Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 — FINANCE LEASE ARRANGEMENT

On 6 November 2026, Chengtong Trading, an indirect wholly-owned subsidiary of the Company, entered into the Finance Lease Arrangement which includes:

(i) the Aircraft Purchase Agreement pursuant to which Chengtong Trading has agreed to purchase from the Seller the Aircraft Asset at a consideration of RMB155.00 million (equivalent to approximately HK$179.80 million); and

(ii) the Aircraft Leasing Agreement pursuant to which Chengtong Trading has agreed to lease the Aircraft Asset to the Lessee for a term of five (5) years.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Finance Lease Arrangement exceeds 25% but is less than 100%, the Finance Lease 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 Finance Lease Arrangement. Thus, no Shareholder is required to abstain from voting if the Company were to convene a general meeting to approve the Finance Lease 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 Finance Lease 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 Finance Lease Arrangement.

A circular containing, among other things, (i) information on the Finance Lease Arrangement; and (ii) other information required under the Listing Rules will be despatched to the Shareholders on or before 27 November 2026, which is within 15 business days after the publication of this announcement.

INTRODUCTION

On 6 November 2026, Chengtong Trading, an indirect wholly-owned subsidiary of the Company, entered into the Finance Lease Arrangement which includes:

(i) the Aircraft Purchase Agreement pursuant to which Chengtong Trading has agreed to purchase from the Seller the Aircraft Asset at a consideration of RMB155.00 million (equivalent to approximately HK$179.80 million); and

(ii) the Aircraft Leasing Agreement pursuant to which Chengtong Trading has agreed to lease the Aircraft Asset to the Lessee for a term of five (5) years.

AIRCRAFT PURCHASE AGREEMENT

The principal terms of the Aircraft Purchase Agreement are set out as follows:

Date

6 November 2026

Parties

Seller: the Seller

Purchaser: Chengtong Trading

Subject Matter

Chengtong Trading's obligation to pay the Purchase Price of RMB155.00 million (equivalent to approximately HK$179.80 million) to the Seller under the Aircraft Purchase Agreement is conditional upon satisfaction of the conditions as set out in the Aircraft Purchase Agreement (including but not limited to the provision of all necessary documents or information by the Seller evidencing its ownership and delivery of documents relating to the transfer of ownership of the Aircraft Asset, and the obtaining of all necessary approvals and clearance by the Seller in relation to the Aircraft Purchase Agreement).

If the Seller did not provide requisite documents in accordance with the terms of the Aircraft Purchase Agreement on or before the Purchasing Delivery Date, Chengtong Trading may, at its discretion, waive such conditions or, after a five-business-day negotiation period, terminate the Aircraft Purchase Agreement in accordance with the terms and require the Seller to repurchase the Aircraft Asset at the Purchase Price and Chengtong Trading may claim against the Seller for all losses, costs, and expenses incurred under the Aircraft Purchase Agreement.

Purchase Price

The Purchase Price of the Aircraft Asset was agreed between Chengtong Trading and the Seller with reference to the net book value of the Aircraft Asset of approximately HK$189.88 million (equivalent to approximately RMB163.69 million) as at 31 August, 2026, as assessed by way of depreciated on an annual basis since its introduction, i.e. in 2012, under the HKAS 16, Property, Plant and Equipment by the Seller. The Purchase Price represents approximately 94.69% of the net book value, which was determined after arm's length negotiation between the parties with reference to age, condition and market comparables of the Aircraft Asset.

The Purchase Price will be satisfied by the general working capital of the Company.

AIRCRAFT LEASING AGREEMENT

The principal terms of the Aircraft Leasing Agreement are set out as follows:

Date

6 November 2026

Parties

Lessor: Chengtong Trading

Lessee: the Lessee

Subject matter of the lease

Subject to the fulfilment of the conditions as set out in the Aircraft Leasing Agreement (including but not limited to the execution of the Aircraft Purchase Agreement and the delivery of the Aircraft Asset, the provision of all necessary documents or information by the Lessee as set out in the Aircraft Leasing Agreement, certificates and evidence in form and substance reasonably satisfactory to Chengtong Trading, and the obtaining of all necessary approvals by both Chengtong Trading and the Seller in relation to the Aircraft Leasing Agreement), Chengtong Trading will lease the Aircraft Asset to the Lessee for a period of five (5) years from the date on which the Aircraft Asset is delivered to the Lessee.

If any of the conditions under the Aircraft Leasing Agreement is not satisfied on or before the Leasing Delivery Day, Chengtong Trading may, at its discretion, waive such conditions. Pursuant to the Aircraft Leasing Agreement, i) the Aircraft Leasing Agreement shall automatically terminate upon the requisition of the Aircraft Asset; ii) should the Seller fail to deliver the Aircraft Asset by the Purchasing Delivery Date, either Chengtong Trading or the Lessee has the right to terminate the Aircraft Leasing Agreement, and if such non-delivery is attributable to the Seller or the Lessee, Chengtong Trading may pursue recourse against the Seller and/or Lessee for all losses, costs, and expenses incurred under the Finance Lease Arrangement; and iii) upon the occurrence of an event of default on the part of the Lessee, Chengtong Trading shall be entitled to terminate the Aircraft Leasing Agreement, demand the return of the Aircraft Asset and claim all losses and damages from the Lessee, in any of the above cases, in accordance with the terms of the Aircraft Leasing Agreement.

Legal title

Chengtong Trading owns the legal title of the Aircraft Asset during the Lease Term.

