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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)

POSITIVE PROFIT ALERT

This announcement is issued by China Chengtong Development Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Company for the six months ended 30 June 2023 (“**1H2023**”) and the information currently available to the Board, the Group is expected to record a consolidated profit after tax of approximately HK\$39 million for 1H2023, representing approximately 79% increment as compared with the consolidated profit after tax of approximately HK\$21.76 million recorded for the six months ended 30 June 2022.

The significant increase in the consolidated profit after tax was mainly attributable to and was the combined effect of the following: (i) the increase in the consolidated gross profit by approximately HK\$31 million for 1H2023 resulting from the continued expansion of the Group’s leasing business as well as the recovering marine recreation services and hotel business; and (ii) the decrease in the total selling and administrative expenses by approximately HK\$7 million for 1H2023 as a result of effective cost control measures, which partially offsets the impact of the significant increase of approximately HK\$10 million in finance costs amid the escalating borrowing interest rates in Hong Kong during 1H2023.

The Company is still in the process of finalising the consolidated results of the Group for 1H2023. The information contained in this announcement is only a preliminary assessment by the management of the Company based on unaudited figures and information made available to the Board as at the date hereof and is not based on any figures or information which has been audited by the Company's auditor. Detailed financial information of the Company for 1H2023 will be disclosed in the interim results announcement of the Company, which is expected to be published by the end of August 2023.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
China Chengtong Development Group Limited
Zhang Bin
Chairman

Hong Kong, 18 August 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.