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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)

MAJOR TRANSACTIONS – THE ASSIGNMENT AND THE SALE AND LEASEBACK ARRANGEMENTS

THE ASSIGNMENT

On 24 November 2022, Chengtong Financial Leasing, an indirect wholly-owned subsidiary of the Company, entered into the Leased Assets Transfer Agreements with the Transferor, pursuant to which the Transferor will transfer and assign the Assigned Properties to Chengtong Financial Leasing at an aggregate Consideration of approximately RMB458.62 million (equivalent to approximately HK\$504.48 million).

On 24 November 2022, the Transferor and Chengtong Financial Leasing also entered into the Entrustment Agreement.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio in respect of the Assignment and the Sale and Leaseback Arrangements exceed 25% but is less than 100%, the Assignment and the Sale and Leaseback Arrangements constitute major transactions of the Company and are subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder or any of his/her/its close associate(s) (having the meaning ascribed to it under the Listing Rules) has any material interest in the Assignment or the Sale and Leaseback Arrangements. Thus, no Shareholder would be required to abstain from voting if the Company were to convene a general meeting for approving the Assignment and the Sale and Leaseback Arrangements. In light of the foregoing, written Shareholders' approval may be accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules. The Company has obtained written Shareholder's approval in respect of the Assignment and the Sale and Leaseback Arrangements from World Gain Holdings Limited, which is a controlling shareholder of the Company holding 3,169,656,217 issued shares of the Company, representing approximately 53.14% of the issued share capital of the Company as at the date of this announcement. Accordingly, no general meeting of the Company will be convened for the purpose of approving the Assignment and the Sale and Leaseback Arrangements.

A circular containing, among other things, (i) information on the Assignment and the Sale and Leaseback Arrangements, and (ii) other information required under the Listing Rules will be despatched to the Shareholders on or before 15 December 2022, which is within 15 business days after the publication of this announcement.

THE ASSIGNMENT

(1) The Leased Assets Transfer Agreements

On 24 November 2022, Chengtong Financial Leasing, an indirect wholly-owned subsidiary of the Company, entered into the Leased Assets Transfer Agreements with the Transferor.

The major terms of the Leased Assets Transfer Agreements are set out below.

Date 24 November 2022

Parties (i) The Transferor; and
(ii) Chengtong Financial Leasing

Subject matter

On the Transfer Date, the Transferor will transfer and assign, and Chengtong Financial Leasing will purchase and accept the assignment of, the Assigned Properties under each of the Sale and Leaseback Arrangements and with effect from the Transfer Date, Chengtong Financial Leasing shall have the right to receive from the Lessees all the lease payments and other sums outstanding and payable by them under the Sale and Leaseback Agreements.

Consideration

Subject to the fulfilment of all conditions precedent set out in the relevant Leased Assets Transfer Agreement, Chengtong Financial Leasing shall pay the relevant Consideration (as set out in Table 1 below) to the Transferor in one lump sum on or before the Transfer Date.

Table 1

	Liangye Transfer Agreement	Zibo Transfer Agreement	Rizhao Transfer Agreement	Total
Consideration	RMB143 million (equivalent to HK\$157.30 million)	approximately RMB177.12 million (equivalent to approximately HK\$194.83 million)	approximately RMB138.50 million (equivalent to HK\$152.35 million)	approximately RMB458.62 million (equivalent to approximately HK\$504.48 million)

The conditions precedent as contained in each of the Leased Assets Transfer Agreements are identical which include but are not limited to the following:

- (i) the signing and the coming into effect of the relevant Leased Assets Transfer Agreement and all appendices thereto;
- (ii) the receipt of all relevant documentary proofs by Chengtong Financial Leasing showing the Transferor's valid and legal ownership over the relevant Leased Assets and the creditor's rights and security rights in respect of the relevant Sale and Leaseback Arrangements; and
- (iii) the cancellation by the Transferor of the finance lease registration in respect of the relevant Assigned Properties in the relevant registration system of the PRC and the completion of the finance lease registration in respect thereof in the name of Chengtong Financial Leasing.

