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JINHENG AUTOMOTIVE SAFETY TECHNOLOGY HOLDINGS LIMITED

錦恆汽車安全技術控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8293)

COMPLETION OF PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES

PLACING AGENT



KINGSWAY FINANCIAL SERVICES GROUP LIMITED

The Board is pleased to announce that following completion of the Placing on 1 August 2007, completion of the Subscription took place on 9 August 2007.

Reference is made to the announcement made by the Company dated 31 July 2007 in relation to, among other matters, the placing of up to an aggregate of 40,000,000 Placing Shares by the Placing Agent on a best effort basis and the subscription of up to an aggregate of 40,000,000 Subscription Shares pursuant to the Agreement. Unless otherwise defined, terms used herein shall have the same meaning as in the said announcement.

COMPLETION OF PLACING

The Board is pleased to announce that completion of the Placing took place on 1 August 2007 in accordance with the terms of the Agreement. A total of 40,000,000 Placing Shares had been successfully placed to not less than six professional, institutional, corporate or individual investors who and whose ultimate beneficial owners were third party independent of the Company and its connected persons and Applaud Group at the Placing Price of HK\$1.60 per Placing Share.

COMPLETION OF SUBSCRIPTION

On 9 August 2007, with all conditions of the Agreement in relation to the Subscription having been fulfilled, completion of the Subscription took place and an aggregate of 40,000,000 Subscription Shares (equivalent to the total number of the Placing Shares successfully placed)

were issued at a subscription price of HK\$1.60 per Subscription Share (equivalent to the Placing Price).

CHANGES IN SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 430,120,000 Shares in issue. The shareholding structure of the Company before and after completion of the Placing and Subscription is as follows:

Shareholder	Notes	Immediately before completion of the Placing and the Subscription		Shareholding immediately after completion of the Placing but before completion of the Subscription		Shareholding immediately after completion of the Placing and the Subscription	
		No. of shares	%	No. of shares	%	No. of shares	%
Applaud Group	1	228,620,000	58.60	188,620,000	48.35	228,620,000	53.15
Li Feng	2	2,080,000	0.53	2,080,000	0.53	2,080,000	0.48
Xing Zhanwu	2	1,600,000	0.41	1,600,000	0.41	1,600,000	0.37
Foo Tin Chung, Victor	2	640,000	0.17	640,000	0.17	640,000	0.15
Public shareholders							
The Placees				40,000,000	10.25	40,000,000	9.30
Other public Shareholders		<u>157,180,000</u>	<u>40.29</u>	<u>157,180,000</u>	<u>40.29</u>	<u>157,180,000</u>	<u>36.55</u>
Total		<u>390,120,000</u>	<u>100.00</u>	<u>390,120,000</u>	<u>100.00</u>	<u>430,120,000</u>	<u>100.00</u>

Notes:

1. A controlling group of shareholders comprising Li Feng, Xing Zhanwu and Yang Donglin, all being executive Directors; Li Hong being a non-executive Director and Xu Jianzhong together hold 52.69% of the equity interests in Applaud Group. Zhao Qingjie, an executive Director holds 18.27% equity interests in Applaud Group. The other shareholders of Applaud Group are third parties independent of the Company and its connected persons.
2. Li Feng, Xing Zhanwu and Foo Tin Chung, Victor are all executive Directors.

By order of the Board
**Jinheng Automotive Safety Technology
Holdings Limited**
LI Feng
Chairman

Hong Kong, 9 August 2007

As at the date of this announcement, the Board comprises five executive Directors, namely Messrs. Li Feng, Xing Zhanwu, Zhao Qingjie, Yang Donglin and Foo Tin Chung, Victor; two non-executive Directors, namely Messrs. Li Hong and Zeng Qingdong; and three independent non-executive Directors, namely, Messrs. Chan Wai Dune, Huang Shilin and Zhu Tong.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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