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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)

INSIDE INFORMATION: RESTRUCTURING OF BULK COMMODITY TRADE BUSINESS

This announcement is made by China Chengtong Development Group Limited (“**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“**SFO**”) and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

Bulk commodity trade business is our Group’s principal business, which has been carried out by various subsidiaries, including two 55% owned subsidiaries of the Group, namely Chengtong Development International Trading Limited (“**Chengtong International Trading**”) and 杭州瑞能金屬材料有限公司 (unofficial English translation as Hangzhou Regal Metal Material Co., Ltd.) (“**Hangzhou Ruineng**”).

The board of directors (“**Board**”) of the Company would like to inform the shareholders of the Company that the Group will continue to carry out bulk commodity trade through its other wholly-owned subsidiaries depending on the market conditions. However, the Group and the joint venture partners have agreed to cease to carry out new bulk commodity trade business through Chengtong International Trading and Hangzhou Ruineng because the Group could not reach a consensus with the joint venture partners of Chengtong International Trading and Hangzhou Ruineng on the operation model and risk control measures of the bulk commodity trade business.

During the six months ended 30 June 2013, the turnover of Chengtong International Trading and Hangzhou Ruineng was approximately HK\$6,075.83 million and approximately HK\$5,641.43 million respectively. Together with the results of the bulk commodity trade business of other wholly-owned subsidiaries of the Group, and after deducting intra-group transactions, the consolidated turnover of the Group from its bulk commodity trade business was approximately HK\$8,134.48 million for the six months ended 30 June 2013.

Although it is expected that the Group's turnover and financial results will be adversely affected in a short run as a result the abovementioned business restructuring, the Board is of the view that the financial position of the Group remains sound.

By order of the Board
China Chengtong Development Group Limited
Wang Hongxin
Managing Director

11 February 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.