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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 AND DISCLOSURE PURSUANT TO RULE 13.13 OF THE LISTING RULES

SALE AND LEASEBACK ARRANGEMENTS

On 27 October 2025, Chengtong Financial Leasing, an indirect wholly-owned subsidiary of the Company, entered into (i) the PowerChina Real Estate & Wuhan Longyue Agreements with the PowerChina Real Estate & Wuhan Longyue Co-Lessees; and (ii) the PowerChina Real Estate & Zhengzhou Yuechen Agreements with the PowerChina Real Estate & Zhengzhou Yuechen Co-Lessees, pursuant to which Chengtong Financial Leasing has agreed to purchase the Leased Assets from the relevant PowerChina Co-Lessees and will lease the Leased Assets back to the relevant PowerChina Co-Lessees for a period of two (2) years from the date on which the purchase price in respect of the relevant Leased Assets is paid by Chengtong Financial Leasing, subject to early termination in accordance with the terms and conditions of the PowerChina Agreements.

IMPLICATIONS UNDER THE LISTING RULES

Since (i) the PowerChina Agreements and the Previous PowerChina Transactions were all entered into with, among others, companies that are directly or indirectly owned more than 50% by Power Construction Corporation of China; and (ii) the Previous PowerChina Transactions were still subsisting when the PowerChina Agreements were entered into, the PowerChina Arrangements are aggregated with the Previous PowerChina 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 PowerChina Arrangements (when aggregated with the Previous PowerChina Transactions) exceeds 100%, the PowerChina Arrangements constitute very substantial acquisitions of the Company and are 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 each of the PowerChina Arrangements.

A circular containing, among other things, (i) information on the PowerChina Arrangements; (ii) other information required under the Listing Rules; and (iii) the notice of the GM will be despatched to the Shareholders on or before 13 November 2025 as additional time is needed to finalise the circular.

SALE AND LEASEBACK ARRANGEMENTS

On 27 October 2025, Chengtong Financial Leasing, an indirect wholly-owned subsidiary of the Company, entered into (i) the PowerChina Real Estate & Wuhan Longyue Agreements with the PowerChina Real Estate & Wuhan Longyue Co-Lessees; and (ii) the PowerChina Real Estate & Zhengzhou Yuechen Agreements with the PowerChina Real Estate & Zhengzhou Yuechen Co-Lessees.

Subject matter

In each of the PowerChina Arrangements, conditional upon the approval by the Shareholders of the relevant PowerChina Arrangements and subject to the fulfilment of all the conditions as set out in the relevant PowerChina Agreements, Chengtong Financial Leasing has agreed to purchase the Leased Assets from the relevant PowerChina Co-Lessees and the Leased Assets will be leased back to the relevant PowerChina Co-Lessees for a period of two (2) years from the date on which the purchase price in respect of the relevant Leased Assets is paid by Chengtong Financial Leasing, subject to early termination in accordance with the terms and conditions of the relevant PowerChina Agreements.

The conditions as stipulated in each of the PowerChina Agreements are identical which include the following:

- (i) the signing and the coming into effect of the PowerChina Agreements and all other ancillary documents;
- (ii) the provision of all necessary documents or information by the PowerChina Co-Lessees evidencing their ownership in the Leased Assets;
- (iii) the full payment of security money (if applicable) by the PowerChina Co-Lessees;

- (iv) the obtaining of all necessary approvals by the PowerChina Co-Lessees in relation to the relevant PowerChina Arrangements;
- (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 Leased Assets in accordance with the terms of the PowerChina Agreements by the PowerChina Co-Lessees, 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 conditions under the relevant PowerChina Agreements is not satisfied on or before 30 April 2026, Chengtong Financial Leasing shall have the right to unilaterally terminate the relevant PowerChina Agreements.

Purchase price

The PowerChina Real Estate & Wuhan Longyue Arrangement

The purchase price payable by Chengtong Financial Leasing for the Leased Assets under the PowerChina Real Estate & Wuhan Longyue Arrangement is RMB200 million (equivalent to HK\$218 million) in aggregate and was agreed between Chengtong Financial Leasing and the PowerChina Real Estate & Wuhan Longyue Co-Lessees with reference to the aggregated net book value of the Leased Assets as at 30 September 2025 of approximately RMB214.99 million (equivalent to approximately HK\$234.34 million). A discount was applied to the net book value after considering factors such as the nature of the Leased Assets, their resale potential and the associated costs, as well as their remaining economic useful life. The agreed discount balanced the assets' value with the overall economics and risk profile of the PowerChina Real Estate & Wuhan Longyue Arrangement.

