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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 ACQUISITION – SALE AND LEASEBACK ARRANGEMENTS

SALE AND LEASEBACK ARRANGEMENTS

On 11 January 2023, Chengtong Financial Leasing, an indirect wholly-owned subsidiary of the Company, entered into (i) the Chengxin & China Metallurgical Agreements with the Chengxin & China Metallurgical Co-Lessees; (ii) the Shenrong & China MCC5 Agreements with the Shenrong & China MCC5 Co-Lessees; and (iii) the Zhaoqing High Tech & China MCC5 Agreements with the Zhaoqing High Tech & China MCC5 Co-Lessees, pursuant to which conditional upon the approval by the Shareholders of the relevant Sale and Leaseback Arrangement, Chengtong Financial Leasing will purchase the Leased Assets from the relevant Lessees and such Leased Assets will be leased back to the relevant Lessees for a term of three (3) years, subject to early termination in accordance with the terms and conditions of the relevant Sale and Leaseback Agreements.

IMPLICATIONS UNDER THE LISTING RULES

During the 12-month period immediately preceding the date of the Sale and Leaseback Agreements, Chengtong Financial Leasing also entered into the Previous Arrangements. Since the Sale and Leaseback Arrangements and the Previous Arrangements were all entered into with, among others, the subsidiaries of China Minmetals within a 12-month period, the Sale and Leaseback Arrangements are aggregated with the Previous Arrangements 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 Sale and Leaseback Arrangements when aggregated with the Previous Arrangements exceeds 100%, the Sale and Leaseback 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 GM will be convened by the Company for the purpose of considering and, if thought fit, approving each of the Sale and Leaseback Arrangements.

A circular containing, among other things, (i) information on the Sale and Leaseback 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 17 February 2023 as additional time is needed to finalise the circular.

On 11 January 2023, Chengtong Financial Leasing, an indirect wholly-owned subsidiary of the Company, entered into (i) the Chengxin & China Metallurgical Agreements with the Chengxin & China Metallurgical Co-Lessees; (ii) the Shenrong & China MCC5 Agreements with the Shenrong & China MCC5 Co-Lessees; and (iii) the Zhaoqing High Tech & China MCC5 Agreements with the Zhaoqing High Tech & China MCC5 Co-Lessees. The major terms of the Sale and Leaseback Arrangements are set out below.

SALE AND LEASEBACK ARRANGEMENTS

Subject matter

In each of the Sale and Leaseback Arrangements, conditional upon the approval by the Shareholders of the relevant Sale and Leaseback Arrangement, and subject to the fulfilment of the conditions as set out in the relevant Sale and Leaseback Agreements (including but not limited to the provision of all necessary documents or information by the Lessees evidencing their ownerships in the Leased Assets, the obtaining of all necessary approvals by the Lessees in relation to the Sale and Leaseback Arrangements, the payment of the security money (if any) by the Lessees, and the signing and the coming into effect of the security agreement (if any)), Chengtong Financial Leasing will purchase the Leased Assets from the relevant Lessees and such Leased Assets will be leased back to the relevant Lessees for a term of three (3) years commencing from the date on which the Purchase Price in respect of the relevant Leased Assets is paid by Chengtong Financial Leasing ("**Lease Term**"), subject to early termination in accordance with the terms and conditions of the relevant Sale and Leaseback Agreements.

If any of the conditions under the relevant Sale and Leaseback Agreement is not satisfied on or before 30 April 2023, Chengtong Financial Leasing shall have the right to unilaterally terminate the relevant Sale and Leaseback Agreement.

Purchase Price

The Purchase Price was agreed between Chengtong Financial Leasing and the relevant Lessees with reference to the appraised value of the relevant Leased Assets as assessed by way of cost method by professional PRC valuers which are Independent Third Parties. The Leased Assets form part of the facilities or equipment used in construction projects and 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 over the Lease Term in respect of each Sale and Leaseback Arrangement shall be paid by the relevant Lessees to Chengtong Financial Leasing in accordance with the payment schedule as set out in the relevant Sale and Leaseback Agreements.

The total amount of lease payment in respect of each Sale and Leaseback Arrangement 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 lease interest which will be calculated on the then outstanding lease principal amount with a floating interest rate to be determined at a fixed premium over the relevant LPR from time to time.

