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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)**

### **MAJOR TRANSACTION RESULTS OF THE LISTING-FOR-SALE FOR THE DISPOSAL OF CT INT'L TRADING INTEREST AND HZ RUINENG INTEREST**

Reference is made to the announcement of the Company dated 11 November 2014 in relation to the possible disposals of the CT Int'l Trading Interest and the HZ Ruineng Interest.

The Bidding Period ended on 17 December 2014 and CBEX has notified the Group that Mr. Zhu is the successful bidder for both the CT Int'l Trading Interest and the HZ Ruineng Interest.

The Board is pleased to announce that on 18 December 2014, (i) the Company and Mr. Zhu entered into the CT Asset Transaction Agreement in relation to the disposal of the CT Int'l Trading Interest, and (ii) CT Development Trading and Mr. Zhu entered into the HZ Asset Transaction Agreement in relation to the disposal of the HZ Ruineng Interest.

The Final Consideration offered by Mr. Zhu as the successful bidder for both the CT Int'l Trading Interest and HZ Ruineng Interest in aggregate is RMB28,741,000 (equivalent to approximately HK\$36,213,660), of which RMB7,821,000 (equivalent to approximately HK\$9,854,460) is allocated as the CT Consideration in respect of the disposal of the CT Int'l Interest and RMB20,920,000 (equivalent to approximately HK\$26,359,200) is allocated as the HZ Consideration in respect of the disposal of the HZ Ruineng Interest. The CT Consideration and the HZ Consideration are the same as the minimum consideration (i.e. the initial bidding price of the Listing-for-Sale) for the CT Int'l Trading Interest and the HZ Ruineng Interest respectively.

As disclosed in the announcement of the Company dated 11 November 2014, given that the successful bidder will acquire both the CT Int'l Trading Interest and the HZ Ruineng Interest simultaneously, the disposal of the CT Int'l Trading Interest and the disposal of the HZ Ruineng Interest are aggregated as if they were one transaction for the purpose of the Listing Rules.

Other than the revenue ratio which exceeds 100%, both the assets ratio and the profits ratio under Chapter 14 of the Listing Rules in relation to the Disposals exceed 25% but are below 75%. The Company sought and obtained confirmation from the Stock Exchange that the Company may disregard the revenue ratio, as well as the profits ratio, for the Disposals. Accordingly, the Disposals constitute a major transaction for the Company and are, therefore, subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. In this regard, the Company has obtained the written approval from its controlling shareholder (as defined in the Listing Rules), World Gain Holdings Limited, which holds 2,979,456,119 issued shares of the Company, representing approximately 61.55% of the issued share capital of the Company as at the date of this announcement.

The circular containing, among other things, (i) information on the Disposals, and (ii) other information required under the Listing Rules will be despatched to the shareholders of the Company on or before 24 December 2014.

Reference is made to the announcement of the Company dated 11 November 2014 in relation to the possible disposals of the CT Int'l Trading Interest and the HZ Ruineng Interest.

The Bidding Period of the Listing-for-Sale ended on 17 December 2014 and CBEX has notified the Group that Mr. Zhu is the successful bidder for both the CT Int'l Trading Interest and the HZ Ruineng Interest.

The Board is pleased to announce that on 18 December 2014, (i) the Company and Mr. Zhu entered into the CT Asset Transaction Agreement in relation to the disposal of the CT Int'l Trading Interest, and (ii) CT Development Trading and Mr. Zhu entered into the HZ Asset Transaction Agreement in relation to the disposal of the HZ Ruineng Interest.

## **THE CT ASSET TRANSACTION AGREEMENT**

The major terms of the CT Asset Transaction Agreement are summarised below:

### **Parties:**

Vendor: the Company

Purchaser: Mr. Zhu

Mr. Zhu is a PRC citizen. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Mr. Zhu is a third party independent of the Company, CT Int'l Trading and their respective connected persons.

### **Subject matter:**

The Company has agreed to sell and Mr. Zhu has agreed to purchase the CT Int'l Trading Interest for the CT Consideration. Immediately upon the CT Completion, the Company will cease to hold any interest in CT Int'l Trading and hence CT Int'l Trading will cease to be a subsidiary of the Company.