The PowerChina Real Estate & Zhengzhou Yuechen Arrangement

The purchase price payable by Chengtong Financial Leasing for the Leased Assets under the PowerChina Real Estate & Zhengzhou Yuechen Arrangement is RMB300 million (equivalent to HK\$327 million) in aggregate and was agreed between Chengtong Financial Leasing and the PowerChina Real Estate & Zhengzhou Yuechen Co-Lessees with reference to the aggregated net book value of the Leased Assets as at 30 September 2025 of approximately RMB306.75 million (equivalent to approximately HK\$334.36 million). A discount was applied to the net book value after considering factors such as the nature of the Leased Assets, their resale potential and the associated costs, as well as their remaining economic useful life. The agreed discount balanced the assets' value with the overall economics and risk profile of the PowerChina Real Estate & Zhengzhou Yuechen Arrangement.

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

The Leased Assets are not revenue generating assets 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 Assets during the lease term.

Lease payment

The total amount of lease payment in respect of each of the PowerChina Arrangements represents the sum of the relevant lease principal amount (being the amount of the relevant purchase price to be paid by Chengtong Financial Leasing) and the relevant lease interest. The lease payment shall be paid by the relevant PowerChina Co-Lessees to Chengtong Financial Leasing on a quarterly basis in accordance with the payment schedule as set out in the relevant PowerChina Agreements.

Service Fee

The relevant PowerChina Co-Lessees shall pay a one-off service fee to Chengtong Financial Leasing respectively for the preliminary services provided by Chengtong Financial Leasing in respect of the relevant PowerChina Arrangements. Such services include the provision of corporate finance consulting services, including but not limited to advising the relevant PowerChina Co-Lessees on strategic analysis, investment and financing channels and models, as well as macroeconomic and market research. The service fee is non-refundable.

The lease interests and the service fee of the PowerChina Arrangements 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. The lease interests and the service fee are determined as a whole to ensure that Chengtong Financial Leasing would achieve its overall targeted return. Specifically, the lease interests are calculated on the then outstanding lease principal amount at a floating interest rate, being determined at a premium over the one-year LPR from time to time. In the event that the LPR changes during the lease term, adjustments will be made to such lease interest rate on an annual basis on 1 January every year. The service fee was separately benchmarked to a rate commensurate with the services provided and aligns with the targeted return rate of Chengtong Financial Leasing in respect of the PowerChina Arrangements.

PowerChina Co-Lessees' right to repurchase the Leased Assets

Upon the PowerChina Co-Lessees having paid all the lease payments and other payables (if any) to Chengtong Financial Leasing in accordance with the terms of the relevant PowerChina Agreements, the PowerChina Co-Lessees shall have the right to repurchase the relevant Leased Assets under each of the relevant PowerChina 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.

Material terms of each of the PowerChina Arrangements

The general terms and conditions of each of the PowerChina Arrangements are substantially the same. Their respective key terms are summarised as follows:

	PowerChina Real Estate & Wuhan Longyue Arrangement	PowerChina Real Estate & Zhengzhou Yuechen Arrangement
Date of the relevant PowerChina Agreements	27 October 2025	27 October 2025
Lessees	PowerChina Real Estate & Wuhan Longyue Co-Lessees	PowerChina Real Estate & Zhengzhou Yuechen Co-Lessees
Leased Assets	Certain water supply equipment, energy recovery ventilators, fire equipment and air-conditioning equipment	Certain power supply equipment, air-conditioning equipment, fresh air system and heat circulation equipment
Purchase price	RMB200 million (equivalent to HK\$218 million)	RMB300 million (equivalent to HK\$327 million)
Net book value of the relevant Leased Assets as at 30 September 2025	Approximately RMB214.99 million (equivalent to approximately HK\$234.34 million)	Approximately RMB306.75 million (equivalent to approximately HK\$334.36 million)

