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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)**

### **FURTHER ANNOUNCEMENT MAJOR TRANSACTION: disposal of subsidiary**

References are made to the two announcements of the Company and the circular of the Company in relation to the Disposal.

As at the date of this announcement, no Formal Agreement has been entered into and payment of the further deposit in the sum of US\$4,500,000 (equivalent to approximately HK\$35,100,000) and completion of the Disposal are still pending.

Further announcement will be made by the Company when there is material development in relation to the Disposal as appropriate.

References are made to the announcement dated 7 February 2006 (the “**Announcement**”) of the Company, the circular dated 9 May 2006 (the “**Circular**”) issued by the Company to its shareholders and the announcement dated 2 June 2006 of the Company relating to the disposal of the Company’s entire equity interests in Price Sales, its wholly owned subsidiary. Unless otherwise stated, terms defined in the Announcement and the Circular have the same meanings when used in this announcement.

According to the Disposal Agreement, the Formal Agreement is to be entered into within 3 months from its date (i.e. by 11 April 2006) or from the date of production by the Vendor of the Shareholders’ resolution approving the Disposal at the EGM (i.e. by 29 August 2006), which is the later. As at the date of this announcement, the Vendor and the Purchaser have not come to an agreement on the terms of the Formal Agreement, as such, no Formal Agreement has been entered into and payment of the further deposit in the sum of US\$4,500,000 (equivalent to approximately HK\$35,100,000) and completion of the Disposal are still pending. The Company is seeking to resolve the matters as appropriate and further announcement will be made by the Company once very two months from the date of this announcement or when there is material development in relation to the Disposal, to keep the Shareholders and the investors informed of the progress as appropriate.

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.

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

Hong Kong, 5 September 2006