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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 WEALTH MANAGEMENT PRODUCT**

The Board wishes to announce that on 10 September 2013, Chengtong Development Trading, a wholly-owned subsidiary of the Company, subscribed for the Wealth Management Product issued by Woori Bank at the subscription amount of RMB80 million (equivalent to HK\$100.72 million).

As the relevant applicable percentage ratios (as defined in the Listing Rules), exceed 5% but are less than 25%, the Subscription itself 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 will be aggregated with the First Subscription and the Second Subscription pursuant to Rule 14.22 of the Listing Rules, and will be treated as one transaction under Chapter 14 of the Listing Rules and will also constitute a discloseable transaction for the Company.

THE SUBSCRIPTION

On 10 September 2013, Chengtong Development Trading, a wholly-owned subsidiary of the Company, subscribed for the Wealth Management Product issued by Woori Bank at the subscription amount of RMB80 million (equivalent to HK\$100.72 million). A summary of the terms and conditions of the Wealth Management Product is set out below:

Transaction date:

10 September 2013

Parties:

- (1) Woori Bank as the issuer
- (2) Chengtong Development Trading as the subscriber

Woori Bank is a bank licensed and incorporated under the laws of the PRC. To the best of the Directors' knowledge, information and belief, Woori Bank and its ultimate beneficial owners are Independent Third Parties. The principal business of Woori Bank is to provide corporate banking and personal banking services to its customers.

Subscription amount:

RMB80 million (equivalent to HK\$100.72 million)

Wealth management period:

A period of 31 days from 10 September 2013 to 11 October 2013

Investment portfolio:

The Wealth Management Product will be invested in the following categories and proportion:

- (1) treasury bonds, central bank bills (0%-30%);
- (2) interbank deposits and loans (70%-100%); and
- (3) central bank reserve deposit (0%-20%).

Anticipated rate of return:

Up to 4.30% per annum (after deduction of all relevant fee)

Return:

The actual return of the Wealth Management Product is calculated as follows:

Subscription amount x actual rate of return x actual dates of investment / 365.

The worst situation is that the actual rate of return will be zero but the principal amount of the investment will be returned to Chengtong Development Trading.

Custody fee:

0.3% per annum

Management fee:

If the investment return rate of the Wealth Management Product does not reach or equals to the anticipated highest rate, no management fee will be charged by Woori Bank. However, if the investment return rate of the Wealth Management Product exceeds the anticipated highest rate, the portion of the investment return which exceeds the anticipated highest rate of return will be charged as management fee by Woori Bank.

Early termination of investment by the subscriber

Chengtong Development Trading may only redeem the Wealth Management Product before maturity in either of the two following circumstances:

- (1) change in investment portfolio due to market conditions which is not accepted by Chengtong Development Trading; or
- (2) change in terms and conditions of the Wealth Management Product as required by relevant laws and/or policies which is unfavorable to the return and which is not accepted by Chengtong Development Trading.

Early termination of investment by the issuer

Woori Bank may early terminate the investment in the Wealth Management Product if major changes in financial policies or macro-economic conditions render the Wealth Management Product unable to continue to run.

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 Chengtong Development Trading, provides Chengtong Development Trading 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.

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), exceed 5% but are less than 25%, the Subscription itself 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.

As disclosed in the announcement of the Company dated 30 July 2013, Chengtong Development Trading has executed the First Subscription and the Second Subscription with Woori Bank. As such, the Subscription will be aggregated with the First Subscription and the Second Subscription pursuant to Rule 14.22 of the Listing Rules, and will be treated as one transaction under Chapter 14 of the Listing Rules and will also constitute a discloseable transaction for the Company.

DEFINITIONS

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

“Board”	the board of Directors
“Chengtong Development Trading”	誠通發展貿易有限公司 (in English, for identification purpose, Chengtong Development Trading Co., Ltd.), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“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
“First Subscription”	the subscription by Chengtong Development Trading of the wealth management product in the principal amount of RMB50,000,000 on 24 June 2013 from Woori Bank, details of which are set out in the Company’s announcement dated 30 July 2013
“Group”	the Company and its subsidiaries from time to time
“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
“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
“Second Subscription”	the subscription by Chengtong Development Trading of the wealth management product in the principal amount of RMB100,000,000 on 30 July 2013 from Woori Bank, details of which are set out in the Company’s announcement dated 30 July 2013
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Wealth Management Product
“Wealth Management Product”	the wealth management product issued by Woori Bank, the principal terms of which are summarised in this announcement
“Woori Bank”	Woori Bank (China) Limited, a bank licensed and incorporated under the laws of the PRC
“%”	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\$1.259. 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

10 September 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.