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POLY DEVELOPMENT HOLDINGS LIMITED

保興發展控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1141)

- (1) TERMINATION OF SALE AND PURCHASE AGREEMENT
IN RELATION TO THE ACQUISITION OF 100%
INTEREST IN THE ISSUED SHARE CAPITAL OF
CHINA INFRASTRUCTURE INDUSTRIES CORPORATION
中國建設重工集團有限公司;**
- (2) DECISION NOT TO PROCEED WITH CHANGE OF COMPANY NAME;
(3) RESIGNATION OF EXECUTIVE DIRECTOR;
AND
(4) UNUSUAL PRICE MOVEMENT**

Reference is made to the VSA Announcement.

On 24 August 2009 after trading hours, the Vendors informed the Company, based on information available to the Vendors, that there are legal proceedings in the PRC involving Zhengzhou Dafang, and that there are possible material disputes relating to certain breach of undertakings and representations involving Mr. Li, Zhengzhou Dafang and Suzhou Dafang. The Vendors also informed the Company that there may be potential legal proceedings between CIIC and Mr. Li.

The Company is not a party to the legal proceedings and the disputes, and has no control over their outcomes or the time required for their resolution. In light of the uncertainty, the Board considers that it will be in the interests of the Company as a whole to terminate the Sale and Purchase Agreement. Accordingly, the parties to the Sale and Purchase Agreement have entered into the Termination Deed (as defined below).

The Board also announces that no steps will be taken to effect the proposed change of name of the Company referred to in the VSA Announcement.

Mr. Wong tendered his resignation as a director of the Company effective from 24 August 2009.

* *For identification only*

The Board notes the decrease in the price of the Shares today and wishes to state that it is not aware of any reason for such decrease.

Reference is made to the announcement of the Company dated 11 August 2009 (“VSA Announcement”). Unless otherwise defined, capitalised terms used in this announcement shall bear the same meanings as defined in the VSA Announcement.

(1) TERMINATION OF SALE AND PURCHASE AGREEMENT

On 24 August 2009 after trading hours, the Vendors informed the Company, based on information available to the Vendors, that there are legal proceedings in the PRC involving Zhengzhou Dafang, and that there are possible material disputes relating to certain breach of undertakings and representations involving Mr. Li, Zhengzhou Dafang and Suzhou Dafang. The Vendors also informed the Company that there may be potential legal proceedings between CIIC and Mr. Li.

The Company is not a party to the legal proceedings and the disputes, and has no control over and their outcomes or the time required for their resolution. In light of the uncertainty, the Board considers that it will be in the interests of the Company as a whole to terminate the Sale and Purchase Agreement. Accordingly, the Company and the Purchaser have entered into the termination deed dated 24 August 2009 with the Vendors and the Guarantor (“**Termination Deed**”).

Upon entering into the Termination Deed, the Guarantor repaid the earnest money of HK\$1,000,000 that the First Vendor had received from the Purchaser under the Framework Agreement. In addition, under the Termination Deed, the Vendors and the Guarantor shall jointly and severally be liable for all legal and other professional costs and expenses incurred by the Purchaser and/or the Company in connection with the Acquisition up to and inclusive of the date of the Termination Deed.

(2) DECISION NOT TO PROCEED WITH CHANGE OF COMPANY NAME

In light of the termination of the Sale and Purchase Agreement and the Acquisition contemplated thereunder, the Board also announces that no steps will be taken to effect the proposed change of name of the Company referred to in the VSA Announcement, which proposed change of name was originally intended to better reflect the business of the Company in anticipation of the completion of the Sale and Purchase Agreement and the Acquisition.

(3) RESIGNATION OF EXECUTIVE DIRECTOR

The Company received a letter of resignation from Mr. Wong on 24 August 2009 resigning as an executive director of the Company with immediate effect as he requires more time to pursue his other business engagements.

Mr. Wong confirmed that he has no disagreement with the Board and save as disclosed herein this announcement, there are no matters in relation to his resignation that need to be brought to the attention of the Stock Exchange or the shareholders of the Company. Mr. Wong further confirmed that he has no claim against the Company.

(4) UNUSUAL PRICE MOVEMENT

This statement is made at the request of the Stock Exchange.

The Board notes the decrease in the price of the Shares today and wishes to state that it is not aware of any reason for such decrease.

Apart from the termination of the Sale and Purchase Agreement, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price sensitive nature.

(5) GENERAL

On 24 August 2009, at a meeting of the Board, according to the notification received from the Vendors, it was noted that the legal proceedings referred to above apparently involving Zhengzhou Dafang (of which Mr. Li is the legal representative), but Mr. Li has never, whether before or after his appointment as a director of the Company on 17 June 2009, informed the Company of such proceedings, nor has Mr. Li at any time informed the Company of the possible material disputes involving Zhengzhou Dafang and Suzhou Dafang (in respect of the latter of which he is also the legal representative). At the same meeting, a non-binding resolution was passed to the effect that Mr. Li be requested to abstain from carrying out his duties as a director of the Company until such time as the details of the disputes and the legal proceedings have been clarified; and that a letter be sent by the legal adviser of the Company to the legal adviser of Mr. Li informing him of the resolution and requested for his co-operation.

By Order of the Board
Poly Development Holdings Limited
Suen Cho Hung, Paul
Chairman

Hong Kong, 24 August 2009

As at the date of this announcement (see Note 1), the Board (taking into account the resignation of Mr. Wong) comprises Mr. Suen Cho Hung, Paul (Chairman), Mr. Lo Ming Chi, Charles (Deputy Chairman and Chief Executive Officer), Mr. Sue Ka Lok and Mr. Li Rongsheng as Executive Directors and Mr. Wong Kwok Tai, Mr. Weng Yixiang, Mr. Lu Xinsheng and Mr. Xiong Wei as Independent Non-executive Directors.

Note 1:

A copy of this announcement prior to its publication had not been passed to Mr. Li Rongsheng for approval for the reasons stated in the announcement.