

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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 TRANSACTIONS**

#### **CONTINUING CONNECTED TRANSACTIONS**

After trading hours on 4 March 2015, Chengtong Energy, an indirect non-wholly owned subsidiary of the Company, entered into (i) the Wuzi Framework Purchase Agreement and (ii) the Wuzi Framework Sale Agreement with Guangdong Wuzi Fuel, pursuant to which Chengtong Energy agrees to purchase from or sell to Guangdong Wuzi Fuel (as the case may be) certain coal on a non-exclusive basis for a term from 4 March 2015 to 31 December 2015, subject to the terms and conditions therein.

Also after trading hours on 4 March 2015, Chengtong Energy entered into (i) the Tongzheng Framework Purchase Agreement and (ii) the Tongzheng Framework Sale Agreement with Guangzhou Tongzheng, pursuant to which Chengtong Energy agrees to purchase from or sell to Guangzhou Tongzheng (as the case may be) certain coal on a non-exclusive basis for a term from 4 March 2015 to 31 December 2015, subject to the terms and conditions therein.

#### **LISTING RULES IMPLICATION ON THE FRAMEWORK AGREEMENTS**

As one of the substantial shareholders of Chengtong Energy holds more than 30% interests in Guangdong Wuzi Fuel, Guangdong Wuzi Fuel, being an associate of the substantial shareholder of Chengtong Energy, is a connected person of the Company. The transactions contemplated under the Wuzi Framework Agreements therefore constitute continuing connected transactions of the Company.

As the spouse and the brother of one of the directors of Chengtong Energy together hold more than 50% interests in Guangzhou Tongzheng, Guangzhou Tongzheng, being an associate of a director of Chengtong Energy, is a connected person of the Company. The transactions contemplated under the Tongzheng Framework Agreements therefore also constitute continuing connected transactions of the Company.

Since both Guangdong Wuzi Fuel and Guangzhou Tongzheng are connected persons of the Company at the subsidiary level and the Continuing Connected Transactions between the Group and each of them are on normal commercial terms or better, the Continuing Connected Transactions are exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules and will only be subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

## **(I) WUZI FRAMEWORK PURCHASE AGREEMENT**

- Date: 4 March 2015
- Parties: (1) Chengtong Energy; and  
(2) Guangdong Wuzi Fuel.
- Term: A fixed term from 4 March 2015 to 31 December 2015.
- Subject matter: Chengtong Energy agrees to purchase, on a non-exclusive basis, from Guangdong Wuzi Fuel various types of local or imported coal and Guangdong Wuzi Fuel agrees to cooperate with Chengtong Energy in handling the storage of the coal at the port of discharge and the shipment matters.
- Operational Agreement(s): Pursuant to the Wuzi Framework Purchase Agreement, Chengtong Energy may, from time to time during the term of the Wuzi Framework Purchase Agreement, enter into separate Operational Agreement(s) (which may be in the form of purchase order(s) and/or purchase agreement(s)) in respect of the purchases covered by the Wuzi Framework Purchase Agreement provided that such separate Operational Agreement(s) shall always be subject to the terms of the Wuzi Framework Purchase Agreement.
- Pricing basis: The price(s) under the Operational Agreement(s) for specific transaction(s) covered by the Wuzi Framework Purchase Agreement shall be determined in the ordinary course of business on normal commercial terms, negotiated on an arm's length basis and on the following principles:
- (i) by reference to the Reference Price(s) as at the date of the relevant Operational Agreement;
  - (ii) taking into account the methods of delivery and the ancillary preferential terms (e.g. discounted price may be offered for major clients or for clients who have met the minimum purchase quantities etc.); and
  - (iii) in any event not higher than the price offered by suppliers who are Independent Third Parties to Chengtong Energy in comparable transactions during the same period.

Other general terms: Pursuant to the Wuzi Framework Purchase Agreement, all other terms and conditions for the purchase transactions thereunder (such as weight, specification, delivery period, late delivery charge and settlement method) shall be not less favourable to the Group than those agreed between the Group and suppliers who are Independent Third Parties.

Termination: The Wuzi Framework Purchase Agreement may be terminated before expiration of its fixed term upon mutual agreement in writing by the parties thereto or by either party in certain circumstances (including material default by the other party).

