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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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)

**PROPOSED GRANTING OF GENERAL MANDATES TO REPURCHASE
SHARES AND TO ISSUE NEW SHARES OF THE COMPANY,
PROPOSED CHANGE OF AUDITORS
AND
PROPOSED RE-ELECTION OF DIRECTORS**

A notice convening the annual general meeting of the Company to be held at Boardroom 5, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Thursday, 21 June 2012 at 10:00 a.m. is set out on pages 12 to 16 of this circular.

Whether or not you are able to attend the annual general meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same as soon as possible and in any event not later than 48 hours before the time of the meeting or any adjournment thereof to the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

23 May 2012

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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 to be held at Boardroom 5, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Thursday, 21 June 2012 at 10:00 a.m., the notice of which is set out on pages 12 to 16 of this circular, and any adjournment thereof
“Articles”	the articles of association of the Company, as amended from time to time
“associates”	has the meaning ascribed to it under the Listing Rules
“Auditors”	auditors of the Company
“Board”	the board of Directors of the Company
“BDO”	BDO Limited, Certified Public Accountants
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Deloitte”	Deloitte Touche Tohmatsu, Certified Public Accountants
“Director(s)”	director(s) of the Company
“Extension Mandate”	a general and unconditional mandate 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 and issued under the Issue Mandate

DEFINITIONS

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate 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 aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution
“Latest Practicable Date”	18 May 2012, 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
“Repurchase Mandate”	a general and unconditional mandate to the Directors to enable them to repurchase Shares, the aggregate nominal amount of which shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent



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 Guotong (*Chairman*)

Yuan Shaoli (*Vice Chairman*)

Wang Hongxin (*Managing Director*)

Wang Tianlin (*Deputy General Manager*)

*Registered office and principal place
of the business in Hong Kong:*

Suite 6406

64th Floor

Central Plaza

18 Harbour Road

Wanchai, Hong Kong

Independent non-executive Directors:

Tsui Yiu Wa, Alec

Kwong Che Keung, Gordon

Ba Shusong

23 May 2012

To the Shareholders

Dear Sir or Madam,

**PROPOSED GRANTING OF GENERAL MANDATES TO REPURCHASE
SHARES AND TO ISSUE NEW SHARES OF THE COMPANY,
PROPOSED CHANGE OF AUDITORS
AND
PROPOSED RE-ELECTION OF DIRECTORS**

1. INTRODUCTION

The purpose of this circular is to provide Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) the granting of the Repurchase Mandate to the Directors; (ii) the granting of the Issue Mandate to the Directors; (iii) the extension of the Issue Mandate by adding to it the aggregate number of the issued Shares repurchased by the Company under the Repurchase Mandate; (iv) the change of Auditors and (v) the re-election of Directors.

LETTER FROM THE BOARD

2. PROPOSED GRANTING OF GENERAL MANDATES

At the annual general meeting of the Company held on 23 May 2011, ordinary resolutions were passed to, among other things, grant the general mandates to the Directors (i) to repurchase Shares, the aggregate nominal amount of which shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company on 23 May 2011; and (ii) to allot, issue and otherwise deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company on 23 May 2011.

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

Repurchase Mandate

At the Annual General Meeting, an ordinary resolution will be proposed in respect of the granting to the Directors of the Repurchase Mandate, in the terms set out in the notice of the Annual General Meeting, to purchase Shares on the Stock Exchange of an aggregate nominal amount of up to 10% of the aggregate nominal amount of the issued share capital of the Company on the date of passing of such resolution.

Issue Mandate

At the Annual General Meeting, an ordinary resolution will also be proposed to grant a general mandate to the Directors to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing the relevant resolution, equivalent to 832,690,445 Shares based on the total issued capital of the Company as at the Latest Practicable Date and assuming that the issued share capital of the Company remains unchanged up to the date of the Annual General Meeting.

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 issued Shares as at the date of the 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 Repurchase Mandate and the Issue Mandate will continue in force during the period ended on the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the date upon which such authority is revoked or varied at a general meeting of the Shareholders; and (iii) the date by which the next annual general meeting of the Company is required to be held by laws or the Articles. With reference to the Repurchase Mandate and the Issue Mandate, the Directors wish to state that they have no immediate plan to repurchase or issue any Shares pursuant thereto.

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 granting of the Repurchase Mandate. The explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in the Appendix I to this circular.

