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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)

VOLUNTARY ANNOUNCEMENT :

DISPOSAL OF HUZHOU GROUP - SUPPLEMENTAL AGREEMENT

The Board announces that on 24 August 2009, completion of the Disposal took place and the Vendor and the Purchaser entered into the Supplemental Agreement to amend the payment terms of the consideration of the Sale Shares.

Reference is made to the circular of the Company dated 13 June 2009 in relation to the very substantial disposal involving the Disposal (“**Circular**”). Unless otherwise specified, terms used in this announcement shall have the same meanings as those defined in the Circular.

Pursuant to the SP Agreement, the consideration of HK\$272,104,000 for the Sale Shares should be payable by the Purchaser to the Vendor in the following manner:

- (1) within five business days after the signing of the Sale and Purchase Agreement:
 - the Purchaser should pay the First Deposit of HK\$5,000,000 (in Hong Kong dollars or in such other currency as the Vendor may agree) to the Vendor or its nominee by way of cashier order issued by a bank in Hong Kong or in such other manner as may be agreed between the Vendor and the Purchaser as deposit and part payment of the consideration;
 - the Purchaser should pay the Second Deposit of HK\$141,504,000 (in Hong Kong dollars or in such other currency as the Vendor and the Purchaser may agree) to the Vendor or its nominee as part payment of the consideration; and

- (2) upon completion of the Disposal, the Purchaser should pay HK\$125,600,000 (in Hong Kong dollars or in such other currency as the Vendor may agree) to the Vendor or its nominee by way of cashier order issued by a bank in Hong Kong or in such other manner as may be agreed between the Vendor and the Purchaser.

The Board announces that on 24 August 2009, completion of the Disposal took place and the Vendor and the Purchaser entered into a supplemental agreement (“**Supplemental Agreement**”) to amend the payment terms of the consideration of the Sale Shares.

As at the date of the Supplemental Agreement, the Purchaser had paid an aggregate of HK\$244,517,973 out of the aggregate consideration of HK\$272,104,000. Pursuant to the Supplemental Agreement, the Vendor and the Purchaser agreed that the balance of HK\$27,586,027 (“**Balance of Consideration**”) shall be paid by the Purchaser by way of delivery of a promissory note (“**Promissory Note**”) to the Vendor at completion of the Disposal. The Promissory Note states that the Balance of Consideration, together with the interest calculated at an interest rate of 6% per annum, shall be payable by the Purchaser at or before 12:00 noon on 23 December 2009, subject to early repayment by the Purchaser.

Pursuant to the Supplemental Agreement, the Purchaser has also executed a share mortgage in respect of the Sale Shares in favour of the Vendor at completion of the Disposal as security for the Purchaser’s obligation to pay the Balance of Consideration to the Vendor under the Promissory Note.

Save as mentioned in this announcement and other corresponding changes to the SP Agreement, there is no other amendment to the other terms of the SP Agreement. The Directors considered that the terms of the Supplemental Agreement are not material change to the terms of the SP Agreement.

As the payment of the Balance of Consideration (which represents about 10% of the aggregate consideration) is secured by the entire issued share capital of Great Royal, which, in turn, is interested in approximately 67.08% of the registered capital of Huzhou Company, the Directors believe that the terms of the Supplemental Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

By order of the board of directors of
China Chengtong Development Group Limited
Wang Hongxin
Managing Director

Hong Kong, 24 August 2009

As at the date of this announcement, the executive Directors are Mr. Zhang Guotong and Mr. Wang Hongxin; the non-executive Directors are 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.