## **(II) WUZI FRAMEWORK SALE AGREEMENT**

Date: 4 March 2015

Parties: (1) Chengtong Energy; and  
(2) Guangdong Wuzi Fuel.

Term: A fixed term from 4 March 2015 to 31 December 2015.

Subject matter: Chengtong Energy agrees to sell, on a non-exclusive basis, to Guangdong Wuzi Fuel various types of local or imported coal and Chengtong Energy agrees to cooperate with Guangdong Wuzi Fuel in handling the storage of the coal at the port of discharge and the shipment matters.

Operational Agreement(s): Pursuant to the Wuzi Framework Sale Agreement, Chengtong Energy may, from time to time, during the term of the Wuzi Framework Sale Agreement, enter into separate Operational Agreement(s) (which may be in the form of purchase order(s) and/or sale agreement(s)) in respect of the sales covered by the Wuzi Framework Sale Agreement provided that such separate Operational Agreement(s) shall always be subject to the terms of the Wuzi Framework Sale Agreement.

Pricing basis: The price(s) under the Operational Agreement(s) for specific transaction(s) covered by the Wuzi Framework Sale Agreement shall be determined in the ordinary course of business on normal commercial terms, negotiated on an arm's length basis and on the following principles:

- (i) by reference to the original acquisition cost of the coal by Chengtong Energy;
- (ii) taking into account the average profit margin (approximately 2%) of the previous sales contracts entered into by Chengtong Energy as seller with purchasers who are Independent Third Parties; and
- (iii) in any event not lower than the price offered by Chengtong Energy to purchasers who are Independent Third Parties in comparable transactions during the same period.

- Other general terms: Pursuant to the Wuzi Framework Sale Agreement, all other terms and conditions for the sale transactions thereunder (such as weight, specification, delivery period, late delivery charge and settlement method) shall be not less favourable to the Group than those agreed between the Group and purchasers who are Independent Third Parties.
- Termination: The Wuzi Framework Sale Agreement may be terminated before expiration of its fixed term upon mutual agreement in writing by the parties thereto or by either party in certain circumstances (including material default by the other party).

### **(III) TONGZHENG FRAMEWORK PURCHASE AGREEMENT**

- Date: 4 March 2015
- Parties: (1) Chengtong Energy; and  
(2) Guangzhou Tongzheng.
- Term: A fixed term from 4 March 2015 to 31 December 2015.
- Subject matter: Chengtong Energy agrees to purchase, on a non-exclusive basis, from Guangzhou Tongzheng various types of local coal and Guangzhou Tongzheng agrees to cooperate with Chengtong Energy in handling the storage of the coal at the port of discharge and the shipment matters.
- Operational Agreement(s): Pursuant to the Tongzheng Framework Purchase Agreement, Chengtong Energy may, from time to time during the term of the Tongzheng Framework Purchase Agreement, enter into separate Operational Agreement(s) (which may be in the form of purchase order(s) and/or purchase agreement(s)) in respect of the purchases covered by the Tongzheng Framework Purchase Agreement provided that such separate Operational Agreement(s) shall always be subject to the terms of the Tongzheng Framework Purchase Agreement.
- Pricing basis: The price(s) under the Operational Agreement(s) for specific transaction(s) covered by the Tongzheng Framework Purchase Agreement shall be determined in the ordinary course of business on normal commercial terms, negotiated on an arm's length basis and on the following principles:
- (i) by reference to the Reference Price(s) as at the date of the relevant Operational Agreement;
  - (ii) taking into account the methods of delivery and the ancillary preferential terms (e.g. discounted price may be offered for major clients or for clients who have met the minimum purchase quantities etc.); and
  - (iii) in any event not higher than the price offered by suppliers who are Independent Third Parties to Chengtong Energy in comparable transactions during the same period.

Other general terms: Pursuant to the Tongzheng Framework Purchase Agreement, all other terms and conditions for the purchase transactions thereunder (such as the weight, specification, delivery period, late delivery charge and settlement method) shall be not less favourable to the Group than those agreed between the Group and suppliers who are Independent Third Parties.

Termination: The Tongzheng Framework Purchase Agreement may be terminated before expiration of its fixed term upon mutual agreement in writing by the parties thereto or by either party in certain circumstances (including material default by the other party).