The Consideration was agreed between Chengtong Financial Leasing and the Transferor with reference to the outstanding amount of lease principal under the relevant Sale and Leaseback Arrangements as at the date of the relevant Leased Assets Transfer Agreements.

The Consideration will be satisfied by the general working capital of the Group.

Service Fee

The Transferor shall pay certain service fee (“**Service Fee**”) (as set out in Table 2 below) which represents approximately 0.6% of the relevant Consideration payable under each of the Leased Assets Transfer Agreements for the preliminary services provided by Chengtong Financial Leasing in respect of the Assignment. Such services relate to the negotiation and preparation work associated with the Assignment and mainly include the due diligence works performed in assessing the Sale and Leaseback Arrangements and verifying the existence, conditions and title of the Leased Assets.

Table 2

	Liangye Transfer Agreement	Zibo Transfer Agreement	Rizhao Transfer Agreement	Total
Service Fee	approximately RMB0.86 million (equivalent to approximately HK\$0.95 million)	approximately RMB1.06 million (equivalent to approximately HK\$1.17 million)	RMB0.83 million (equivalent to approximately HK\$0.91 million)	approximately RMB2.75 million (equivalent to approximately HK\$3.03 million)

(2) The Entrustment Agreement

On 24 November 2022, the Transferor and Chengtong Financial Leasing also entered into the Entrustment Agreement, pursuant to which Chengtong Financial Leasing entrusted the Transferor, upon the completion of the Assignment and during the remaining lease term of the Sale and Leaseback Arrangements, to be responsible for matters including but not limited to supervising and monitoring the use of, and performing regular stocktaking of, the Leased Assets, facilitating Chengtong Financial Leasing in receiving, and procuring the Lessees in paying, all lease payments and other payables under the Sale and Leaseback Arrangements in a punctual manner.

According to the Entrustment Agreement, Chengtong Financial Leasing shall pay management fee (“**Management Fee**”) of an aggregate of RMB15.65 million (equivalent to approximately HK\$17.22 million) to the Transferor in respect of the aforesaid matters. The Management Fee is payable on a quarterly basis. If Chengtong Financial Leasing has not received the full amount of any instalment of the lease payments and other payables under the relevant Sale and Leaseback Arrangements from the Lessee(s) on time, Chengtong Financial Leasing is not obliged to pay the Management Fee for the corresponding instalment to the Transferor until Chengtong Financial Leasing has received the full amount of the relevant lease payments and other payables under the Sale and Leaseback Arrangements from the Lessee(s).

THE SALE AND LEASEBACK ARRANGEMENTS

Major details of the Sale and Leaseback Arrangements as at the date of the relevant Leased Assets Transfer Agreements are set out below:

Table 3

	Liangye & Nanjing Arrangement	Liangye & Anshun Arrangement	Zibo Arrangement I	Zibo Arrangement II	Rizhao Arrangement
Date of the Sale and Leaseback Agreements	28 June 2021	14 September 2021	14 April 2022	14 April 2022	12 May 2022
Lessee(s)	Liangye & Nanjing Co-Lessees	Liangye & Anshun Co-Lessees	Zibo Co-Lessees	Zibo Co-Lessees	Rizhao Co-Lessees
Leased Assets	Certain lighting equipment	Certain lighting equipment	Certain water drainage facility, electricity supply system, artificial intelligence system, ventilation system, fire prevention system, escalator system and heating system	Certain water drainage facility, electricity supply system, artificial intelligence system, ventilation system, fire prevention system and escalator system	Certain steel structures, water drainage facility, electricity supply facility, fire prevention system and intelligent information system
Outstanding amount of lease principal	RMB63 million (equivalent to HK\$69.30 million)	RMB80 million (equivalent to HK\$88 million)	approximately RMB84.71 million (equivalent to approximately HK\$93.18 million)	approximately RMB92.42 million (equivalent to approximately HK\$101.66 million)	approximately RMB138.50 million (equivalent to HK\$152.35 million)
Interest rate	Fixed interest rate	Fixed interest rate	Fixed interest rate	Fixed interest rate	Fixed interest rate