LETTER FROM THE BOARD

3. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Article 105 of the Articles and in compliance with code provisions A.4.2 and A.4.3 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, Mr. Kwong Che Keung, Gordon (“**Mr. Kwong**”), Mr. Tsui Yiu Wa, Alec (“**Mr. Tsui**”) and Mr. Ba Shusong (“**Mr. Ba**”) will retire as Directors by rotation and shall be eligible for re-election. Mr. Kwong, Mr. Tsui and Mr. Ba, being eligible, offer themselves for re-election as Directors at the Annual General Meeting. Brief biographical details of Mr. Kwong, Mr. Tsui and Mr. Ba are set out in Appendix II to this circular.

Mr. Kwong and Mr. Tsui have been serving as independent non-executive Directors for more than nine years since March 2003. Pursuant to the code provision A.4.3 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules: (a) having served the Company for more than nine years could be relevant to the determination of an independent non-executive director’s independence, and (b) if an independent non-executive director has served for more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders.

The Company has received from Mr. Kwong and Mr. Tsui confirmations of their independence pursuant to Rule 3.13 of the Listing Rules. Mr Kwong and Mr. Tsui have not engaged in any executive management of the Group. Taking into consideration of the independent scope of works of Mr. Kwong and Mr. Tsui in the past years, the Board considers each of Mr. Kwong and Mr. Tsui to be independent in character and judgment and there are no relationships or circumstances which are likely to affect (or could appear to affect) the judgment of them as independent non-executive Directors, notwithstanding the fact that Mr. Kwong and Mr. Tsui have served the Company for more than nine years. The Board unanimously acknowledges the contribution made by Mr. Kwong and Mr. Tsui in the past and believes that the re-appointment of Mr. Kwong and Mr. Tsui as the independent non-executive Directors is in the interest of the Company and Shareholders, and proposes to re-elect them as independent non-executive Directors by way of a separate resolution to be approved by the Shareholders in the Annual General Meeting.

4. PROPOSED CHANGE OF AUDITORS

Reference is made to the announcement of the Company dated 18 May 2012 relating to the proposed change of Auditors. Since the Company and Deloitte could not reach an agreement on the audit fee for the financial year ending 31 December 2012, Deloitte will retire as Auditors with effect from the close of the Annual General Meeting and will not seek for re-appointment.

The Board has resolved to recommend the appointment of BDO as the new Auditors following the above-mentioned retirement of Deloitte and such proposed appointment is subject to the approval of Shareholders at the Annual General Meeting.

LETTER FROM THE BOARD

The Company has received a confirmation letter dated 18 May 2012 from Deloitte confirming that there are no circumstances connected with its retirement that should be brought to the attention of the Shareholders or creditors of the Company. The Board has confirmed that there are no circumstances in respect of the proposed change of Auditors which shall be brought to the attention of the Shareholders. The Board and its audit committee have also confirmed that there is no disagreement with Deloitte and the Board has no unresolved issue regarding the change of Auditors.

5. ACTIONS TO BE TAKEN

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 Shareholders intend to attend the Annual General Meeting (or any adjournment thereof), they are requested to complete the accompanying form of proxy and return it to the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting if they so wish.

6. VOTING BY POLL

Pursuant to the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll. 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).

7. RECOMMENDATION

The Directors consider that the granting of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the change of Auditors and the re-election of Directors are all in the interests of the Company and the Shareholders and so recommend the Shareholders to vote in favour of all resolutions to be proposed at the Annual General Meeting.

8. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,
For and on behalf of the Board of
China Chengtong Development Group Limited
Wang Hongxin
Managing Director

This Appendix serves as an explanatory statement, as required by the Listing Rules to provide Shareholders with all necessary information which enables Shareholders to make an informed decision as to whether to vote for or against the ordinary resolution concerning the granting of the Repurchase Mandate. The Appendix also constitutes the memorandum required under Section 49BA (3)(b) of the Companies Ordinance.

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 have been recognized by the Securities and Futures Commission of Hong Kong 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 4,163,452,227 Shares in issue.

Subject to the passing of the proposed resolution concerning the granting of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company will be allowed to repurchase up to 416,345,222 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 its Shareholders.

4. FUNDING OF REPURCHASES

Repurchases would be financed by the funds that are legally available for such purposes in accordance with the memorandum and Articles of the Company 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 2011, 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 requirements or the gearing levels of the Company unless the Directors consider that such purchases are in the best interests of the Company.