#### **(IV) TONGZHENG FRAMEWORK SALE AGREEMENT**

Date: 4 March 2015

Parties: (1) Chengtong Energy; and  
(2) Guangzhou Tongzheng.

Term: A fixed term from 4 March 2015 to 31 December 2015.

Subject matter: Chengtong Energy agrees to sell, on a non-exclusive basis, to Guangzhou Tongzheng various types of local or imported coal and Chengtong Energy agrees to cooperate with Guangzhou Tongzheng in handling the storage of the coal at the port of discharge and the shipment matters.

Operational Agreement(s): Pursuant to the Tongzheng Framework Sale Agreement, Chengtong Energy may, from time to time, during the term of the Tongzheng Framework Sale Agreement, enter into separate Operational Agreement(s) (which may be in the form of purchase order(s) and/or sale agreement(s)) in respect of the sales covered by the Tongzheng Framework Sale Agreement provided that such separate Operational Agreement(s) shall always be subject to the terms of the Tongzheng Framework Sale Agreement.

Pricing basis: The price(s) under the Operational Agreement(s) for specific transaction(s) covered by the Tongzheng Framework Sale Agreement shall be determined in the ordinary course of business on normal commercial terms, negotiated on an arm's length basis and on the following principles:

- (i) by reference to the original acquisition cost of the coal by Chengtong Energy;
- (ii) taking into account the average profit margin (approximately 2%) of the previous sales contracts entered into by Chengtong Energy as seller with purchasers who are Independent Third Parties; and
- (iii) in any event not lower than the price offered by Chengtong Energy to purchasers who are Independent Third Parties in comparable transactions during the same period.

Other general terms: Pursuant to the Tongzheng Framework Sale Agreement, all other terms and conditions for the sale transactions thereunder (such as the weight, specification, delivery period, late delivery charge and settlement method) shall be not less favourable to the Group than those agreed between the Group and purchasers who are Independent Third Parties.

Termination: The Tongzheng Framework Sale Agreement may be terminated before expiration of its fixed term upon mutual agreement in writing by the parties thereto or by either party in certain circumstances (including material default by the other party).

## **(V) PROPOSED ANNUAL CAPS FOR PURCHASE TRANSACTIONS**

### **(A) Historical aggregate value of purchase transactions**

The Group did not have any previous purchase transactions with Guangdong Wuzi Fuel or Guangzhou Tongzheng.

### **(B) Proposed Annual Caps**

#### *(i) for Wuzi Framework Purchase Agreement*

The proposed Annual Cap in respect of the Continuing Connected Transactions contemplated under the Wuzi Framework Purchase Agreement for the year ending 31 December 2015 is set out below:

**Proposed Annual  
Cap for purchase  
transactions  
for the year ending  
31 December 2015**

Estimated total transaction value: RMB200,000,000

#### *(ii) for Tongzheng Framework Purchase Agreement*

The proposed Annual Cap in respect of the Continuing Connected Transactions contemplated under the Tongzheng Framework Purchase Agreement for the year ending 31 December 2015 is set out below:

**Proposed Annual  
Cap for purchase  
transactions  
for the year ending  
31 December 2015**

Estimated total transaction value: RMB30,000,000

### (C) Basis of the proposed Annual Caps

The proposed Annual Caps for purchase transactions under the Wuzi Framework Purchase Agreement and the Tongzheng Framework Purchase Agreement have been determined by reference to:

- the estimated future demands of the Group having regard to the business growth and the business strategy of the Group and it is estimated that Chengtong Energy will purchase in total 400,000 tons and 60,000 tons of various types of coal from Guangdong Wuzi Fuel and Guangzhou Tongzheng respectively for the year ending 31 December 2015;
- the average Reference Price (approximately RMB500 per ton for 5,000 kcal steam coal) for the period from 1 October 2014 to 8 December 2014;
- the analysis of the market for the year 2015 and the preliminary assessment on the neighbouring markets of the Zhuhai harbour;
- the economic climate and its effects on the PRC coal industry; and
- the inflation factor,

and on the principal assumptions that, for the duration of the projected period, there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the businesses of the Group, Guangdong Wuzi Fuel and/or Guangzhou Tongzheng.

