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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)

(1) COMPLETION OF THE FIRST SP AGREEMENT AND (2) EXTENSION OF LONG STOP DATE OF THE SECOND SP AGREEMENT

The Board is pleased to announce that all conditions to the completion of the First SP Agreement have been fulfilled and completion is expected to take place on or about 6 November 2009.

The Board further announce that on 30 October 2009, the Company, CCHG and CCHK entered into the third supplemental agreement to the Second SP Agreement, pursuant to which the long stop date of the Second SP Agreement has been extended from 31 October 2009 to 30 April 2010 (or such later date as the parties may agree in writing).

Reference is made to the announcement of China Chengtong Development Group Limited (“**Company**”) dated 30 October 2008, the circular of the Company dated 29 November 2008 (“**Circular**”) and the announcement of the Company dated 28 April 2009 in relation to, among other matters, a major and connected transaction of the Company. Unless otherwise stated, terms used in this announcement shall have the same meanings as those defined in the Circular.

COMPLETION OF THE FIRST SP AGREEMENT

The Board is pleased to announce that all conditions to the completion of the First SP Agreement have been fulfilled and completion is expected to take place on or about 6 November 2009. Pursuant to the First SP Agreement, the following will take place at completion of the First SP Agreement:

1. the Company will acquire the entire issued share capital of BVI-1 (which indirectly holds the First Target Assets and the entire equity interest in CT Industrial) and BVI-2 (which indirectly holds approximately 66.67% of the equity interest in DFG Company); and
2. the Company will allot and issue 1,494,528,657 Consideration Shares, representing approximately 55.79% of the issued share capital of the Company as at the date of this announcement and approximately 35.81% of the issued share capital of the Company as enlarged by such issue. Application has been made to the Listing Committee of the Stock Exchange and approval has been granted for the listing of, and permission to deal in, the Consideration Shares to be issued under the First SP Agreement.

According to the First SP Agreement and as stated in the Circular, the consideration under the First SP Agreement before and subject to adjustment was RMB469,000,000 (i.e. P(A) as defined in the Circular). Pursuant to the consideration adjustment mechanism as provided under the First SP Agreement and as disclosed in the Circular, if the Filed and Confirmed Price (A) is less than P(A), the consideration payable by the Company pursuant to the First SP Agreement shall be adjusted downward to the Filed and Confirmed Price (A). As the Filed and Confirmed Price (A) (being RMB460,089,900) is less than P(A), the consideration has been adjusted to RMB460,089,900 accordingly.

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after the issue of the Consideration Shares under the First SP Agreement:

	Shareholding as at the date of this announcement		Shareholding immediately after issue of the Consideration Shares under the First SP Agreement	
	Shares	approximate %	Shares	approximate %
Concert Group				
World Gain (Note 1)	791,814,913	29.56%	2,286,343,570	54.78%
CCHK	0	0.00%	0	0.00%
Zhang Guotong (Note 2)	365	0.00%	365	0.00%
Ma Zhengwu (Note 3)	1,450,390	0.05%	1,450,390	0.03%
Hong Shuikun (Note 3)	1,450,390	0.05%	1,450,390	0.03%
Gu Laiyun (Note 4)	3,867,707	0.14%	3,867,707	0.09%
Xu Zhen (Note 5)	725,196	0.03%	725,196	0.02%
Sub-total	799,308,961	29.84%	2,293,837,618	54.96%
Public	1,879,596,609	70.16%	1,879,596,609	45.04%
Total	2,678,905,570	100.00%	4,173,434,227	100.00%

Notes:

- 1. The 1,494,528,657 Consideration Shares will be allotted and issued to World Gain (at the direction of CCHK pursuant to the First SP Agreement) on or about 6 November 2009.*
- 2. Mr. Zhang Guotong is a director of each of CCHK and the Company and is a member of the Concert Group.*
- 3. Each of Mr. Ma Zhengwu and Mr. Hong Shuikun is a director of CCHG and is a member of the Concert Group.*
- 4. Mr. Gu Laiyun, a Director, was appointed a director of CCHK and a director of World Gain with effect from 27 August 2009 and 1 September 2009 respectively and has since then become a member of the Concert Group.*
- 5. Ms. Xu Zhen, a Director, was appointed a director of CCHK with effect from 27 August 2009 and has since then become a member of the Concert Group.*

EXTENSION OF LONG STOP DATE OF THE SECOND SP AGREEMENT

Completion of the Second SP Agreement (in relation to the acquisition of the entire issued share capital of BVI-3 which will, upon completion of the corporate reorganisation, indirectly hold the entire equity interest in LYG Company) is subject to the conditions stated in the sub-paragraph headed “Conditions precedent” under the paragraph headed “The Second SP Agreement” in the “Letter from the Board” in the Circular having been fulfilled or waived (as the case may be) on or before 30 April 2009 (or such other date as agreed between the parties in writing), failing which the Second SP Agreement shall cease and terminate. Pursuant to the second supplemental agreement dated 28 April 2009 to the Second SP Agreement, the above long stop date has been extended to 31 October 2009.

As additional time is still required for the fulfillment of certain conditions precedent, including but not limited to obtaining all necessary PRC governmental approval, consent and permission regarding the reorganisation involving BVI-3, HK-3 and LYG Company (particulars of which are set out in the Circular) prior to completion of the Second SP Agreement, on 30 October 2009, the Company, CCHG and CCHK entered into the third supplemental agreement to the Second SP Agreement, pursuant to which the long stop date of the Second SP Agreement has been extended from 31 October 2009 to 30 April 2010 (or such later date as the parties may agree in writing).

Save as disclosed above, the Directors confirm that no other alteration in the terms and conditions of the Second SP Agreement has been made.

By Order of the Board
China Chengtong Development Group Limited
Wang Hongxin
Managing Director

Hong Kong, 30 October 2009

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

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to CCHK and CCHG) 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.

The directors of CCHK jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Group and CCHG) 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.

The directors of CCHG jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Group and CCHK) 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.