The lease interest rate will be subject to review on 1 January every year. In the event that the relevant LPR changes, the lease interest rate will be adjusted to a rate at the aforesaid fixed premium over the new LPR, except in the case where the relevant Lessees have overdue lease payment and have not paid all overdue payments and liquidated damages, the interest rate to be applied will not be adjusted when the relevant LPR is reduced.

The interest rate applicable to each of the Sale and Leaseback Arrangements (including the applicable LPR and the premium) is one of the major commercial terms negotiated between the parties on an arm's length basis and may vary on a case-by-case basis depending on a number of factors, such as the relevant amount of lease principal, the lease term, the overall return rate attained by the Group taking into account the aggregate amount of lease interests and other receivables including but not limited to the Service Fee (as defined below), the prevailing market condition and the movement of interest rate.

Service Fee

The Chengxin & China Metallurgical Co-Lessees shall pay a service fee (“**Service Fee**”) to Chengtong Financial Leasing for the preliminary services provided by Chengtong Financial Leasing in respect of the Chengxin & China Metallurgical Arrangement. Such services include the provision of corporate finance consulting services which comprise advising the Chengxin & China Metallurgical Co-Lessees on the Chengxin & China Metallurgical Arrangement and preparing written reports where necessary, and providing tailored advice on alternative financing solutions to the Chengxin & China Metallurgical Co-Lessees including but not limited to finance lease arrangement after assessing their specific business operations, industry development and financial condition.

The amount of the Service Fee was determined according to the extent of services required by the Chengxin & China Metallurgical Co-Lessees and the financing amount involved. The Service Fee is non-refundable.

Lessees’ right to repurchase the Leased Assets

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

Security money

The Shenrong & China MCC5 Co-Lessees and the Zhaoqing High Tech & China MCC5 Co-Lessees will pay a security money to Chengtong Financial Leasing for the performance of their obligations under the Shenrong & China MCC5 Arrangement and the Zhaoqing High Tech & China MCC5 Arrangement respectively. The amount of the security money was determined on a case-by-case basis after evaluating the background and creditability etc. of the relevant Lessees.

If the Shenrong & China MCC5 Co-Lessees or the Zhaoqing High Tech & China MCC5 Co-Lessees (as the case may be) fails to fully perform any obligation under the Shenrong & China MCC5 Arrangement or the Zhaoqing High Tech & China MCC5 Arrangement (as the case may be), Chengtong Financial Leasing has the right to apply the security money to set off against any amount owed to it in the following order: liquidated damages, other payables including but not limited to damages (if any), outstanding and prospective lease payments and repurchase price. If the Shenrong & China MCC5 Co-Lessees or the Zhaoqing High Tech & China MCC5 Co-Lessees (as the case may be) have fully performed all their obligations under the Shenrong & China MCC5 Arrangement or the Zhaoqing High Tech & China MCC5 Arrangement, Chengtong Financial Leasing shall return the security money to them upon their presentation of the receipt(s) of the security money.

Material terms of each of the Sale and Leaseback Arrangements

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

	Chengxin & China Metallurgical Arrangement	Shenrong & China MCC5 Arrangement	Zhaoqing High Tech & China MCC5 Arrangement
Date of the relevant Sale and Leaseback Agreements	11 January 2023	11 January 2023	11 January 2023
Lessees	Chengxin & China Metallurgical Co-Lessees	Shenrong & China MCC5 Co-Lessees	Zhaoqing High Tech & China MCC5 Co-Lessees
Leased Assets	Certain crawler cranes, rotary drilling rigs, mixing stations, excavators and other construction machinery and equipment	Certain construction equipment including but not limited to welding equipment, cranes, machine tools, electric flat cars etc.	Certain equipment including but not limited to drilling machines, gas compressors, crawler cranes, cutting machines etc.
Purchase Price	RMB200 million (equivalent to HK\$222 million)	RMB150 million (equivalent to HK\$166.50 million)	RMB150 million (equivalent to HK\$166.50 million)
Appraised value of the Leased Assets	Approximately RMB204.22 million (equivalent to approximately HK\$226.68 million) as at 3 January 2023	Approximately RMB164.89 million (equivalent to approximately HK\$183.03 million) as at 31 August 2022	Approximately RMB157.84 million (equivalent to approximately HK\$175.20 million) as at 31 August 2022
Lease Term	Three (3) years	Three (3) years	Three (3) years

