POLY DEVELOPMENT HOLDINGS LIMITED

保興發展控股有限公司 *

(Incorporated in Bermuda with limited liability)

(Stock Code: 1141)

TERMINATION OF PROPOSED MAJOR TRANSACTION

Reference is made to the announcements of the Company dated 10 October 2008 and 5 December 2008 respectively, in relation to which, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor and the Guarantor, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares at the Consideration of HK$149,565,000.

On 12 January 2009, the Parties entered into the Termination Agreement and mutually agreed to terminate the Agreement.

Reference is made to the announcements of the Company dated 10 October 2008 and 5 December 2008 ("Announcement") respectively, in relation to which, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor and the Guarantor (together with the Purchaser, the "Parties"), pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell at the Consideration of HK$149,565,000 for the Sale Shares which will represent 25% of the share capital of the Target Company in issue at the Completion Date. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as described in the Announcement.

Pursuant to the Agreement, the Completion is conditional upon, among others, the entering into of the Shareholders' Agreement by parties including the Target Company and the Purchaser. However, the Purchaser was informed that shareholders of the Target Company (other than the Vendor) could not reach an agreement on the terms of the Shareholders' Agreement.

On 12 January 2009, the Parties entered into a termination agreement ("Termination Agreement") and mutually agreed to terminate the Agreement. Upon signing of the Termination Agreement, none of the Parties will have any liabilities towards the other Parties under the Agreement.

On behalf of the Board
Lo Ming Chi, Charles
Deputy Chairman and Chief Executive Officer

Hong Kong, 12 January 2009

As at the date of this announcement, the Board comprises Mr. Suen Cho Hung, Paul (Chairman), Mr. Lo Ming Chi, Charles (Deputy Chairman and Chief Executive Officer), Mr. Zhang Zhidong and Mr. Sue Ka Lok as executive Directors and Mr. Wong Kwok Tai, Mr. Weng Yixiang, Mr. Lu Xinsheng and Mr. Xiong Wei as independent non-executive Directors.

**For identification only*