### **Consideration:**

The CT Consideration is RMB7,821,000 (equivalent to approximately HK\$9,854,460), which is the same as the minimum consideration (i.e. the initial bidding price of the Listing-for-Sale) for the CT Int'l Trading Interest.

The earnest money in the sum of RMB390,000 (equivalent to approximately HK\$491,400) in relation to the CT Int'l Trading Interest paid by Mr. Zhu at the time of making the application to take part in the Listing-for-Sale will be applied towards settling part of the CT Consideration. The balance of the CT Consideration will be paid by Mr. Zhu in cash within 5 Business Days after the signing of the CT Asset Transaction Agreement.

**Completion:**

Within 10 Business Days from the date when CBEX issues the evidence of property transaction (產權交易憑證), the Company and Mr. Zhu will sign the relevant instrument of transfer and the bought and sold notes (collectively the “**Transfer Instruments**”) and the Company will procure CT Int'l Trading to convene a meeting of its board of directors to approve, subject to the Transfer Instruments being properly stamped and presented to the board of directors, the share transfer and other related matters.

The CT Completion will be regarded as taking place on the date when the Transfer Instruments are signed and when the board of directors of CT Int'l Trading approves the share transfer.

**Others:**

The profit or loss of CT Int'l Trading during the period from the valuation date (being 31 May 2014) up to the date of the CT Completion will be borne by the Company in proportion to its shareholding percentage in CT Int'l Trading before the CT Completion.

**THE HZ ASSET TRANSACTION AGREEMENT**

The major terms of the HZ Asset Transaction Agreement are summarised below:

**Parties:**

Vendor: CT Development Trading

Purchaser: Mr. Zhu

Mr. Zhu is a PRC citizen. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Mr. Zhu is a third party independent of the Company, CT Development Trading, HZ Ruineng and their respective connected persons.

**Subject matter:**

CT Development Trading has agreed to sell and Mr. Zhu has agreed to purchase the HZ Ruineng Interest for the HZ Consideration. Immediately upon the HZ Completion, CT Development Trading will cease to hold any interest in HZ Ruineng and hence HZ Ruineng will cease to be an indirect subsidiary of the Company.

**Consideration:**

The HZ Consideration is RMB20,920,000 (equivalent to approximately HK\$26,359,200), which is the same as the minimum consideration (i.e. the initial bidding price of the Listing-for-Sale) for the HZ Ruineng Interest.

The earnest money in the sum of RMB1,050,000 (equivalent to approximately HK\$1,323,000) in relation to the HZ Ruineng Interest paid by Mr. Zhu at the time of making the application to take part in the Listing-for-Sale will be applied towards settling part of the HZ Consideration. The balance of the HZ Consideration will be paid by Mr. Zhu in cash within 5 Business Days after the signing of the HZ Asset Transaction Agreement.

### **Completion:**

Within 10 Business Days from the date when CBEX issues the evidence of property transaction (產權交易憑證), CT Development Trading will procure HZ Ruineng (i) to convene a meeting of its board of directors and/or shareholders' meeting to approve the equity transfer and amend its articles of association; and (ii) to carry out the registration procedures of the change of shareholding at the relevant PRC registration authority.

The HZ Completion will be regarded as taking place on the date when the relevant PRC registration authority has completed the registration of the change of shareholding in HZ Ruineng and issued a new business license to HZ Ruineng.

### **Others:**

The profit or loss of HZ Ruineng during the period from the valuation date (being 31 May 2014) up to the date of the HZ Completion will be borne by CT Development Trading in proportion to its shareholding percentage in HZ Ruineng before the HZ Completion.

## **LISTING RULES IMPLICATIONS**

As disclosed in the announcement of the Company dated 11 November 2014, given that the successful bidder will acquire both the CT Int'l Trading Interest and the HZ Ruineng Interest simultaneously, the disposal of the CT Int'l Trading Interest and the disposal of the HZ Ruineng Interest are aggregated as if they were one transaction for the purpose of the Listing Rules.

