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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)

CHANGE OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHANGE OF COMPOSITION OF THE AUDIT COMMITTEE, NOMINATION COMMITTEE AND REMUNERATION COMMITTEE

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board announces that with effect from 1 September 2015, Mr. Chan Sheung Lai resigned as an INED, the chairman of the Audit Committee, and a member of each of the Nomination Committee and Remuneration Committee.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board also announces that Professor He Jia has been appointed as an INED with effect from 1 September 2015.

CHANGE OF COMPOSITION OF THE AUDIT COMMITTEE, NOMINATION COMMITTEE AND REMUNERATION COMMITTEE

The Board also announces that with effect from 1 September 2015: (i) the Audit Committee consists of Mr. Lee Man Chun, Tony as the chairman, and each of Mr. Chang Qing and Professor He Jia as a member; (ii) the Nomination Committee consists of Mr. Chang Qing as the chairman, and each of Mr. Yuan Shaoli and Mr. Lee Man Chun, Tony as a member; and (iii) the Remuneration Committee consists of Professor He Jia as the chairman, and each of Mr. Lee Man Chun, Tony and Mr. Wang Hongxin as a member.

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The board (“**Board**”) of directors (“**Directors**”, each, a “**Director**”) of China Chengtong Development Group Limited (“**Company**”, together with its subsidiaries, the “**Group**”) announces that with effect from 1 September 2015, Mr. Chan Sheung Lai (“**Mr. Chan**”) resigned as an independent non-executive Director (“**INED**”), the chairman of the audit committee of the Board (“**Audit Committee**”), and a member of each of the nomination committee of the Board (“**Nomination Committee**”) and the remuneration committee of the Board (“**Remuneration Committee**”) due to his other business commitments which require more of his time.

Mr. Chan has confirmed that he has no disagreement with the Board and there are no matters in relation to his resignation which should be brought to the attention of the shareholders of the Company (“**Shareholders**”). The Board is also not aware of any such matters in relation to the resignation of Mr. Chan that need to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to thank Mr. Chan for his contributions to the Company during his tenure of office.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board announces that Professor He Jia (“**Prof. He**”) has been appointed as an INED with effect from 1 September 2015.

Prof. He, aged 60, is the leading professor of the Faculty of Financial Mathematics and Engineering at the South University of Science and Technology of China and a jointly-appointed professor at the Tsinghua University. He was previously a professor of the Department of Finance and a director of the MBA program in Finance at the Chinese University of Hong Kong. Currently, Prof. He also acts as a financial consultant for the Chengdu and Quanzhou municipal governments, with the experience of being 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. He is an editor of China Financial Economics Review, and is serving as a member of the editorial boards of a number of journals, including China Accounting and Finance Review and Research in Banking and Finance. He holds a Doctor of Philosophy degree in Finance from the Wharton School of University of Pennsylvania, the United States.

Prof. He is an independent non-executive director of OP Financial Investments Limited (stock code: 1140), the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), and an independent director of Tsinghua Tongfang Co., Ltd. (stock code: 600100), the shares of which are listed on the Shanghai Stock Exchange.

Save as disclosed above, Prof. He did not hold any directorships in any other publicly listed companies in the last three years.

Prof. 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 Prof. He, Bohong Asset Management had not commenced any business since its incorporation. According to section 291 of the Predecessor Companies Ordinance, 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.

Prof. He is currently subject to a bind-over order granted by the Magistrate’s court on 1 August 2014 for a sum of HK\$2,000 for 18 months in relation to one count of common assault for which the prosecution has subsequently offered no evidence and the charge was dismissed by the court accordingly. The incident was due to a minor dispute between Prof. He and his former colleague at the Chinese University of Hong Kong. The Board believes that the subsisting bind-over order would by no means undermine the standards required of Prof. He, or otherwise adversely affect his performance of duties and responsibilities, as an INED of the Company.

Save as disclosed in this announcement, Prof. He does not hold any other positions with the Company or any of its subsidiaries. As at the date of this announcement, Prof. He has no relationships with any Directors, senior management or substantial or controlling Shareholders of the Company and does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Pursuant to the appointment letter entered into between Prof. He and the Company, Prof. He has been appointed for a fixed term from 1 September 2015 to 30 June 2016, subject to early termination by two months’ prior notice by either party. His appointment shall be subject to retirement by rotation and re-election at general meeting of the Company in accordance with the articles of association of the Company and the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”). According to the appointment letter, Prof. He shall be entitled to a monthly director’s fee of HK\$30,000 which was determined with reference to his responsibilities with the Company, the Company’s remuneration policy and the prevailing market conditions.

Save as disclosed above, there are no matters relating to the appointment of Prof. He that need to be brought to the attention of the Shareholders, nor is there any other information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

The Board would like to take this opportunity to welcome Prof. He in joining the Company as an INED.

CHANGE OF COMPOSITION OF THE AUDIT COMMITTEE, NOMINATION COMMITTEE AND REMUNERATION COMMITTEE

The Board also announces that with effect from 1 September 2015:

- (1) Mr. Lee Man Chun, Tony (“**Mr. Lee**”) ceased to be the chairman of the Remuneration Committee and has been appointed as the chairman of the Audit Committee in replacement of Mr. Chan. Mr. Lee remains as a member of the Nomination Committee and the Remuneration Committee.
- (2) Prof. He has been appointed as the chairman of the Remuneration Committee in replacement of Mr. Lee and as a member of the Audit Committee.
- (3) Mr. Yuan Shaoli (“**Mr. Yuan**”) ceased to be the chairman of the Nomination Committee and the member of the Remuneration Committee. Mr Yuan remains as a member of the Nomination Committee.
- (4) Mr. Chang Qing (“**Mr. Chang**”) has been appointed as the chairman of the Nomination Committee in replacement of Mr. Yuan . Mr. Chang also remains as a member of the Audit Committee.
- (5) Mr. Wang Hongxin has been appointed as a member of the Remuneration Committee.

After the above changes becoming effective, (i) the Audit Committee consists of Mr. Lee as the chairman, and each of Mr. Chang and Prof. He as a member; (ii) the Nomination Committee consists of Mr. Chang as the chairman, and each of Mr. Yuan and Mr. Lee as a member; and (iii) the Remuneration Committee consists of Prof. He as the chairman, and each of Mr. Lee and Mr. Wang Hongxin as a member.

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

Hong Kong, 1 September 2015

As at the date of this announcement, the executive Directors are Mr. Yuan Shaoli, Mr. Wang Hongxin, Mr. Wang Tianlin and Mr. Zhang Bin; and the independent non-executive Directors are Mr. Chang Qing, Mr. Lee Man Chun, Tony and Professor He Jia.