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If you have sold or transferred all your shares in **China Chengtong Development Group Limited**, you should at once hand this circular accompanying with the form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

SCRIP DIVIDEND SCHEME; PROPOSED GRANTING OF GENERAL MANDATES TO ISSUE NEW SHARES AND TO REPURCHASE SHARES OF THE COMPANY; RE-ELECTION OF DIRECTORS; AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting to be held at Boardroom 6, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Friday, 25 June 2021 at 10:00 a.m. is set out on pages AGM-1 to AGM-5 of this circular.

Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same by 10:00 a.m. on Wednesday, 23 June 2021 or not later than 48 hours before the time appointed for holding any adjournment of the Annual General Meeting to the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof should you so wish and, in such event, the form of proxy previously submitted shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Please see page 3 of this circular for measures to be taken at the Annual General Meeting in trying to prevent and control the spread of COVID-19, including:

- **compulsory body temperature checks and health declarations**
- **requirement of wearing surgical face masks**
- **limit the number of attendees to 20 persons or such maximum limit permitted by the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Chapter 599G of the Laws of Hong Kong)**
- **no refreshments and no distribution of corporate gifts**

Any person who does not comply with the precautionary measures may be denied entry into the venue of the Annual General Meeting. The Company reminds Shareholders that physical attendance is not necessary for the purpose of exercising Shareholders' rights and encourages Shareholders to exercise their right to vote by appointing the chairman of the Annual General Meeting as their proxy instead of attending the Annual General Meeting in person.

26 May 2021

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company convened to be held at Boardroom 6, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Friday, 25 June 2021 at 10:00 a.m. or any adjournment thereof, the notice of which is set out on pages AGM-1 to AGM-5 of this circular
“Articles”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“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
“COVID-19”	the novel coronavirus disease firstly found in 2019, an infectious disease caused by severe acute respiratory syndrome coronavirus 2
“Director(s)”	director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted, issued or dealt with under the Issue Mandate
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares of up to a maximum of 20% of the number of issued Shares as at the date of passing of the relevant resolution
“Latest Practicable Date”	20 May 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Qualifying Shareholders”	the Shareholders whose names appear on the register of members of the Company on the Record Date, other than Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose registered address(es) on that date is/are outside Hong Kong (if any) and excluded by the Directors from the offer of election to receive wholly or partly an allotment and issue of Scrip Shares in lieu of cash payment as may be permitted under the Listing Rules, all applicable laws and regulations and the Articles
“Record Date”	Wednesday, 7 July 2021
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the number of issued Shares as at the date of passing of the relevant resolution
“Scrip Dividend Scheme”	the declaration of a final dividend of HK0.9 cent per Share for the year ended 31 December 2020 by way of cash with an option to elect to receive wholly or partly an allotment and issue of Shares credited as fully paid in lieu of cash payment
“Scrip Shares”	the new Shares to be allotted and issued pursuant to the Scrip Dividend Scheme
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong as approved by the SFC
“%”	per cent

References to time and dates in this circular are to Hong Kong time and dates.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In view of the ongoing COVID-19 pandemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the Annual General Meeting to protect attending Shareholders, staff and other stakeholders from the risk of infection.

Voting by proxy in advance of the Annual General Meeting

The Company does not in any way wish to diminish the opportunity available to the Shareholders to exercise their rights and to vote, but is conscious of the pressing need to protect the Shareholders from possible exposure to COVID-19. For the health and safety of the Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the Annual General Meeting by appointing the chairman of the Annual General Meeting as their proxy instead of attending the Annual General Meeting in person. **Physical attendance is not necessary for the purpose of exercising Shareholders' rights. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the Annual General Meeting or any adjournment thereof should they subsequently so wish.**

Precautionary measures at the Annual General Meeting

The Company will implement the following precautionary measures at the Annual General Meeting to safeguard the health and safety of the attending Shareholders, staff and other stakeholders:

