



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 EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**Meeting**”) of China Chengtong Development Group Limited (“**Company**”) will be held on Monday, 19 March 2007 at Lavender Room, 27th Floor, The Park Lane Hong Kong, 310 Gloucester Road, Hong Kong at 10:30 a.m., for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as Ordinary Resolutions of the Company:

1. “**THAT** subject to and conditional upon: (i) the passing of ordinary resolution numbered 2 as set out in the notice convening the Meeting; (ii) the Executive (as defined in the circular (the “**Circular**”) of the Company dated 1 March 2007) granting to World Gain (as defined in the Circular) and parties acting in concert with it the Whitewash Waiver (as defined in the Circular) and the satisfaction of any condition attached to the Whitewash Waiver (as defined in the Circular) imposed by the Executive; (iii) the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Rights Shares (as defined below) (in both nil-paid and fully-paid forms); (iv) the filing and registration of all documents relating to the Rights Issue (as defined below), which are required by law to be filed or registered with the Registrar of Companies in Hong Kong in accordance with the Companies Ordinance (Chapter 32 of the Laws of Hong Kong); and (v) the obligation of the Underwriter (as defined in the Circular) under the Underwriting Agreement (as defined in the Circular) becoming unconditional and not being terminated in accordance with the terms of the Underwriting Agreement:
 - (a) the issue by way of rights (“**Rights Issue**”) of not less than 607,051,490 new shares and not more than 616,021,490 new shares of HK\$0.10 each in the share capital of the Company (“**Rights Shares**”) to the shareholders (“**Shareholders**”) of the Company whose names appear on the register of members of the Company on Monday, 19 March 2007 in the proportion of three (3) Rights Shares for every ten (10) shares of the company then held at the subscription price of HK\$0.33 per Rights Share and otherwise on the terms and conditions set out in the Circular, a copy of which has been produced to the Meeting marked “A” and initialled by the chairman of the Meeting for the purpose of identification be and is hereby approved;
 - (b) the directors (“**Directors**”) of the Company be and are hereby authorised to allot and issue the Rights Shares pursuant to or in connection with the Rights Issue provided that in the case of Shareholders whose addresses as shown on the register of members of the Company on Monday, 19 March 2007 are in any place outside Hong Kong and the Directors, based on the enquiry made by the Company, consider it necessary or expedient not to offer the Rights Shares to such Shareholders (“**Excluded Shareholders**”) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Shares shall not be issued to the Excluded Shareholders but shall be aggregated and issued to a nominee to be named by the Company and such Rights Shares shall be sold in the market as soon as practicable after dealings in Rights Shares in their nil-paid form commence and the proceeds of such sale (after deduction of expenses) of HK\$100 or more will be paid pro rata to the Excluded Shareholders and the Company shall retain any individual amount of less than HK\$100;
 - (c) the Directors be and are hereby authorised to make such other exclusions or other arrangements in relation to the Excluded Shareholders as they may deem necessary or expedient and generally to do such things or make such arrangements as they may think fit to effect the Rights Issue; and
 - (d) the Directors be and are hereby authorised to do all such acts and things, to sign and execute all such further documents and to take such steps as the Directors may in their absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Rights Issue and the Underwriting Agreement or any of the transactions contemplated thereunder”.
2. “**THAT** subject to the Executive (as defined in the Circular) granting to World Gain (as defined in the Circular) and parties acting in concert with it the Whitewash Waiver (as defined in the Circular) and the satisfaction of any condition attached to the Whitewash Waiver imposed by the Executive, the waiver pursuant to Note 1 on dispensations from Rule 26 of the Hong Kong Code on Takeovers and Mergers (“**Takeovers Code**”) waiving any obligation on the part of World Gain and parties acting in concert with it to make a mandatory general offer to the shareholders of the Company to acquire shares in the Company other than those already owned by World

Gain and parties acting in concert with it which would otherwise arise under Rule 26.1 of the Takeovers Code as a result of any issue and allotment pursuant to application(s) made by World Gain and parties acting in concert with it under the Rights Issue, terms of which are set out in the Circular, a copy of which has been produced to the Meeting marked "A" and initialled by the chairman of the Meeting for the purpose of identification be and is hereby approved."

