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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 CHENGTONG ENTERPRISES INTEREST

Reference is made to the announcement of the Company dated 30 October 2014 and the circular of the Company dated 8 December 2014 in relation to the possible disposal of the Chengtong Enterprises Interest.

The Bidding Period ended on 4 December 2014 and CBEX has notified the Company that Wide Rich is the successful bidder for the Chengtong Enterprises Interest.

The Board is pleased to announce that the Company and Wide Rich entered into the Asset Transaction Agreement in relation to the disposal of the Chengtong Enterprises Interest on 22 December 2014.

The final Consideration offered by Wide Rich as the successful bidder is RMB420 million (equivalent to approximately HK\$529.20 million), which is the same as the minimum consideration (i.e. the initial bidding price for the Chengtong Enterprises Interest).

As one of the relevant percentage ratios in relation to the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction for the Company and is, 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.

Reference is made to the announcement of the Company dated 30 October 2014 and the circular of the Company dated 8 December 2014 in relation to the possible disposal of the Chengtong Enterprises Interest.

The Bidding Period of the Listing-for-Sale ended on 4 December 2014 and CBEX has notified the Company that Wide Rich is the successful bidder for the Chengtong Enterprises Interest.

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THE ASSET TRANSACTION AGREEMENT

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

Date:

22 December 2014

Parties:

Vendor: the Company

Purchaser: Wide Rich

Wide Rich is a company incorporated in the BVI with limited liability on 2 September 2013 which is principally engaged in investment holding. Its entire issued share capital is owned by Wang Manli, who is a PRC citizen.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Wide Rich and its ultimate beneficial owner are third parties independent of the Company and the connected persons of the Company.

Subject matter:

The Company has agreed to sell and Wide Rich has agreed to purchase the Chengtong Enterprises Interest for the Consideration. Immediately upon Completion, the Company will cease to hold any interest in Chengtong Enterprises and hence Chengtong Enterprises and its subsidiaries will cease to be subsidiaries of the Company.

Consideration:

The Consideration offered by Wide Rich as the successful bidder is RMB420 million (equivalent to approximately HK\$529.20 million), which is the same as the minimum consideration (i.e. the initial bidding price for the Chengtong Enterprises Interest).

The earnest money in the sum of RMB126 million (equivalent to approximately HK\$158.76 million) paid by Wide Rich at the time of making the application to take part in the Listing-for-Sale will be applied towards settling part of the Consideration. The balance of the Consideration will be settled by Wide Rich within 5 Business Days after the signing of the 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 Wide Rich will sign the relevant instrument of transfer (“**Transfer Instrument**”) and Chengtong Enterprises will convene a meeting of its board of directors to approve the share transfer and other related matters.

Completion will be regarded as taking place on the date when the Transfer Instrument is signed and when the board of directors of Chengtong Enterprises approves the share transfer.

Others:

The profit or loss of Chengtong Enterprises and its subsidiaries during the period from the valuation date (being 31 May 2014) up to the date of Completion will be borne by the Company.

FOUR-PARTY AGREEMENT

On 22 December 2014, the Company, Wide Rich, Chengtong Industrial and Chengtong DT entered into a four-party agreement, pursuant to which the parties thereto have agreed to undergo certain rearrangement of receivables (“**Rearrangement**”) among themselves in the following manner:

- (i) the Company shall assign to Chengtong Industrial, which is an indirect wholly-owned subsidiary of Chengtong Enterprises, its right to receive the balance of the Consideration from Wide Rich (after deducting the earnest money paid by Wide Rich) in the sum of RMB294 million (equivalent to approximately HK\$370.44 million) (“**Balance**”); and
- (ii) Chengtong Industrial shall assign to the Company its right to receive an amount due from a wholly-owned subsidiary of the Company, namely Chengtong DT, in the sum of RMB294 million (equivalent to approximately HK\$370.44 million) out of a total amount due to Chengtong Industrial in the sum of approximately RMB306.11 million (equivalent to approximately HK\$385.70 million).

As a result of the Rearrangement, the Balance shall be deemed to have been settled between the Company and Wide Rich.

LISTING RULES IMPLICATIONS

As one of the relevant percentage ratios in relation to the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction for the Company and is, 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.

DEFINITIONS

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

“Asset Transaction Agreement”	means the asset transaction agreement (產權交易合同) dated 22 December 2014 entered into between the Company and Wide Rich in relation to the disposal of the Chengtong Enterprises Interest
“Bidding Period”	means the period during which the qualified bidders might offer their bid price in relation to the intended purchase of the Chengtong Enterprises Interest
“Board”	means the board of Directors
“BVI”	means the British Virgin Islands
“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
“Chengtong DT”	means 誠通發展貿易有限公司 (unofficial English translation being Chengtong Development Trading Co., Ltd.), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Chengtong Enterprises”	means Chengtong Enterprises Investment Limited (誠通企業投資有限公司), a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company before the Completion
“Chengtong Enterprises Interest”	means the Company’s entire equity interests in Chengtong Enterprises before the Completion, representing 100% of the entire issued share capital of Chengtong Enterprises
“Chengtong Industrial”	means 誠通實業投資有限公司 (unofficial English translation being Chengtong Industrial Investment Limited), a company incorporated in the PRC and an indirect wholly-owned subsidiary of Chengtong Enterprises
“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
“Completion”	means the completion of the disposal of the Chengtong Enterprises Interest by the Company to Wide Rich pursuant to the Asset Transaction Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	means RMB420 million (equivalent to approximately HK\$529.20 million), being the final bidding price offered by Wide Rich as the successful bidder
“Directors”	means the directors of the Company
“Disposal”	means the Company’s disposal of the Chengtong Enterprises Interest to Wide Rich pursuant to the Asset Transaction Agreement
“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

“Listing-for-Sale”	means the listing-for-sale (掛牌出讓) process carried out through CBEX for the disposal of the Chengtong Enterprises Interest
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“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
“Wide Rich”	means Wide Rich Holdings Limited (廣裕控股有限公司), a company incorporated in the BVI with limited liability

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 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.