- (i) compulsory body temperature checks will be conducted on every attendee at the entrance of the venue of the Annual General Meeting. Any person with a body temperature of over 37.5 degrees Celsius may be denied entry into the venue of the Annual General Meeting;
- (ii) all attendees are required to complete and submit at the entrance of the venue of the Annual General Meeting a health declaration form confirming, among other things, their names and contact details, and that they have not at any time in the preceding 14 days travelled, and have not had close contact with any person who to their best knowledge has recently travelled, outside Hong Kong. Any attendee who does not comply with this requirement may be denied entry into the venue of the Annual General Meeting;
- (iii) every attendee will be required to wear a surgical face mask throughout the Annual General Meeting. Please note that no masks will be provided at the venue of the Annual General Meeting and attendees should bring and wear their own masks;
- (iv) seating at the Annual General Meeting will be arranged to ensure adequate physical distancing between participants so as to reduce interaction between them;
- (v) the Company will limit the number of attendees at the Annual General Meeting venue to 20 persons (including Shareholders and their proxies, and other attendees who will facilitate the conduct of the Annual General Meeting) or such maximum number of attendees as may be permitted by the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Chapter 599G of the Laws of Hong Kong) prevailing at the time of the Annual General Meeting on a first-come-first-served basis. Shareholders (including their proxies) attending the Annual General Meeting in person in excess of such limit will be requested to complete the voting procedures at the entrance of the Annual General Meeting venue; and
- (vi) no refreshments will be served and there will be no corporate gifts.

If any Shareholder chooses not to attend the Annual General Meeting in person but has any question about the resolution(s) or about the Company, or has any matter for communication with the Board, he/she is welcome to send such question or matter in writing to the registered office of the Company by email to public@hk217.com. If any Shareholder has any questions relating to the Annual General Meeting, please contact Computershare Hong Kong Investor Services Limited, the Company's share registrar and transfer office, the contact details of which are as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre,
183 Queen's Road East,
Hong Kong
Email: hkinfo@computershare.com.hk
Telephone: 2862 8555
Facsimile: 2865 0990



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)

Executive Directors:

Zhang Bin (*Chairman*)

Yang Tianzhou (*Managing Director*)

Wang Tianlin

Li Shufang

*Registered address and principal place of
business in Hong Kong:*

Suite 6406, 64th Floor

Central Plaza

18 Harbour Road

Wanchai, Hong Kong

Independent non-executive Directors:

Chang Qing

Lee Man Chun, Tony

He Jia

26 May 2021

To the Shareholders

Dear Sir or Madam,

**SCRIP DIVIDEND SCHEME;
PROPOSED GRANTING OF GENERAL MANDATES TO
ISSUE NEW SHARES AND TO REPURCHASE SHARES OF THE
COMPANY;
RE-ELECTION OF DIRECTORS;
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) the Scrip Dividend Scheme; (ii) the granting of the Issue Mandate, the Repurchase Mandate and the Extension Mandate to the Directors; and (iii) the re-election of the Directors, and to give you notice of the Annual General Meeting.

LETTER FROM THE BOARD

2. SCRIP DIVIDEND SCHEME

By the announcement of the results for the year ended 31 December 2020 of the Company dated 26 February 2021, the Company announced that the Board had resolved to recommend the Scrip Dividend Scheme to the Qualifying Shareholders, subject to the approval of the Shareholders on the payment of final dividend at the Annual General Meeting and the grant by the Stock Exchange of the listing of, and permission to deal in, the Scrip Shares to be allotted and issued pursuant thereto.

In arriving at the decision to recommend the Scrip Dividend Scheme to the Shareholders, the Directors consider that while the Company should declare a final dividend for the financial year ended 31 December 2020, the Scrip Dividend Scheme will give the Qualifying Shareholders an opportunity to increase their investment in the Company without incurring brokerage fees and stamp duty costs. On the other hand, it will also benefit the Company to the extent that if any Qualifying Shareholder elects to receive Scrip Shares, such cash which would otherwise be paid to the Qualifying Shareholder(s) as cash dividend will be retained for use by the Company.

