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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)

ANNOUNCEMENT TERMINATION OF DISPOSAL OF 12% INTEREST IN CT ENTERPRISES

Reference is made to the announcement (the “**Announcement**”) of China Chengtong Development Group Limited (the “**Company**”) dated 20 December 2011 in relation to the disposal of 12% interest in CT Enterprises by the Company. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise stated.

THE CANCELLATION AGREEMENT

The Board wishes to inform the Shareholders that on 28 February 2013, the Company and the Purchaser entered into a cancellation agreement (“**Cancellation Agreement**”) to terminate the SP Agreement.

Pursuant to the Cancellation Agreement, the SP Agreement is cancelled with effect from the date of the Cancellation Agreement, and subject to the Company’s refund of the deposit and part payment of the consideration (together with the fund usage charges calculated at the rate of 10% per annum) to the Purchaser on or before 28 February 2013, the obligations of the Company and the Purchaser under the SP Agreement are released.

The Company received the deposit of RMB10 million on 21 December 2011 and part payment of consideration of RMB25 million on 14 May 2012. The Company shall pay fund usage charges of approximately RMB3.178 million to the Purchaser pursuant to the Cancellation Agreement.

REASONS FOR THE CANCELLATION AGREEMENT

As disclosed in the announcement of the Company dated 10 December 2012, the Company, through CT Industrial, has entered into an agreement for the disposal of a parcel of land, together with the buildings and other immovable fixed assets attached thereto, situated at No. 77 Qinglong West Road, Tianning District, Changzhou City, Jiangsu Province, the PRC (“**Changzhou Land**”) to Changzhou Land Reserve Centre at the price of RMB149,993,000. The Changzhou Land was one of the principal assets that held by CT Enterprises. As the Changzhou Land will no longer be owned by CT Enterprises Group and the Group has concentrated in the development of bulk commodity and energy trading, the original basis of property development cooperation between the Company and the Purchaser has changed, and finally the Company and the Purchaser have agreed to cancel the SP Agreement.

The Directors consider that the terms of the Cancellation Agreement are on normal commercial terms and are fair and reasonable and the Cancellation Agreement is in the interests of the Company and the Shareholders as a whole. The Directors consider that the cancellation of the SP Agreement have no material adverse impact on the financial and operational position of the Company.

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

Hong Kong, 28 February 2013

As at the date of this announcement, the executive Directors are Mr. Zhang Guotong, Mr. Yuan Shaoli, Mr. Wang Hongxin and Mr. Wang Tianlin; and the independent non-executive Directors are Mr. Kwong Che Keung, Gordon, Mr. Tsui Yiu Wa, Alec and Mr. Chang Qing.