Agreements.

The Board has considered the valuation assumptions as set out in the Xinte Leased Assets Valuation Report and the Wengniuteqi Leased Assets Valuation Report, which include but not limited to the following:

- (i) there are no significant errors in the content, quantity and book value of the assets declared by the property rights holder. There is no dispute over the ownership of the appraised assets, and the intrinsic quality of the appraised assets is intact;
- (ii) there is no material adjustment or change in (a) the relevant policies and regulations; (b) the social environment in the future; and (c) the relevant national laws, regulations and policies in the future; and
- (iii) it is assumed that the management of the enterprise being appraised has fulfilled its obligations responsibly for the operation of the enterprise and has effectively managed the relevant assets in a competent manner. The appraised enterprise has not violated any relevant national laws and regulations during its operation.

The Board noted that if there is any deviation from the above assumptions, the valuation results may differ. The Board has reviewed the Xinte Leased Assets Valuation Report and the Wengniuteqi Leased Assets Valuation Report and considered the valuation methods and assumptions adopted. The Board is of the view that the valuation method adopted in respect of each of Xinte Leased Assets and the Wengniuteqi Leased Assets is reasonable and the assumptions adopted are general assumptions commonly adopted in assets valuation in the PRC. Therefore, the Board considers that the appraised value of each of the Xinte Leased Assets and the Wengniuteqi Leased Assets is fair and reasonable.

The Xinte Leased Assets and the Wengniuteqi Leased Assets are not revenue generating assets with identifiable income stream.

The respective purchase price for the Xinte Leased Assets and the Wengniuteqi Leased Assets will be satisfied by the general working capital of the Group.

Having considered the above, the Directors are of the view that the respective purchase price of the Xinte Leased Assets and the Wengniuteqi Leased Assets is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Legal title

Chengtong Financial Leasing owns the respective legal title of the Xinte Leased Assets and Wengniuteqi Leased Assets during the lease term.

Lease payment

The total amount of lease payment in respect of each of the Xinte Arrangement and the Wengniuteqi Arrangement represents the sum of the relevant lease principal amount (being the amount of relevant purchase price to be paid by Chengtong Financial Leasing) and the relevant lease interest. The relevant lease payment shall be payable by the Xinte or Wengniuteqi to Chengtong Financial Leasing in four (4) semi-annual installments during the lease term.

The lease interests are calculated based on the then prevailing interest rate and the then outstanding lease principal amount. The interest rate under the Xinte Arrangement is a floating interest rate calculated at a fixed premium over, whereas the interest rate under the Wengniuteqi Arrangement is a floating interest rate calculated at a fixed discount to, the one-year LPR at the lease commencement date, subject to adjustment based on the one-year LPR on 1 January every year during the lease term.

If on any interest rate adjustment date, Xinte or Wengniuteqi has an overdue lease payment and has not paid all overdue payments and liquidated damages, the interest rate to be applied will not be adjusted when the LPR is reduced.

The lease payments of the Xinte Arrangement and the Wengniuteqi 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 and the overall return rate to be achieved that is commensurate with the prevailing market conditions.

With regard to the Xinte Arrangement, the premium over the LPR was determined on an arm's length basis with reference to a comprehensive assessment of the Xinte Arrangement, taking into account (i) the lease term, (ii) the credit profile of Xinte, (iii) the type and value of the Xinte Leased Assets, (iv) the industry risk associated with Xinte and (v) the transaction size of the Xinte Arrangement.

(i) Lease term

The two-year lease term matches the expected remaining operating life of the Xinte Leased Assets and aligns with the common lease term within the photovoltaic industry, maintaining a manageable risk exposure.

(ii) Credit profile of Xinte

Prior to executing the Xinte Agreements, the relevant business department of Chengtong Financial Leasing conducted a comprehensive risk assessment on Xinte, which involved conducting due diligence on Xinte's background, business profile and financial standing, as well as verifying the legal titles of the Xinte Leased Assets to ensure their tradability. The assessment gave primary consideration to the financial condition of Xinte and the robust support from its ultimate parent company, Huadian New Energy Group Corporation Limited ("**Huadian New Energy Group**"), whose credit rating is "AAA", with a stable outlook. A review of Xinte's recent financial statements confirmed that it maintains a positive cashflow from its operating activities, demonstrating Xinte's ability to meet its financial obligations under the Xinte Arrangement.