Qualifying Shareholders are entitled to elect to have the final dividend to be made payable to them wholly in cash or in Shares or partly in cash and in Shares. Should there be any Shareholder whose registered address is outside Hong Kong as shown in the register of members of the Company on the Record Date, the Company will make enquiry regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange for considering whether to exclude such Shareholder from the Scrip Dividend Scheme.

On the condition that the payment of the above final dividend by way of the Scrip Dividend Scheme is approved by the Shareholders at the Annual General Meeting, an announcement in relation to the basis of allotment of the Scrip Shares will be published and a circular containing details of the Scrip Dividend Scheme, together with a form of election (to the Qualifying Shareholders only), will be despatched to the Shareholders shortly after the Record Date.

Subject to the passing of the resolution concerned at the Annual General Meeting, application will be made to the Stock Exchange for the listing of, and permission to deal in, the Scrip Shares. No part of the Scrip Shares will be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

LETTER FROM THE BOARD

The last day for dealing in Shares cum entitlements to the proposed final dividend for the year ended 31 December 2020 will be Friday, 2 July 2021. In order to ascertain the entitlements to the final dividend for the year ended 31 December 2020, the register of members of the Company will be closed on the Record Date on which day no transfer of Shares will be registered. Shareholders are reminded that in order to qualify for the proposed final dividend for the year ended 31 December 2020, all transfers of Shares accompanied by the relevant share certificate and transfer forms must be lodged with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 6 July 2021.

Subject to the approval by the Shareholders of the Scrip Dividend Scheme at the Annual General Meeting and the grant by the Stock Exchange of the listing of, and permission to deal in, the Scrip Shares on the Stock Exchange, the share certificates for the Scrip Shares are expected to be despatched on or around Friday, 13 August 2021 and the dealings in the Scrip Shares on the Stock Exchange are expected to commence on or around Monday, 16 August 2021.

3. PROPOSED GRANTING OF GENERAL MANDATES

At the annual general meeting of the Company held on 26 June 2020, ordinary resolutions were passed to, among other things, grant the general mandates to the Directors (i) to allot, issue or otherwise deal with Shares of not exceeding 20% of the number of issued Shares on 26 June 2020; (ii) to repurchase Shares of an aggregate number of up to 10% of the number of issued Shares on 26 June 2020; and (iii) to extend the general mandate to allot and issue Shares by adding to it such number of Shares repurchased by the Company pursuant to and in accordance with the general mandate as mentioned in (ii) above.

As at the Latest Practicable Date, no Shares had been issued or repurchased pursuant to the general mandates granted to the Directors on 26 June 2020.

These general mandates will lapse at the conclusion of the Annual General Meeting.

Issue Mandate

At the Annual General Meeting, an ordinary resolution will be proposed to grant the Issue Mandate to the Directors to allot, issue or otherwise deal with Shares of not exceeding 20% of the number of issued Shares as at the date of passing of the relevant resolution, which is 1,161,746,955 Shares based on the total number of issued Shares as at the Latest Practicable Date and assuming that the number of issued Shares remains unchanged up to the date of the Annual General Meeting.

LETTER FROM THE BOARD

Repurchase Mandate

At the Annual General Meeting, an ordinary resolution will also be proposed to grant the Repurchase Mandate to the Directors, in the terms set out in the notice of the Annual General Meeting, to repurchase Shares on the Stock Exchange or any other stock exchange on which the securities of the Company may be listed and which has been recognised by the SFC and the Stock Exchange of an aggregate number of up to 10% of the number of issued Shares as at the date of passing of the relevant resolution.