The Directors (including the independent non-executive Directors) are of the view that the Annual Caps for the purchase transactions set out above are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## (VI) PROPOSED ANNUAL CAPS FOR SALE TRANSACTIONS

### (A) Historical aggregate value of sale transactions

The Group did not have any previous sale transactions with Guangdong Wuzi Fuel. The total actual value of the sale transactions by the Group to Guangzhou Tongzheng for the year ended 31 December 2014 was approximately RMB14,029,227 (included value-added tax).

### (B) Proposed Annual Caps for sale transactions

#### (i) for Wuzi Framework Sale Agreement

The proposed Annual Cap in respect of the Continuing Connected Transactions contemplated under the Wuzi Framework Sale Agreement for the year ending 31 December 2015 is set out below:

	<b>Proposed Annual Cap for sale transactions for the year ending 31 December 2015</b>
Estimated total transaction value:	RMB150,000,000

(ii) *for Tongzheng Framework Sale Agreement*

The proposed Annual Cap in respect of the Continuing Connected Transactions contemplated under the Tongzheng Framework Sale Agreement for the year ending 31 December 2015 is set out below:

**Proposed Annual  
Cap for sale  
transactions  
for the year ending  
31 December 2015**

Estimated total transaction value: RMB620,000,000

**(C) Basis of the proposed Annual Caps**

The proposed Annual Caps for sale transactions under the Wuzi Framework Sale Agreement and the Tongzheng Framework Sale Agreement have been determined by reference to:

- the estimated future supply capacity of the Group having regard to the business growth and the business strategy of the Group and it is estimated that Chengtong Energy will supply in total 300,000 tons and 1,240,000 tons of various types of coal to Guangdong Wuzi Fuel and Guangzhou Tongzheng respectively for the year ending 31 December 2015;
- the average Reference Price (approximately RMB500 per ton for 5,000 kcal steam coal) for the period from 1 October 2014 to 8 December 2014;
- the analysis of the market for the year 2015 and the preliminary assessment on the neighbouring markets of the Zhuhai harbour;
- the economic climate and its effects on the PRC coal industry; and
- the inflation factor,

and on the principal assumptions that, for the duration of the projected period, there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the businesses of the Group, Guangdong Wuzi Fuel and/or Guangzhou Tongzheng.

The Directors (including the independent non-executive Directors) are of the view that the Annual Caps for the sale transactions set out above are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

**(VII) INTERNAL CONTROL MEASURES**

For the sake of ensuring the terms offered by Guangdong Wuzi Fuel or Guangzhou Tongzheng (as the case may be) are not less favourable to the Group than those offered by the Independent Third Parties and the Annual Caps are not exceeded, the Group will:

- (i) supervise the Continuing Connected Transactions in accordance with the Company's internal control guideline/handbook on continuing connected transactions;



- (ii) instruct its risk management department to conduct the sampling inspection at least twice per annum on the comprehensiveness and effectiveness of the Group's internal control measures on continuing connected transactions, and periodically review and examine the progress of the Continuing Connected Transactions;
- (iii) instruct its finance department to follow and collect the data of the Continuing Connected Transactions to ensure that the Annual Caps are not exceeded;
- (iv) engage the auditors to review the data of the Continuing Connected Transactions twice a year in compliance with the annual reporting and review requirements under the Listing Rules and provide confirmation in the Company's annual report on whether such transactions are entered into in the ordinary course of business on normal commercial terms or better and are carried out pursuant to the terms thereof, and whether the terms thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole;
- (v) instruct its audit committee to review the implementation of the Continuing Connected Transactions twice a year;
- (vi) instruct its coal trading department to track the changes of the market price and the costs of coal, to timely record and report the same to other relevant departments of the Group; and
- (vii) instruct its risk management department to conduct the regular sampling inspection on the Operational Agreement(s) to prevent any trading transaction in disguise for financing.

By implementing the above measures, the Directors consider that the Company has established sufficient internal control measures to ensure the Continuing Connected Transactions are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole.

## **(VIII) INFORMATION REGARDING THE GROUP, GUANGDONG WUZI FUEL AND GUANGZHOU TONGZHENG**

### **The Group**

The principal activities of the Group are bulk commodity trading, trading of coal, property development, property investment, financial leasing, and hotel and marine travelling services.

### **Guangdong Wuzi Fuel**

Guangdong Wuzi Fuel is a company incorporated in the PRC with limited liability. The principal activity of Guangdong Wuzi Fuel is trading of coal.

