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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)

ADOPTION OF SHARE AWARD SCHEME

The Board is pleased to announce that it has adopted the Share Award Scheme on 25 April 2012 as a means to recognise the contributions by certain Selected Employees and to give incentives thereto in order to retain them for the continual operation and development of the Group and attract suitable personnel for the growth and further development of the Group.

The Company will initially pay the Trustee up to HK\$2 million in cash from the Company's internal resources to enable the Share Award Scheme to operate. The Board will constantly review and decide the total number of Shares to be awarded to Selected Employees at its discretion with reference to the financial resources available for the Share Award Scheme. Subject to the instruction of the Company, the Trustee can use the money paid to it to buy Shares in advance in respect of which the Company can make awards under the Share Award Scheme.

The Board shall not make any further Award which will result in the total number of Shares awarded by the Board under the Share Award Scheme will represent in excess of 1% of the issued share capital of the Company as at 31 March 2012 (being 41,634,522 Shares) unless the Board otherwise decides.

THE SHARE AWARD SCHEME

The Board has approved the adoption of the Share Award Scheme on 25 April 2012. For avoidance of doubt, no new Shares will be granted under the Share Award Scheme and no Shareholders' approval is required under the articles of association of the Company for the adoption or implementation of the Share Award Scheme.

LISTING RULES IMPLICATIONS

The Share Award Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. The Share Award Scheme will be in parallel with the Company's existing share option scheme or such other share option scheme to be adopted by the Company pursuant to Chapter 17 of the Listing Rules from time to time.

SUMMARY OF THE SHARE AWARD SCHEME

A summary of the principal terms of the Share Award Scheme is set out below.

Purposes

The purposes of the Share Award Scheme are to recognise the contribution by certain Selected Employees and to give Selected Employees incentives thereto in order to retain them for the continual operation and development of the Group and attract suitable personnel for the growth and further development of the Group. The intention of the Share Award Scheme is that Shares will be awarded, with the approval of the Board, to Selected Employees based on, inter alia, the employee's work performance and such other matters that the Board considers relevant. It is intended that Shares awarded under the Share Award Scheme will be offered to the selected Selected Employees to take up the relevant Shares for no consideration but subject to certain conditions (including vesting conditions) to be decided by the Board at the time of grant of the Shares awarded under the Share Award Scheme. Details of the grant of the Shares awarded under the Share Award Scheme will be provided in the offer letters to be issued by the Company to the Selected Employees and also in the written instructions to the Trustee, subject always to compliance with the Listing Rules, Takeovers Code and any other applicable laws and regulations.

Duration and Administration

Unless terminated earlier or extended by the Board in accordance with the Share Award Scheme rules, the Share Award Scheme operates for five years commencing on the Adoption Date. No contribution to the trust will be made by the Company (unless extended) on or after the 5th anniversary of the Adoption Date.

Selected Employees

Selected Employees under the Share Award Scheme can be any Employee.

Structure of the Share Award Scheme

Under the Trust Deed, the assets of the trust will comprise (1) all Shares acquired by the Trustee for the purpose of the trust out of cash paid to the Trustee by way of settlement or otherwise contributed by the Company and such other person, (2) cash income or net proceeds of sale of non-cash and non-scrip distribution in respect of the Shares so held under the trust, and (3) all other properties from time to time representing (1) and (2) above.

The Company will initially pay the Trustee up to HK\$2 million to enable the Share Award Scheme to operate. In addition to such initial fund to be paid to the Trustee, the Company may at its discretion make arrangements to fund the Trustee for the acquisition of further Shares as necessary to meet any entitlements to Shares awarded under the Share Award Scheme. The Board will constantly review and decide with reference to the financial resources available for the Share Award Scheme the total number of Shares to be awarded to Selected Employees at its discretion. Subject to the instruction of the Company, the Trustee can use the money paid to it to buy Shares in advance in respect of which the Company can make awards under the Share Award Scheme. The Trustee shall hold the Shares until they are vested in accordance with the Share Award Scheme.

When the Selected Employee has satisfied all vesting conditions specified by the Board at the time of making the Award and become entitled to the Shares forming the subject of the Award, the Trustee shall transfer the relevant vested Shares to that employee at no cost.

Vesting and Lapse

A Selected Employee shall be entitled to receive the awarded Shares held by the Trustee in accordance with the vesting schedule upon when the Selected Employee has satisfied all vesting conditions specified by the Board at the time of making the Award. Vesting of the Shares will be conditional on the Selected Employee remaining an Employee on the relevant vesting date and his/her execution of the relevant documents to effect the transfer from the Trustee.

In the event (i) a Selected Employee ceases to be an Employee by whatever reason(s) or ground(s); or (ii) the company by which a Selected Employee is employed or engaged ceases to be a subsidiary of the Company; or (iii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company; or (iv) of the death of a Selected Employee; or (v) a Selected Employee fails to satisfy any condition(s) of the Award; or (vi), a Selected Employee appears to be unable to pay, or has no reasonable prospect to be able to pay debts, or has become insolvent, or has made any arrangements or

composition with his or her or its creditors generally, or has an administrator or liquidator being appointed for the whole or any part of his/hers undertakings or assets, or has been convicted of any criminal offence involving integrity or honesty, any unvested Award to such Selected Employee shall automatically lapse forthwith.

Dividends

The Trustee will hold all dividends received on the trust fund as income of the trust fund.