Extension Mandate

In addition, an ordinary resolution regarding the Extension Mandate will be proposed at the Annual General Meeting providing that any Shares repurchased under the Repurchase Mandate (up to a maximum of 10% of the number of issued Shares as at the date of grant of the Repurchase Mandate) will be added to the total number of Shares which may be allotted and issued under the Issue Mandate.

The Issue Mandate and the Repurchase Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the Annual General Meeting or any earlier date as referred to in the proposed ordinary resolutions numbered 5 and 6 in the notice of the Annual General Meeting as set out on pages AGM-1 to AGM-5 of this circular.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the grant of the Repurchase Mandate. The explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix I to this circular.

4. RE-ELECTION OF DIRECTORS

In accordance with Article 105 of the Articles and in compliance with code provision A.4.2 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, Mr. Zhang Bin and Professor He Jia will retire as Directors by rotation and shall be eligible for re-election at the Annual General Meeting. Each of Mr. Zhang Bin and Professor He Jia, being eligible, offers himself for re-election as a Director at the Annual General Meeting. Brief biographical details of the Directors offering themselves for re-election at the Annual General Meeting are set out in Appendix II to this circular.

LETTER FROM THE BOARD

5. ANNUAL GENERAL MEETING

The notice for the Annual General Meeting is contained in this circular and a form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same by 10:00 a.m. on Wednesday, 23 June 2021 or not later than 48 hours before the time appointed for holding any adjournment of the Annual General Meeting to the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof should you so wish and, in such event, the form of proxy previously submitted shall be deemed to be revoked.

Please see the section headed "PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING" on page 3 of this circular for measures to be taken at the Annual General Meeting in trying to prevent and control the spread of COVID-19.

For the health and safety of the Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the Annual General Meeting by appointing the chairman of the Annual General Meeting as their proxy instead of attending the Annual General Meeting in person. Physical attendance is not necessary for the purpose of exercising Shareholders' rights.

For determining the entitlement of the Shareholders to attend and vote at the Annual General Meeting, Shareholders whose names appear on the register of members of the Company at 4:30 p.m. on Monday, 21 June 2021 shall be entitled to attend and vote at the Annual General Meeting. In order to be entitled to attend and vote at the Annual General Meeting, all completed share transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 21 June 2021.

6. VOTING BY POLL

In compliance with the Listing Rules, all resolutions will be voted on by way of poll at the Annual General Meeting. After the conclusion of the Annual General Meeting, the results of the poll will be published on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.irasia.com/listco/hk/chengtong).

LETTER FROM THE BOARD

7. RECOMMENDATION

The Directors consider that the Scrip Dividend Scheme, the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, and the re-election of Directors are all in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all resolutions to be proposed at the Annual General Meeting.

8. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
By order of the Board
China Chengtong Development Group Limited
Zhang Bin
Chairman

The following explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) of the Listing Rules to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to approve the grant of the Repurchase Mandate to the Directors.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules allow companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange or any other stock exchange on which the securities of the company may be listed and which has been recognised by the SFC subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such company must be approved in advance by passing an ordinary resolution at a general meeting, either by way of a general repurchase mandate or by specific approval granted to a particular transaction.

2. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 5,808,734,776 issued Shares.

Subject to the passing of the proposed resolution concerning the grant of the Repurchase Mandate and on the basis that no further Shares will be issued or repurchased prior to the Annual General Meeting, the Company will be allowed to repurchase up to 580,873,477 Shares under the Repurchase Mandate.

3. REASONS FOR THE REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders which enables the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed. Share repurchases may, depending on the then market conditions and funding arrangements, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

4. FUNDING OF REPURCHASES

Repurchases will be financed by the funds that are legally available for such purposes in accordance with the Articles and the laws of Hong Kong.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might materially impact on the working capital and/or the gearing position of the Company as compared with the position as at 31 December 2020, being the date of its latest audited consolidated financial statements. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing position of the Company unless the Directors consider that such purchases are in the best interests of the Company and the Shareholders.