Lease term	Two (2) years	Two (2) years
Lease interest	Subject to the then applicable interest rate, the lease interest is estimated to be approximately RMB8.90 million (equivalent to approximately HK\$9.70 million)	Subject to the then applicable interest rate, the lease interest is estimated to be approximately RMB13.34 million (equivalent to approximately HK\$14.54 million)
Lease payment	Approximately RMB208.90 million (equivalent to approximately HK\$227.70 million)	Approximately RMB313.34 million (equivalent to approximately HK\$341.54 million)
Service Fee	RMB4 million (equivalent to HK\$4.36 million)	RMB6 million (equivalent to HK\$6.54 million)

INFORMATION OF THE PARTIES

PowerChina Real Estate

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 the PowerChina Agreements, (i) PowerChina Real Estate is directly wholly-owned by Power Construction Corporation of China, which is in turn wholly-owned by SASAC of the State Council; and (ii) PowerChina Real Estate is principally engaged in the business of development and sale of real estate.

Wuhan Longyue

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 the PowerChina Agreements, (i) Wuhan Longyue is indirectly wholly-owned by PowerChina Real Estate, which is in turn wholly-owned by Power Construction Corporation of China and ultimately controlled by SASAC; and (ii) Wuhan Longyue is principally engaged in the operation of a real estate project of PowerChina Real Estate in Wuhan, Hubei Province of the PRC.

Zhengzhou Yuechen

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 the PowerChina Agreements, (i) Zhengzhou Yuechen is indirectly wholly-owned by Power Construction Corporation of China and ultimately controlled by SASAC; and (ii) Zhengzhou Yuechen is principally engaged in the operation of a real estate project of PowerChina Real Estate in Zhengzhou, Henan Province of the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, PowerChina Real Estate, Wuhan Longyue, Zhengzhou Yuechen and their respective ultimate beneficial owners are Independent Third Parties.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for the Previous PowerChina Transactions, 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) any of PowerChina Real Estate, Wuhan Longyue, Zhengzhou Yuechen, and their respective directors, legal representatives and ultimate beneficial owner(s) who can exert influence on the transactions.

REASONS FOR AND BENEFITS OF THE POWERCHINA ARRANGEMENTS

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 of each of the PowerChina Real Estate & Wuhan Longyue Arrangement and the PowerChina Real Estate & Zhengzhou Yuechen 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 RMB12.90 million (equivalent to approximately HK\$14.06 million) under the PowerChina Real Estate & Wuhan Longyue Arrangement; and (ii) an income of approximately RMB19.34 million (equivalent to approximately HK\$21.08 million) under the PowerChina Real Estate & Zhengzhou Yuechen Arrangement, each being the total of the relevant amount of service fee and lease interest under the PowerChina Real Estate & Wuhan Longyue Arrangement and the PowerChina Real Estate & Zhengzhou Yuechen Arrangement respectively.

The Directors are of the view that the terms of each of the PowerChina Real Estate & Wuhan Longyue Arrangement and the PowerChina Real Estate & Zhengzhou Yuechen Arrangement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES AND RULE 13.13 DISCLOSURE

Since (i) the PowerChina Agreements and the Previous PowerChina Transactions were all entered into with, among others, companies that are directly or indirectly owned more than 50% by Power Construction Corporation of China; and (ii) the Previous PowerChina Transactions were still subsisting when the PowerChina Agreements were entered into, the PowerChina Arrangements are aggregated with the Previous PowerChina 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 PowerChina Arrangements (when aggregated with the Previous PowerChina Transactions) exceeds 100%, the PowerChina Arrangements constitute very substantial acquisitions of the Company and are subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the aggregate outstanding lease principal amount under the Previous PowerChina Transactions (excluding the Assignment) is RMB306.75 million (equivalent to approximately HK\$334.36 million). Assuming that there is no change as to the above aggregate outstanding lease principal amount at the time when the entire aggregate lease principal amount under the PowerChina Arrangements is granted, the total outstanding lease principal exposure of the Group to PowerChina Real Estate and its subsidiaries will exceed 8% of the asset ratio (as defined in the Listing Rules). Details of the Previous PowerChina Transactions were disclosed in the Company's announcements and circulars as set out in the definition of "Previous PowerChina Transactions".

The Company will comply with the disclosure requirements under Rule 13.20 of the Listing Rules where the circumstances giving rise to the disclosure under Rule 13.13 of the Listing Rules continue to exist at the Company's interim period end or annual financial year end.

THE GENERAL MEETING

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

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 PowerChina Arrangements. Thus, no Shareholder is required to abstain from voting on the resolutions approving each of the PowerChina Arrangements.

