

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



# **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)**

### **RESULTS OF THE RIGHTS ISSUE OF 607,051,490 RIGHTS SHARES OF HK\$0.1 EACH AT HK\$0.33 PER RIGHTS SHARE**

**AND**

### **ADJUSTMENTS TO THE EXERCISE PRICE OF AND THE NUMBER OF SHARES ISSUABLE UPON EXERCISE OF THE OUTSTANDING OPTIONS**

#### **RESULTS OF THE RIGHTS ISSUE OF 607,051,490 RIGHTS SHARES OF HK\$0.1 EACH AT HK\$0.33 PER RIGHTS SHARE**

The Directors are pleased to announce that the Rights Issue became unconditional at 4:00 p.m. on 12 April 2007.

506 valid acceptances of provisional allotment of Rights Shares have been received for a total of 603,255,584 Rights Shares and 3,269 valid applications for excess Rights Shares have been received for a total of 2,185,945,200 excess Rights Shares, resulting in a total of valid applications for 2,789,200,784 Rights Shares.

Accordingly, the Rights Issue was over-subscribed by 2,182,149,294 Rights Shares or approximately 359%, based on the total number of 607,051,490 Rights Shares being offered under the Rights Issue. The total number of 2,185,945,200 excess Rights Shares being validly applied for by the Qualifying Shareholders represented approximately 576 times of the 3,795,906 Rights Shares available for the excess application.

As a result of the over-subscription of the Rights Shares, the obligations of the Underwriter under the Underwriting Agreement have been fully discharged.

It is expected that the share certificate of the fully-paid Rights Shares will be dispatched by ordinary post to those persons who have accepted and paid for the Rights Shares and the excess Rights Shares on or before 16 April 2007 at their own risk.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares are expected to be posted by ordinary post to the relevant unsuccessful applicants therefor on or before 16 April 2007 at their own risk.

Dealings in the fully-paid Rights Shares on the Stock Exchange are expected to commence at 9:30 a.m. on 18 April 2007.

#### **ADJUSTMENTS TO THE EXERCISE PRICE OF AND THE NUMBER OF SHARES ISSUABLE UPON EXERCISE OF THE OUTSTANDING OPTIONS**

The exercise price of and the number of Shares to be issued upon exercise of the Outstanding Options have been adjusted in accordance with the Supplementary Guidance with effect from 12 April 2007.

Reference is made to the prospectus dated 21 March 2007 (the “**Prospectus**”) issued by China Chengtong Development Group Limited (the “**Company**”) in relation to the Rights Issue.

Unless the context requires otherwise, capitalized terms used in this announcement have the same meanings as those defined in the Prospectus.

## RESULTS OF THE RIGHTS ISSUE OF 607,051,490 RIGHTS SHARES OF HK\$0.1 EACH AT HK\$0.33 PER RIGHTS SHARE

The Directors are pleased to announce that all of the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement has not been terminated under its terms by the Underwriter. The Rights Issue became unconditional at 4:00 p.m. on 12 April 2007.

506 valid acceptances of provisional allotment of Rights Shares have been received for a total of 603,255,584 Rights Shares and 3,269 valid applications for excess Rights Shares have been received for a total of 2,185,945,200 excess Rights Shares, resulting in a total of valid applications for 2,789,200,784 Rights Shares.

The above valid acceptances and applications include the following:

- (1) 420,795,134 Rights Shares validly accepted and paid for by the Qualifying Shareholders (other than World Gain and parties acting in concert with it);
- (2) 1,974,475,200 excess Rights Shares validly applied and paid for by the Qualifying Shareholders (other than World Gain and parties acting in concert with it);
- (3) 182,460,450 Rights Shares (being the same number of Rights Shares provisionally allotted to World Gain under the Rights Issue) validly accepted and paid for by World Gain; and
- (4) 211,470,000 excess Rights Shares validly applied and paid for by World Gain, of which 1,152,963 excess Rights Shares are allocated to World Gain under the excess application for Rights Shares.

Accordingly, the Rights Issue was over-subscribed by 2,182,149,294 Rights Shares or approximately 359%, based on the total number of 607,051,490 Rights Shares being offered under the Rights Issue. The total number of 2,185,945,200 excess Rights Shares being validly applied for by the Qualifying Shareholders represented approximately 576 times of the 3,795,906 Rights Shares available for the excess application.

As a result of the over-subscription of the Rights Shares, the obligations of the Underwriter under the Underwriting Agreement have been fully discharged.