5. SHARE PRICES

The highest and lowest prices at which the Shares had been traded on the Stock Exchange in each of the 12 months immediately preceding the Latest Practicable Date were as follows:

	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2020		
May	0.178	0.150
June	0.190	0.149
July	0.236	0.179
August	0.221	0.166
September	0.210	0.171
October	0.198	0.163
November	0.207	0.180
December	0.199	0.167
2021		
January	0.189	0.165
February	0.200	0.158
March	0.250	0.175
April	0.192	0.171
May (up to the Latest Practicable Date)	0.195	0.174

6. THE TAKEOVERS CODE AND MINIMUM PUBLIC FLOAT

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Company's exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be deemed as an acquisition for the purposes of the Takeovers Code. As such, a Shareholder or a group of Shareholders acting in concert (as defined under the Takeovers Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, World Gain Holdings Limited ("**World Gain**"), the Company's holding company, was interested in 3,022,154,119 Shares, representing approximately 52.03% of the total issued Shares of the Company. The entire issued share capital of World Gain is beneficially owned by China Chengtong Hong Kong Company Limited ("**CCHK**"), which is wholly-owned by China Chengtong Holdings Group Limited. On the basis that there will be no further issue or repurchase of Shares during the period from the Latest Practicable Date up to and including the date of the Annual General Meeting, the beneficial interests of World Gain in the issued Shares of the Company would increase to approximately 57.81% if the Repurchase Mandate were exercised in full. The Directors are

not aware of any consequence which may arise under the Takeovers Code as a result of any repurchase of Shares made under the Repurchase Mandate, nor do the Directors intend to exercise the Repurchase Mandate in full.

In the event that the Repurchase Mandate were exercised in full, the number of Shares held by the public would not fall below 25%.

7. SHARE REPURCHASES BY THE COMPANY

The Company did not purchase any of the Shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

8. GENERAL

None of the Directors and (to the best of their knowledge having made all reasonable enquiries) their close associates (as defined in the Listing Rules) currently intend to sell any Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as relevant rules are applicable, they will only exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company of his/her/its present intention to sell any Shares to the Company nor has any such core connected person undertaken not to sell any Shares held by him/her/it to the Company in the event that the Repurchase Mandate is granted.

The biographical details and other particulars of the Directors who will retire at the Annual General Meeting and will offer themselves for re-election thereat according to the Articles are set out below:

MR. ZHANG BIN, AGED 52, EXECUTIVE DIRECTOR

Length of service and remuneration

Mr. Zhang joined the Group in July 2010. He was appointed as an executive Director in January 2014 and served as the Acting Chairman of the Board with effect from December 2018 until he was appointed as Chairman of the Board in June 2019. Mr. Zhang also served as the Managing Director of the Company from June 2017 to October 2019. Pursuant to the director's appointment letter made between Mr. Zhang and the Company, Mr. Zhang has been appointed for a term of one year from 1 July 2020 to 30 June 2021, subject to the rotation and re-election requirements under the Articles. Pursuant to his appointment letter, Mr. Zhang is entitled to receive a monthly payment of HK\$30,000 as his director's fee. Mr. Zhang is also entitled to a discretionary bonus (if any) as may be determined with reference to his performance and to participate in the share option scheme and share award scheme adopted by the Company. Mr. Zhang's remuneration was determined in accordance with his qualifications, experience and level of responsibilities undertaken and the prevailing market conditions. Mr. Zhang has waived all his director's fee with effect from 1 July 2020 until further notice.

Mr. Zhang is currently also a director of a subsidiary of the Company, the chairman of the executive committee of the Company, and a member of the remuneration committee and the nomination committee of the Company. Save as aforesaid, Mr. Zhang did not hold any other position in the Company and any other members of the Group as at the Latest Practicable Date.

Qualification and experience

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 rich experience in corporate management. Mr. Zhang did not hold any directorship in any other listed companies in the last three years.

