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CHINA CHENGTONG DEVELOPMENT GROUP LIMITED

中國誠通發展集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 217)

APPOINTMENT OF EXECUTIVE DIRECTORS, CHANGE OF MANAGING DIRECTOR AND CHANGE OF COMPOSITION OF THE EXECUTIVE COMMITTEE

The board (“**Board**”) of directors (“**Director(s)**”) of China Chengtong Development Group Limited (“**Company**”) hereby announces that Mr. Yang Tianzhou (“**Mr. Yang**”) and Mr. Li Shufang (“**Mr. Li**”) have been appointed as executive Directors and members of the executive committee of the Board with effect from 22 October 2019.

The Board hereby further announces that, with effect from 22 October 2019, Mr. Zhang Bin (“**Mr. Zhang**”), an existing executive Director and the chairman of the Board, has resigned as the managing Director of the Company and Mr. Yang has been appointed as the new managing Director of the Company in place of Mr. Zhang.

Mr. Zhang has been performing both the roles of the chairman of the Board and the managing Director since 26 June 2019 and this constituted a deviation from Code Provision A.2.1 of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”). Following the appointment of Mr. Yang as the new managing Director of the Company, Mr. Zhang will remain as the chairman of the Board. As the roles of chairman and managing Director are now separate and performed by different individuals, the Company has re-complied with Code Provision A.2.1 of the Corporate Governance Code.

Mr. Zhang has confirmed that he has no disagreement with the Board and there are no matters that need to be brought to the attention of the shareholders of the Company in relation to his resignation as the managing Director.

The biographical details of Mr. Yang and Mr. Li are set out below.

Mr. YANG TIANZHOU

Mr. Yang, aged 47, obtained a bachelor's degree in economics and a master's degree in business administration from Peking University in 1996 and 2011 respectively. In September 2009, he was accredited as a chartered financial analyst by CFA Institute. Mr. Yang worked in various departments and affiliated institutions of the State Administration of Foreign Exchange (“SAFE”) of the People's Republic of China (“PRC”) during the period from 2003 to 2013. During the period, Mr. Yang worked as the deputy director of the Business Supervision Office (業務監管處) of SAFE and the Strategic Research Division of the Reserve Management Department (儲備管理司戰略研究處) of SAFE, as the vice-representative of the representative office of the People's Bank of China in America and the chief dealer of the New York Trading Office (紐約交易室) of SAFE, and as the director of the General Affairs Division of the SAFE Investment Centre (中央外匯業務中心綜合處).

During the period from 2013 to 2017, Mr. Yang served as the deputy mayor of Dezhou City, Shandong Province, the PRC and worked as the vice-president of the Hunan branch of the Export-Import Bank of China. From July 2017 to May 2019, he worked as the general manager of Polaris Bay Group Company Limited, whose shares are listed on the Shanghai Stock Exchange (stock code: 600155). Since September 2019, Mr. Yang has been working as the deputy general manager of China Chengtong Hong Kong Company Limited (“CCHK”), which is a wholly-owned subsidiary of China Chengtong Holdings Group Limited (“CCHG”), the ultimate holding company of the Company. In addition, Mr. Yang is currently a director of a Hong Kong subsidiary of CCHK.

Save as disclosed above, as at the date of this announcement, Mr. Yang (i) does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company; (ii) does not hold any other major appointments or qualifications; and (iii) does not hold other positions with the Company or other members of the Group.

As at the date of this announcement, Mr. Yang (i) has not held any directorship in any other listed companies in Hong Kong or overseas in the last three years; and (ii) is not interested or deemed to be interested in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”).

Pursuant to the director's appointment letter made between Mr. Yang and the Company, Mr. Yang has been appointed for a period commencing on 22 October 2019 and ending on 30 June 2020 (both days inclusive), subject to the rotation and re-election requirements under the articles of association of the Company. Mr. Yang's remuneration will be recommended by the remuneration committee with reference to his qualifications, experience and level of responsibilities undertaken and the prevailing market conditions and determined by the Board in due course.

Mr. Yang has confirmed that, save as disclosed above, there are no other matters in connection with his appointment that need to be brought to the attention of the shareholders of the Company and there is no information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Mr. LI SHUFANG

Mr. Li, aged 51, obtained a bachelor's degree in investment economics management from Dongbei University of Finance and Economics in 1990 and a master's degree in business administration from Tsinghua University in 2001.

Mr. Li has worked in various departments (including the finance department and the investment department) of 中國物資開發投資總公司 (unofficial English translation being China Materials Development and Investment Corporation) (currently known as 中國紙業投資有限公司 China Paper Investment Corporation Limited), which is a wholly-owned subsidiary of CCHG, during the period from August 1990 to January 2001. During 2001 to 2004, Mr. Li worked as deputy general manager or business manager in various private companies in the PRC.

Mr. Li joined the Company as senior manager in January 2005 and has been working as the assistant to general manager of the Company since July 2010. Mr. Li is also currently a director of a number of subsidiaries of the Company. Since September 2019, Mr. Li has also been working as the deputy general manager of CCHK.

Mr. Li was a director of Evolve Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company, prior to its dissolution. Evolve Limited had been engaged in property leasing business until 2004 and an application for its deregistration was submitted in March 2018. Evolve Limited was dissolved by deregistration on 3 August 2018 under section 751 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

Save as disclosed above, as at the date of this announcement, Mr. Li (i) does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company; (ii) does not hold any other major appointments or qualifications; and (iii) does not hold other positions with the Company or other members of the Group.

As at the date of this announcement, Mr. Li has not held any directorship in any other listed companies in Hong Kong or overseas in the last three years.

As at the date of this announcement, Mr. Li is interested in 200,000 shares of the Company which were awarded to him under the Company's share award scheme in 2012. Save as disclosed above, Mr. Li is not interested or deemed to be interested in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Pursuant to the director's appointment letter made between Mr. Li and the Company, Mr. Li has been appointed for a period commencing on 22 October 2019 and ending on 30 June 2020 (both days inclusive), subject to the rotation and re-election requirements under the articles of association of the Company. Mr. Li's remuneration will be recommended by the remuneration committee with reference to his qualifications, experience and level of responsibilities undertaken and the prevailing market conditions and determined by the Board in due course.

Mr. Li has confirmed that, save as disclosed above, there are no other matters in connection with his appointment that need to be brought to the attention of the shareholders of the Company and there is no information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

The Board hereby would like to express its warmest welcome to Mr. Yang and Mr. Li for joining the Board.

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

Hong Kong, 22 October 2019

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