Lease payment

The total amount of lease payment over the Lease Term is estimated to be approximately RMB177.78 million (equivalent to approximately HK$206.22 million) which shall be paid by the Lessee to Chengtong Trading in twenty (20) quarterly instalments during the Lease Term.

The total amount of lease payment represents the sum of the lease principal amount (being the total amount of the Purchase Price to be paid by Chengtong Trading) and the lease interest which is estimated to be approximately RMB22.78 million (equivalent to approximately HK$26.42 million).

The lease payment of the Aircraft Leasing Agreement has 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 taking into account the amount of lease interests and the prevailing market conditions.

Security deposit

The Lessee agrees to pay a sum of RMB12.00 million (equivalent to approximately HK$13.92 million) as security deposit for the performance of its obligations under the Aircraft Leasing Agreement within one (1) business day after the Purchase Price is paid by Chengtong Trading. Provided that there is no breach of any obligations under the Finance Lease Arrangement on the part of the Seller and/or the Lessee and subject to the discharge and settlement of all secured obligations under the Aircraft Leasing Agreement, the security deposit can be used to offset the lease payment for the corresponding amount of the last period.

Lessee's right to purchase the Aircraft Asset

Upon the Lessee having paid all the lease payments and other payables (if any) to Chengtong Trading in accordance with the terms of the Aircraft Leasing Agreement, the Lessee shall have the right to purchase the Aircraft Asset under the Aircraft Leasing Agreement at a nominal consideration of RMB1.00.

Credit enhancement measures

Depending on the overall risks associated with a finance lease arrangement, Chengtong Trading may request appropriate credit enhancement measure(s) on a case-by-case basis. Chengtong Trading 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 Trading considers necessary.

REASONS FOR AND BENEFITS OF THE FINANCE LEASE 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. Chengtong Trading is principally engaged in the business of finance leasing.

The entering into of the Finance Lease Arrangement is in the ordinary and usual course of business of Chengtong Trading and it is expected that Chengtong Trading will earn an income of approximately RMB22.78 million (equivalent to approximately HK$26.42 million), being the lease interest in respect of the Aircraft Leasing Agreement.

The Directors are of the view that the terms of the Finance Lease Arrangement are fair and reasonable and are in the interests of the Company and the shareholders of the Company as a whole.

INFORMATION OF THE PARTIES

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, namely Hong Kong Airlines Limited, is owned as to approximately 99.00% by Hong Kong Air Limited, and is the second largest full-service airline in Hong Kong, with its flight network based in Hong Kong and covers more than 30 major cities across the Asia-Pacific region by the end of 2025, the Lessee's own fleet consisted 27 Airbus aircraft, mainly the Airbus A320/A330. Currently, there are 30 routes. The Lessee is also a member of Fortune Wings Club. There are exquisite Hong Kong delicacies and advanced in-flight entertainment facilities, which provides passengers with a superior flight experience; (ii) the Seller is a wholly-owned subsidiary of the Lessee; and (iii) both the Lessee and the Seller are principally engaged in the business of aerospace transportation, including passenger transportation, cargo transportation and charter services.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Lessee and the Seller are Independent Third Parties.

IMPLICATION UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Finance Lease Arrangement exceeds 25% but is less than 100%, the Finance Lease 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 Finance Lease Arrangement. Thus, no Shareholder is required to abstain from voting if the Company were to convene a general meeting to approve the Finance Lease 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 Finance Lease 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 Finance Lease Arrangement.

A circular containing, among other things, (i) information on the Finance Lease Arrangement; and (ii) other information required under the Listing Rules will be despatched to the Shareholders on or before 27 November 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:

"Aircraft Asset"	means an Airbus A320–214 aircraft and associated equipment to be sold by the Seller to Chengtong Trading and lease to the Lessee thereafter, under the Finance Lease Arrangement
"Aircraft Leasing Agreement"	means the aircraft leasing agreement entered into between Chengtong Trading as lessor and the Lessee on 6 November 2026 in relation to the leasing of the Aircraft Asset
"Aircraft Purchase Agreement"	means the aircraft purchase agreement entered into between Chengtong Trading and the Seller on 6 November 2026 in relation to the purchase and sale of the Aircraft Asset
"Board"	means the board of Directors
"Chengtong Trading"	means Chengtong Trading (International) Limited, a company incorporated in Hong Kong 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
"Directors"	means the director(s) of the Company
"Finance Lease Arrangement"	means, the purchase of Aircraft Asset by Chengtong Trading from the Seller and the leasing of the Aircraft Asset from Chengtong Trading to the Lessee pursuant to the terms of the Aircraft Leasing Agreement and Aircraft Purchase Agreement
"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
"HKAS"	means the Hong Kong Accounting Standards
"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 Aircraft Leasing Agreement
"Leasing Delivery Day"	means refers to the Purchasing Delivery date or on any other date as may otherwise be agreed by Chengtong Trading

"Lessee"	means Hong Kong Airlines Limited, a limited liability company incorporated in Hong Kong
"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 Trading for the purchase of the Aircraft Asset from the Seller
"Purchasing Delivery Date"	means the date on which the Seller delivered the Aircraft Asset to Chengtong Trading
"RMB"	means Renminbi, the lawful currency of the PRC
"Seller"	means HK Aircraft Sub6 Company Limited, a private company limited by shares incorporated in Hong Kong
"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, for the purpose of illustration only, amounts quoted in RMB have been converted into HK$ at the rate of RMB1.00 to 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.

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

Hong Kong, 6 November 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.