Interests in shares, underlying shares or debentures

As at the Latest Practicable Date, Mr. Zhang had an interest in 300,000 Shares, representing approximately 0.0052% of the total issued share capital of the Company. Other than the said interest, Mr. Zhang was 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 SFO.

Relationship

Mr. Zhang is currently the chairman and a director of CCHK and a director of World Gain. CCHK is the holding company of World Gain, which is the controlling Shareholder. Save as disclosed herein, Mr. Zhang does not have any relationship with any other Director, senior management, substantial Shareholder (as defined in the Listing Rules) or controlling Shareholder (as defined in Listing Rules) of the Company.

Others

Save as disclosed above, there is no other information which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other matters in relation to the re-election of Mr. Zhang that need to be brought to the attention of the Shareholders.

PROFESSOR HE JIA, AGED 66, INDEPENDENT NON-EXECUTIVE DIRECTOR**Length of service and remuneration**

Professor He joined the Group as an independent non-executive Director in September 2015. Pursuant to the director's appointment letter made between Professor He and the Company, Professor He has been appointed for a term of one year from 1 July 2020 to 30 June 2021, subject to the rotation and re-election requirements under the Articles. Pursuant to his appointment letter, Professor He is entitled to receive a monthly payment of HK\$30,000 as his director's fee, which was determined with reference to his qualifications, experience and level of responsibilities undertaken and the prevailing market conditions. Professor He is also entitled to participate in the share option scheme and share award scheme adopted by the Company.

Professor He is currently also the chairman of the remuneration committee of the Company and a member of the audit committee of the Company. Save as aforesaid, Professor He did not hold any other position in the Company and other members of the Group as at the Latest Practicable Date.

Qualification and experience

Professor He holds a Doctor of Philosophy degree in Finance from the Wharton School of University of Pennsylvania, the United States. Currently, Professor He is the Dean of Shanghai North Bund Finance Institute, a member of 深圳市金融發展決策諮詢委員會 (unofficial English translation being Finance Development Decision-making Consultation Committee of Shenzhen), a jointly-appointed professor at the Tsinghua University, Cheung Kong Visiting Chair Professor of the Ministry of Education and an executive director and academic member of the China Society for Finance and Banking. He currently also acts as a financial consultant for the Chengdu and Quanzhou municipal governments. Professor He was previously the leading professor of the Faculty of Financial Mathematics and Engineering at the South University of Science and Technology of China, a professor of the Department of Finance and a director of the MBA program in Finance at the Chinese University of Hong Kong. He was also a commissioner of the Planning and Development Committee of China Securities Regulatory Commission from June 2001 to August 2002, and a director of integrated research institute of the Shenzhen Stock Exchange from June 2001 to October 2002. Professor He was an editor of China Financial Economics Review, and served as a member of the editorial boards of a number of journals, including China Accounting and Finance Review and Research in Banking and Finance.

Professor He is currently an independent non-executive director of Bank of Tianjin Co., Ltd., Wealthking Investments Limited and CITIC Securities Company Limited (the shares of which are listed on the Main Board of the Stock Exchange) and an independent director of Norinco International Cooperation Ltd. and Xinlong Holding (Group) Co., Ltd. (the shares of both companies are listed on the Shenzhen Stock Exchange). Professor He previously served as an independent non-executive director of Shanghai Junshi Biosciences Co., Ltd. (the shares of which are listed on the Main Board of the Stock Exchange), an independent director of Tibet Huayu Mining Co., Ltd., Tsinghua Tongfang Co., Ltd. (the shares of both companies are listed on the Shanghai Stock Exchange), Shenzhen Xinguodu Technology Co., Ltd. (the shares

of which are listed on ChiNext of Shenzhen Stock Exchange), Shenzhen Soling Industrial Co., Ltd. (a company listed on Small and Medium Enterprises Board of Shenzhen Stock Exchange) and China Investment Securities Co., Ltd. Save as aforesaid, Professor He did not hold any directorship in any other listed companies in the last three years.