	Chengxin & China Metallurgical Arrangement	Shenrong & China MCC5 Arrangement	Zhaoqing High Tech & China MCC5 Arrangement
Interest rate	Floating interest rate, which is determined at a fixed premium over the one (1)-year LPR from time to time	Floating interest rate, which is determined at a fixed premium over the five (5)-year LPR from time to time	Floating interest rate, which is determined at a fixed premium over the five (5)-year LPR from time to time
Lease payment	Approximately RMB219.20 million (equivalent to approximately HK\$243.31 million), payable in six (6) half-yearly instalments during the Lease Term	Approximately RMB164.39 million (equivalent to approximately HK\$182.47 million), payable in six (6) half-yearly instalments during the Lease Term	Approximately RMB164.39 million (equivalent to approximately HK\$182.47 million), payable in six (6) half-yearly instalments during the Lease Term
Service Fee	RMB2 million (equivalent to HK\$2.22 million)	Nil	Nil
Security money	Nil	RMB7.50 million (equivalent to approximately HK\$8.33 million)	RMB7.50 million (equivalent to approximately HK\$8.33 million)
Estimated income	Approximately RMB21.20 million (equivalent to approximately HK\$23.53 million)	Approximately RMB14.39 million (equivalent to approximately HK\$15.97 million)	Approximately RMB14.39 million (equivalent to approximately HK\$15.97 million)

INFORMATION OF THE PARTIES

Zibo Chengxin

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) Zibo Chengxin is directly owned as to (a) 90% by Zhongye Jianxin; and (b) 10% by China Metallurgical; and (ii) Zibo Chengxin is a project company set up by Zhongye Jianxin and China Metallurgical mainly engaged in the investment in and the construction of the Zibo City Expressway Network (Phase 1).

China Metallurgical

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) China Metallurgical is a wholly-owned subsidiary of Metallurgical Corporation; and (ii) China Metallurgical is principally engaged in the business of engineering construction.

China MCC5

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) China MCC5 is directly owned as to approximately 98.58% by Metallurgical Corporation; and (ii) China MCC5 is a large-scale enterprise group integrating engineering contracting, steel engineering and installation, real estate development and project investment.

Fuyang Shenrong

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) Fuyang Shenrong is directly owned as to (a) 60% by Zhongye Jianxin; (b) 30% by China MCC5; and (c) 10% by 杭州富陽開發區建設投資集團有限公司 (unofficial English translation being Hangzhou Fuyang Development Zone Construction Investment Group Co., Ltd.) (“**HFDZ**”), which is ultimately wholly-owned by 富陽經濟技術開發區管理委員會 (unofficial English translation being the Management Committee of the Fuyang Economic and Technological Development Zone); and (ii) Fuyang Shenrong is a project company set up by Zhongye Jianxin, China MCC5 and HFDZ for the survey, design, procurement and construction of the “micro-town” project in Changkou, Fuyang District, Hangzhou City, the PRC.

Zhaoqing High Tech

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) Zhaoqing High Tech is directly owned as to 85% and 15% by Zhongye Jianxin and China MCC5 respectively; and (ii) Zhaoqing High Tech is principally engaged in the business of the investment, development, construction and operation of the infrastructure projects in the Zhaoqing Jin Li High Tech Industrial Development Zone and the Huodao Hengjiang Industrial Park of Zhaoqing City, the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Zibo Chengxin, China Metallurgical, China MCC5, Fuyang Shenrong, Zhaoqing High Tech and their respective ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE SALE AND LEASEBACK ARRANGEMENTS

The Group is principally engaged in leasing, bulk commodity trade, 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 the Sale and Leaseback Arrangements is in the ordinary and usual course of business of Chengtong Financial Leasing and it is expected that Chengtong Financial Leasing will earn reasonable income from each of the Sale and Leaseback Arrangements, which represents the total of the relevant amount of Service Fee (if any) and the difference between the estimated amount of total lease payment under the relevant Sale and Leaseback Arrangement and the relevant Purchase Price.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, save for the Previous Arrangements, there is, and in the past twelve (12) months, there has been, no material loan arrangement between (a) any of the Lessees, any of their directors and legal representatives and/or any ultimate beneficial owner(s) of the Lessees who can exert influence on any of the Sale and Leaseback Arrangements; and (b) 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 any of the Sale and Leaseback Arrangements).

