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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)

CONTINUING CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION IN RELATION TO THE EPC AND OPERATING LEASE ARRANGEMENT

THE EPC AND OPERATING LEASE ARRANGEMENT

On 10 January 2024, Chengtong Financial Leasing, an indirect wholly-owned subsidiary of the Company, entered into the EPC Agreement with the Contractor as contractor, pursuant to which the Contractor agreed to provide EPC services such as procurement of equipment for the Leased Assets and surveying, designing and construction of the Leased Assets.

On the same date, Chengtong Financial Leasing also entered into the Leasing Agreement with the Lessee as lessee, pursuant to which the Lessee will lease the Leased Assets for the Lease Term of 16 years, subject to extension due to factors such as relocation, transformation or other reasons, in accordance with the terms and conditions of the Leasing Agreement.

IMPLICATIONS UNDER THE LISTING RULES

As of the date of this announcement, (i) the Lessee is a non wholly-owned subsidiary of GGHC and (ii) GGHC, which is owned as to approximately 38.03% by subsidiaries of CCHG, is a 30%-controlled company of CCHG, the ultimate holding company of the Company.

Accordingly, the Lessee and GGHC are associates of CCHG and thus connected persons of the Company within the meaning of the Listing Rules and the transaction contemplated under the Leasing Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the highest annual cap for the transaction under the Leasing Agreement exceed 0.1% but less than 5%, the Leasing Agreement is subject to the reporting, announcement and annual review requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.52 of the Listing Rules, the Company has appointed an IFA to explain why it is necessary for the Lease Term of the Leasing Agreement to exceed three years, and the IFA has also confirmed that it is normal business practice for agreements of this type to be of such duration.

In relation the EPC Agreement, as the highest applicable percentage ratio in respect of the transaction exceeds 5% but all are less than 25%, the transaction constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

On 10 January 2024, Chengtong Financial Leasing, an indirect wholly-owned subsidiary of the Company, entered into the EPC and Operating Lease Arrangement Agreements in respect of the EPC and Operating Lease Arrangement, the major terms of which are set out below.

THE EPC AND OPERATING LEASE ARRANGEMENT AGREEMENTS

The principal terms of the EPC and Operating Lease Arrangement Agreements are set out below:

(i) The EPC Agreement

Date of the EPC Agreement

10 January 2024

Parties

(i) Chengtong Financial Leasing, as principal

(ii) the Contractor, as contractor

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Contractor and its respective ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

Subject matter

Chengtong Financial Leasing agreed to engage the Contractor to provide EPC services in relation to the Leased Assets. The scope of the EPC services includes procurement of equipment for the Leased Assets and surveying, designing and construction of the Leased Assets, which is an energy storage power station in Qianshan Industrial Zone, Zhuhai City, Guangdong Province of PRC.

Under the EPC Agreement, the provision of the EPC services in respect of the Leased Assets shall complete no later than 8 February 2024.

The quality of the construction work under the EPC services shall be of satisfactory standard and in compliance with national and relevant industry standards in the PRC.

The entering into or implementation of the EPC Agreement is not conditional upon the entering into of the Leasing Agreement.

Construction period

The construction work is scheduled to commence upon the issuance of notice of commencement of construction and the Leased Assets, namely the energy storage power station, is expected to be in full capacity by 8 February 2024.

Consideration

The consideration to be paid by Chengtong Financial Leasing to the Contractor under the EPC Agreement is approximately RMB31.52 million (equivalent to approximately HK\$34.67 million), comprising:

- (i) an equipment purchase fee of approximately RMB25.45 million (equivalent to approximately HK\$28.00 million);
- (ii) a construction fee of approximately RMB2.52 million (equivalent to approximately HK\$2.77 million);
- (iii) an installation fee of approximately RMB2.49 million (equivalent to approximately HK\$2.74 million); and
- (iv) other fees of approximately RMB1.06 million (equivalent to approximately HK\$1.16 million).