Interests in shares, underlying shares or debentures

As at the Latest Practicable Date, Professor He was not interested or deemed to be interested in any shares, underlying shares or debentures of the Company or its associated corporations within the meaning of Part XV of the SFO.

Relationship

Professor He does not have any relationship with any other Director, senior management, substantial Shareholder (as defined in the Listing Rules) or controlling Shareholder (as defined in the Listing Rules) of the Company.

Others

Professor He had been a director of Bohong Asset Management (Hong Kong) Limited (博弘投資(香港)有限公司) (“**Bohong Asset Management**”), which was a private company limited by shares incorporated in Hong Kong. To the best knowledge and belief of Professor He, Bohong Asset Management had not commenced any business since its incorporation. According to section 291 of the predecessor Companies Ordinance (Chapter 32 of the Laws of Hong Kong), the Companies Registrar (“**Registrar**”) may strike defunct company off the register if the Registrar has reasonable cause to believe that a company is not carrying on business or in operation. In this connection, a notice in relation to Bohong Asset Management was published by the Registrar on the Gazette on 12 April 2013 pursuant to section 291(5) of the predecessor Companies Ordinance. Bohong Asset Management was eventually struck off by the Registrar as a defunct company and was dissolved on 16 August 2013 pursuant to section 291(6) of the predecessor Companies Ordinance.

Save as disclosed above, there is no other information which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other matters in relation to the re-election of Professor He that need to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (“**Meeting**”) of China Chengtong Development Group Limited (“**Company**”) will be held at Boardroom 6, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Friday, 25 June 2021 at 10:00 a.m. for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors of the Company for the year ended 31 December 2020.
2. To declare and approve a final dividend of HK0.9 cent per ordinary share of the Company (“**Share**”) for the year ended 31 December 2020 by way of a scrip dividend scheme with an option to elect to receive an allotment and issue of Shares credited as fully paid in lieu of cash payment.
3. To pass the following resolutions, each as a separate resolution:
 - A. To re-elect Mr. Zhang Bin as an executive director of the Company.
 - B. To re-elect Professor He Jia as an independent non-executive director of the Company.
 - C. To authorise the board of directors of the Company to fix the remuneration of the directors of the Company.
4. To re-appoint Messrs. BDO Limited as the auditors of the Company and to authorise the board of directors of the Company to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

To consider and, if thought fit, pass, with or without modifications, the following resolutions as ordinary resolutions:

5. **“THAT:**

- (a) subject to paragraph (c) of this resolution, pursuant to Sections 140 and 141 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (“**Companies Ordinance**”) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as defined in paragraph (e) below) of all the powers of the Company to allot, issue or otherwise deal with the shares of the Company (“**Shares**”) and to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares), which might require the exercise of such powers, be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to options or otherwise) by the Directors pursuant to the authority granted in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under any share option schemes of the Company adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend scheme or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
 - (aa) 20% of the number of issued Shares as at the date of passing of this resolution; and
 - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate number of Shares repurchased by the Company subsequent to the passing of this resolution (up to 10% of the number of issued Shares as at the date of passing of that separate ordinary resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly;

NOTICE OF ANNUAL GENERAL MEETING

(d) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (c) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (c) above as a percentage of the total number of issued Shares at the time immediately before and after such consolidation or subdivision shall be the same;

(e) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of passing of this resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the articles of association of the Company, the Companies Ordinance or any applicable law of Hong Kong; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares whose names appear on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

6. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as defined in paragraph (d) below) of all powers of the Company to repurchase shares of the Company (“**Shares**”) on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (“**SFC**”) and the Stock Exchange for such purpose, or otherwise in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (“**Companies Ordinance**”) and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the authority granted in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the