(iii) Type and value of the Xinte Leased Assets

The Xinte Leased Assets included photovoltaic module support structures and transmission cables of a photovoltaic power station located in Xinjiang of the PRC. These photovoltaic equipment is subject to fast-paced technological advancement and short upgrade cycle, resulting in a higher risk of asset replacement and depreciation. Therefore, the overall risk associated with Xinte Leased Assets is considered to be moderate.

(iv) Industry risk associated with Xinte

Photovoltaic power generation is heavily affected by the climate and weather conditions, resulting in a considerable fluctuation in power generation, and consequentially weakening the revenue stability of Xinte.

(v) Transaction size

The transaction size of the Xinte Arrangement is relatively small and the transaction framework is similar and comparable to most finance lease arrangements conducted by the Group, thereby minimising risk control and operational costs.

By virtue of the above, despite the healthy financial position of Xinte and the strong support from Xinte's shareholder, the overall risk associated with the Xinte Leased Assets is considered to be moderate. The floating interest rate under the Xinte Arrangement, which is determined at a premium over the prevailing one-year LPR from time to time, was set as a commercial measure to keep the risk associated with the Xinte Arrangement controllable. It is considered that the said premium is consistent with the Group's ordinary pricing policy and historical practice.

In respect of the Wengniuteqi Arrangement, the discount to the LPR (“**Discount**”) was set as a commercial measure to secure a high-quality, low-risk investment on competitive terms. The Discount was determined on an arm’s length basis with reference to a thorough assessment of the Wengniuteqi Arrangement, taking into account (i) the lease term, (ii) the credit profile of Wengniuteqi, (iii) the type and value of the Wengniuteqi Leased Assets, (iv) the industry risk associated with Wengniuteqi and (v) the transaction size of the Wengniuteqi Arrangement.

(i) Lease term

The two-year lease term of the Wengniuteqi Arrangement is short as compared to other finance lease arrangements conducted by the Group, thereby minimising the Group’s risk exposure.

(ii) Credit profile of Wengniuteqi

Prior to executing the Wengniuteqi Agreements, the relevant business department of Chengtong Financial Leasing conducted a comprehensive risk assessment on Wengniuteqi, which involved conducting due diligence on Wengniuteqi’s background, business profile and financial standing, as well as verifying the legal titles of the Wengniuteqi Leased Assets to ensure their tradability. The assessment gave primary consideration to the stable financial condition of Wengniuteqi and the robust support from its ultimate parent company, Huadian New Energy Group, whose credit rating is “AAA”, with a stable outlook. A review of Wengniuteqi’s recent financial statements confirmed that it maintains a positive cashflow from its operating activities, representing a solid capacity to meet its financial obligations under the Wengniuteqi Arrangement.

(iii) Type and value of the Wengniuteqi Leased Assets

The Wengniuteqi Leased Assets mainly comprised wind turbine towers and wind turbine generators of a wind power station in Inner Mongolia Autonomous Region of the PRC. These assets are built on well-established technology and possess a long equipment life, and therefore greater asset stability. Furthermore, the gradual depreciation characteristic of the Wengniuteqi Leased Assets supports stronger asset value retention and sustainability. Hence, the overall risks associated with the Wengniuteqi Leased Assets are limited.

(iv) Industry risk associated with Wengniuteqi

In view of the general stable power output in wind power stations, with minimal fluctuation in the annual utilisation hours and minimal disruption due to climatic changes, it is considered that the wind power industry is characterised by strong operational stability.

(v) *Transaction size*

The transaction size of the Wengniuteqi Arrangement is relatively small and the transaction framework is similar and comparable to most finance lease arrangements conducted by the Group, thereby minimising risk control and operational costs.