Payment Terms

The total consideration payment shall be settled by way of cash, which will be satisfied by the general working capital of the Group. Chengtong Financial Leasing will pay to the Contractor the consideration in accordance to the following milestones:

- (i) the equipment purchase fee shall be settled in the following manner:
 - (a) within 5 days upon signing of the EPC Agreement, Chengtong Financial Leasing shall settle 30% of the equipment purchase fee;
 - (b) within 5 days upon the delivery of the equipment, Chengtong Financial Leasing shall settle 50% of the equipment purchase fee;
 - (c) within 5 days upon the installation and the passing of the trial run, Chengtong Financial Leasing shall settle 17% of the equipment purchase fee; and

- (d) within 5 days upon the expiration of the warranty period and no quality issues or unresolved disputes, Chengtong Financial Leasing shall settle 3% of the equipment purchase fee.
- (ii) the construction fee and the installation fee shall be settled in the following manner:
 - (a) within 5 days upon signing of the EPC Agreement, Chengtong Financial Leasing shall settle 30% of the construction fee and installation fee;
 - (b) within 5 days upon the receipt of the progress payment application delivered by the Contractor, Chengtong Financial Leasing shall settle the progress payment of the previous month, until the cumulative payment of the construction fee and installation fee reaches 97%; and
 - (c) within 5 days upon the expiration of the warranty period, Chengtong Financial Leasing shall settle 3% of the construction fee and installation fee.
- (iii) other fees shall be settled in the following manner:
 - (a) upon the completion of construction plan review, Chengtong Financial Leasing shall settle a cumulative payment of 60% of the other fees;
 - (b) upon the acceptance for completion of construction work, Chengtong Financial Leasing shall settle a cumulative payment of 90% of the other fees; and
 - (c) upon the settlement for construction fee, Chengtong Financial Leasing shall settle the remaining of the other fees.

The EPC Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms through a tendering process whereby the tender (including the total contract sum) submitted by the Contractor was considered to be most appropriate after taking into account various factors, including quotations, professional qualifications, technical experience, market position and project management abilities.

The consideration amount was determined through tender with reference to (a) the scope of work involved and the costs and prevailing market price of construction materials; (b) the quality standard of the services to be provided under the EPC Agreement; (c) the expected return of the EPC and Operating Lease Arrangement; and (d) the prevailing market price in respect of the EPC services.

(ii) The Leasing Agreement

The principal terms of the Leasing Agreement are set out below:

Date of the Leasing Agreement

10 January 2024

Parties

- (i) Chengtong Financial Leasing, as lessor
- (ii) the Lessee, as lessee

Subject matter

Subject to the terms set out in the Leasing Agreement, Chengtong Financial Leasing will lease the Leased Assets to the Lessee for a Lease Term of sixteen (16) years from the respective date of which the Leased Assets complete construction and are delivered, subject to extension due to factors such as relocation, transformation or other reasons, in accordance with the terms and conditions of the Leasing Agreement.

Legal Title

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

Lease payment under the Leasing Agreement

Lease payment accrue when the Leased Assets are delivered upon completion of construction. The lease payment is calculated in accordance with the below formula:

$$\text{Lease payment} = (\text{Electricity Consumption Charges} - \text{Electricity Generated Charges} + \text{Other Income}) \times \text{Pre-determined Ratio},$$

where:

Electricity Consumption Charges shall be calculated by multiplying the amount of electricity consumed by the Lessee with the applicable unit price provided in the monthly invoice sent by China Southern Power Grid Company Limited;

Electricity Generated Charges shall be calculated by multiplying the amount of electricity generated by the Leased Assets with the applicable unit price provided in the monthly invoice sent by China Southern Power Grid Company Limited;

Other Income shall be the sum of (i) revenues derived from the participation of the Leased Assets in ancillary power services, if any, less direct costs incurred, (ii) other revenues derived from the operation of the Leased Assets less direct costs incurred and (iii) government subsidies; and

Pre-determined Ratio is 85%, subject to adjustment to 90% in the event the Leased Assets are relocated to Zhanjiang for operation.