### **Guangzhou Tongzheng**

Guangzhou Tongzheng is a company incorporated in the PRC with limited liability. The principal activity of Guangzhou Tongzheng is trading of coal.

## **(IX) REASONS FOR, AND BENEFITS OF, THE CONTINUING CONNECTED TRANSACTIONS**

Guangdong Wuzi Fuel and Guangzhou Tongzheng have steady supply chain of high quality local and/or imported coal and distribution channels and have substantial experience in coal trading in the PRC. Moreover, Chengtong Energy, Guangdong Wuzi Fuel and Guangzhou Tongzheng maintain different types of coal as their stock and will need to purchase other types of coal from each other and mix them with its own stored coal from time to time in order to satisfy the specific requirements of their respective clients.

The Directors believe that the securing of a long-term and reputable business association with Guangdong Wuzi Fuel and Guangzhou Tongzheng, which leverages on their profound experience in the coal industry, wide supply/distribution networks, well established facilities and equipment, and diversified coal products, is beneficial to the Group. The maintaining of the strategic and continual business relationship with Guangdong Wuzi Fuel and Guangzhou Tongzheng will also allow the realisation of synergies in terms of convenience and operational support and the attainment of economies of scale, and is expected to bring sustainable and stable contribution to the Group's revenue and profitability in the long run.

The transactions contemplated under the Framework Agreements are and are to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the Group, Guangdong Wuzi Fuel and Guangzhou Tongzheng. The entering into of the Framework Agreements will provide a single basis on which the Company will comply with the reporting and announcement requirements in compliance with the Listing Rules and thereby reduce the administrative burden and costs on the Company to comply with such requirements in relation to the execution of each Operational Agreement in respect of the Continuing Connected Transactions.

The Directors (including the independent non-executive Directors) confirmed that the terms of the Framework Agreements are fair and reasonable and the Continuing Connected Transactions are (i) on normal commercial terms or better; (ii) in the ordinary and usual course of business of the Group; and (iii) in the interests of the Company and the Shareholders as a whole.

## **(X) LISTING RULES IMPLICATION ON THE FRAMEWORK AGREEMENTS**

As one of the substantial shareholders of Chengtong Energy holds more than 30% interests in Guangdong Wuzi Fuel, Guangdong Wuzi Fuel, being an associate of the substantial shareholder of Chengtong Energy, is a connected person of the Company. The transactions contemplated under the Wuzi Framework Agreements therefore constitute continuing connected transactions of the Company.

As the spouse and the brother of one of the directors of Chengtong Energy together hold more than 50% interests in Guangzhou Tongzheng, Guangzhou Tongzheng, being an associate of a director of Chengtong Energy, is a connected person of the Company. The transactions contemplated under the Tongzheng Framework Agreements therefore also constitute continuing connected transactions of the Company.

Since both Guangdong Wuzi Fuel and Guangzhou Tongzheng are connected persons of the Company at the subsidiary level and the Continuing Connected Transactions between the Group and each of them are on normal commercial terms or better, the Continuing Connected Transactions are exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules and will only be subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

The Company will comply with the continuing obligations under Chapter 14A of the Listing Rules and/or any other applicable requirements under the Listing Rules at the relevant time and will re-comply with the applicable Listing Rules in the event that any of the Annual Caps is exceeded or when there is a material change to the terms of any of the Framework Agreements pursuant to Rule 14A.54 of the Listing Rules.

## **(XI) APPROVAL OF THE BOARD**

The Board has approved the Continuing Connected Transactions. None of the Directors had material interests in the Continuing Connected Transactions contemplated under any of the Framework Agreements. Therefore, no Director is required to abstain from voting on the resolutions of the Board approving the Continuing Connected Transactions contemplated under the Framework Agreements.