The floating interest rate under the Wengniuteqi Arrangement, which is being determined at a discount to the prevailing one-year LPR from time to time, falls within the range of ordinary pricing policy of the Group for sale and leaseback arrangements conducted with state-owned enterprises with low credit risk profile engaging in wind power business in recent years. It is considered that the Discount is consistent with the Group's ordinary pricing policy and historical practice.

Based on the aforementioned, the Board considers the pricing policy in respect of the lease interest under each of the Xinte Arrangement and the Wengniuteqi Arrangement is on normal commercial terms and fair and reasonable.

Lessees' right to repurchase the Xinte Leased Assets and Wengniuteqi Leased Assets

Upon Xinte and Wengniuteqi having paid all the lease payments and other payables (if any) to Chengtong Financial Leasing in accordance with the terms of the Xinte Agreements and the Wengniuteqi Agreements, each of Xinte and Wengniuteqi shall have the right to repurchase the relevant Xinte Leased Assets and the relevant Wengniuteqi Leased Assets at a nominal consideration of RMB0.46 (in respect of the Xinte Agreements) and RMB2 (in respect of the Wengniuteqi Agreements) respectively.

Termination

Pursuant to the terms of the Xinte Agreements and the Wengniuteqi Agreements, the Xinte Arrangement may be terminated prior to the expiration of the lease term upon not less than forty-five (45) days' notice served by either party on the other after six (6) months from the lease commencement date, while the Wengniuteqi Arrangement may be terminated prior to the expiration of the lease term upon mutual agreement in writing of the parties thereto.

Upon receipt of Xinte's or Wengniuteqi's request for early termination, the relevant department of Chengtong Financial Leasing will assess the internal rate of return with reference to the amount of outstanding lease principal and the accrued interest payable by Xinte or Wengniuteqi ("**Final Payment**") as at the relevant proposed date for early repayment. If the internal rate of return achievable upon early termination of the Xinte Arrangement or the Wengniuteqi Arrangement is no less favourable than that under the respective full lease term, Chengtong Financial Leasing will approve Xinte's or Wengniuteqi's request for early termination. A confirmation will then be signed by the relevant parties to acknowledge and confirm that (i) the Final Payment and the nominal repurchase price have been received by Chengtong Financial Leasing in full and final settlement of all payment obligations of Xinte or Wengniuteqi under the Xinte Arrangement or the Wengniuteqi Arrangement; and (ii) the Xinte Agreements or the Wengniuteqi Agreements shall be terminated.

Taking into consideration that, in the event of early termination of the Xinte Arrangement or the Wengniuteqi Arrangement, (i) the internal rate of return achievable will be compared against, and ensured to be no less favourable than, that under the full lease term; and (ii) the funds recovered from Xinte or Wengniuteqi can be utilised by the Group for other potential projects, the Directors are of the view that the terms in respect of early termination of the Xinte Arrangement or Wengniuteqi Arrangement are on normal commercial terms and are fair and reasonable.

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.

The Group also has post-lease management measures in place and as part of these measures, following the execution of a sale and leaseback arrangement, relevant department of Chengtong Financial Leasing is responsible for reviewing the financial information of the lessee(s) and any security provider(s) and conducting telephone calls or video conference or site inspection (where appropriate) of not less than twice a year to ascertain any changes in the business information and financial condition of the lessee(s) and security provider(s), use of funds by the lessee(s) and source of funds for lease payments, condition of the leased assets and operating conditions of the lessee(s) and any security provider(s).

Regular review of financial information of the lessee(s) enables the Group to track the operating condition and cash flow position of the lessee(s) and therefore their ongoing repayment ability. Site inspection allows the Group to monitor the physical condition and value of the leased assets. Through review and inspection being conducted on a basis of not less than two times a year, it enables the Group to identify risks at an early stage and impose appropriate credit enhancement measure(s) in a timely manner to protect the interests of the Group and the Shareholders.

The Board considers that the existing credit enhancement measures are sufficient to safeguard the interests of the Company and the Shareholders.