The Directors are of the view that the terms of each of the Sale and Leaseback Arrangements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

During the 12-month period immediately preceding the date of the Sale and Leaseback Agreements, Chengtong Financial Leasing also entered into the Previous Arrangements. Since the Sale and Leaseback Arrangements and the Previous Arrangements were all entered into with, among others, the subsidiaries of China Minmetals within a 12-month period, the Sale and Leaseback Arrangements are aggregated with the Previous Arrangements 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 Sale and Leaseback Arrangements when aggregated with the Previous Arrangements exceeds 100%, the Sale and Leaseback 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 GM will be convened by the Company for the purpose of considering and, if thought fit, approving each of the Sale and Leaseback Arrangements.

A circular containing, among other things, (i) information on the Sale and Leaseback 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 17 February 2023 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 誠通融資租賃有限公司 (unofficial English translation being Chengtong Financial Leasing Company Limited), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Chengxin & China Metallurgical Agreements”	means, collectively, two (2) sets of the following agreements in respect of two (2) batches of leased assets, all dated 11 January 2023 and signed between Chengtong Financial Leasing and the Chengxin & China Metallurgical Co-Lessees: (1) leaseback assets transfer agreement; and (2) finance lease agreement (sale and leaseback)
“Chengxin & China Metallurgical Arrangement”	means the sale and leaseback arrangement under the Chengxin & China Metallurgical Agreements
“Chengxin & China Metallurgical Co-Lessees”	means, collectively, Zibo Chengxin and China Metallurgical acting as co-lessees of the Chengxin & China Metallurgical Arrangement
“China MCC5”	means 中國五冶集團有限公司 (China MCC5 Group Corp. Ltd.), a company established in the PRC with limited liability and a subsidiary of China Minmetals

“China Metallurgical”	means 中冶建工集團有限公司 (unofficial English translation being China Metallurgical Construction Engineering Group Co., Ltd.), a company established in the PRC with limited liability and a subsidiary of China Minmetals
“China Minmetals”	means 中國五礦集團有限公司 (China Minmetals Corporation), a state-owned enterprise established in the PRC with limited liability which is wholly-owned by the SASAC of the State Council
“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
“First Metallurgical & Guoye Co-Lessees”	means, collectively, 中國一冶集團有限公司 (China First Metallurgical Group Co., Ltd.) and 濮陽國冶城發建設有限公司 (unofficial English translation being Puyang Guoye Urban Development and Construction Co., Ltd.) acting as co-lessees
“Fuyang Shenrong”	means 杭州富陽申蓉建設發展有限公司 (unofficial English translation being Hangzhou Fuyang Shenrong Construction Development Co., Ltd.), a company established in the PRC with limited liability
“GM”	a general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving each of the Sale and Leaseback 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 Chengxin & China Metallurgical Arrangement, the Shenrong & China MCC5 Arrangement and the Zhaoqing High Tech & China MCC5 Arrangement (as the case may be)
“Lessees”	means, collectively, the Chengxin & China Metallurgical Co-Lessees, the Shenrong & China MCC5 Co-Lessees and the Zhaoqing High Tech & China MCC5 Co-Lessees
“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
“Metallurgical Corporation”	means 中國冶金科工股份有限公司 (Metallurgical Corporation of China Ltd.), whose shares are listed on the Main Board of the Stock Exchange (stock code: 1618) and a subsidiary of China Minmetals
“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 Arrangements”	means, collectively, the following transactions: <ul style="list-style-type: none"> (1) the sale and leaseback arrangement entered into between Chengtong Financial Leasing and the First Metallurgical & Guoye Co-Lessees on 30 May 2022, the details of which are set out in the announcement of the Company dated 30 May 2022; (2) the sale and leaseback arrangement subsisting between Chengtong Financial Leasing and the Taoye & China MCC5 Co-Lessees which were assigned to Chengtong Financial Leasing by 橫琴華通金融租賃有限公司 (unofficial English translation being Hengqin Huatong Financial Leasing Co., Ltd.) on 30 August 2022, the details of which are set out in the announcement of the Company dated 22 August 2022 and the circular of the Company dated 23 September 2022;