The total lease payment have been agreed between the parties of the Leasing Agreement after arm's length negotiation and taking into account a number of factors, such as the costs and prevailing market price of the EPC and Operating Lease Arrangement, the Lease term, the expected return of the EPC and Operating Lease Arrangement, the overall expected return rate attained by the Group taking into account the amount of lease interests and the prevailing market conditions.

It is expected that Chengtong Financial Leasing will appoint an operator to be responsible for the operation and maintenance of the Leased Assets and an operation agreement will be entered into by Chengtong Financial Leasing in relation thereto in due course. As of the date of this announcement, no such operation agreement has been entered into by Chengtong Financial Leasing. The Company will make further announcement(s) in relation to the signing of the operation agreement in respect of the Leased Assets as and when appropriate and if required under the Listing Rules.

ANNUAL CAP FOR THE TRANSACTION UNDER THE LEASING AGREEMENT

The Company estimates that the amount of lease payment receivables under the Leasing Agreement payable by the Lessee under the Leasing Agreement on an annual basis will not exceed RMB6.79 million (equivalent to approximately HK\$7.47 million) in each of the financial years during the Lease Term.

The annual cap for the transaction under the Leasing Agreement is arrived at based on the maximum amounts estimated to be receivable by Chengtong Financial Leasing under the Leasing Agreements after taking into account factors including the prevailing unit price for electricity consumption, the anticipated electricity consumption and generation capacity of the Leased Asset and the electricity consumption pattern of the Lessee in the past three years.

The Company confirms that there is no previous operating leasing transaction with the Lessee.

REASONS FOR AND BENEFITS OF THE EPC AND OPERATING LEASE ARRANGEMENT

The entering into the EPC and Operating Lease Arrangement is in the ordinary and usual course of business of Chengtong Financial Leasing. The Directors (including the independent non-executive Directors) consider that the EPC and Operating Lease Arrangement is in line with the Company's business development strategy, and it provides the Company an opportunity to further explore the renewable energy sector and diversify the Group's business portfolio, which will increase the overall competitiveness of the Company. It is also expected that Chengtong Financial Leasing will receive a positive income from the entering of the EPC and Operating Lease Arrangement.

The Directors (including the independent non-executive Directors) are of the view that the terms of the EPC and Operating Lease Arrangement Agreements are fair and reasonable, and on normal commercial terms and the entering into such arrangement is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Directors have material interests in the transactions contemplated under the EPC and Operating Lease Arrangement Agreements. As such, no Directors are required to abstain from voting on the resolution of the Board approving the EPC and Operating Lease Arrangement Agreements.

OPINION OF THE IFA

In formulating its opinion on the justification as to the Lease Term for the Leased Assets under the Leasing Agreement exceeding three years, the IFA has taken into consideration the following principal factors:

