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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)**

### **DISCLOSEABLE TRANSACTION SUBSCRIPTION OF INVESTMENT PRODUCT**

The Board wishes to announce that on 14 May 2013, Hangzhou Regal, a 55% indirectly owned subsidiary of the Company, subscribed for the Investment Product issued by BOCOM at a price of RMB142 million (equivalent to HK\$177.5 million).

As the relevant applicable percentage ratios (as defined in the Listing Rules) for the subscription exceed 5% but are less than 25%, the subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

#### **THE SUBSCRIPTION**

On 14 May 2013, Hangzhou Regal, a 55% indirectly owned subsidiary of the Company, subscribed for RMB142 million (equivalent to HK\$177.5 million) of the Investment Product issued by BOCOM. A summary of the terms and conditions of the Investment Product is set out below:

#### **Transaction date:**

14 May 2013

**Parties:**

- (1) BOCOM as the issuer
- (2) Hangzhou Regal as the subscriber

BOCOM is a bank licensed and incorporated under the laws of the PRC. To the best of the Directors' knowledge, information and belief, BOCOM and its ultimate beneficial owners are Independent Third Parties. The principal business of BOCOM is to provide corporate and personal, treasury operations, investment banking, asset management, trust and financial leasing and other financial services.

**Principal amount:**

RMB142 million (equivalent to HK\$177.5 million). The investment is made based on the face value of the principal amount.

**Investment period:**

From 15 May 2013 to 15 May 2014

**Investment portfolio:**

The Investment Product will be invested in the followings:

- (1) treasury bonds, financial bonds, central bank bills, high credit rating debentures;
- (2) interbank deposits and borrowings, redemption of bonds, monetary funds;
- (3) trust schemes in compliance with the requirements of the relevant regulatory body, other assets and/or portfolio.

Among all assets in the Investment Product, 30% to 100% of the assets will be invested in instruments in categories (1) and (2) above and no more than 70% of the assets will be invested in assets or portfolio in category (3) above.

**Investment profit:**

The investment profit shall be calculated as follows:

Investment profit = principal amount x actual rate of return x actual dates of investment / 365.

**Anticipated rate of return:**

Up to 4.6% per annum (after deduction of custody fee to be charged by BOCOM)

**Custody fee:**

0.05% per annum

**Investment management fee:**

If the investment return of the Investment Product does not reach 4.6% per annum, no investment management fee will be charged by BOCOM. However, if the investment return of the Investment Product exceeds 4.6% per annum, the portion of the investment profit which exceeds the maximum rate of return will be charged as investment management fee by BOCOM.

**Reasons for and benefits of the Subscription**

The Directors are of the view that the Subscription, which will be funded by the internal resources of Hangzhou Regal, provides Hangzhou Regal with a good investment opportunity to expand the investment portfolio with satisfactory return to the Group.

The Directors are of the view that the Subscription will not cause any adverse effects on the Group's working capital. The Directors (including independent non-executive Directors) are therefore of the view that the Subscription is fair and reasonable and is in the best interests of the Company and its Shareholders as a whole.

The Board confirms that it is the intention of the management of Hangzhou Regal to continue to purchase the Investment Product in the future. The Company will comply with the applicable requirements under Chapter 14 of the Listing Rules in connection with such further investments, if materialised.

**Information related to the Group**

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

## **IMPLICATION UNDER THE LISTING RULES**

As the relevant applicable percentage ratios (as defined in the Listing Rules) for the subscription exceed 5% but are less than 25%, the subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

## **DEFINITIONS**

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

“Board”	the board of Directors
“BOCOM”	Bank of Communications Co., Ltd., a bank licensed and incorporated under the laws of the PRC
“Company”	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)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Hangzhou Regal”	杭州瑞能金屬材料有限公司(unofficial English translation as Hangzhou Regal Metal Material Co., Ltd.), a limited liability company incorporated in the PRC and a 55% indirectly owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	third parties independent of the Company and its connected persons

“Investment Product”	the investment product issued by BOCOM, the principal terms of which are summarised in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Investment Product
“%”	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\$1.25. 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**  
**Wang Hongxin**  
*Managing Director*

Hong Kong, 14 May 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.*