

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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 INVESTMENT PRODUCT**

The Board wishes to announce that on 19 December 2017, Huandao Int'l Travel, an indirect wholly-owned subsidiary of the Company, subscribed for the Investment Product in the principal amount of RMB50 million (equivalent to HK\$58.5 million).

On 13 October 2017, the Group subscribed for another investment product issued by BOC in the principal amount of RMB110 million (equivalent to HK\$128.7 million). Each of the Previous Subscription and the Subscription does not constitute a notifiable transaction for the Company on a standalone basis under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) for the Subscription when aggregated with the Previous Subscription exceeds 5% but is less than 25%, the Subscription when aggregated with the Previous Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is accordingly subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **THE SUBSCRIPTION**

On 19 December 2017, Huandao Int'l Travel, an indirect wholly-owned subsidiary of the Company, subscribed for the Investment Product in the principal amount of RMB50 million (equivalent to HK\$58.5 million). The Investment Product is a non-principal protected investment with non-guaranteed floating earnings. A summary of the major terms and conditions of the Investment Product is set out below:

### **Subscription date:**

19 December 2017

### **Parties:**

- (1) BOC as the issuer
- (2) Huandao Int'l Travel as the subscriber

BOC is a joint stock commercial bank licensed and incorporated with limited liability in the PRC, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3988 and 4601 (Preference Shares)) and the Shanghai Stock Exchange (SHA: 601988). To the best of the Directors' knowledge, information and belief, BOC and its ultimate beneficial owners are Independent Third Parties. BOC and its subsidiaries provide a full range of corporate banking, personal banking, treasury operations, investment banking, insurance and other services to its customers in the PRC, Hong Kong, Macau, Taiwan and other major international financial centres.

### **Principal amount:**

RMB50 million (equivalent to HK\$58.5 million).

### **Investment period:**

From 19 December 2017 until (i) full redemption by the Huandao Int'l Travel; or (ii) early termination by BOC (whichever is earlier).

### **Investment portfolio:**

The Investment Product will be invested in investment subjects including government bonds, local government bonds, financial bonds, central bank bills; bank deposits, negotiable certificate of deposits, bonds repurchase, capital borrowings; high credit rating corporate bonds, enterprise bonds, short-term financing bonds, medium-term notes, asset-backed securities, non-public oriented debt financing instruments, wealth management direct financing instruments, beneficiary certificates issued by securities companies, non-standardised debt assets; currency market fund and short-term wealth management fund; credit default swaps and interest rate swaps with reference to interbank bond market and/or listed debt securities; and other low risk high liquidity financial instruments in compliance with all applicable laws and regulations.

### **Investment return:**

Huandao Int'l Travel can redeem the Investment Product in full or in part on any Trading Day. The total investment return receivable by Huandao Int'l Travel in respect of the Investment Product (“**Anticipated Return**”) shall be a sum by adding up the daily amount of investment return which shall be calculated as follows:

Daily amount of investment return = principal amount being redeemed × anticipated rate of return applicable to the relevant investment period/365

The anticipated rates of return of the Investment Product are floating rates which vary according to the actual number of days of investment held. For the purpose of calculating the investment return, the method of “last in, first out” will be used in case of multiple subscriptions of the Investment Product. The date of subscription will be included while the settlement date will be excluded when counting the actual number of days of investment. BOC will determine and announce the anticipated rates of return of the Investment Product from time to time on its website ([www.boc.cn](http://www.boc.cn)) with reference to, among others, the change in the market interest rate and return rate of the relevant investment subjects. As at the date of this announcement, the maximum anticipated rate of return of the Investment Product is 4% per annum for an investment period of 181 days or more.

**Custody fee:**

0.03% per annum

**Management fees:**

- (1) Fixed management fee at a rate of 0.2% per annum; and
- (2) If the actual investment return of the Investment Product (being the value of the Investment Product after deducting the relevant expenses (except for the floating management fee) and the principal amount of the Investment Product) exceeds the Anticipated Return, the portion of the investment return which exceeds the Anticipated Return will be charged as floating management fee by BOC.

**Early termination of investment:**

BOC may early terminate the scheme for the Investment Product in certain circumstances, including but not limited to:

- (1) if the residual value of the Investment Product has remained to be less than RMB100 million for 30 consecutive Trading Days; or
- (2) if there are material changes in the laws and regulations of the PRC or in the financial market caused by unexpected events or circumstances that BOC considers necessary to early terminate the scheme of the Investment Product.

**REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

The principal activities of the Group are property investment, property development, finance leasing, bulk commodity trading (including trading of coal, steel and nonferrous metals) and hotel and marine travelling services.

The Subscription will be funded by the internal resources of the Group. The Group intends to subscribe for the Investment Product in order to maximize the use of its funds with the aim of obtaining satisfactory return.

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 of the view that the terms of the Subscription are fair and reasonable and are in the best interests of the Company and its Shareholders as a whole.

## **IMPLICATION UNDER THE LISTING RULES**

On 13 October 2017, the Group has subscribed for another investment product issued by BOC in the principal amount of RMB110 million (equivalent to HK\$128.7 million). Such investment product has expired on 15 December 2017 and the Group earned an investment return in the amount of approximately RMB0.87 million (equivalent to approximately HK\$1.02 million).

Each of the Previous Subscription and the Subscription does not constitute a notifiable transaction for the Company on a standalone basis under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) for the Subscription when aggregated with the Previous Subscription exceeds 5% but is less than 25%, the Subscription when aggregated with the Previous Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is accordingly subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Board”	the board of Directors
“BOC”	Bank of China Limited (中國銀行股份有限公司), a joint stock commercial bank licensed and incorporated with limited liability in the PRC, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3988 and 4601 (Preference Shares)) and the Shanghai Stock Exchange (SHA: 601988)
“Company”	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
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries as at the date of this announcement
“HK\$”	the Hong Kong dollar(s), the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huandao Int’l Travel”	海南寰島國際旅行社有限公司 (unofficial English translation being Hainan Huandao International Travel Agency Co. Ltd.), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Independent Third Parties”	third parties independent of the Company and its connected persons (as defined under the Listing Rules)
“Investment Product”	the investment product issued by BOC and subscribed for by the Group on 19 December 2017, the principal terms of which are summarised in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	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
“Previous Subscription”	the previous subscription by the Group on 13 October 2017 of another investment product issued by BOC in the principal amount of RMB110 million (equivalent to HK\$128.7 million)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Investment Product by Huandao Int’l Travel in the principal amount of RMB50 million (equivalent to HK\$58.5 million) on 19 December 2017
“Trading Day(s)”	any working day(s) (except any Saturday, Sunday or public holiday in the PRC) on which the Investment Product is open for subscription or redemption
“%”	means per cent

*In this announcement, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1.00 to HK\$1.17. 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**  
**Zhang Bin**  
*Managing Director*

Hong Kong, 19 December 2017

*As at the date of this announcement, the executive Directors are Mr. Yuan Shaoli, Mr. Zhang Bin and Mr. Wang Tianlin; and the independent non-executive Directors are Professor Chang Qing, Mr. Lee Man Chun, Tony and Professor He Jia.*