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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 NOTES

The Board wishes to announce that on 26 November 2015, the Company subscribed for the Notes in the principal amount of US\$30 million (equivalent to approximately HK\$233 million).

As one or more of the applicable percentage ratios (as defined in the Listing Rules) for the Subscription 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 26 November 2015, the Company subscribed for the Notes in the principal amount of US\$30 million (equivalent to approximately HK\$233 million) through one of the joint bookrunners and joint lead managers, who is an Independent Third Party. A summary of the terms and conditions of the Notes is set out below:

Issuer of the Notes:

HNA Group (International) Company Limited, a limited liability company incorporated in Hong Kong.

Guarantor of the Notes:

HNA Group Co., Limited, a limited liability company incorporated in the PRC.

Principal amount subscribed by the Company:

US\$30 million (equivalent to approximately HK\$233 million)

Settlement date of the Notes:

3 December 2015

Maturity date of the Notes:

3 December 2018

Interest:

8.125 per cent. per annum payable semi-annually in arrear

Listing:

The Notes will be listed on the Singapore Exchange Securities Trading Limited and the Irish Stock Exchange plc.

Redemption at maturity

Unless previously redeemed, purchased and cancelled, the Notes will be redeemed at 100% of the principal amount on the maturity date.

Early redemption

At any time following the occurrence of a Change of Control, the holder of any Notes will have the right, at such holder's option, to require the Issuer to redeem all but not some only of that holder's Notes at 101% of the principal amount of the Notes.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Subscription will be funded by the internal resources of the Group. Given the ample financial resources of the Group and the expected devaluation of Renminbi against US dollar, the Group has been dedicated to identifying high-quality strategic investment projects. Meanwhile, the Issuer and the Guarantor of the Notes are both well-established enterprises, and the Notes enjoy higher yield. Cooperation with the strong enterprises like the Issuer will enhance the synergy effect between both parties, thus proactively facilitating the business development of the Group in the future.

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 ISSUER AND THE GUARANTOR

The Issuer Group

The Issuer was established in Hong Kong on 12 July 2010 to act as the Guarantor Group's offshore investment and foreign capital management platform. Since its incorporation, the Issuer has, through capital investment and acquisitions, formed and developed the Issuer Group that engages in various businesses in Hong Kong and overseas. Serving as the offshore investment and foreign capital management platform of the Guarantor Group, the Issuer seeks to acquire and maintain a diversified portfolio of high quality businesses and stable income source. The Issuer makes strategic acquisitions to achieve vertical and horizontal integration in the aviation, finance, retail and logistics value chains of the Guarantor Group.

The Guarantor Group

The Guarantor Group is a leading conglomerate and an integrated operator in modern service industry with diversified businesses covering air transportation, financial services, travel services, airport services, business retail, real estate hotel and catering, logistics and transportation and other businesses such as culture industry and network information technology.

To the best of the Directors' knowledge, information and belief, each of the Issuer and the Guarantor and their respective ultimate beneficial owners are Independent Third Parties.

INFORMATION RELATED TO THE GROUP

The Group is principally engaged in property development, property investment, financial leasing, hotel and marine travelling services, bulk commodity trade and trading of coal.

IMPLICATION UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined in the Listing Rules) for the Subscription 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

“Control”	means:
	(a) the acquisition or control of more than 50% of the voting rights of the issued share capital of the Guarantor or the Issuer, as the case may be; or
	(b) the right to appoint and/or remove all or the majority of the members of the board of directors or other governing body of the Guarantor or the Issuer, as the case may be, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise
“Change of Control”	occurs when any person or persons acting together acquires Control of the Guarantor or the Issuer provided that such person or persons does not or do not have, and would not be deemed to have, Control of the Guarantor or the Issuer, as the case may be, on 17 March 2015
“Directors”	means the directors of the Company
“Group”	means the Company and its subsidiaries as at the date of this announcement
“Guarantor”	means HNA Group Co., Limited, a limited liability company incorporated in the PRC
“Guarantor Group”	means the Guarantor, its subsidiaries, associated companies and companies in which the Guarantor has an interest
“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 (as defined under the Listing Rules)
“Issuer”	means HNA Group (International) Company Limited, a limited liability company incorporated in Hong Kong
“Issuer Group”	means the Issuer and its subsidiaries
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	means the senior unsecured fixed rate notes due 2018 issued by the Issuer

“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
“Shareholder(s)”	means the shareholders of the Company
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Subscription”	means the subscription of the Notes in the principal amount of US\$30,000,000 by the Company
“US\$”	means the dollars of the United States of America
“%”	means per cent

In this announcement, for the purpose of illustration only, amounts quoted in US\$ have been converted into HK\$ at the rate of US\$1 to HK\$7.78. 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, 26 November 2015

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 Professor Chang Qing, Mr. Lee Man Chun, Tony and Professor He Jia.