5. SHARE PRICES

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

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2011		
May	0.520	0.470
June	0.495	0.435
July	0.510	0.440
August	0.480	0.390
September	0.415	0.300
October	0.380	0.280
November	0.365	0.310
December	0.330	0.265
2012		
January	0.310	0.246
February	0.395	0.305
March	0.360	0.275
April	0.345	0.280
May (up to the Latest Practicable Date)	0.315	0.260

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 Rule 32 of the Takeovers Code. As such, a Shareholder or group of Shareholders acting in concert (as defined under the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, World Gain Holdings Limited, the Company's holding company was interested in 2,286,343,570 Shares, representing approximately 54.91% of the total issued share capital of the Company. The entire issued share capital of World Gain Holdings Limited is beneficially owned by China Chengtong Hong Kong Company Limited ("CCHK") and the entire issued share capital of which is beneficially owned by China Chengtong Holdings Group Limited ("CCHG"). On the basis that there are 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 Holdings Limited in the issued share capital of the Company would be increased to approximately 61.01% if the Repurchase Mandate is 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 to repurchase Shares is 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 nor (to the best of their knowledge after having made all reasonable enquiries) any of their Associates 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 connected persons of the Company has notified the Company of his present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any Shares held by him 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 existing Articles are set out below:

MR. KWONG CHE KEUNG, GORDON, AGED 62, INDEPENDENT NON-EXECUTIVE DIRECTOR

Length of service and remuneration

Mr. Kwong joined the Group in March 2003. Mr. Kwong has signed a service contract with a specific term of one year with the Company but is subject to retirement by rotation and re-election pursuant to the Articles of the Company. Mr. Kwong is entitled to receive a monthly payment of HK\$30,000 as his director's fee. His remuneration is determined by the remuneration committee and the Board in accordance with his duties and market conditions.

Apart from being an independent non-executive Director of the Company, the chairman of the audit committee and a member of the remuneration committee and nomination committee, Mr. Kwong did not hold any other position in other members within the Group.

Qualification and experience

Mr. Kwong graduated from the University of Hong Kong with a Bachelor of Social Science degree in 1972, and is a fellow member of the Institute of Chartered Accountants in England and Wales and Hong Kong Institute of Certified Public Accountants. From 1984 to 1998, he was a partner of Pricewaterhouse, and served as a council member of the Stock Exchange from 1992 to 1997. He is currently serving as an independent non-executive director of a number of companies listed on the Stock Exchange, including China COSCO Holdings Company Limited, NWS Holdings Limited, OP Financial Investments Limited, Global Digital Creations Holdings Limited, Quam Limited, China Power International Development Limited, Henderson Land Development Company Limited, Henderson Investment Limited, Agile Property Holdings Limited, CITIC Telecom International Holdings Limited and Chow Tai Fook Jewellery Group Limited. Previously, Mr. Kwong was served as an independent non-executive director of Beijing Capital International Airport Company Limited, China Oilfield Services Limited, COSCO International Holdings Limited, Frasers Property (China) Limited, Ping An Insurance (Group) Company of China and Tianjin Development Holdings Limited, all of which are listed public companies in Hong Kong. Save as aforesaid, Mr. Kwong did not hold any directorship in other listed companies in the last three years.

Interests in Shares or underlying shares

As at the Latest Practicable Date, Mr. Kwong was not interested or deemed to be interested in any shares of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance.

Relationship

As at the Latest Practicable Date, Mr. Kwong did not have any relationship with any other Director, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in Listing Rules) of the Company.

Others

Mr. Kwong does not have any information which is required to be disclosed under rule 13.51(2) of the Listing Rules. Save as disclosed herein, there are no other matters in relation to his re-election that need to be brought to the attention of the Shareholders.

MR. TSUI YIU WA, ALEC, AGED 62, INDEPENDENT NON-EXECUTIVE DIRECTOR**Length of service and remuneration**

Mr. Tsui joined the Group in March 2003. Mr. Tsui has signed a service contract with a specific term of one year with the Company but is subject to retirement by rotation and re-election pursuant to the Articles of the Company. Mr. Tsui is entitled to receive a monthly payment of HK\$30,000 as his director's fee. His remuneration is determined by the remuneration committee and the Board in accordance with his duties and market conditions.

Apart from being an independent non-executive Director of the Company, the chairman of the remuneration committee, a member of the audit committee and the nomination committee, Mr. Tsui did not hold any other position in other members within the Group.

