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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 – LEASED ASSETS TRANSFER ARRANGEMENT

LEASED ASSETS TRANSFER ARRANGEMENT

On 31 July 2025, Chengtong Financial Leasing, an indirect wholly-owned subsidiary of the Company, entered into the Leased Assets Transfer Agreements with the Lessee, pursuant to which Chengtong Financial Leasing will purchase the Leased Assets from the Lessee, and the Leased Assets will be leased to the Lessee for a Lease Term of two (2) years, subject to early termination in accordance with the terms and conditions of the Leased Assets Transfer Agreements.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Leased Assets Transfer Arrangement exceeds 5% but is less than 25%, the Leased Assets Transfer 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 31 July 2025, Chengtong Financial Leasing, an indirect wholly-owned subsidiary of the Company, entered into the Leased Assets Transfer Agreements with the Lessee in respect of the Leased Assets Transfer Arrangement, the major terms of which are set out below.

LEASED ASSETS TRANSFER ARRANGEMENT

Date of the Leased Assets Transfer Agreements

31 July 2025

Parties

Lessor: Chengtong Financial Leasing

Lessee: The Lessee

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) the largest shareholder of the Lessee is Sinopharm Group Co. Ltd. ("**Sinopharm Group**"), which has a direct interest of approximately 22.69% and an indirect interest through its wholly-owned subsidiary, Sinopharm Holding Hongkong Co., Ltd. of approximately 9.72% in the Lessee; (ii) Sinopharm Group is a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 1099) and whose ultimate holding company is China National Pharmaceutical Group Co., Ltd., which is controlled by SASAC of the State Council; (iii) the Lessee and its ultimate beneficial owner(s) are Independent Third Parties; and (iv) the Lessee is principally engaged in the business of leasing.

Subject matter

Subject to the fulfilment of the conditions as set out in the Leased Assets Transfer Agreements (including but not limited to the provision of all necessary documents or information by the Lessee evidencing its ownership in the Leased Assets, and the obtaining of all necessary approvals by the Lessee in relation to the Leased Assets Transfer Arrangement), Chengtong Financial Leasing will purchase the Leased Assets from the Lessee at the Purchase Price of RMB100 million (equivalent to HK\$109 million), and the Leased Assets will be leased to the Lessee for a period of two (2) years ("**Lease Term**") 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 Leased Assets Transfer Agreements.

If any of the conditions under the Leased Assets Transfer Agreements is not satisfied on or before 31 October 2025, Chengtong Financial Leasing shall have the right to unilaterally terminate the Leased Assets Transfer Agreements.

Purchase Price

The Purchase Price was agreed between Chengtong Financial Leasing and the Lessee with reference to the appraised value of the Leased Assets of approximately RMB120.63 million (equivalent to approximately HK\$131.49 million), as assessed by way of cost method by independent PRC valuers. The Leased Assets are not revenue generating assets with identifiable income stream.

The cost method, being adopted by the Valuers for the valuation of the 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, while the newness rate is determined through an on-site inspection and calculation and analysis based on technical and economic factors.

Based on the valuation, the total appraised replacement cost of the Leased Assets was determined by aggregating the replacement cost of each of the Leased Assets. The replacement cost of each individual Leased Assets, where applicable, is composed of equipment purchase fee (including original purchase price and transportation and miscellaneous expenses), installation and tuning fee, equipment foundation fee, engineering construction fee and capital costs. Original purchase prices generally refer to ex-factory prices or the prices stated in the relevant order contract.

Other expenses such as transportation and miscellaneous expenses, installation and tuning fee, equipment foundation fee, engineering construction fee and capital costs either constitute an insignificant portion of the replacement cost or are not applicable in the calculation of such replacement cost.