Material terms of each of the Xinte Arrangement and Wengniuteqi Arrangement

The general terms and conditions of each of the Xinte Arrangement and Wengniuteqi Arrangement are substantially the same. Their respective key terms are summarised as follows:

	Xinte Arrangement	Wengniuteqi Arrangement
Date of the relevant sale and leaseback agreements	21 October 2026	21 October 2026
Lessee	Xinte	Wengniuteqi
Leased assets	Photovoltaic module support structures and transmission cables located in Xinjiang of the PRC	Wind turbine towers and wind turbine generators located in Inner Mongolia Autonomous Region of the PRC
Purchase price	RMB13 million (equivalent to approximately HK\$15.08 million)	RMB30 million (equivalent to approximately HK\$34.80 million)
Lease term	two (2) years	two (2) years
Lease payment	Approximately RMB13.63 million (equivalent to approximately HK\$15.81 million)	Approximately RMB31.08 million (equivalent to approximately HK\$36.05 million)
Lease interest	Approximately RMB0.63 million (equivalent to approximately HK\$0.73 million)	Approximately RMB1.08 million (equivalent to approximately HK\$1.25 million)

INFORMATION OF THE LESSEES

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, and based on the information publicly available as of the date of the Xinte Agreements and the Wengniuteqi Agreements, (i) Xinte is a direct wholly-owned subsidiary of Huadian New Energy Group; (ii) Wengniuteqi is a direct wholly-owned subsidiary of Huadian Beifang New Energy Co. Ltd., which is in turn wholly-owned by Huadian New Energy Group; (iii) Huadian New Energy Group 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% shareholding interest in Huadian New Energy Group) and Huadian Power International Corporation Limited (which held 26.78% shareholding interest in Huadian New Energy Group), 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 are in turn wholly owned by SASAC; and (iv) each of Xinte and Wengniuteqi is principally engaged in the business of new energy power generation.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Xinte, Wengniuteqi and their respective ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE XINTE ARRANGEMENT AND WENGNIUTEQI 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 each of the Xinte Arrangement and Wengniuteqi Arrangement is in the ordinary and usual course of business of Chengtong Financial Leasing and it is expected that Chengtong Financial Leasing will earn (i) an income of approximately RMB0.63 million (equivalent to approximately HK\$0.73 million) under the Xinte Arrangement; and (ii) an income of approximately RMB1.08 million (equivalent to approximately HK\$1.25 million) under the Wengniuteqi Arrangement, each being the lease interest under the Xinte Arrangement and Wengniuteqi Arrangement respectively.

In light of the above, the Directors are of the view that the terms of each of the Xinte Arrangement and the Wengniuteqi 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 Xinte Agreements, the Wengniuteqi Agreements and the Previous Huadian Transactions are and were all entered into with the companies who are subsidiaries of or associated with China Huadian; and (ii) the Previous Huadian Transactions are still subsisting when the Xinte Agreements and Wengniuteqi Agreements were entered into, therefore the Xinte Arrangement and the Wengniuteqi Arrangement are aggregated with the Previous Huadian 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 Xinte Arrangement and the Wengniuteqi Arrangement (when aggregated with the Previous Huadian Transactions) exceeds 100%, the entering into of the Xinte Arrangement and the Wengniuteqi Arrangement constitutes very substantial acquisitions of the Company and is subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

THE GENERAL MEETING

The GM will be convened and held by the Company for the purpose of considering and, if thought fit, approving the Xinte Arrangement and the Wengniuteqi Arrangement.

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) has any material interest in each of the Xinte Arrangement and the Wengniuteqi Arrangement. Thus, no Shareholder is required to abstain from voting on the resolutions approving each of the Xinte Arrangement and the Wengniuteqi Arrangement.

A circular containing, among other things, (i) information on the Xinte Arrangement and the Wengniuteqi Arrangement; (ii) other information required under the Listing Rules; and (iii) the notice of the GM will be despatched to the Shareholders on or before 24 November 2026 as additional time is needed to finalise the circular.