	Liangye & Nanjing Arrangement	Liangye & Anshun Arrangement	Zibo Arrangement I	Zibo Arrangement II	Rizhao Arrangement
Estimated amount of lease payment receivable for the remaining lease term (<i>Note</i>)	approximately RMB65.70 million (equivalent to HK\$72.27 million)	approximately RMB89.35 million (equivalent to approximately HK\$98.29 million)	approximately RMB92.50 million (equivalent to HK\$101.75 million)	approximately RMB101.26 million (equivalent to approximately HK\$111.39 million)	approximately RMB150.13 million (equivalent to approximately HK\$165.14 million)
Expiry date of the lease term	28 June 2024	14 September 2026	27 April 2025	29 June 2025	28 June 2025
Security money	RMB10.80 million (equivalent to HK\$11.88 million)	RMB5 million (equivalent to HK\$5.50 million)	RMB10 million (equivalent to HK\$11 million)	RMB10 million (equivalent to HK\$11 million)	RMB13 million (equivalent to HK\$14.30 million)
Type of security provided	Nil	Nil	Corporate guarantee provided by the Zibo Guarantors	Corporate guarantee provided by the Zibo Guarantors	(i) Corporate guarantee provided by the Rizhao Guarantors (i) Mortgage of properties owned by the Rizhao Mortgagor and Rizhao Industrial Construction

Note: The estimated amount of lease payments receivable for the remaining lease term is calculated based on the assumption that the Transfer Date falls on 14 December 2022. The actual amount of lease payments receivable by Chengtong Financial Leasing from the Lessees may be subject to change depending on the actual Transfer Date.

Lease payment

The total amount of lease payments receivable from the Lessees represents the sum of the total amount of lease principal receivable for the remaining lease term of the Sale and Leaseback Arrangements and the lease interest which is calculated on the then outstanding lease principal amount with the relevant fixed interest rate.

The lease payments under each of the Sale and Leaseback Arrangements are payable by the relevant Lessees on a quarterly basis.

Lessees' right to repurchase the Leased Assets

Upon expiry of the lease term of the relevant Sale and Leaseback Arrangement, subject to the relevant 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 Agreement, the relevant Lessees shall have the right to repurchase the relevant Leased Assets at a nominal repurchase price at RMB100.

Credit enhancement measures

Security money

The security money as set out in Table 3 above was paid by the respective Lessees to the Transferor as security for the performance of their obligations under the relevant Sale and Leaseback Agreements. According to the Leased Assets Transfer Agreements, the amount of security money paid by the Lessees under the relevant Sale and Leaseback Agreement will be deducted from the relevant Consideration payable by Chengtong Financial Leasing to the Transferor.

After completion of the Assignment, if any relevant Lessee fails to perform any obligations under the relevant Sale and Leaseback Arrangement, Chengtong Financial Leasing has the right to apply the security money to set off against any amount owed by the relevant Lessee to it in the following order: liquidated damages, other payables including but not limited to outstanding and prospective lease payments and repurchase price. In the event that the security money has been applied by Chengtong Financial Leasing to set off against any amount owed by the relevant Lessee to it, the relevant Lessee shall make up the security money to the initial amount as agreed in the relevant Sale and Leaseback Agreement. If the relevant Lessee has fully performed all its obligations under the relevant Sale and Leaseback Agreement as confirmed by Chengtong Financial Leasing, Chengtong Financial Leasing shall return the security money to the Lessee within three (3) working days.

Guarantee

Each of the Zibo Guarantors has provided guarantee for all amounts payable by the Zibo Co-Lessees under the Zibo Agreement I and Zibo Agreement II, including but not limited to outstanding and prospective lease payments, liquidated damages, repurchase price and other payables. The guarantee is irrevocable and continuing in nature.