- (1) financial leasing is one of the core business segments of the Group. The entering into of the EPC and Operating Lease Arrangement is in the ordinary and usual course of business of Chengtong Financial Leasing;
- (2) the Leased Assets are the energy storage power station to be constructed in Qianshan Industrial Zone, Zhuhai City, Guangdong Province of the PRC. Pursuant to the EPC Agreement, Chengtong Financial Leasing shall pay a consideration of approximately RMB31.52 million to the Contractor for provision of the EPC services in relation to the Leased Assets. Given the relatively substantial initial investment cost, it would be economical and commercially justifiable for a longer lease term in order to allow reasonable investment return to Chengtong Financial Leasing. According to the current estimation of the Company, it is expected that the payback period of the EPC and Operating Lease Arrangement will be at least six years before Chengtong Financial Leasing can generate a positive cashflow;
- (3) moreover, as advised by the Company, the economic life of the battery pack, which is the core component of the Leased Assets, is approximately eight years based on the natural aging cycle. Assuming that the battery pack of the Leased Assets is replaced in eight years' time, a Lease Term of 16 years will be justifiable and optimal for income generating and scrap treatment purpose;
- (4) the Lessee is a non-wholly owned subsidiary of GGHC and GGHC is owned as to approximately 38.03% by subsidiaries of CCHG. Based on the independent research of the IFA, GGHC is listed on the Shanghai Stock Exchange (stock code: 600433). According to the public available published financial information of GGHC, GGHC recorded consolidated revenue and net profit of approximately RMB8.1 billion and RMB0.5 billion, respectively, in 2022. As at 30 June 2023, the consolidated total assets of GGHC amounted to approximately RMB10.6 billion. On the other hand, CCHG is a state-owned company established in the PRC on 22 January 1998 with registered capital of RMB11.3 billion. CCHG is one of the 97 state-owned companies under the State-owned Assets Supervision and Administration Commission (the "SASAC"), a conglomerate principally engaged in fund investment, equity management, asset management, financial services and nurturing of emerging industries. CCHG was awarded as "Grade A" in the annual performance appraisal of SASAC in 2020. In 2022, the consolidated revenue and net profit of CCHG amounted to approximately RMB58.6 billion and RMB11.2 billion, respectively. As at 31 December 2022, the consolidated total assets of CCHG amounted to approximately RMB547.9 billion. As such, the IFA concurs with the Directors that the Lessee is credible; and
- (5) the IFA has further reviewed the latest announcements published by Hong Kong-listed issuers from 1 September 2023 to 31 December 2023 involving the entering into of lease agreements in relation to equipment and/or asset(s) similar to the Leased Assets, i.e. the utility, power and energy related equipment and/or asset(s). The IFA noted that an abundant amount of those comparable lease agreements (the "Comparables") were

with lease term of more than three years, and some were more than ten years. Please see below for the list of Comparables identified by the IFA and is considered to be fair and representative and exhaustive by the IFA to the best of its knowledge:

Date of announcement	Stock code	Company name	Type of leased assets	Lease term
27 December 2023	1606	China Development Bank Financial Leasing Co., Ltd.	Facilities and ancillary equipment in relation to catalytic cracking of heavy oil	60 months
27 December 2023	1601	Zhongguancun Science-Tech Leasing Co., Ltd.	Production equipment under the communication base station service business	60 months
19 December 2023	132	China Investments Holdings Limited	(i) Designated sewage treatment equipment and facilities; and (ii) Designated cogeneration equipment and facilities	(i) Eight years; and (ii) Six years
18 December 2023	132	China Investments Holdings Limited	Designated sewage treatment equipment and facilities	Five years
18 December 2023	132	China Investments Holdings Limited	Designated sewage treatment equipment and facilities	Eight years
18 December 2023	2409	Seacon Shipping Group Holdings Limited	An oil/chemical tanker	96 months
13 December 2023	132	China Investments Holdings Limited	Designated cogeneration equipment and facilities	Six years
12 December 2023	2409	Seacon Shipping Group Holdings Limited	An oil/chemical tanker	96 months
5 December 2023	132	China Investments Holdings Limited	Designated equipment and facilities of air conditioning and office of a factory and water supply and power supply of an office building	Five years
1 December 2023	966	China Taiping Insurance Holdings Company Limited	Crushers, transport machines, coal miner and other machines and equipment	Five years
24 November 2023	132	China Investments Holdings Limited	Designated equipment and facilities of sewage treatment	Six years
24 November 2023	1606	China Development Bank Financial Leasing Co., Ltd.	Solar power generation equipment	180 months