## **(XII) DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Annual Caps”	the estimated maximum aggregate annual transaction values in respect of the Continuing Connected Transactions contemplated under the Wuzi Framework Purchase Agreement, the Wuzi Framework Sale Agreement, the Tongzheng Framework Purchase Agreement and/or the Tongzheng Framework Sale Agreement (as the case may be)
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Chengtong Energy”	誠通能源廣東有限公司 (unofficial English translation being Chengtong Energy Guangdong Company Limited), formerly known as 大豐瑞能燃料有限公司 (unofficial English translation being Dafeng Ruineng Fuel Company Limited), a company incorporated in the PRC with limited liability and owned as to 51% by 誠通發展貿易有限公司 (unofficial English translation being Chengtong Development Trading Co., Ltd.), which is a wholly-owned subsidiary of the Company
“Company”	China Chengtong Development Group Limited (中國誠通發展集團有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Continuing Connected Transactions”	the continuing connected transactions contemplated under the Wuzi Framework Purchase Agreement, the Wuzi Framework Sale Agreement, the Tongzheng Framework Purchase Agreement and/or the Tongzheng Framework Sale Agreement (as the case may be)
“Director(s)”	director(s) of the Company
“Framework Agreements”	collectively, the Wuzi Framework Purchase Agreement, the Wuzi Framework Sale Agreement, the Tongzheng Framework Purchase Agreement and the Tongzheng Framework Sale Agreement
“Group”	the Company and its subsidiaries from time to time
“Guangdong Wuzi Fuel”	廣東物資燃料有限公司 (unofficial English translation being Guangdong Wuzi Fuel Company Limited), a company incorporated in the PRC with limited liability
“Guangzhou Tongzheng”	廣州市同正煤炭貿易有限公司 (unofficial English translation being Guangzhou City Tongzheng Coal Trading Company Limited), a company incorporated in the PRC with limited liability
“Hong Kong”	the Hong Kong Special Administrative Region
“Independent Third Parties”	third parties independent of the Company and its connected persons and “Independent Third Party” shall be construed accordingly
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Operational Agreements”	the individual agreements which may from time to time be entered into between Chengtong Energy and Guangdong Wuzi Fuel or Guangzhou Tongzheng (as the case may be) subject and pursuant to the Wuzi Framework Purchase Agreement, the Wuzi Framework Sale Agreement, the Tongzheng Framework Purchase Agreement or the Tongzheng Framework Sale Agreement (as the case may be), and “Operational Agreement” means any of them
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong and the Macau Special Administrative Region and Taiwan
“Reference Price(s)”	the reference price(s) announced by the northern harbours (Qinhuangdao harbour, Tianjin harbour, Huanghua harbour and etc.) and other major coal companies in the PRC (Shenhua Group, China National Coal Group Corporation and etc.)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holder(s) of the shares of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Tongzheng Framework Purchase Agreement”	the framework purchase agreement dated 4 March 2015 entered into between Chengtong Energy and Guangzhou Tongzheng pursuant to which Chengtong Energy agrees to purchase (on a non-exclusive basis) from Guangzhou Tongzheng certain coal
“Tongzheng Framework Sale Agreement”	the framework sale agreement dated 4 March 2015 entered into between Chengtong Energy and Guangzhou Tongzheng pursuant to which Chengtong Energy agrees to sell (on a non-exclusive basis) to Guangzhou Tongzheng certain coal
“Tongzheng Framework Agreements”	collectively, the Tongzheng Framework Purchase Agreement and the Tongzheng Framework Sale Agreement
“Wuzi Framework Purchase Agreement”	the framework purchase agreement dated 4 March 2015 entered into between Chengtong Energy and Guangdong Wuzi Fuel pursuant to which Chengtong Energy agrees to purchase (on a non-exclusive basis) from Guangdong Wuzi Fuel certain coal
“Wuzi Framework Sale Agreement”	the framework sale agreement dated 4 March 2015 entered into between Chengtong Energy and Guangdong Wuzi Fuel pursuant to which Chengtong Energy agrees to sell (on a non-exclusive basis) to Guangdong Wuzi Fuel certain coal
“Wuzi Framework Agreements”	collectively, the Wuzi Framework Purchase Agreement and the Wuzi Framework Sale Agreement
“%”	per cent.

By Order of the Board  
**China Chengtong Development Group Limited**  
**Wang Hongxin**  
*Managing Director*

4 March 2015

*As at the date hereof, the executive Directors are Mr. Yuan Shaoli, Mr. Wang Hongxin, Mr. Wang Tianlin and Mr. Zhang Bin; and the independent non-executive Directors are Mr. Chang Qing, Mr. Lee Man Chun, Tony and Mr. Chan Sheung Lai.*