

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 27 November 2014, CT Development Trading, a wholly-owned subsidiary of the Company, subscribed for the Investment Product issued by SPD Bank at the principal amount of RMB177 million (equivalent to approximately HK\$223.02 million).

On 29 August 2014, CT Development Trading subscribed for the same investment product issued by SPD Bank at the principal amount of RMB50 million for a period of 30 days with rate of return of 5.6% per annum.

On 16 September 2014, CT Development Trading further subscribed for the same investment product issued by SPD Bank at the principal amount of RMB160 million for a period of 90 days with rate of return of 5.4% per annum.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) for the Subscription alone, as well as when aggregated with the above similar subscriptions on 29 August 2014 and 16 September 2014, 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 27 November 2014, CT Development Trading, a wholly-owned subsidiary of the Company, subscribed for RMB177 million (equivalent to approximately HK\$223.02 million) of the Investment Product issued by SPD Bank. A summary of the terms and conditions of the Investment Product is set out below:

Transaction date:

27 November 2014

Parties:

- (1) SPD Bank as the issuer
- (2) CT Development Trading as the subscriber

SPD Bank is a bank licensed and incorporated under the laws of the PRC. To the best of the Directors' knowledge, information and belief, SPD Bank and its ultimate beneficial owners are Independent Third Parties. The principal business of SPD Bank is to provide corporate and personal banking, treasury operations, investment banking, asset management and other financial services.

Principal amount:

RMB177 million (equivalent to approximately HK\$223.02 million).

Investment period:

30 days from 28 November 2014

Investment portfolio:

The Investment Product will be invested in cash, treasury bonds, local government bonds, central bank bills, policy financial bonds, high credit rating short-term financing bonds, medium-term notes, subordinated bonds, enterprise bonds, corporate bonds, non-public oriented debt financing instruments, repurchase, interbank deposits and borrowings, credit assets and other non-standardized debt assets in compliance with regulatory requirements.

Investment profit:

The investment profit shall be calculated as follows:

Investment profit = principal amount x actual rate of return x actual days of investment / 365.

Anticipated rate of return:

5.45% per annum (after deduction of the trustee fee for the financial management plan, sales handling fee and bank management fee), subject to any adjustment which may be announced by SPD Bank on the date of confirmation of the Subscription.

Early termination of investment

SPD Bank may early terminate the Investment Product if there are major changes of the national financial policies that affect the normal operation of the Investment Product. On the other hand, CT Development Trading does not have the right of early redemption of the Investment Product.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Subscription will be funded by the internal resources of CT Development Trading. The intention of the Group's subscribing for investment products is to maximise the use of its funds with the aim of obtaining satisfactory return. For CT Development Trading, which is principally engaged in bulk commodity trade, the subscription of investment products provides an additional function, that is to use the investment products as a collateral security for it to obtain letter of credit facilities from banks to assist its bulk commodity trade.

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 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 GROUP

The principal activities of the Group are bulk commodity trading, trading of coal, property development, property investment, financial leasing and hotel and marine travelling services.

IMPLICATION UNDER THE LISTING RULES

On 29 August 2014, CT Development Trading subscribed for the same investment product issued by SPD Bank at the principal amount of RMB50 million for a period of 30 days with rate of return of 5.6% per annum.

On 16 September 2014, CT Development Trading further subscribed for the same investment product issued by SPD Bank at the principal amount of RMB160 million for a period of 90 days with rate of return of 5.4% per annum. Details of such subscription are disclosed in the announcement of the Company dated 16 September 2014.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) for the Subscription alone, as well as when aggregated with the above similar subscriptions on 29 August 2014 and 16 September 2014, 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
“CT Development Trading”	means 誠通發展貿易有限公司 (unofficial English translation being Chengtong Development Trading Co., Ltd.), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Directors”	means the directors of the Company
“Group”	means the Company and its subsidiaries as at the date of this announcement
“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)
“Investment Product”	means the investment product issued by SPD Bank, the principal terms of which are summarised in this announcement
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“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
“SPD Bank”	means 上海浦東發展銀行股份有限公司北京世紀城支行 (Shanghai Pudong Development Bank Co., Ltd., Beijing Century City Branch), a bank licensed and incorporated under the laws of the PRC
“Shareholder(s)”	means the shareholders of the Company
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Subscription”	means the subscription of the Investment Product
“%”	means per cent.

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, 27 November 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.