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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 22 September 2014, CT Development Trading, subscribed for the Investment Product issued by Bank of Nanjing at the principal amount of RMB280 million (equivalent to approximately HK\$352.8 million).

On 4 September 2014, CT Development Trading subscribed for the same investment product issued by Bank of Nanjing at the principal amount of RMB60 million for a period of 365 days with rate of return of 5.5% per annum.

As the relevant applicable percentage ratios (as defined in the Listing Rules) for the Subscription alone, as well as when aggregated with the above similar subscription on 4 September 2014, 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 22 September 2014, CT Development Trading subscribed for RMB280 million (equivalent to approximately HK\$352.8 million) of the Investment Product issued by Bank of Nanjing. A summary of the terms and conditions of the Investment Product is set out below:

**Transaction date:**

22 September 2014

**Parties:**

- (1) Bank of Nanjing as the issuer
- (2) CT Development Trading as the subscriber

Bank of Nanjing is a bank licensed and incorporated under the laws of the PRC. To the best of the Directors' knowledge, information and belief, Bank of Nanjing and its ultimate beneficial owners are Independent Third Parties. The principal business of Bank of Nanjing is to provide corporate and personal banking, trade service, credit facilities, cash management, risk hedging and other financial services.

**Principal amount:**

RMB280 million (equivalent to approximately HK\$352.8 million).

**Investment period:**

365 days from 22 September 2014

**Investment portfolio:**

The Investment Product will be invested in highly liquid assets including bonds in compliance with regulatory requirements and currency market financial instruments. The bond assets include but not limited to treasury bonds, central bank bills, financial bonds, enterprise bonds, medium-term notes and short-term financing bonds etc. Currency market instruments include but not limited to pledge-style repurchase, interbank deposits and borrowings.

Among all assets in the Investment Product, 10% to 90% of the assets will be invested in bond instruments and no more than 80% of the assets will be invested in currency market instruments.

**Investment profit:**

The investment profit shall be calculated as follows:

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

**Rate of return:**

5.3% per annum (net of the sales fee and management fee).

**Early termination of investment:**

Bank of Nanjing may early terminate the Investment Product if:

1. the assets operation mode of the Investment Product is contradictory with the laws, regulations, rules or the requirements of the regulatory authorities;
2. there are changes of the relevant national laws, regulations, rules and policies, the promulgation of emergency measures, and major change of the financial management market environment;
3. there is a force majeure event which includes but not limited to earthquake, fire, war and labour strike; or
4. there are other situations where the Bank of Nanjing considers it appropriate to terminate the Investment Product.

On the other hand, CT Development Trading does not have the right of early redemption of the Investment Product, except in the following circumstances:

1. if there is any adjustment of the investment scope, type of investment or investment ratio of the Investment Product made by the Bank of Nanjing according to the market situation which CT Development Trading does not wish to accept; or
2. if there is any adjustment to the agreed charging items, charging conditions, standards and methods in respect of the Investment Product made by the Bank of Nanjing according to the relevant laws and national policies which CT Development Trading does not wish to accept.

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

The Subscription will be funded by the internal resources of CT Development Trading. The intention of the Group's subscribing for investment products is to maximise the use of its funds with the aim of obtaining satisfactory return. For CT Development Trading, which is principally engaged in bulk commodity trade, the subscription of investment products provides an additional function, that is to use the investment products as a collateral security for it to obtain letter of credit facilities from banks to assist its bulk commodity trade.

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.

## **INFORMATION RELATED TO 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.

## **IMPLICATION UNDER THE LISTING RULES**

On 4 September 2014, CT Development Trading subscribed for the same investment product issued by Bank of Nanjing at the principal amount of RMB60 million for a period of 365 days with rate of return of 5.5% per annum.

As the relevant applicable percentage ratios (as defined in the Listing Rules) for the Subscription alone, as well as when aggregated with the above similar subscription on 4 September 2014, 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”	means the board of Directors
“Company”	means 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 and the shares of which are listed on the Main Board of the Stock Exchange

“CT Development Trading”	means 誠通發展貿易有限公司 (unofficial English translation being Chengtong Development Trading Co., Ltd.), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Directors”	means the directors of the Company
“Group”	means the Company and its subsidiaries as at the date of this announcement
“HK\$”	means the Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	means third parties independent of the Company and its connected persons
“Investment Product”	means the investment product issued by Bank of Nanjing, the principal terms of which are summarised in this announcement
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	means 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”	means Renminbi, the lawful currency of the PRC
“Bank of Nanjing”	means 南京銀行股份有限公司北京分行 (Bank of Nanjing Co., Ltd., Beijing Branch), a bank licensed and incorporated under the laws of the PRC
“Shareholder(s)”	means the shareholders of the Company
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Subscription”	means the subscription of the Investment Product
“%”	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\$1.26. 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*

Hong Kong, 22 September 2014

*As at the date of this announcement, 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.*