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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)

COMPLETION OF THE ACQUISITION AGREEMENT

The Board is pleased to announce that all conditions to the completion of the Acquisition Agreement regarding the Acquisition of the Travel Investment Companies have been fulfilled on 18 December 2012 and completion of the Acquisition took on 21 December 2012.

Reference is made to the announcement of China Chengtong Development Group Limited (“**Company**”) dated 27 July 2011 and 29 August 2011, the circular of the Company dated 30 September 2011 (“**Circular**”) and the announcement of the Company dated 29 June 2012 and 28 September 2012 in relation to, among other matters, a major acquisition 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 Acquisition Agreement

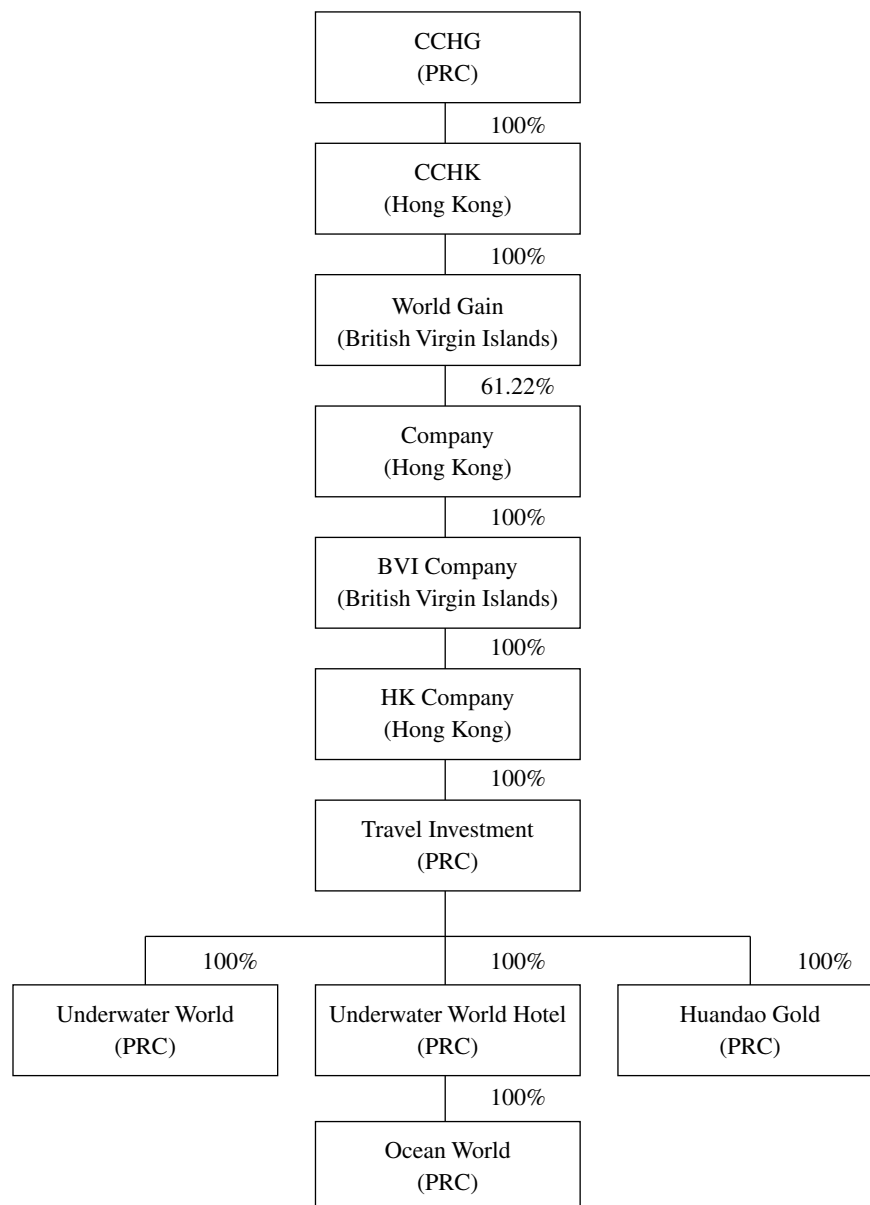
As disclosed in the Circular, on 27 July 2011, the Company, CCHK and CCHG entered into the Acquisition Agreement pursuant to which the Company acquired from CCHG the Travel Investment Companies, the Consideration of which is to be settled by the allotment of issue of Consideration Shares to CCHK. The major assets of the Travel Investment Companies include but are not limited to a hotel in Yalong Bay National Tourism & Resort Zone, certain marine entertainment facilities and certain marine use rights in respect of sea area in Yalong Bay National Tourism & Resort Zone.