Date of announcement	Stock code	Company name	Type of leased assets	Lease term
24 November 2023	6136	Kangda International Environmental Company Limited	Sewage treatment facilities	Six years
22 November 2023	1606	China Development Bank Financial Leasing Co., Ltd.	Solar power generation equipment	216 months
22 November 2023	1606	China Development Bank Financial Leasing Co., Ltd.	Offshore wind power equipment assets	180 months
9 November 2023	182	Concord New Energy Group Limited	Photovoltaic power equipment for operation of power plant	12 years
6 November 2023	1606	China Development Bank Financial Leasing Co., Ltd.	Solar photovoltaic power generation equipment	180 months
2 November 2023	3300	China Glass Holdings Limited	(i) Machineries and equipment of the float glass production line; and (ii) Glass melting furnace and related supplementary facilities of the photovoltaic glass production line	60 months
2 November 2023	966	China Taiping Insurance Holdings Company Limited	Sintering header flue gas ultra-low emission renovation supporting equipment and other grouped equipment	Five years
1 November 2023	1601	Zhongguancun Science-Tech Leasing Co., Ltd.	GPU servers	60 months
31 October 2023	1606	China Development Bank Financial Leasing Co., Ltd.	Manufacturing equipment of electronic special materials	72 months
27 October 2023	132	China Investments Holdings Limited	Designated equipment and facilities of sewage treatment	Five years
26 October 2023	1606	China Development Bank Financial Leasing Co., Ltd.	New energy vehicle production line	60 months
13 October 2023	132	China Investments Holdings Limited	Designated equipment and facilities of steam generation and conveyance	Five years
28 September 2023	132	China Investments Holdings Limited	Designated equipment and facilities of sewage treatment plant	Five years

Date of announcement	Stock code	Company name	Type of leased assets	Lease term
27 September 2023	295	Kong Sun Holdings Limited	Photovoltaic power generating equipment and ancillary facilities	13 years
27 September 2023	1601	Zhongguancun Science-Tech Leasing Co., Ltd.	Equipment for cogeneration	60 months
25 September 2023	132	China Investments Holdings Limited	(i) Designated facilities of vehicles parking and equipment and facilities of ventilation, lighting, water supply and drainage and lightning protection; and (ii) Designated equipment and facilities for rainwater and sewage conveyance	Five years
21 September 2023	1129	China Water Industry Group Limited	Designated equipment and facilities for sewage treatment systems	60 months
21 September 2023	132	China Investments Holdings Limited	Designated equipment and facilities for sewage treatment systems	Five years
18 September 2023	182	Concord New Energy Group Limited	Auxiliary facilities of power plant	12 years
11 September 2023	1601	Zhongguancun Science-Tech Leasing Co., Ltd.	(i) Gold tailings pressure filtration drainage engineering production equipment; and (ii) Slurry water separation equipment	(i) 48 months; and (ii) 60 months
5 September 2023	132	China Investments Holdings Limited	Designated sewage treatment equipment and facilities	Five years
4 September 2023	182	Concord New Energy Group Limited	Wind power equipment and auxiliary facilities of power plant	19 years

Source: the Stock Exchange's website (www.hkex.com.hk)

Having considered the factors set out above, the IFA is of the view that it is a normal business practice for the Group to enter into the Leasing Agreement which is to be of such duration.

INFORMATION OF THE PARTIES TO THE EPC AND OPERATING LEASE ARRANGEMENT AGREEMENTS

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 and the ultimate holding company of the Company is CCHG.

The Contractor is principally engaged in the business of engineering survey, engineering design, engineering consulting, general engineering contracting and is indirectly own by China Energy Engineering Corporation Limited, the shares of which is listed on the Stock Exchange (stock code: 3996). Based on information publicly available, the controlling shareholder and the single largest shareholder of China Energy Engineering Corporation Limited is Energy China Group Co., Ltd. (中國能源建設集團有限公司), a state-owned company established in the PRC. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, (i) there were no agreement, arrangement, understanding or undertaking (whether formal or informal and whether expressed or implied) between the Contractor on the one hand and the Lessee and/or connected person(s) described in Rule 14A.07(1), (2) or (3) of the Listing Rules or associates of these connected person(s) with respect to the EPC and Operating Lease Arrangement on the other hand as of the date of this announcement; and (ii) there is, and in the past twelve months, there has been no material loan agreement between (a) the Company, any connected person at the Company's level, any connected person at the subsidiary level (to the extent that such subsidiary/subsidiaries is/are involved in the EPC and Operating Lease Arrangement) and (b) any of the Contractor, its director(s) and legal representative and any ultimate beneficial owner of the Contractor who can exert influence on the EPC and Operating Lease Arrangement.