Qualification and experience

Mr. Tsui graduated from the University of Tennessee in the United States with a Bachelor of Science degree and a Master of Engineering degree in industrial Engineering. He completed a Program for Senior Managers in Government at the John F. Kennedy School of Government of Harvard University. He has numerous years of experience in finance and administration, corporate and strategic planning, information technology as well as human resources management. He is currently the chairman of WAG Worldsec Corporate Finance Limited. Mr. Tsui was the Chairman of the Hong Kong Securities Institute from 2001 to 2004, and the Chief Operating Officer of Hong Kong Exchanges and Clearing Limited in 2000. Mr. Tsui is also an independent non-executive director of a number of listed companies in Hong Kong, Shanghai and Nasdaq, including China BlueChemical Limited, China Power International Development Limited, COSCO International Holdings Limited, China Oilfield Services Limited, Melco Crown Entertainment Limited, Pacific Online Limited, ATA Inc. and Summit Ascent Holdings Limited. He is also the chairman of Hong Kong Professional Consultants Association Limited, and an independent director of Industrial and Commercial Bank of China (Asia) Limited (which was listed on the Stock Exchange till December 2010 when it was privatised), as well as an

independent non-executive director of Ageas Insurance Company (Asia) Limited and Ageas Asia Holding Limited. During the last three years, Mr. Tsui was an independent non-executive director of China Hui Yuan Juice Group Limited, Greentown China Holdings Limited and Vertex Group Limited. Save as aforesaid, Mr. Tsui did not hold any directorship in other listed companies in the last three years.

Interests in Shares or underlying shares

As at the Latest Practicable Date, Mr. Tsui was not interested or deemed to be interested in any shares of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance.

Relationship

As at the Latest Practicable Date, Mr. Tsui did not have any relationship with any other Director, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in Listing Rules) of the Company.

Others

Mr. Tsui does not have any information which is required to be disclosed under rule 13.51(2) of the Listing Rules. Save as disclosed herein, there are no other matters in relation to his re-election that need to be brought to the attention of the Shareholders.

MR. BA SHUSONG, AGED 42, INDEPENDENT NON-EXECUTIVE DIRECTOR**Length of service and remuneration**

Mr. Ba joined the Group in April 2007. Mr. Ba has signed a service contract with a specific term of one year with the Company but is subject to retirement by rotation and re-election pursuant to the Articles of the Company. Mr. Ba is entitled to receive a monthly payment of HK\$20,000 as his director's fee. His remuneration is determined by the remuneration committee and the Board in accordance with his duties and market conditions.

Apart from being an independent non-executive Director of the Company and a member of the audit committee, Mr. Ba did not hold any other position in other members within the Group.

Qualification and experience

Mr. Ba obtained his bachelor and master degrees in 1991 and 1994 from the Huazhong University of Science and Technology and in 1999, he obtained his doctorate degree from the Central University of Finance and Economics. From 2000 to 2002, he conducted his post-doctoral research in Peking University Centre of China Economic Research, his major research areas were risk management of financial institutes, corporate governance and regulatory regime of financial markets. Mr. Ba is the vice director of the Finance Research Institute, Development Research Centre of the State Council of the PRC and also the Chief Economist of China Banking Association, a deputy secretary-general of China Society of Macroeconomics and a member of the Fund Panel of the Department of Fund Supervision (基金監管部基金評審委員會委員) of the China Securities Regulatory Commission, an examination panel member of the China Banking Regulatory Commission. He is currently an independent director of Guoyuan Securities Co., Ltd. (a company listed on the Shenzhen Stock Exchange), an independent non-executive director of Shanghai Great Wisdom Co., Ltd. (a company are listed on Shanghai Stock Exchange), and an independent director of Guosen Securities Co., Ltd. and Dalian Wangda Commercial Properties Co., Ltd.. He was also an independent non-executive director of Temujin International Investments Limited (a company listed on the main board of the Stock Exchange, currently known as China Investment Development Limited), Industrial Bank Co. Ltd. (a company listed on Shanghai Stock Exchange) and Da An Gene Co., Ltd. of Sun Yat-Sen University (a company listed on the Shenzhen Stock Exchange). In addition, he serves in a number of government committees and certain non-government organizations committees and works as a part-time professor and postgraduate supervisor at a number of universities such as the University of Science and Technology of China and Huazhong University of Science and Technology. Other than the above, Mr. Ba did not hold any directorship in other listed companies in the last three years.

Interests in Shares or underlying shares

As at the Latest Practicable Date, Mr. Ba was not interested or deemed to be interested in any other shares of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance.