Other than the revenue ratio which exceeds 100%, both the assets ratio and the profits ratio under Chapter 14 of the Listing Rules in relation to the Disposals exceed 25% but are below 75%. The Company sought and obtained confirmation from the Stock Exchange that the Company may disregard the revenue ratio, as well as the profits ratio, for the Disposals. Accordingly, the Disposals constitute a major transaction for the Company and are, therefore, subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. In this regard, the Company has obtained the written approval from its controlling shareholder (as defined in the Listing Rules), World Gain Holdings Limited, which holds 2,979,456,119 issued shares of the Company, representing approximately 61.55% of the issued share capital of the Company as at the date of this announcement.

The circular containing, among other things, (i) information on the Disposals, and (ii) other information required under the Listing Rules will be despatched to the shareholders of the Company on or before 24 December 2014.

## DEFINITIONS

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

“Bidding Period”	means the period during which the qualified bidders might offer their bid price in relation to the intended purchase of the CT Int’l Trading Interest and HZ Ruineng Interest
“Board”	means the board of Directors
“Business Day(s)”	means a day on which licensed banks in the PRC are open for business
“CBEX”	means 北京產權交易所 (China Beijing Equity Exchange), an institution authorised by the State-owned Assets Supervision and Administration Commission to transact assets and equity of State-owned enterprises under the central government of the PRC
“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 Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CT Asset Transaction Agreement”	means the asset transaction agreement (產權交易合同) dated 18 December 2014 entered into between the Company and Mr. Zhu in relation to the disposal of the CT Int’l Trading Interest
“CT Completion”	means the completion of the disposal of the CT Int’l Trading Interest by the Company to Mr. Zhu pursuant to the CT Asset Transaction Agreement
“CT Consideration”	means RMB7,821,000 (equivalent to approximately HK\$9,854,460) out of the Final Consideration which is allocated in respect of the disposal of the CT Int’l Trading Interest
“CT Development Trading”	means 誠通發展貿易有限公司 (unofficial English translation being Chengtong Development Trading Company Limited), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“CT Int’l Trading”	means Chengtong Development International Trading Limited (誠通發展國際貿易有限公司), a company incorporated in Hong Kong with limited liability and a 55% owned subsidiary of the Company before the CT Completion

“CT Int’l Trading Interest”	means the 55% equity interest held by the Company in CT Int’l Trading before the CT Completion
“Directors”	means the directors of the Company
“Disposals”	means the disposals of the CT Int’l Trading Interest and the HZ Ruineng Interest, directly or indirectly, by the Company to Mr. Zhu pursuant to the CT Asset Transaction Agreement and the HZ Asset Transaction Agreement respectively
“Final Consideration”	means RMB28,741,000 (equivalent to approximately HK\$36,213,660), being the final combined bid price offered by Mr. Zhu as the successful bidder of the Listing-for-Sale
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“HK\$”	means the Hong Kong dollar(s), the lawful currency of Hong Kong
“HZ Asset Transaction Agreement”	means the asset transaction agreement (產權交易合同) dated 18 December 2014 entered into between CT Development Trading and Mr. Zhu in relation to the disposal of the HZ Ruineng Interest
“HZ Completion”	means the completion of the disposal of the HZ Ruineng Interest by CT Development Trading to Mr. Zhu pursuant to the HZ Asset Transaction Agreement
“HZ Consideration”	means RMB20,920,000 (equivalent to approximately HK\$26,359,200) out of the Final Consideration which is allocated in respect of the disposal of the HZ Ruineng Interest
“HZ Ruineng”	means 杭州瑞能金屬材料有限公司 (unofficial English translation being Hangzhou Ruineng Metals Company Limited), a company incorporated in the PRC with limited liability and a 55% owned indirect subsidiary of the Company before the HZ Completion
“HZ Ruineng Interest”	means the 55% equity interest held by CT Development Trading in HZ Ruineng before the HZ Completion
“Listing-for-Sale”	means the listing-for-sale (掛牌出讓) process carried out through CBEX for the disposals of the CT Int’l Trading Interest and the HZ Ruineng Interest
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Zhu”	means 朱偉平 (Zhu Weiping), who is a PRC citizen

“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
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited

*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, 18 December 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.*