NOTICE OF ANNUAL GENERAL MEETING

number of issued Shares as at the date of passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(c) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (b) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (b) above as a percentage of the total number of issued Shares at the time immediately before and after such consolidation or subdivision shall be the same;

(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of passing of this resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the articles of association of the Company, the Companies Ordinance or any applicable law of Hong Kong; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

7. “**THAT** conditional on the passing of the resolutions numbered 5 and 6 above, the authority granted to the directors of the Company (“**Directors**”) pursuant to resolution numbered 5 above be and is hereby extended by the addition to the aggregate number of shares of the Company (“**Shares**”) which may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors pursuant to or in accordance with such authority of an amount representing the aggregate number of Shares repurchased by the Company pursuant to or in accordance with the authority granted under resolution numbered 6 above.”

By order of the Board
China Chengtong Development Group Limited
Zhang Bin
Chairman

26 May 2021

Registered address in Hong Kong:
Suite 6406, 64th Floor Central Plaza
18 Harbour Road
Wanchai, Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) In view of the ongoing novel coronavirus (COVID-19) pandemic and recent requirements for prevention and control of its spread, the Company will implement certain preventive measures at the Meeting, the details of which are set out in the section headed “Precautionary Measures for the Annual General Meeting” on page 3 of the circular of the Company dated 26 May 2021, to safeguard the health and safety of the attending shareholders of the Company, staff and other stakeholders.
- (2) A shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. If more than one proxy is so appointed, the form of proxy shall specify the number and class of shares in respect of which each such proxy is appointed. A proxy need not be a shareholder of the Company. In case of a joint holding, the form of proxy may be signed by any joint holder, but if more than one joint holder are present at the Meeting, whether in person or by proxy, that one of the joint holders whose name stands first on the register of members of the Company in respect of the relevant joint holding shall alone be entitled to vote in respect thereof.
- (3) The Company does not in any way wish to diminish the opportunity available to the shareholders of the Company to exercise their rights and to vote, but is conscious of the pressing need to protect the shareholders from possible exposure to COVID-19. **For the health and safety of the shareholders, the Company would like to encourage shareholders to exercise their right to vote at the Meeting by appointing the chairman of the Meeting as their proxy instead of attending the Meeting in person. Physical attendance is not necessary for the purpose of exercising shareholders’ rights.**
- (4) To be valid, the form of proxy together with any power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited with the Company’s share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 10:00 a.m. on Wednesday, 23 June 2021 or not later than 48 hours before the time appointed for holding any adjournment of the Meeting. Completion and return of the form of proxy will not preclude shareholders of the Company from attending and voting in person at the Meeting or any adjournment thereof should they so wish and, in such event, the form of proxy previously submitted shall be deemed to be revoked.
- (5) For determining the entitlement of the shareholders of the Company to attend and vote at the Meeting, shareholders of the Company whose names appear on the register of members of the Company at 4:30 p.m. on Monday, 21 June 2021 shall be entitled to attend and vote at the Meeting. In order to be entitled to attend and vote at the Meeting, all completed share transfer documents, accompanied by the relevant share certificates, must be lodged with the Company’s share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 21 June 2021.
- (6) For determining the entitlement to the final dividend for the year ended 31 December 2020, the register of members of the Company will be closed on Wednesday, 7 July 2021, on which day no transfer of shares will be registered. In order to qualify for the proposed final dividend for the year ended 31 December 2020, all completed share transfer documents, accompanied by the relevant share certificates, must be lodged with the Company’s share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong no later than 4:30 p.m. on Tuesday, 6 July 2021.
- (7) The above resolutions will be voted by way of poll as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
- (8) References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, the executive directors of the Company are Mr. Zhang Bin, Mr. Yang Tianzhou, Mr. Wang Tianlin and Mr. Li Shufang; and the independent non-executive directors of the Company are Professor Chang Qing, Mr. Lee Man Chun, Tony and Professor He Jia.