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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)**

### **PROFIT WARNING**

The Board would like to inform the shareholders of the Company and potential investors that, based on the information currently available, the Group is expected to record a consolidated profit after tax of approximately HK\$23.55 million for the year ended 31 December 2017 which represents a decrease of approximately 65% as compared to the audited consolidated profit after tax of approximately HK\$67.37 million for the corresponding period of 2016.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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

The board of directors (“**Board**”) of the Company would like to inform the shareholders of the Company and potential investors that, based on the information currently available, the Group is expected to record a consolidated profit after tax of approximately HK\$23.55 million for the year ended 31 December 2017 (“**Year**”) which represents a year-on-year decrease by approximately HK\$43.82 million and a decrease of approximately 65% as compared to the audited consolidated profit after tax of approximately HK\$67.37 million for the corresponding period of 2016. The main reasons for the decrease in profit are as follows: (i) an exchange loss of approximately HK\$1.45 million was recorded during the Year under administrative expenses while an exchange gain of approximately HK\$33.36 million was recorded last year under other income. In addition, the interest income decreased by approximately HK\$12.55 million as compared with last year. These were the main reasons leading to a year-on-year decrease of other income by approximately HK\$43.66 million; and

(ii) the competition in the bulk commodity trade was intense during the Year, the sales margin was thin, resulting in a year-on-year decrease in the consolidated gross profit by approximately HK\$6.58 million. In addition, mainly because the bulk commodity trade expanded and the staff costs of the Group increased, there was a year-on-year increase in the selling and administrative expenses during the Year by approximately HK\$15.36 million.

Despite the above negative factors, as the Company fully redeemed the RMB600 million bonds issued by the Company during the Year, the finance cost decreased year-on-year by approximately HK\$19.89 million, thereby reducing the impact of the above negative factors on the consolidated profit after tax for the Year.

The Company is still in the process of finalising the consolidated annual results of the Group for the year ended 31 December 2017. The information contained in this announcement is only a preliminary assessment by the management of the Company based on figures and information made available to the Board as at the date of this announcement and is not based on any figures or information which has been reviewed by the Company's auditors. Finalised consolidated annual results of the Group and other details will be disclosed in the 2017 annual report to be published by the Company.

By order of the Board  
**China Chengtong Development Group Limited**  
**Zhang Bin**  
*Managing Director*

Hong Kong, 15 February 2018

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