Voting Rights

The Trustee shall not exercise the voting rights and powers in respect of any Shares held by it as nominee or under the Trust.

No Transfer of Award

Any Award made under the Share Award Scheme is personal to the Selected Employees to whom it is made and is not assignable. No Selected Employee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any other person over or in relation to the Shares referable to such Selected Employee pursuant to such Award before such Award has been vested to such Selected Employee.

Equity Issues

If there is a rights issue, the Trustee shall sell such amount of the nil-paid rights allotted to it as is appropriate and the net proceeds of sale of such rights shall be held as income of the trust and applied in the subscription of rights shares under the rights issue.

If there is an open offer of new securities, the Trustee shall not subscribe for any new Shares.

If there is a bonus warrant issue, the Trustee shall not subscribe for any new Shares by exercising any of the subscription rights attached to the bonus warrants and shall sell the bonus warrants created and granted to it, the net proceeds of sale of such bonus warrants shall be held as income of the trust.

Change in Control

In the event of a takeover, merger, scheme of arrangement, share repurchase or other event, in any such case resulting in a change in control of the Company (each a “**Change in Control Event**”) is proposed to all the holders of the Shares, all the Shares awarded and its related income shall immediately vest on the date when such Change in Control Event becomes or is declared unconditional and such date shall be deemed the vesting date of those Shares. For this purpose, “control” shall have the meaning as specified in the Takeovers Code from time to time.

Share Awards to Connected Persons

Shares may be awarded to Selected Employees who are connected persons of the Group. If Shares are awarded to connected persons of the Group, those Awards may constitute connected transactions under Chapter 14A of the Listing Rules and where they do the Company will comply with the relevant requirements under the Listing Rules. If the grant of an Award to a director of the Company under the Share Award Scheme will form part of the remuneration of the relevant director under his/her service contract, this grant will be exempted from the reporting, announcement and independent shareholders' approval requirements under Listing Rule 14A.31(6). However, any grant to any director of the Company must first be approved by the Remuneration Committee.

Scheme Limits

The Board shall not make any further Award which will result in the total number of Shares awarded by the Board under the Share Award Scheme will represent in excess of 1% of the issued Shares as at 31 March 2012 (being 41,634,522 Shares) unless the Board otherwise decides.

Termination

The Share Award Scheme terminates on the earlier of (if not extended) the 5th anniversary of the Adoption Date or such date of early termination as decided by the Board. Any termination will be without prejudice to any subsisting rights of any Selected Employees under the Share Award Scheme. Upon termination, (i) all the Shares awarded shall become vested on the Selected Employees so referable on such date of termination save for the case of lapse of the Selected Employee's entitlement to the Award under those circumstances as set out in the Share Award Scheme; (ii) such Shares awarded and all income derived from such Shares awarded which are not vested and/or forfeited under the Share Award Scheme shall be sold by the Trustee, within twenty Business Days (on which the trading of the Shares has not been suspended) of receipt of notice of such termination of the Share Award Scheme, or such longer period as the Board may otherwise determine; and (iii) the net proceeds of sale referred to in (ii) above and such other funds remaining in the trust fund managed by the Trustee shall be remitted to the Company forthwith after deducting of all relevant disposal expenses and costs.

Restrictions

No payment shall be made to the Trustee pursuant to the Share Award Scheme and no instructions to acquire Shares shall be given to the Trustee under the Share Award Scheme where (i) after a price sensitive event in relation to the securities of the Company has occurred or a price sensitive matter in relation to the securities of the Company has been the subject of a decision or any director of the Group is in possession of unpublished price sensitive information in relation to the Group, until such price sensitive information has been published in accordance with the Listing Rules; (ii) where dealings by any director of the Group are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time; or (iii) in any other circumstances which are prohibited under any applicable laws or where the requisite approval from any applicable regulatory authorities has not been granted.

DEFINITIONS

“Adoption Date”	being the date on which the Share Award Scheme is adopted by the Board
“Award”	an award of Shares to the Selected Employee pursuant to the Share Award Scheme
“Board”	the board of directors of the Company at the relevant time
“Business Day”	a day (other than a Saturday) on which the Stock Exchange is open for trading and on which banks are open for business in Hong Kong
“Company”	China Chengtong Development Group Limited, a company incorporated in Hong Kong and the Shares of which are listed on the Stock Exchange
“Employee”	any full-time employee and director of any member of the Group from time to time, save for those excluded employees as determined by the Board or the Trustee (as the case may be)
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, modified or supplemented from time to time)

“Remuneration Committee”	the remuneration committee of the Board at the relevant time
“Selected Employees”	those Employees selected by the Board for participation in the Share Award Scheme
“Share Award Scheme”	the share award scheme adopted by the Board on Adoption Date as may be amended from time to time
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers published by the Securities and Futures Commission as may be amended from time to time
“Trust Deed”	the trust deed in respect of the Share Award Scheme entered into between the Company and the Trustee on 25 April 2012 (as restated, supplemented and amended from time to time)
“Trustee”	Core Pacific-Yamaichi International (H.K.) Nominees Limited, a company incorporated in Hong Kong

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

Hong Kong, 25 April 2012

As at the date of this announcement, the Company’s executive Directors are Mr. Zhang Guotong, Mr. Yuan Shaoli, Mr. Wang Hongxin and Mr. Wang Tianlin and the independent non-executive Directors are Mr. Kwong Che Keung, Gordon, Mr. Tsui Yiu Wa, Alec and Mr. Ba Shusong.