- (3) the sale and leaseback arrangement entered into between Chengtong Financial Leasing and the Rongyu & China MCC5 Co-Lessees on 28 October 2022, the details of which are set out in the announcement of the Company dated 28 October 2022 and the circular of the Company dated 18 November 2022; and
- (4) the sale and leaseback arrangement entered into between Chengtong Financial Leasing and the Ruiyuan & China MCC5 Co-Lessees on 28 October 2022, the details of which are set out in the announcement of the Company dated 28 October 2022 and the circular of the Company dated 18 November 2022

“Purchase Price”	means the consideration payable by Chengtong Financial Leasing for the purchase of the Leased Assets from the relevant Lessees
“RMB”	means Renminbi, the lawful currency of the PRC
“Rongyu & China MCC5 Co-Lessees”	means, collectively, 江蘇容裕建設發展有限公司 (unofficial English translation being Jiangsu Rongyu Construction Development Co., Ltd.) and China MCC5 acting as co-lessees
“Ruiyuan & China MCC5 Co-Lessees”	means, collectively, 上海銳遠城市建設發展有限公司 (unofficial English translation being Shanghai Ruiyuan Urban Construction Development Co., Ltd.) and China MCC5 acting as co-lessees
“Sale and Leaseback Agreements”	means, collectively, the Chengxin & China Metallurgical Agreements, the Shenrong & China MCC5 Agreements and the Zhaoqing High Tech & China MCC5 Agreements
“Sale and Leaseback Arrangements”	means, collectively, the Chengxin & China Metallurgical Arrangement, the Shenrong & China MCC5 Arrangement and the Zhaoqing High Tech & China MCC5 Arrangement
“SASAC”	means the State-owned Assets Supervision and Administration Commission
“Shareholder(s)”	means the shareholder(s) of the Company

“Shenrong & China MCC5 Agreements”	means, collectively, the following agreements, together with their supplemental agreements, all dated 11 January 2023 and signed between Chengtong Financial Leasing and the Shenrong & China MCC5 Co-Lessees:
	(1) leaseback assets transfer agreement;
	(2) finance lease agreement (sale and leaseback); and
	(3) security money agreement
“Shenrong & China MCC5 Arrangement”	means the sale and leaseback arrangement under the Shenrong & China MCC5 Agreements
“Shenrong & China MCC5 Co-Lessees”	means, collectively, Fuyang Shenrong and China MCC5 acting as co-lessees of the Shenrong & China MCC5 Arrangement
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Taoye & China MCC5 Co-Lessees”	means, collectively, 重慶桃冶雲溪大數據管理有限公司 (unofficial English translation being Chongqing Taoye Yunxi Big Data Management Co., Ltd.) and China MCC5 acting as co-lessees
“Zhaoqing High Tech”	means 廣東肇慶市高新建設開發有限公司 (unofficial English translation being Guangdong Zhaoqing High Tech Construction Development Co., Ltd.), a company established in the PRC with limited liability
“Zhaoqing High Tech & China MCC5 Agreements”	means, collectively, the following agreements, together with their supplemental agreements, all dated 11 January 2023 and signed between Chengtong Financial Leasing and the Zhaoqing High Tech & China MCC5 Co-Lessees:
	(1) leaseback assets transfer agreement;
	(2) finance lease agreement (sale and leaseback); and
	(3) security money agreement
“Zhaoqing High Tech & China MCC5 Arrangement”	means the sale and leaseback arrangement under the Zhaoqing High Tech & China MCC5 Agreements

- “Zhaoqing High Tech & China MCC5 Co-Lessees” means, collectively, Zhaoqing High Tech and China MCC5 acting as co-lessees of the Zhaoqing High Tech & China MCC5 Arrangement
- “Zhongye Jianxin” means 中冶建信投資基金管理(北京)有限公司 (unofficial English translation being Zhongye Jianxin Investment Fund Management (Beijing) Co., Ltd.), which is a joint venture owned as to (a) 50% by 建信(北京)投資基金管理有限責任公司 (unofficial English translation being Jianxin (Beijing) Investment Fund Management Co., Ltd.), which is in turn indirectly owned as to 67% by China Construction Bank Corporation, whose shares are listed on the Main Board of the Stock Exchange (stock code: 939); and (b) 50% by Metallurgical Corporation
- “Zibo Chengxin” means 淄博城信建投工程管理有限公司 (unofficial English translation being Zibo Chengxin Construction Investment Engineering Management Co., Ltd.), a company established in the PRC with limited liability
- “%” 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\$1.11. 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
Zhang Bin
Chairman

Hong Kong, 11 January 2023

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.