The Board is pleased to announce that as at 18 December 2012, all conditions precedent to the Acquisition Agreement regarding the Acquisition of the Travel Investment Companies, including but not limited to the completion of the Conditions Precedent Reorganisation, the approval of the transactions contemplated by the Acquisition Agreement by the Independent Shareholders at the EGM, the granting of the listing and permission to deal in the Consideration Shares by the Stock Exchange, and the renewal of the Marine Use Rights, have been fulfilled.

Completion of the Acquisition took place on 21 December 2012. The Board is of the view that, in the context that it has become a national strategy of the PRC government to develop Hainan Province into an international tourist attraction, completion of the Acquisition will provide the Group with an opportunity to fully utilize the advantages of the Travel Investment Companies in marine tourism business including their extensive experience, established brand and network and abundant resources, thereby bringing positive impact on the continuing development of the business of the Group and enhance the financial performance of the Company.

The following will take place at completion of the Acquisition Agreement:

- the Company will hold the entire issued share capital of the BVI Company and each of the BVI Company, the HK Company and the Travel Investment Companies will become wholly-owned subsidiaries of the Company. The corporate chart below set out the simplified corporate structure of the Group after completion:



2. the Company has allotted and issued 677,282,549 Consideration Shares, representing approximately 16.27% of the issued share capital of the Company immediately before the issue of the Consideration Shares and approximately 13.99% 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 Share issued under the Acquisition Agreement.

According to the Acquisition Agreement and as stated in the Circular, the Consideration under the Acquisition Agreement before and subject to adjustment was approximately RMB254,000,000. Pursuant to the consideration adjustment mechanism as provided under the Acquisition Agreement and as disclosed in the Circular, if the Filed and Confirmed Price is higher or lower than the Consideration by not more than 10%, the Consideration payable by the Company pursuant to the Acquisition Agreement shall be adjusted to an amount which equals the Filed and Confirmed Price. As the Filed and Confirmed Price (being RMB263,377,100) is more than RMB254,000,000 (i.e. higher than the original Consideration by not more than 10%), the Consideration has been adjusted to RMB263,377,100 (equivalent to approximately HK\$318,322,798, and converted at an exchange rate of HK\$1.00 to RMB0.82739) accordingly.

The following table sets out the shareholding structure of the Company (i) immediately before the issue of the Consideration Shares under the Acquisition Agreement and (ii) immediately after the issue of the Consideration Shares under the Acquisition Agreement:

	Shareholding immediately before the issue of the Consideration Shares under the Acquisition Agreement		Shareholding immediately after issue of the Consideration Shares under the Acquisition Agreement	
	Shares	approximate %	Shares	approximate %
Substantial Shareholders				
World Gain (Note 1)	2,286,343,570	54.91%	2,963,626,119	61.22%
CCHK (Note 2)	2,286,343,570	54.91%	2,963,626,119	61.22%
CCHG (Note 2)	2,286,343,570	54.91%	2,963,626,119	61.22%
Sub-total	2,286,343,570	54.91%	2,963,626,119	61.22%
Trustee of the Group's Share Award Scheme	6,630,000	0.16%	6,630,000	0.14%
Public	1,870,478,657	44.93%	1,870,478,657	38.64%
Total	4,163,452,227	100%	4,840,734,776	100%

Notes:

1. The 677,282,549 Consideration Shares have been allotted and issued to World Gain (at the direction of CCHK) upon completion of the Acquisition Agreement on 21 December 2012.
2. The entire issued share capital of World Gain is beneficially owned by CCHK, the entire issued share capital of which is in turn beneficially owned by CCHG. Therefore, both CCHK and CCHG are deemed to be interested in all the Shares held by World Gain under the SFO.

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

Hong Kong, 21 December 2012

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