Each of the Rizhao Guarantors has provided guarantee for all amounts payable by the Rizhao Co-Lessees under the Rizhao Agreement, including but not limited to outstanding and prospective lease payments, liquidated damages, repurchase price and other payables. The guarantee is irrevocable and continuing in nature.

Mortgage

Furthermore, Rizhao Industrial Construction and the Rizhao Mortgagor have charged their respective landed properties and the corresponding land use right as security for all amounts payable by the Rizhao Co-Lessees under the Rizhao Agreement, including but not limited to outstanding and prospective lease payments, liquidated damages, repurchase price and other payables.

INFORMATION OF THE PARTIES

1. The Transferor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (a) the Transferor is directly owned as to (i) 51% by 中交融資租賃有限公司 (unofficial English translation being CCCC Financial Leasing Co., Ltd.), (ii) 25% by Hongkong Ocean Investment Development Co., Limited, and (iii) 24% by 中交疏浚(集團)股份有限公司 (unofficial English Translation being CCCC Dredging Group Co., Ltd.), all of which are subsidiaries of China Communications Construction Company Limited, the shares of which are listed on the Stock Exchange (stock code: 1800); (b) the holding company of China Communications Construction Company Limited is 中國交通建設集團有限公司 (China Communications Construction Group (Limited)) ("CCCCG"), which is ultimately controlled by the SASAC of the State Council; and (c) the Transferor is principally engaged in the businesses of finance leasing and factoring.

2. Liangye & Nanjing Co-Lessees and Liangye & Anshun Co-Lessees

Liangye Technology

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (a) Liangye Technology is directly owned as to approximately 90.01% by 北京碧水源科技股份有限公司 (Beijing OriginWater Technology Co., Ltd.), whose shares are listed on the Shenzhen Stock Exchange (stock code: 300070) and whose largest shareholder holding approximately 33.04% of its equity interest is 中國城鄉控股集團有限公司 (unofficial English translation being China Urban-Rural Holding Group Co., Ltd.), which is a wholly-owned subsidiary of CCCC; and (b) Liangye Technology is principally engaged in the design and production of intelligent lighting system.

Nanjing Huaifeng

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (a) Nanjing Huaifeng is directly owned as to (i) 60% by 國商普惠(北京)投資基金管理有限公司 (unofficial English translation being State Commercial Puhui (Beijing) Investment Fund Management Co., Ltd.) ("**Puhui**"), whose ultimate beneficial owner owning 90% of its equity interest is Mr. Han Bai Xiang (韓百祥), a PRC individual; and (ii) 40% by Liangye Technology; and (b) Nanjing Huaifeng is a special purpose vehicle formed by Lianye Technology and Puhui to operate and invest in a tourism project at Qinhuai River of the PRC.

Anshun Guangqi

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (a) approximately 80% of the equity interest of Anshun Guangqi is directly held by 北京啟明光合文旅規劃設計有限公司 (unofficial English translation being Beijing Qiming Guanghe Cultural Tourism Planning & Design Co., Ltd.), whose ultimate beneficial owners owning 60% and 40% of its equity interest are Mr. Wei Xing Han (魏星漢) and Ms. Zhu Xiao Ling (朱小玲) respectively, each being a PRC individual; (b) the day-to-day management and operation of Anshun Guangqi are actually controlled by Liangye Technology, which holds approximately 8% of the equity interest of Anshun Guangqi; and (c) Anshun Guangqi is principally engaged in strategic planning on cultural tourism projects.

3. Zibo Co-Lessees and Zibo Guarantors

Zibo Industrial Investment

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Zibo Industrial Investment (a) is wholly-owned by Zibo Guarantor I, which is in turn wholly-owned by 淄博高新技術產業開發區財政金融局 (unofficial English translation being the Finance Bureau of Zibo High-tech Industrial Development Zone) ("**Zibo Finance Bureau**"); and (b) is principally engaged in the business of fund investment, financing and assets operation and commodity trading.

