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## **CHINA CHENGTONG DEVELOPMENT GROUP LIMITED**

### **中國誠通發展集團有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 217)**

## **DISCLOSEABLE TRANSACTION – SALE AND LEASEBACK ARRANGEMENTS**

### **SALE AND LEASEBACK ARRANGEMENT**

On 26 June 2025, Chengtong Financial Leasing, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Leaseback Agreements with the Lessee, pursuant to which Chengtong Financial Leasing will purchase the Leased Asset from the Lessee and will lease the Leased Asset back to the Lessee for a Lease Term of forty two (42) months, subject to early termination in accordance with the terms and conditions of the Sale and Leaseback Agreements.

### **IMPLICATIONS UNDER THE LISTING RULES**

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Sale and Leaseback Arrangement exceeds 5% but is less than 25%, the Sale and Leaseback Arrangement constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

On 26 June 2025, Chengtong Financial Leasing, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Leaseback Agreements with the Lessee in respect of the Sale and Leaseback Arrangement, the major terms of which are set out below.

### **SALE AND LEASEBACK ARRANGEMENT**

#### **Date of the Sale and Leaseback Agreements**

26 June 2025

## **Parties**

Lessor: Chengtong Financial Leasing

Lessee: The Lessee

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, and based on the information publicly available as of the date of this announcement, (i) the Lessee is a direct wholly-owned subsidiary of the Guarantor, which is indirectly wholly-owned by CALC; (ii) CALC is a company listed on the Stock Exchange (stock code: 1848), which is indirectly owned as to approximately 32.78% by China Everbright; (iii) the Lessee, the Guarantor and CALC are principally engaged in the business of aircraft leasing services; and (iv) the Lessee, the Guarantor and their ultimate beneficial owners are Independent Third Parties.

## **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 Lessees evidencing its ownership in the Leased Asset, and the obtaining of all necessary approvals by the Lessee in relation to the Sale and Leaseback Arrangement), Chengtong Financial Leasing will purchase the Leased Asset from the Lessee at a Purchase Price of RMB80 million (equivalent to HK\$87.20 million), and will lease the Leased Asset back to the Lessee for a Lease Term of forty two (42) months from the date on which the Purchase Price is paid by Chengtong Financial Leasing in respect of the Leased Asset ("**Lease Term**"), 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 31 July 2025, Chengtong Financial Leasing shall have the right to unilaterally terminate the Sale and Leaseback Agreements.

## **Purchase Price**

The Purchase Price of the Leased Asset was agreed between Chengtong Financial Leasing and the Lessee with reference to the net book value of the Leased Asset of approximately RMB101.70 million (equivalent to approximately HK\$110.85 million). The Leased Asset is not a revenue generating asset with identifiable income stream.

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

## **Legal title**

Chengtong Financial Leasing owns the legal title of the Leased Asset during the Lease Term.

## **Lease payment**

The total amount of lease payment is estimated to be approximately RMB88.05 million (equivalent to approximately HK\$95.97 million) which shall be payable by the Lessee to Chengtong Financial Leasing in fourteen (14) 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 RMB8.05 million (equivalent to approximately HK\$8.77 million).

The lease payment of the Sale and Leaseback Arrangement 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 having considered the amount of lease interests and the prevailing market conditions.

## **Security**

In order to guarantee the performance of the Sale and Leaseback Agreements, the Lessee has agreed to pledge certain of its receivables to Chengtong Financial Leasing as security for all amounts payable under the Sale and Leaseback Agreements.

## **Guarantee**

The Guarantor has provided a guarantee in favour of Chengtong Financial Leasing as security for all amounts payable by the Lessee under the Sale and Leaseback Agreements including but not limited to liquidated damages, outstanding and prospective lease payments and other payables. The guarantee is irrevocable and continuing in nature.

## **Lessee's right to repurchase the Leased Asset**

Upon the Lessee having paid all the lease payments and other payables (if any) to Chengtong Financial Leasing in accordance with the terms of the Sale and Leaseback Agreements, the Lessee shall have the right to repurchase the Leased Asset under the Sale and Leaseback Agreements at a nominal consideration of RMB1.00.

## **Credit enhancement measures**

Depending on the overall risks associated with a sale and leaseback arrangement, Chengtong Financial Leasing may request appropriate credit enhancement measure(s) on a case-by-case basis. Chengtong Financial Leasing will monitor, among others, the financial conditions of the lessee(s) and the security provider(s) (if any) from time to time and may request the lessee(s) to provide security such as the payment of security money and the provision of corporate guarantee to safeguard its interests as the lessor as and when Chengtong Financial Leasing considers necessary.

## **REASONS FOR AND BENEFITS OF THE SALE AND LEASEBACK ARRANGEMENT**

The Group is principally engaged in leasing, property development and investment, marine recreation services and hotel business. The Group's leasing business is mainly carried out through Chengtong Financial Leasing as its principal business.

The entering into the Sale and Leaseback Arrangement is in the ordinary and usual course of business of Chengtong Financial Leasing and it is expected that Chengtong Financial Leasing will earn an income of approximately RMB8.05 million (equivalent to approximately HK\$8.77 million), being the lease interest to be received by Chengtong Financial Leasing pursuant to the Sale and Leaseback Arrangement.

In light of the above, the Directors are of the view that the terms of the Sale and Leaseback Arrangement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Sale and Leaseback Arrangement exceeds 5% but is less than 25%, the Sale and Leaseback Arrangement constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Board”	means the board of Directors
“CALC”	means China Aircraft Leasing Group Holdings Limited, a company whose shares are listed on the Stock Exchange (stock code: 1848)
“Chengtong Financial Leasing”	means Chengtong Financial Leasing Company Limited, a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“China Everbright”	means China Everbright Holding Limited, a company whose shares are listed on the Stock Exchange (stock code: 165)

“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
“Guarantor”	means China Asset Leasing Company Limited, 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 Parties”	means third parties 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 Asset”	means an Airbus A321-200 aircraft
“Lessee”	means ZJ Jian’an Aircraft Leasing (Shanghai) 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
“PRC”	means the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchase Price”	means the consideration payable by Chengtong Financial Leasing for the purchase of the Leased Asset from the Lessee
“RMB”	means Renminbi, the lawful currency of the PRC

“Sale and Leaseback Agreements”	means, collectively, the following agreements in respect of the Leased Asset dated 26 June 2025 and signed between Chengtong Financial Leasing and the Lessee:
	(1) aircraft purchase and sale agreement; and
	(2) aircraft finance lease agreement
“Sale and Leaseback Arrangement”	means the purchase of the Leased Asset by Chengtong Financial Leasing from the Lessee and the leaseback of the leased asset to the Lessee pursuant to the terms of the Sale and Leaseback Agreements
“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\$1.09. 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**  
**Li Qian**  
*Chairman*

Hong Kong, 26 June 2025

*As at the date of this announcement, the executive Directors are Mr. Li Qian and Ms. Sun Jie; and the independent non-executive Directors are Mr. Lee Man Chun, Tony, Professor He Jia and Mr. Liu Lei.*