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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)**

### COMPLETION OF THE TOP-UP PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES

**Placing Agent**



**Oriental Patron Asia Limited**

The Board is pleased to announce that completion of the Placing took place on 11 August 2006 where a total of 332,000,000 Placing Shares beneficially owned by the Vendor were placed to three placees, who and (where a corporation) whose ultimate beneficial owners (i) are not connected persons (as defined under the Listing Rules) of the Company; and (ii) are independent of the Company and its connected persons (as defined under the Listing Rules); and (iii) are independent of and not acting in concert with the Vendor and its concert parties (within the meaning of the Code) and the other placees, at HK\$0.30 per Placing Share.

The Board is also pleased to announce that all the conditions of the Subscription stated in the Top-Up Placing and Subscription Agreement have been fulfilled and the Subscription was completed on 18 August 2006.

Following completion of the Placing and the Subscription, the shareholding of the Vendor is diluted from approximately 36.05% to approximately 30.12% of the existing issued share capital of the Company.

Reference is made to the announcement of the Company dated 8 August 2006 (the “**Announcement**”), relating to, among others, the Placing and the Subscription.

Unless otherwise defined, terms used herein have the same meanings as in the Announcement.

The Board is pleased to announce that completion of the Placing took place on 11 August 2006 where a total of 332,000,000 Placing Shares beneficially owned by the Vendor were placed to three placees, who and (where a corporation) whose ultimate beneficial owners (i) are not connected persons (as defined under the Listing Rules) of the Company; and (ii) are independent of the Company and its connected persons (as defined under the Listing Rules); and (iii) are independent of and not acting in concert with the Vendor and its concert parties (within the meaning of the Code) and the other placees, at HK\$0.30 per Placing Share.

The Board is also pleased to announce that all the conditions of the Subscription stated in the Top-Up Placing and Subscription Agreement have been fulfilled and the Subscription was completed on 18 August 2006.

The shareholding structure of the Company immediately before and after the completion of the Placing and the Subscription are as follows:

Names of Shareholders	No. of Shares held as at the date of the Top-Up Placing and Subscription Agreement		No. of Shares held immediately after completion of the Placing but before the Subscription		No. of Shares held immediately after completion of the Placing and the Subscription	
		%		%		%
The Vendor and parties acting in concert with it ( <i>notes 1 and 2</i> )	608,201,500	36.05	276,201,500	16.37	608,201,500	30.12
Sub-total	608,201,500	36.05	276,201,500	16.37	608,201,500	30.12
Public (excluding placees)	1,046,703,468	62.04	1,046,703,468	62.04	1,046,703,468	51.84
Placees						
Mr. Hua Sheng	32,200,000	1.91	98,600,000	5.85	98,600,000	4.89
Mr. Dai Fan	Nil	Nil	99,600,000	5.90	99,600,000	4.93
Benemo Corporation	Nil	Nil	166,000,000	9.84	166,000,000	8.22
Total	<u>1,687,104,968</u>	<u>100.00</u>	<u>1,687,104,968</u>	<u>100.00</u>	<u>2,019,104,968</u>	<u>100.00</u>

*Notes:*

- (1) The Vendor is the legal and beneficial owner of all these 608,201,500 Shares.
- (2) The entire issued share capital of the Vendor is wholly and beneficially owned by China Chengtong Hong Kong Limited and the entire share capital of which is wholly and beneficially owned by China Chengtong Holdings Group Limited (formerly known as China Chengtong Holdings Company).
- (3) No accounts has been taken in respect of any share options which have been or may be granted by the Company under its share option scheme.

By order of the Board  
**China Chengtong Development Group Limited**  
**Ma Zhengwu**  
*Chairman*

Hong Kong, 18 August 2006

*As at the date of this announcement, the executive Directors are Mr. Zhang Guotong and Mr. Wang Hongxin; the non-executive Directors are Mr. Ma Zhengwu, Mr. Hong Shuikun, Mr. Gu Laiyun and Ms. Xu Zhen; and the independent non-executive Directors are Mr. Kwong Che Keung, Gordon, Mr. Tsui Yiu Wa, Alec and Mr. Lao Youan.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*