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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)

POSSIBLE DISPOSAL OF CUIDAO HOTSPRING HOTEL

The Board announces that the Group intends to dispose of the Cuidao Interests and the Debt Receivables by way of a listing-for-sale. The Publication Period commences on 11 September 2018. The Minimum Consideration is RMB226 million (equivalent to approximately HK\$260 million). **Shareholders should note that the Possible Disposal may or may not be materialised and the final consideration for the Possible Disposal will depend on the final bid price offered by the successful bidder.**

It is expected that the Possible Disposal, when materialises, may constitute a discloseable transaction of the Company. Further announcement will be published by the Company in accordance with the Listing Rules if the Possible Disposal is materialised.

BACKGROUND OF THE POSSIBLE DISPOSAL

The Group intends to dispose of the Cuidao Interests and the Debt Receivables by way of a listing-for-sale through an approved equity exchange. The Possible Disposal will be carried out through TPRE.

The Listing-for-Sale Announcement setting out, amongst others, the initial bidding price and the major terms of the Possible Disposal has been published at TPRE on 11 September 2018.

THE POSSIBLE DISPOSAL

(a) Subject matter

The subject matter of the Possible Disposal is the Cuidao Interests and the Debt Receivables. Zhucheng Phoenix, a wholly-owned subsidiary of CT Development Trading, had been authorised by CT Development Trading to deal with the disposal of the CT Debt Receivables through TPRE on its behalf.

The major assets held by Cuidao Hotspring Hotel include properties located in Huandao Garden, Haikou, the PRC with a gross floor area of 28,071.17 square metres and the corresponding land with an area of 44,108.77 square metres (among which properties of an area of 3,775.38 square metres, and the corresponding land of an area of 6,497.06 square metres were sold).

(b) Procedure of the Listing-for-Sale

The Publication Period commences on 11 September 2018 and shall end on 12 October 2018. During the Publication Period, interested bidders may indicate their interest in purchasing the Cuidao Interests and the Debt Receivables by submitting an application to TPRE, which will then determine whether they are qualified to be the bidders. If TPRE does not receive any such application, the Publication Period will be extended for a cycle of 5 Business Days perpetually until application from interested bidder(s) is received. The Group may apply for withdrawal from the Listing-for-Sale during the extended Publication Period which will be subject to the approval of TPRE.

The bidder who offers the highest effective bid price during the Bidding Period shall be the successful bidder.

Within 5 Business Days from the date when the successful bidder is identified, Zhucheng Phoenix and the successful bidder shall enter into the Property Rights Transaction Contract.

(c) Consideration

The Minimum Consideration is RMB226 million (equivalent to approximately HK\$260 million), comprising as to RMB195,864,397.87 in respect of the Cuidao Interests and as to RMB30,135,602.13 in respect of the Debt Receivables. The Minimum Consideration is determined after having taken into account a number of factors, including the valuation report prepared by a qualified independent valuer in the PRC in relation to Cuidao Hotspring Hotel.

REASONS FOR AND BENEFITS OF THE POSSIBLE DISPOSAL

Cuidao Hotspring Hotel was originally planned for operating hotspring hotel or elderly business. The Group is in the process of strategic transformation. The Board views that it is desirable for the Group to dispose of the Cuidao Interests and the Debt Receivables through listing-for-sale which can achieve the highest price in the open market and to have the proceeds to fund the development of the Group's other principal businesses.

The Group is principally engaged in property investment, property development, finance leasing, bulk commodity trade (including trading of coal, steel and non-ferrous metals) and hotel and marine travelling services.

GENERAL

Shareholders should note that the Possible Disposal may or may not be materialised and the final consideration for the Possible Disposal will depend on the final bid price offered by the successful bidder.

It is expected that the Possible Disposal, when materialises, may constitute a discloseable transaction of the Company. Further announcement will be published by the Company in accordance with the Listing Rules if the Possible Disposal is materialised.

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

DEFINITIONS

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

“Bidding Period”	the period during which the qualified bidders may offer their bid price in relation to the intended purchase of the Cuidao Interests and the Debt Receivables
“Board”	the board of Directors

“Business Day(s)”	a day on which licensed banks in the PRC are open for business
“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, the shares of which are listed on the Main Board of the Stock Exchange
“CT Debt Receivables”	all debts owed by Cuidao Hotspring Hotel to CT Development Trading in the sum of RMB8,439,190.15
“CT Development Trading”	誠通發展貿易有限公司 (unofficial English translation being Chengtong Development Trading Company Limited), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Cuidao Hotspring Hotel”	海口翠島溫泉度假酒店有限公司 (unofficial English translation being Haikou Cuidao Hotspring Resort Hotel Company Limited), a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of Zhucheng Phoenix
“Cuidao Interests”	the 100% equity interest in Cuidao Hotspring Hotel held by Zhucheng Phoenix
“Debt Receivables”	collectively the Zhucheng Debt Receivables and the CT Debt Receivables
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Listing-for-Sale”	the listing-for-sale (掛牌出讓) process carried out through TPRE for the Possible Disposal
“Listing-for-Sale Announcement”	the announcement published at the TPRE in respect of the Listing-for-Sale
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Minimum Consideration”	the initial bidding price for the Cuidao Interests and the Debt Receivables
“Possible Disposal”	the Group’s proposed disposal of the Cuidao Interests and the Debt Receivables
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Property Rights Transaction Contract”	the contract in respect of the transfer of the Cuidao Interests and the Debt Receivables to be entered into between Zhucheng Phoenix and the successful bidder
“Publication Period”	the period during which the information of the Possible Disposal is disclosed by way of the Listing-for-Sale Announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TPRE”	天津產權交易中心 (Tianjin Property Rights Exchange)
“Zhucheng Debt Receivables”	all debts owed by Cuidao Hotspring Hotel to Zhucheng Phoenix in the sum of RMB21,696,411.98

“Zhucheng Phoenix” 諸城鳳凰置地有限公司 (unofficial English translation being Zhucheng Phoenix Landmark Company Limited), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

“%” 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\$1.15. 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, 11 September 2018

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.