The Lessee is principally engaged in the business of manufacturing and sale of self-produced high-grade packaging board, design, manufacture and sale of packaging materials, trading of electronics, machineries and paper products, and engaging in research and development of paper and paper products and providing related technical consulting. The Lessee is a non wholly-owned subsidiary of GGHC and GGHC is owned as to approximately 38.03% by subsidiaries of CCHG.

GGHC is listed in the Shanghai Stock Exchange (stock code: 600433) and is principally engaged in the research & development of new materials technology, manufacture and sales of new membrane materials and high-performance fibers and composite materials, sales of plastic products and chemical products, manufacture and sale of paper products and specialty chemical products (excluding hazardous chemicals) and real estate leasing.

IMPLICATIONS UNDER THE LISTING RULES

As of the date of this announcement, (i) the Lessee is a non wholly-owned subsidiary of GGHC and (ii) GGHC, which is owned as to approximately 38.03% by subsidiaries of CCHG, is a 30%-controlled company of CCHG, the ultimate holding company of the Company.

Accordingly, the Lessee and GGHC are associates of CCHG and thus connected persons of the Company within the meaning of the Listing Rules and the transaction contemplated under the Leasing Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the highest annual cap for the transaction under the Leasing Agreement exceed 0.1% but less than 5%, the Leasing Agreement is subject to the reporting, announcement and annual review requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.52 of the Listing Rules, the Company has appointed the IFA to explain why it is necessary for the term of the leasing under the Leasing Agreement to exceed three years, and the IFA has also confirmed that it is normal business practice for agreements of this type to be of such duration.

In relation the EPC Agreement, as the highest applicable percentage ratio in respect of the transaction exceeds 5% but all are less than 25%, the transaction constitutes a discloseable transaction for the Company and is subject to 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
“CCHG”	means China Chengtong Holdings Group Limited, a company established in the PRC with limited liability and the ultimate holding company of the Company
“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
“Contractor”	means China Energy Engineering Group Guangzhou Electric Power Design Institute Co., Ltd., a company established in the PRC
“Director(s)”	means the director(s) of the Company
“EPC”	means engineering, procurement and construction
“EPC Agreement”	means the agreement date 10 January 2024, entered into between the Chengtong Financial Leasing as the principal and the Contractor for the Leased Assets
“EPC and Operating Lease Arrangement”	means the commission of the EPC of the Leased Assets by Chengtong Financial Leasing with the Contractor and the leasing of the Leased Assets to the Lessee pursuant to the terms of the Leasing Agreement

“EPC and Operating Lease Arrangement Agreements”	means, collectively, the following agreements each signed between Chengtong Financial Leasing and the Contractor, and Chengtong Financial Leasing and the Lessee in relation to the EPC and Operating Lease Arrangement: (i) EPC Agreement; and (ii) Leasing Agreement.
“GGHC”	means Guangdong Guan hao High-tech Co., Ltd., a company established in the PRC
“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
“IFA”	means VBG Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap.571 of the laws of Hong Kong), being the independent financial adviser appointed by the Company to advise the Board in respect of the Lease Term of the Leasing Agreement
“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)
“Lessee”	means Zhuhai Hongta Renheng Packaging Co., Ltd., a state-owned enterprise established in the PRC with limited liability
“Lease Term”	means the lease term of the Leased Assets under the Leasing Agreement
“Leased Assets”	means the energy storage power station to be constructed in Qianshan Industrial Zone, Zhuhai City, Guangdong Province of the PRC
“Leasing Agreement”	means the agreement date 10 January 2024, entered into between the Chengtong Financial Leasing as the lessor and the Lessee for the Leased Assets
“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 and, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	means Renminbi, the lawful currency of the PRC
“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\$1.10. 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
Zhang Bin
Chairman

Hong Kong, 10 January 2024

As at the date of this announcement, the executive Directors are Mr. Zhang Bin, Mr. Yang Tianzhou and Mr. Gu Honglin; and the independent non-executive Directors are Professor Chang Qing, Mr. Lee Man Chun, Tony and Professor He Jia.