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

	Details of Appraisal Report of Valuer I	Details of Appraisal Report of Valuer II
Appraised value of the Leased Assets	Approximately RMB 69.13 million (equivalent to approximately HK\$75.35 million)	Approximately RMB 51.50 million (equivalent to approximately HK\$ 56.14 million)
Quantity of Leased Assets	6,241,543 sets	97 sets
Range of appraised replacement cost of individual Leased Assets	Approximately RMB6,900 – RMB10.77 million (equivalent to approximately HK\$7,520 to HK\$11.74 million)	Approximately RMB5.76 million – RMB26.08 million (equivalent to approximately HK\$6.28 million to HK\$28.43 million)
Total appraised replacement cost of the relevant Leased Assets	Approximately RMB81.33 million (equivalent to approximately HK\$88.65 million)	Approximately RMB57.22 million (equivalent to approximately HK\$ 62.37 million)
Percentage of the equipment purchase fees of individual Leased Assets attributed to the replacement cost of such Leased Assets	92% – 97%	93% – 97%
Range of original purchase prices of the Leased Assets	Approximately RMB6,560 – RMB10.23 million (equivalent to approximately HK\$7,150 to HK\$11.15 million)	Approximately RMB5.47 million – RMB24.11 million (equivalent to approximately HK\$5.96 million to HK\$26.28 million)
Percentage of the aggregate original purchase prices of the Leased Assets attributed to the aggregate equipment purchase fees of the Leased Assets	Approximately 99%	Approximately 98%
Average newness rate of the Leased Assets	Approximately 85%	Approximately 90 %

The Purchase Price of the Leased Assets 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 RMB104.47 million (equivalent to approximately HK\$113.87 million) which shall be paid by the Lessee to Chengtong Financial Leasing in eight (8) 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 RMB4.47 million (equivalent to approximately HK\$4.87 million).

The lease payment of the Leased Assets Transfer 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.

Lessee's right to repurchase the Leased Assets

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 Leased Assets Transfer Agreements, the Lessee shall have the right to repurchase the Leased Assets under the Leased Assets Transfer Agreements at a nominal consideration of RMB1.00.

Security

In order to guarantee the performance of the Leased Assets Transfer Agreements by the Lessee, the Lessee has agreed to pledge certain of its receivables to Chengtong Financial Leasing as security for all payables under the Leased Assets Transfer Agreements.

Credit enhancement measures

Depending on the overall risks associated with a leased assets transfer 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 LEASED ASSETS TRANSFER 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 of the Leased Assets Transfer 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 RMB4.47 million (equivalent to approximately HK\$4.87 million), being the lease interest in respect of the Leased Assets Transfer Arrangement.

The Directors are of the view that the terms of the Leased Assets Transfer Arrangement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

IMPLICATION UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Leased Assets Transfer Arrangement, exceeds 5% but is less than 25%, the Leased Assets Transfer 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
“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
“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(ies)”	means third party(ies) independent of the Company and its connected persons (having the meaning ascribed to it under the Listing Rules)
“Leased Assets”	means certain photovoltaic power generation equipment, integrated scum separator and steriliser
“Leased Assets Transfer Agreements”	means, collectively, the following agreements in respect of the Leased Assets dated 31 July 2025 and signed between Chengtong Financial Leasing and the Lessee: (1) leased assets transfer agreement; and (2) leased assets agreement
“Leased Assets Transfer Arrangement”	means the purchase of the Leased Assets by Chengtong Financial Leasing from the Lessee and the leasing of the Leased Assets to the Lessee pursuant to the terms of the Leased Assets Transfer Agreements
“Lessee”	means Guoyao Ronghui Financial Leasing Co., Ltd., a company incorporated 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 assets from the Lessee
“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 I”	means Jiangsu Zhongmao Land and Real Estate Appraisal and Cost Consulting Co., Ltd., a qualified independent valuer in the PRC
“Valuer II”	means Beijing Zhonghuantai Asset Appraisal Co., Ltd., a qualified independent valuer in the PRC
“Valuers”	means, collectively, Valuer I and Valuer II
“%”	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
Li Qian
Chairman

Hong Kong, 31 July 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.