Zibo Qihang Construction

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Zibo Qihang Construction (a) is wholly-owned by Zibo Guarantor II, which is in turn wholly-owned by Zibo Guarantor I and ultimately wholly-owned by the Zibo Finance Bureau; and (b) is principally engaged in the development and construction of the Zibo High-tech Industrial Development Zone of the PRC.

Zibo Guarantor I

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Zibo Guarantor I (a) is wholly-owned by the Zibo Finance Bureau; and (b) is principally engaged in the construction of urban infrastructure, land management, leasing and water supply in the Zibo High-tech Development Zone of the PRC.

Zibo Guarantor II

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Zibo Guarantor II (a) is wholly-owned by Zibo Guarantor I and ultimately controlled by the Zibo Finance Bureau; and (b) is principally engaged in infrastructure development, real estate development, sale and leasing of property and water supply in Zibo High-tech Development Zone of the PRC.

4. Rizhao Co-Lessees, Rizhao Guarantors and Rizhao Mortgagor

Rizhao Co-Lessees

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (a) each of the Rizhao Co-Lessees is wholly-owned by Rizhao Guarantor I; (b) Rizhao Industrial Investment is principally engaged in the development, construction, operation and management of industrial property projects; (c) Rizhao Xinbai Plating is principally responsible for the construction of the Metal Surface Processing Industrial Zone in Rizhao City of the PRC; and (d) Rizhao Sewage Treatment Co. is principally engaged in sewage treatment and recycle.

Rizhao Guarantor I

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Rizhao Guarantor I (a) is ultimately owned as to more than 90% by 日照市嵐山區國有資產監督管理局 (unofficial English translation being the State-owned Assets Supervision and Administration Bureau of the Lanshan District of Rizhao City) ("**Rizhao SASAB**"); and (b) is principally engaged in investment of construction projects.

Rizhao Guarantor II and Rizhao Guarantor III

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (a) each of Rizhao Guarantor II and Rizhao Guarantor III is ultimately wholly-owned by Rizhao SASAB; (b) Rizhao Guarantor II is principally engaged in the contracting of urban infrastructure construction; and (c) Rizhao Guarantor III is principally engaged in the construction, operation and maintenance of urban infrastructure, water supply and school bus operation in Lanshan district of Rizhao City, the PRC.

Rizhao Mortgagor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Rizhao Mortgagor (a) is directly owned (i) as to 51% by Rizhao Industrial Construction, which is ultimately controlled by Rizhao SASAB; (ii) as to 49% by 日照嵐美環保科技有限公司 (unofficial English translation being Rizhao Lanmei Conservation Technology Co., Ltd.), which is in turn owned as to more than one-third of its equity interest by each of Mr. Guo Hong Wei (郭洪偉) and Mr. Zhang Ping (張平), both being PRC individuals; and (b) is principally engaged in the business of energy saving and recycling.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Transferor, the Lessees, the Security Providers and their respective ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE ASSIGNMENT AND THE SALE AND LEASEBACK ARRANGEMENTS

The Group is principally engaged in leasing, bulk commodity trade, property development and investment, and marine recreation services and hotel business. The Group's leasing business is mainly carried out through Chengtong Financial Leasing as its principal business.

The Assignment enables the Group to acquire five (5) high-quality finance leases which will be carried out in the ordinary and usual course of business of Chengtong Financial Leasing. After due consideration of the background and the credibility of the Lessees, the repayment records of the Lessees under the Sale and Leaseback Arrangements, and the satisfactory rate of return under the Sale and Leaseback Arrangements, the Directors consider that the overall level of risks associated with the Assignment and the Sale and Leaseback Arrangements is acceptable.

On the assumption that the actual Transfer Date falls on 14 December 2022, it is expected that the Group will earn an income of approximately RMB40.31 million (equivalent to approximately HK\$44.34 million) from the Sale and Leaseback Arrangements, being the difference between the estimated aggregate amount of lease payments receivable under the Sale and Leaseback Arrangements and the aggregate Consideration payable by Chengtong Financial Leasing for the Assignment.