### EXCESS APPLICATION

Regarding the 2,185,945,200 excess Rights Shares being validly applied for by way of excess application (represented approximately 576 times of the 3,795,906 excess Rights Shares available for the excess application), given the over-subscription, the Directors considered it fair and reasonable and have resolved to allot the 3,795,906 excess Rights Shares available for the excess application to the Qualifying Shareholders who have validly applied for the excess Rights Shares in proportion to the number of nil-paid Rights Shares provisionally allotted to them (“**Respective Proportion**”). In case where the excess Rights Shares allocated in accordance with the Respective Proportion involve fraction of a Share, the number of Shares is (a) adjusted upward to the nearest whole number if the fraction involved is equal to or more than 0.5; and (b) adjusted downward to the nearest whole number or to zero, as the case may be, if the fraction involved is less than 0.5.

The Directors consider that the allocation of the excess Rights Shares is on a fair and reasonable basis.

### SHAREHOLDING STRUCTURE OF THE COMPANY

The following is a table showing the changes in the shareholding structure of the Company immediately before and upon completion of the Rights Issue on the basis that no Outstanding Options are exercised on or before completion of the Rights Issue:

Name of Shareholder/ Beneficial owner	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	No. of Shares held	Approximate percentage shareholdings	No. of Shares held	Approximate percentage shareholdings
World Gain and parties acting in concert with it	608,201,500	30.06%	791,814,913 (Note)	30.10%
Sub-total:	608,201,500	30.06%	791,814,913	30.10%
Directors of the Company’s subsidiaries	Nil	0%	Nil	0%
Oriental Patron Asia Limited Public	Nil 1,415,303,468	0% 69.94%	Nil 1,838,741,545	0% 69.90%
Total	2,023,504,968	100%	2,630,556,458	100%

*Note:* Such interests represent the sum of (a) the 608,201,500 Shares currently held by World Gain; (b) the 182,460,450 Rights Shares provisionally allotted to and accepted by World Gain in respect of such 608,201,500 Shares; and (c) the 1,152,963 excess Rights Shares allocated to World Gain under the allocation of excess Rights Shares.

**DESPATCH OF SHARE CERTIFICATES FOR THE FULLY-PAID RIGHTS SHARES AND COMMENCEMENT OF DEALINGS OF FULLY-PAID RIGHTS SHARES**

It is expected that the share certificate of the fully-paid Rights Shares will be dispatched to the respective addresses (as shown on the register of members of the Company) of the Qualifying Shareholders who have validly applied and paid for the Rights Shares and the excess Rights Shares, if any, by ordinary post on or before 16 April 2007 at their own risk.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares are expected to be posted by ordinary post to the relevant unsuccessful applicants therefor on or before 16 April 2007 at their own risk.

Dealings in the fully-paid Rights Shares on the Stock Exchange are expected to commence at 9:30 a.m. on 18 April 2007.

**ADJUSTMENTS TO THE EXERCISE PRICE OF AND THE NUMBER OF SHARES ISSUABLE UPON EXERCISE OF THE OUTSTANDING OPTIONS**

Immediately before completion of the Rights Issue, the Company had Outstanding Options entitling the holders of the Outstanding Options to subscribe for their respective number of Shares which in aggregate amounted to 40,300,000 Shares. As a result of completion of the Rights Issue, the exercise price of and the number of Shares to be issued upon exercise of the Outstanding Options have been adjusted in accordance and in compliance with the supplementary guidance on Rule 17.03(13) of the Listing Rules issued by the Stock Exchange on 5 September 2005 (the “**Supplementary Guidance**”) with effect from 12 April 2007 as follows:

<b>Date of Grant</b>	<b>Exercisable period</b>	<b>Before the Rights Issue</b>		<b>After the Rights Issue</b>	
		<b>Original exercise price per Share (HK\$)</b>	<b>Number of Shares issuable upon exercise in full of the Outstanding Options</b>	<b>Adjusted exercise price per Share (HK\$)</b>	<b>Adjusted number of Shares issuable upon exercise in full of the Outstanding Options (Note)</b>
8.3.2004	9.3.2005 to 8.3.2008	0.3640	8,025,000	0.3012	9,699,485
8.3.2004	9.3.2006 to 8.3.2009	0.3640	8,025,000	0.3012	9,699,485
28.9.2004	29.9.2005 to 28.9.2008	0.2450	24,250,000	0.2027	29,309,972

*Note:* In cases where the adjusted number of Shares issuable upon exercise in full of the Outstanding Options by the holder involves fractions of Shares, the number of Shares has been adjusted upwards or downwards to the whole numbers as considered fair and reasonable.

CIMB-GK Securities (HK) Limited, the independent financial adviser of the Company in relation to the Rights Issue have confirmed the Directors in writing that the exercise price of and the number of Shares to be issued upon exercise of the Outstanding Options have been adjusted in accordance and in compliance with the Supplementary Guidance. Save as disclosed above, there will be no alteration to the rights of the holders of the Outstanding Options.

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

Hong Kong, 12 April 2007

*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, Mr. Lao Youan and Mr. Ba Shusong.*

*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 statements in this announcement misleading.*