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
“GM”	means the general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Xinte Arrangement and Wengniuteqi Arrangement
“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/ their connected persons (having the meaning ascribed to it under the Listing Rules)
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“LPR”	means the loan prime rate as promulgated by the National Interbank Funding Center under the authority of the People’s Bank of China
“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 Huadian
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 circular of the Company dated 15 December 2023;
- (2) 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 circular of the Company dated 12 November 2025;
- (3) the sale and leaseback arrangement entered into with Xinte, the details of which are set out in the announcement of the Company dated 13 November 2025 and the circular of the Company dated 15 December 2025;
- (4) the sale and leaseback arrangement entered into with Inner Mongolia Huadian Bayin Wind Power Generation Co., Ltd., the details of which are set out in the announcement of the Company dated 17 December 2025 and the circular of the Company dated 16 January 2026;
- (5) the sale and leaseback arrangement entered into with Huadian Datong New Energy Co., Ltd., the details of which is set out in the announcement of the Company dated 13 January 2026 and the circular of the Company dated 13 February 2026;
- (6) 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 13 April 2026 and the circular of the Company dated 21 May 2026;

- (7) the sale and leaseback arrangement entered into with Inner Mongolia Huadian Bayin Wind Power Generation Co., Ltd., the details of which are set out in the announcement of the Company dated 17 April 2026 and the circular of the Company dated 21 May 2026; and
- (8) the sale and leaseback arrangement entered into with Inner Mongolia Huadian Honggeer New Energy Co., Ltd., the details of which are set out in the announcement of the Company dated 2 July 2026 and the circular of the Company dated 20 July 2026

“RMB”	means Renminbi, the lawful currency of the PRC
“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 Asset Appraisal and Cost Consulting Co., Ltd., a qualified independent valuer in the PRC
“Wengniuteqi”	means Huadian Wengniuteqi Wind Power Co., Ltd., a state-owned enterprise established in the PRC with limited liability
“Wengniuteqi Agreements”	means, collectively, two (2) sets of the following agreements in respect of the Wengniuteqi Leased Assets dated 21 October 2026 and signed between Chengtong Financial Leasing and Wengniuteqi: (1) leaseback assets transfer agreement; and (2) finance lease agreement (sale and leaseback)
“Wengniuteqi Arrangement”	means the sale and leaseback arrangement under the Wengniuteqi Agreements

“Wengniuteqi Leased Assets”	means wind turbine towers and wind turbine generators located in Inner Mongolia Autonomous Region of the PRC
“Wengniuteqi Leased Assets Valuation Report”	means the valuation report issued by the Valuer in respect of the value of the Wengniuteqi Leased Assets as at 12 June 2026
“Xinte”	means Xinjiang Huadian Xinte Energy Co., Ltd., a state-owned enterprise established in the PRC with limited liability
“Xinte Agreements”	means, collectively, two (2) sets of the following agreements in respect of the Xinte Leased Assets dated 21 October 2026 and signed between Chengtong Financial Leasing and Xinte: (1) leaseback assets transfer agreements; and (2) finance lease agreements (sale and leaseback)
“Xinte Arrangement”	means the sale and leaseback arrangement under the Xinte Agreements
“Xinte Leased Assets”	means photovoltaic module support structures and transmission cables located in Xinjiang of the PRC
“Xinte Leased Assets Valuation Report”	means the valuation report issued by the Valuer in respect of the value of the Xinte Leased Assets as at 30 October 2025
“%”	means per cent.

In this announcement, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1.00 to approximately HK\$1.16. 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 entities established in the PRC in this announcement are for identification purpose only.

By order of the Board
China Chengtong Development Group Limited
Zhao Peng
Chairman

Hong Kong, 21 October 2026

As at the date of this announcement, the executive Directors are Mr. Zhao Peng (Chairman), Mr. Chen Jianying and Ms. Bai Chunrui; and the independent non-executive Directors are Mr. Lee Man Chun, Tony, Professor He Jia and Mr. Liu Lei.