Having considered the respective background, financial condition, business prospects and income flow of the Lessees, the nature, condition and marketability of the Leased Assets as well as the prevailing market conditions, the Directors are of the view that the terms of each of the Leased Assets Transfer Agreements and the Sale and Leaseback Agreements are fair and reasonable and that the Assignment and the Sale and Leaseback Arrangements are in the interests of the Company and the Shareholders as a whole.

Having considered the overall terms of the Sale and Leaseback Arrangements and that the services to be provided by the Transferor under the Entrustment Agreement are expected to enable the Group to manage the Leased Assets and collect the lease payments from the Lessees in a more efficient manner, the Directors are also of the view that the terms of the Entrustment Agreement are fair and reasonable and that the entering into of the Entrustment Agreement is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio in respect of the Assignment and the Sale and Leaseback Arrangements exceed 25% but is less than 100%, the Assignment and the Sale and Leaseback Arrangements constitute major transactions of the Company and are subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder or any of his/her/its close associate(s) (having the meaning ascribed to it under the Listing Rules) has any material interest in the Assignment or the Sale and Leaseback Arrangements. Thus, no Shareholder would be required to abstain from voting if the Company were to convene a general meeting for approving the Assignment and the Sale and Leaseback Arrangements. In light of the foregoing, written Shareholders' approval may be accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules. The Company has obtained written Shareholder's approval in respect of the Assignment and the Sale and Leaseback Arrangements from World Gain Holdings Limited, which is a controlling shareholder of the Company holding 3,169,656,217 issued shares of the Company, representing approximately 53.14% of the issued share capital of the Company as at the date of this announcement. Accordingly, no general meeting of the Company will be convened for the purpose of approving the Assignment and the Sale and Leaseback Arrangements.

A circular containing, among other things, (i) information on the Assignment and the Sale and Leaseback Arrangements, and (ii) other information required under the Listing Rules will be despatched to the Shareholders on or before 15 December 2022, which is within 15 business days after the publication of this announcement.

DEFINITIONS

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

- “Anshun Guangqi” means 安順良業光啟文旅有限公司 (unofficial English translation being Anshun Liangye Guangqi Cultural Tourism Co., Ltd.), a company incorporated in the PRC with limited liability
- “Assigned Properties” means the rights of the Transferor as a lessor under the Sale and Leaseback Agreements, including but not limited to the ownership of the Leased Assets, the rights to receive lease payments, default interests, liquidated damages, repurchase price or any other payments or expenses from the relevant Lessees and the Security Providers under the Sale and Leaseback Agreements
- “Assignment” means the assignment of the Assigned Properties by the Transferor to Chengtong Financial Leasing pursuant to the terms of the Leased Assets Transfer Agreements
- “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
- “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
- “Consideration” means the consideration payable by Chengtong Financial Leasing to the Transferor for the assignment of the relevant Assigned Properties
- “Director(s)” means the director(s) of the Company

“Entrustment Agreement”	means the entrustment agreement dated 24 November 2022 entered into between Chengtong Financial Leasing and the Transferor for certain management services in respect of the Sale and Leaseback Arrangements after the Assignment
“Group”	means the Company and its subsidiaries as at the date of this announcement
“HK\$”	means Hong Kong dollars, 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 Sale and Leaseback Arrangements, the particulars of which are set out in Table 3 of this announcement
“Leased Assets Transfer Agreements”	means, collectively, the Liangye Transfer Agreement, Zibo Transfer Agreement and Rizhao Transfer Agreement
“Lessees”	means, collectively, Liangye & Nanjing Co-Lessees, Liangye & Anshun Co-Lessees, Zibo Co-Lessees and Rizhao Co-Lessees
“Liangye Transfer Agreement”	means the leased assets transfer agreement dated 24 November 2022 entered into between the Transferor and Chengtong Financial Leasing, pursuant to which the Transferor conditionally agrees to assign to Chengtong Financial Leasing the rights as the lessor under the Liangye & Nanjing Arrangement and the Liangye & Anshun Arrangement
“Liangye & Anshun Agreement”	means the sale and leaseback agreement dated 14 September 2021 entered into among the Transferor (as lessor) and the Liangye & Anshun Co-Lessees (as lessees) in respect of the Liangye & Anshun Arrangement