A circular containing, among other things, (i) information on the PowerChina Arrangements; (ii) other information required under the Listing Rules; and (iii) the notice of the GM will be despatched to the Shareholders on or before 13 November 2025 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

“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 each of the PowerChina Arrangements
“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 the leased assets under the PowerChina Real Estate & Wuhan Longyue Arrangement and/or the PowerChina Real Estate & Zhengzhou Yuechen Arrangement (as the case may be)
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“LPR”	means the loan prime rate as promulgated by the National Interbank Funding Center under the authority of the People’s Bank of China
“PowerChina Agreements”	means, collectively, the PowerChina Real Estate & Wuhan Longyue Agreements, and the PowerChina Real Estate & Zhengzhou Yuechen Agreements
“PowerChina Arrangements”	means, collectively, the PowerChina Real Estate & Wuhan Longyue Arrangement, and the PowerChina Real Estate & Zhengzhou Yuechen Arrangement

“PowerChina Co-Lessees”	means, collectively, the PowerChina Real Estate & Wuhan Longyue Co-Lessees and the PowerChina Real Estate & Zhengzhou Yuechen Co-Lessees
“PowerChina Real Estate”	means Power China Real Estate Group Ltd., a state-owned enterprise established in the PRC with limited liability
“PowerChina Real Estate & Wuhan Longyue Agreements”	means, collectively, two (2) sets of the following agreements dated 27 October 2025 and signed between Chengtong Financial Leasing and PowerChina Real Estate & Wuhan Longyue Co-Lessees: (1) leaseback assets transfer agreement; and (2) finance lease agreement (sale and leaseback)
“PowerChina Real Estate & Wuhan Longyue Arrangement”	means the sale and leaseback arrangement under the PowerChina Real Estate & Wuhan Longyue Agreements
“PowerChina Real Estate & Wuhan Longyue Co-Lessees”	means, collectively, PowerChina Real Estate and Wuhan Longyue acting as co-lessees of the PowerChina Real Estate & Wuhan Longyue Arrangement
“PowerChina Real Estate & Zhengzhou Yuechen Agreements”	means, collectively, two (2) sets of the following agreements dated 27 October 2025 and signed between Chengtong Financial Leasing and PowerChina Real Estate & Zhengzhou Yuechen Co-Lessees: (1) leaseback assets transfer agreement; and (2) finance lease agreement (sale and leaseback)
“PowerChina Real Estate & Zhengzhou Yuechen Arrangement”	means the sale and leaseback arrangement under the PowerChina Real Estate & Zhengzhou Yuechen Agreements
“PowerChina Real Estate & Zhengzhou Yuechen Co-Lessees”	means, collectively, PowerChina Real Estate and Zhengzhou Yuechen acting as co-lessees of the PowerChina Real Estate & Zhengzhou Yuechen Arrangement
“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 PowerChina Transactions”	means, collectively, the following transactions previously entered into by Chengtong Financial Leasing: (i) the Assignment (as defined and detailed in the Company’s announcement dated 8 August 2025 and the corresponding circular dated 18 September 2025); (ii) the PowerChina Real Estate & Xi’an Fanyue Arrangement, the PowerChina Real Estate & Zhengzhou Yueheng Arrangement and the PowerChina Real Estate & Shaanxi Silu Arrangement (all as defined and detailed in the Company’s announcement dated 9 December 2024 and the corresponding circular dated 24 December 2024); (iii) the sale and leaseback arrangement entered into between Chengtong Financial Leasing and PowerChina Real Estate and Foshan Fanyue Real Estate Co., Ltd. as co-lessees (as detailed in the Company’s announcement dated 10 August 2023 and the corresponding circular dated 15 September 2023); and (iv) the sale and leaseback arrangement entered into between Chengtong Financial Leasing and PowerChina Real Estate and Nanjing Jinling Real Estate Development Co., Ltd. as co-lessees (as detailed in the Company’s announcement dated 23 November 2022 and the corresponding circular dated 13 January 2023
“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
“Wuhan Longyue”	means Wuhan City Longyue Real Estate Co., Ltd., a state-owned enterprise established in the PRC with limited liability

“Zhengzhou Yuechen” means Zhengzhou Yuechen Real Estate Co., Ltd., a state-owned enterprise established in the PRC with limited liability

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.

By order of the Board
China Chengtong Development Group Limited
Li Qian
Chairman

Hong Kong, 27 October 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.