Relationship

As at the Latest Practicable Date, Mr. Ba did not have any relationship with any other Director, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in Listing Rules) of the Company.

Others

Mr. Ba does not have any information which is required to be disclosed under rule 13.51(2) of the Listing Rules. Save as disclosed herein, there are no other matters in relation to his re-election that need to be brought to the attention of the Shareholders.

NOTICE OF THE 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 THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of China Chengtong Development Group Limited (the “**Company**”) will be held at Boardroom 5, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Thursday, 21 June 2012 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 of the Company and the Company’s auditors for the year ended 31 December 2011.
2.
 - A. To re-elect Mr. Kwong Che Keung, Gordon as an independent non-executive director of the Company.
 - B. To re-elect Mr. Tsui Yiu Wa, Alec as an independent non-executive director of the Company.
 - C. To re-elect Mr. Ba Shusong as an independent non-executive director of the Company.
 - D. To authorize the board of directors of the Company to fix the remuneration of its directors.
3. To appoint Messrs. BDO Limited as Auditors of the Company and authorize the board of directors of the Company to fix their remuneration;

A special notice has been received from a Shareholder of the Company, pursuant to sections 116C and 132(1)(a) of the Companies Ordinance (Cap. 32) of the Laws of Hong Kong, of the intention to propose the following resolution as an ordinary resolution:

“**THAT** Messrs. BDO Limited be and are hereby appointed as auditors of the Company to fill the casual vacancy following the retirement of Messrs. Deloitte Touche Tohmatsu to hold office until the conclusion of the next annual general meeting, at a fee to be agreed with the Board.”

NOTICE OF THE ANNUAL GENERAL MEETING

SPECIAL BUSINESS

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

4. **“THAT:**

- (a) subject to paragraph (c) of this resolution, pursuant to Section 57B of the Companies Ordinance (Chapter 32 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 (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares (each, a “**Share**”) of HK\$0.10 each in the share capital of the Company 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 authorize the Directors during the Relevant Period 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 would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the Directors pursuant to the approval 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 aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and

NOTICE OF THE ANNUAL GENERAL MEETING

(bb) (if the Directors are so authorized by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company which may be purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution),

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

(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is 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 by the articles of association of the Company, the Companies Ordinance or any applicable law of Hong Kong to be held; and
- (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, or the expense or delay which may be involved in determining the existence or extent of 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).”

NOTICE OF THE ANNUAL GENERAL MEETING

5. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company (“**Director**”) during the Relevant Period (as defined in paragraph (c) below) of all powers of the Company to purchase shares (each, a “**Share**”) of HK\$0.10 each in the share capital of the Company 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 and the Stock Exchange for such purpose, or otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Ordinance and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is 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 by the articles of association of the Company, the Companies Ordinance or any applicable law of Hong Kong to be held; and
 - (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.”

6. **“THAT** conditional on the passing of resolutions numbered 4 and 5 above, the general mandate granted to the directors of the Company pursuant to paragraph (a) of resolution numbered 4 above be and it is hereby extended by the addition to the aggregate nominal amount of the shares of HK\$0.10 each in the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company purchased or agreed to be purchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 5 above.”

By order of the Board
China Chengtong Development Group Limited
Wang Hongxin
Managing Director

Hong Kong, 23 May 2012

NOTICE OF THE ANNUAL GENERAL MEETING

Registered Office in Hong Kong:
Suite 6406
64th Floor
Central Plaza
18 Harbour Road
Wan Chai, Hong Kong

Notes:

1. A member 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 member 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 is 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 in respect of the relevant joint holding shall alone be entitled to vote in respect thereof.
2. 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, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude members of the Company from attending and voting in person at the meeting or any adjournment thereof should they so wish.
3. In relation to proposed resolutions numbered 4 and 6 above, approval is being sought from the shareholders for the grant to the directors of a general mandate to authorize the allotment and issue of shares under the Listing Rules. The directors have no immediate plans to issue any new shares of the Company other than shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by shareholders.
4. In relation to proposed resolution numbered 5 above, the directors wish to state that they will exercise the powers conferred thereby to purchase shares in circumstances which they deem appropriate for the benefit of the shareholders.
5. Delivery of a form of proxy should not preclude a shareholder from attending and voting in person at the above meeting or any adjournment thereof and in such event, the form of proxy shall be deemed to be revoked.
6. Voting by poll

Each of the above resolutions will be voted by way of poll as required by the Listing Rules.