“Liangye & Anshun Arrangement”	means the sale and leaseback arrangement under the Liangye & Anshun Agreement, the details of which are set out in Table 3 of this announcement
“Liangye & Anshun Co-Lessees”	means, collectively, Liangye Technology and Anshun Guangqi, acting as co-lessees of the Liangye & Anshun Arrangement
“Liangye & Nanjing Agreement”	means the sale and leaseback agreement dated 28 June 2021 entered into among the Transferor (as lessor) and the Liangye & Nanjing Co-Lessees (as lessees) in respect of the Liangye & Nanjing Arrangement
“Liangye & Nanjing Arrangement”	means the sale and leaseback arrangement under the Liangye & Nanjing Agreement, the details of which are set out in Table 3 of this announcement
“Liangye & Nanjing Co-Lessees”	means, collectively, Liangye Technology and Nanjing Huaifeng, acting as co-lessees of the Liangye & Nanjing Arrangement
“Liangye Technology”	means 良業科技集團股份有限公司 (unofficial English translation being Liangye Technology Group Holdings Co., Ltd.), a company incorporated in the PRC with limited liability
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“Nanjing Huaifeng”	means 南京淮風十里文化旅游有限公司 (unofficial English translation being Nanjing Huaifeng Shili Cultural Tourism Co., Ltd.), a company incorporated in the PRC with limited liability
“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
“Rizhao Agreement”	means the sale and leaseback agreement dated 12 May 2022 entered into among the Transferor (as lessor) and the Rizhao Co-Lessees (as lessees) in respect of the Rizhao Arrangement

“Rizhao Arrangement”	means the sale and leaseback arrangement under the Rizhao Agreement, the details of which are set out in Table 3 of this announcement
“Rizhao Co-Lessees”	means Rizhao Industrial Construction, Rizhao Xinbai Plating and Rizhao Sewage Treatment Co., acting as co-lessees under the Rizhao Arrangement
“Rizhao Guarantor I”	means 日照市嵐山區園區發展有限公司 (unofficial English translation being Rizhao City Lanshan District Zone Development Co., Ltd.), a company incorporated in the PRC with limited liability
“Rizhao Guarantor II”	means 日照市嵐山區城市建設發展有限公司 (unofficial English translation being Rizhao City Lanshan District Urban Construction Development Co., Ltd.), a company incorporated in the PRC with limited liability
“Rizhao Guarantor III”	means 日照市新嵐山財金投資集團有限公司 (unofficial English translation being Rizhao City New Lanshan Financial Investment Group Co., Ltd.), a company incorporated in the PRC with limited liability
“Rizhao Guarantors”	means, collectively, Rizhao Guarantor I, Rizhao Guarantor II and Rizhao Guarantor III
“Rizhao Industrial Construction”	means 日照市嵐山區工業項目建設開發有限公司 (unofficial English translation being Rizhao City Lanshan District Industrial Project Construction and Development Co., Ltd.), a company incorporated in the PRC with limited liability
“Rizhao Mortgagor”	means 日照市嵐山區園區環保科技有限公司 (unofficial English translation being Rizhao City Lanshan District Zone Conservation Technology Co., Ltd.), a company incorporated in the PRC with limited liability
“Rizhao Sewage Treatment Co.”	means 日照市嵐山區聖公山污水處理有限公司 (unofficial English translation being Rizhao City Lanshan District Shengongshan Sewage Treatment Co., Ltd.), a company incorporated in the PRC with limited liability

