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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)

APPOINTMENT OF CHAIRMAN

The board (“**Board**”) of directors (“**Directors**”, and each a “**Director**”) of China Chengtong Development Group Limited (“**Company**”, together with its subsidiaries, the “**Group**”) announces that with effect from 26 June 2019, Mr. Zhang Bin (“**Mr. Zhang**”), who is an existing executive Director, the managing Director and the acting chairman of the Board, is appointed as the chairman of the Board.

Mr. Zhang, aged 50, joined the Group in July 2010. He was appointed as an executive Director with effect from 30 January 2014, as the managing Director with effect from 15 June 2017 and as the acting chairman of the Board with effect from 1 December 2018. Mr. Zhang holds an EMBA degree from China Europe International Business School and a Doctorate degree from Peking University. He also undertook postdoctoral research in Rutgers University and North Carolina State University in the United States.

Mr. Zhang has extensive experience in corporate management. He is currently a member of each of the nomination committee and the remuneration committee of the Company as well as the chairman of the executive committee of the Company. He is also a director of several subsidiaries of the Company. Mr. Zhang also acts as the chairman of China Chengtong Hong Kong Company Limited, which is the Company’s indirect holding company, and a director of World Gain Holdings Limited, which is the Company’s controlling shareholder (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”)).

The current appointment letter of Mr. Zhang will expire on 30 June 2019 and the Company has signed a new appointment letter with Mr. Zhang for a term of one year commencing from 1 July 2019 and ending on 30 June 2020, subject to the rotation and re-election requirements under the articles of association of the Company. While Mr. Zhang is entitled to receive a monthly director's fee of HK\$30,000 pursuant to his new appointment letter, Mr. Zhang has voluntarily waived his right to receive any director's fee until further notice. Under his new appointment letter, Mr. Zhang is also entitled to a discretionary bonus (if any) and to participate in the share option scheme and share award scheme adopted by the Company. Mr. Zhang's remuneration is determined in accordance with his duties, market conditions and the Group's profit benchmark.

Save as disclosed herein, Mr. Zhang (i) does not hold other positions with the Company or other members of the Group; (ii) has not held any directorship in any other listed companies in Hong Kong or overseas in the last three years; (iii) does not have any relationship with any other Director, senior management, substantial shareholders or controlling shareholder of the Company.

As at the date of this announcement, Mr. Zhang has an interest in 300,000 shares of the Company, representing approximately 0.0052% of the total issued share capital of the Company. Other than the said interest, Mr. Zhang is not interested or deemed to be interested in any other shares, underlying shares or debentures of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, there is no further information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the shareholders of the Company.

As Mr. Zhang performs both the roles of the chairman of the Board and the managing Director, this constitutes a deviation from Code Provision A.2.1 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The Company is identifying suitable candidate for the position of managing Director in order to re-comply with Code Provision A.2.1. Further announcement will be made by the Company when the relevant appointment is made.

By Order of the Board
China Chengtong Development Group Limited
Chan Siu Kay
Company Secretary

Hong Kong, 26 June 2019

As at the date of this announcement, the executive Directors are 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.