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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)**

### **CONNECTED TRANSACTION SALE OF COAL TO A CONNECTED PERSON**

On 18 June 2013, Dafeng Ruineng, an indirect non-wholly owned subsidiary of the Company, entered into the Sales Contract with the Buyer pursuant to which Dafeng Ruineng has agreed to sell, and the Buyer has agreed to purchase, certain coal at the price of approximately RMB4,911,046.40 (equivalent to approximately HK\$6.19 million).

As the Buyer holds 33.33% interests in, and is a substantial shareholder of, Dafeng Development, the Buyer is a connected person of the Company. Therefore, the Transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the relevant applicable percentage ratios set out in the Listing Rules in respect of the Transaction are less than 5%, the Transaction is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

#### **SALES CONTRACT**

##### **Date**

18 June 2013

##### **Parties**

###### *(1) Dafeng Ruineng*

Dafeng Ruineng is owned as to 51% by Dafeng Development which is a 66.67%-owned subsidiary of the Company. Dafeng Ruineng is accounted for and consolidated in the audited consolidated accounts of the Group as a subsidiary since the Group has the right to control both of Dafeng Development and Dafeng Ruineng to govern their financial and operating policies so as to obtain benefits from their activities.

The principal business of Dafeng Ruineng is trading of coal.

###### *(2) The Buyer*

The Buyer holds 33.33% interests in, and is a substantial shareholder of, Dafeng Development. The principal business of the Buyer is operation of harbour facilities and trading of coal.

## **Major terms of the Sales Contract**

Dafeng Ruineng has agreed to sell, and the Buyer has agreed to purchase, 10,151.98 tons of Shanxi coal and 95.24 tons of coal with impurity at the price of RMB4,911,046.40 (equivalent to approximately HK\$6.19 million). Dafeng Ruineng has held the coal to be sold to the Buyer for more than 12 months.

The purchase price was determined with reference to the market price and book value of the coal taking into account the quality and quantity of the coal.

The Buyer has prepaid the entire amount of the purchase price prior to the signing of the Sales Contract. The Buyer shall collect the coal from the warehouse of Dafeng Ruineng during the period from 18 June 2013 to 25 June 2013. The Buyer shall be responsible for any storage fee arising from any delay in collection of coal.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

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

The Transaction is in the ordinary course of business of Dafeng Ruineng and the Group.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Sales Contract are normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors is required to abstain from voting on the Board resolution approving the Sales Contract as none of them has any material interests in the Transaction.

## **LISTING RULES IMPLICATIONS**

As the Buyer holds 33.33% interests in, and is a substantial shareholder of, Dafeng Development, the Buyer is a connected person of the Company. Therefore, the Transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the relevant applicable percentage ratios set out in the Listing Rules in respect of the Transaction are less than 5%, the Transaction is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

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

- “Buyer” : 江蘇大豐海港控股集團有限公司 (unofficial English translation as Jiangsu Dafeng Harbour Holding Group Company Limited), a company incorporated in the PRC and the 33.33% shareholder of Dafeng Development
- “Company” : China Chengtong Development Group Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Stock Exchange
- “connected person(s)” : has the meaning ascribed thereto under the Listing Rules

“Dafeng Development”	: 誠通大豐海港開發有限公司 (unofficial English translation as Chengtong Dafeng Harbour Development Company Limited), a company incorporated in the PRC and an indirect non-wholly owned subsidiary of the Group
“Dafeng Ruineng”	: 大豐瑞能燃料有限公司 (unofficial English translation as Dafeng Ruineng Fuel Company Limited), a company incorporated in the PRC and owned as to 51% by Dafeng Development
“Director(s)”	: the director(s) of the Company
“Group”	: the Company and its subsidiaries
“HK\$”	: Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	: the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	: the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	: the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	: Renminbi, the lawful currency of the PRC
“Sales Contract”	: the coal sales contract dated 18 June 2013 entered into between Dafeng Ruineng and the Buyer
“Shareholder(s)”	: holder(s) of the Share(s)
“Share(s)”	: share(s) of the Company of HK\$0.10 each
“Stock Exchange”	: The Stock Exchange of Hong Kong Limited
“Transaction”	: the sale of coal by Dafeng Ruineng to the Buyer as contemplated under the Sales Contract
“%”	: 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\$1.26. 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*

18 June 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.*