3. "THAT:

- (a) the general mandate granted to the directors ("**Directors**") of the Company to exercise the power of the Company to allot, issue and deal with shares of the Company pursuant to ordinary resolution numbered 4 passed by the shareholders of the Company at its annual general meeting held on 23 June 2006 ("**Current Share Issue Mandate**"), to the extent not already exercised by the Directors, be and is hereby revoked provided that any exercise of powers of the Company to allot and issue shares in the capital of the Company under the Current Share Issue Mandate prior to the passing of this resolution shall not in any way be affected or prejudiced;
- (b) subject to paragraph (d) below 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, the exercise by the Directors during the Relevant Period (as defined in paragraph (e) below of this resolution) of all the powers of the Company to allot, issue or otherwise deal with the unissued Shares (as defined in paragraph (e) below of this resolution) of the Company, and to make or grant offers, agreements and options (including warrants, bonds, debentures and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (c) the approval in paragraph (b) above of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, notes, debentures 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;
- (d) the aggregate nominal amount of share capital of the Company allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs (b) and (c) above of this resolution, otherwise than pursuant to
 - (i) a Rights Issue (as defined in paragraph (e) below of this resolution);
 - (ii) the exercise of any options granted under the share option schemes or similar arrangement for the time being adopted by the Company; 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 ("**Articles**") 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 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 nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate amount of the share capital of the Company in issue on the date of the passing of this resolution),
- and the said approval in paragraphs (b) and (c) above of this resolution shall be limited accordingly; and
- (e) for the purpose of this resolution:

"**Shares**" means shares of HK\$0.10 each in the share capital of the Company or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company of such nominal amount as shall result from any such sub-division, consolidation, re-classification or re-construction;

"**Relevant Period**" means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of this resolution;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, the Companies Ordinance or any applicable law of Hong Kong to be held; or
- (iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**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 the holders of Shares or any class of Shares whose names appear on the registers of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions 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 jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

4. “**THAT:**

- (a) the general mandate granted to the directors (“**Directors**”) of the Company to exercise the power of the Company to repurchase shares of the Company pursuant to ordinary resolution numbered 5 passed by the shareholders of the Company at its annual general meeting held on 23 June 2006 (“**Current Share Repurchase Mandate**”), to the extent not already exercised by the Directors, be and is hereby revoked provided that any exercise of powers of the Company to repurchase shares in the capital of the Company under the Current Share Repurchase Mandate prior to the passing of this resolution shall not in any way be affected or prejudiced;
- (b) subject to paragraph (c) below of this resolution, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below of this resolution) of all the powers of the Company to repurchase the Shares (as defined in paragraph (d) below of this resolution) 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, and subject to and in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) (“**Companies Ordinance**”) and all other applicable laws as amended from time to time in this regard, be and is hereby generally and unconditionally approved;
- (c) the aggregate nominal amount of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (b) above 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 passing of this resolution, and the said approval in paragraph (b) of this resolution shall be limited accordingly; and
- (d) for the purpose of this resolution:

“**Shares**” means shares of HK\$0.10 each in the share capital of the Company or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company of such nominal amount as shall result from any such sub-division, consolidation, re-classification or re-construction;

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

- (i) the conclusion of the next annual general meeting of the Company following the passing of this resolution;
- (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; or
- (iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

5. “**THAT** conditional upon resolutions numbered 3 and 4 above being passed, (a) the ordinary resolution numbered 6 passed by the shareholders of the Company at its annual general meeting held on 23 June 2006 be and is hereby revoked; and (b) the unconditional general mandate granted to the directors of the Company to allot, issue and deal with additional shares of the Company pursuant to resolution numbered 3 above be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution numbered 4 above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution.”
6. “**THAT** subject to the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Consideration Shares (as defined below) either unconditionally or subject to such condition as may be reasonably acceptable to the Company, the directors of the Company (“**Directors**”) be and are hereby authorised to allot and issue up to a maximum of not more than 161,880,397 shares (“**Consideration Shares**”) of par value of HK\$0.1 each in the share capital of the Company, representing 8% of the entire issued share of the Company as at 31 December 2006, to Oriental Patron Asia Limited in accordance with the terms and conditions of an agreement dated 9 January 2007 (“**Service Agreement**”) made between Oriental Patron Asia Limited and the Company for the provision by Oriental Patron Asia Limited to the Company of services in relation to proposed fund raising by the Company, a copy of the agreement has been produced to the Meeting

marked “B” and initialled by the chairman of the Meeting for the purpose of identification, and all transactions contemplated thereunder as described in the circular of the Company dated 1 March 2007 (“**Circular**”), a copy of which has been produced to the Meeting marked “A” and initialled by the chairman of the Meeting for the purpose of identification be and are hereby approved and the Directors be and are hereby authorised to do all such acts and things, to sign and execute all such further documents and to take such steps as the Directors may in their absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the allotment and issue of the Consideration Shares, the Service Agreement and/or any of the transactions contemplated thereunder.”

By order of the Board
China Chengtong Development Group Limited
Zhang Guotong
Managing Director

Hong Kong, 1 March 2007

Registered office:
Suite 6406, 64th Floor
Central Plaza
18 Harbour Road
Wanchai
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 appointment 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. A form of proxy for use at the Meeting is enclosed herewith. 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 share registrar of the Company, Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
3. Completion and return of the accompanying 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.

As at the date of this notice, 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.