

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**UPDATES RELATED TO A
MAJOR ACQUISITION AND CONNECTED TRANSACTION -
LAPSE OF THE SECOND SP AGREEMENT**

LAPSE OF THE SECOND SP AGREEMENT

Some of the conditions for completion of the Second SP Agreement have not been satisfied nor waived on 31 October 2011.

After negotiation between the Group, CCHG and CCHK, the Board decided that, taking into consideration the uncertainty as to the time required for all the conditions precedent to be satisfied, in the interests of the Company and the Shareholders as a whole, the Long Stop Date would not be further extended. Accordingly, the Second SP Agreement lapsed on 31 October 2011.

Reference is made to the announcement issued by China Chengtong Development Group Limited (the “**Company**”) dated 30 October 2008, the circular of the Company dated 29 November 2008 (“**Circular**”), and the announcements of the Company dated 20 November 2008, 28 November 2008, 16 December 2008, 28 April 2009, 30 October 2009, 30 April 2010 and 29 October 2010 respectively in relation to, among other matters, a major acquisition and connected transaction of the Company. Capitalised terms used herein shall have the same meanings as those defined in the Circular unless the context requires otherwise.

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 pre-completion corporate reorganisation in relation to BVI-3 (“**Reorganisation**”), indirectly hold the entire equity interest in LYG Company, the details of which are set out in the Circular) is conditional on satisfaction or (where applicable) waiver by the Company of various conditions precedent as more particularly described in the sub-paragraph headed “Conditions precedent” under the paragraph headed “The Second SP Agreement” in the “Letter from the Board” in the Circular. If these conditions precedent are not satisfied or, where applicable, waived by the Company on or before 30 April 2009, or such other date as the parties may agree (“**Long Stop Date**”), then the Second SP Agreement shall cease and terminate and none of the parties shall have any obligations and liabilities under the Second SP Agreement, save for any prior breaches of the terms of the Second SP Agreement.

As stated in the announcement of the Company dated 29 October 2010, on 29 October 2010, the parties to the Second SP Agreement agreed to further extend the Long Stop Date to 31 October 2011.

As of 31 October 2011, some of the conditions precedent to the acquisition under the Second SP Agreement, including the Reorganisation (which involves obtaining of all necessary relevant PRC governmental approval, consent and permission regarding the Reorganisation involving BVI-3, HK-3 and LYG Company, the particulars of which are set out in the Circular), had not been satisfied (or, where applicable, waived by the Company).

After negotiation between the Group, CCHG and CCHK, the Board decided that, taking into consideration the uncertainty as to the time required for all the conditions precedent to be satisfied, the Long Stop Date would not be further extended. Accordingly, the Second SP Agreement lapsed on 31 October 2011. The Directors consider that this is in the interests of the Company and the Shareholders as a whole. The Directors do not consider the lapse of the Second SP Agreement will have any material adverse impact on the Group's financial position and operation.

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

Hong Kong, 31 October 2011

As at the date of this announcement, the 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.

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.