“Rizhao Transfer Agreement”	means the leased assets transfer agreement dated 24 November 2022 entered into between the Transferor and Chengtong Financial Leasing, pursuant to which the Transferor conditionally agrees to assign to Chengtong Financial Leasing the rights as the lessor under the Rizhao Arrangement
“Rizaho Xinbai Plating”	means 日照鑫百鍍科技有限公司 (unofficial English translation being Rizhao Xinbai Plating Technology Co., Ltd.), a company incorporated in the PRC with limited liability
“RMB”	means Renminbi, the lawful currency of the PRC
“Sale and Leaseback Agreements”	means, collectively, the Liangye & Nanjing Agreement, the Liangye & Anshun Agreement, the Zibo Agreement I, the Zibo Agreement II and the Rizhao Agreement, the particulars of which are set out in Table 3 of this announcement, and each a “Sale and Leaseback Agreement”
“Sale and Leaseback Arrangements”	means the sale and leaseback arrangements contemplated under the Sale and Leaseback Agreements, and each a “Sale and Leaseback Arrangement”
“SASAC”	means the State-owned Assets Supervision and Administration Commission
“Security Providers”	means, collectively, the Zibo Guarantors, the Rizhao Guarantors, the Rizhao Mortgagor and Rizhao Industrial Construction
“Shareholder(s)”	means the shareholder(s) of the Company
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Transfer Date”	means 14 December 2022 (or such other date as may be agreed between the Transferor and Chengtong Financial Leasing)
“Transferor”	means 中交雄安融資租賃有限公司 (unofficial English translation being Zhongjiao Xiongan Financial Leasing Co., Ltd.), a company incorporated in the PRC with limited liability

“Zibo Agreement I”	means the sale and leaseback agreement dated 14 April 2022 entered into among the Transferor (as lessor) and the Zibo Co-Lessees (as lessees) in respect of the Zibo Arrangement I
“Zibo Agreement II”	means the sale and leaseback agreement dated 14 April 2022 entered into among the Transferor (as lessor) and the Zibo Co-Lessees (as lessees) in respect of the Zibo Arrangement II
“Zibo Arrangement I”	means the sale and leaseback arrangement under the Zibo Agreement I, the details of which are set out in Table 3 of this announcement
“Zibo Arrangement II”	means the sale and leaseback arrangement under the Zibo Agreement II, the details of which are set out in Table 3 of this announcement
“Zibo Arrangements”	means, collectively, Zibo Arrangement I and Zibo Arrangement II
“Zibo Co-Lessees”	means, collectively, Zibo Industrial Investment and Zibo Qihang Construction, acting as co-lessees under the Zibo Arrangements
“Zibo Guarantor I”	means 淄博高新國有資本投資有限公司 (unofficial English translation being Zibo Gaoxin State-owned Capital Investment Co., Ltd.), a company incorporated in the PRC with limited liability
“Zibo Guarantor II”	means 淄博高新城市投資運營集團有限公司 (unofficial English translation being Zibo Gaoxin Urban Investment Operation Group Co., Ltd.), a company incorporated in the PRC with limited liability
“Zibo Guarantors”	means, collectively, Zibo Guarantor I and Zibo Guarantor II
“Zibo Industrial Investment”	means 淄博高新產業投資有限公司 (unofficial English translation being Zibo New and Hi-Tech Industrial Investment Co., Ltd.), a company incorporated in the PRC with limited liability

“Zibo Qihang Construction”	means 淄博齊航建設有限公司 (unofficial English translation being Zibo Qihang Construction Co., Ltd.), a company incorporated in the PRC with limited liability
“Zibo Transfer Agreement”	means the leased assets transfer agreement dated 24 November 2022 entered into between the Transferor and Chengtong Financial Leasing, pursuant to which the Transferor conditionally agrees to assign to Chengtong Financial Leasing the rights as the lessor under the Zibo Arrangements
“%”	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.

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

Hong Kong, 24 November 2022

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