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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent
CHUNG NAM SECURITIES LIMITED

Placing of 313,640,000 new Shares under general mandate

The Board announced that on 26 August 2009, after trading hours, the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a fully underwritten basis, to not less than six Placees, at a price of HK$0.275 per Share.

The Placing Shares under the Placing represent approximately 18.97% of the existing issued share capital of the Company of 1,653,359,760 Shares as at the date of this announcement and approximately 15.95% of the then issued share capital of 1,966,999,760 Shares as enlarged by the Placing.

The Placing Price of HK$0.275 represents (i) a discount of approximately 3.51% to the closing price of the Shares of HK$0.285 quoted on the Stock Exchange on 26 August 2009, being the date of the Placing Agreement and (ii) a discount of approximately 18.88% to the average closing price of the Shares of HK$0.339 quoted on the Stock Exchange for the last five consecutive trading days immediately prior to 26 August 2009.

The gross proceeds from the Placing will be approximately HK$86.25 million and the net proceeds from the Placing will be approximately HK$83.8 million which will be used as general working capital of the Group.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

* *For identification only*

THE PLACING

The Board announced that on 26 August 2009, after trading hours, the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a fully underwritten basis, to not less than six Placees, at a price of HK$0.275 per Share.

THE PLACING AGREEMENT

Date:

26 August 2009

Issuer:

The Company

Placing Agent and Placees:

Chung Nam Securities Limited is the Placing Agent. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

The Placees, being independent individual, corporation and/or institutional investors, who and whose ultimate beneficial owners will be third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

The Placing is on a fully underwritten basis. The Placing Shares will be placed to not less than six Placees. It is expected that none of the Placees will become substantial shareholder of the Company immediately after the Placing.

Number of Placing Shares:

The Placing Shares under the Placing represent approximately 18.97% of the existing issued share capital of the Company of 1,653,359,760 Shares as at the date of this announcement and approximately 15.95% of the then issued share capital of 1,966,999,760 Shares as enlarged by the Placing.

Ranking of Placing Shares:

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price:

The Placing Price of HK$0.275 represents (i) a discount of approximately 3.51% to the closing price of the Shares of HK$0.285 quoted on the Stock Exchange on 26 August 2009, being the date of the Placing Agreement; and (ii) a discount of approximately 18.88% to the average closing price of the Shares of HK$0.339 quoted on the Stock Exchange for the last five consecutive trading days immediately prior to 26 August 2009.

The net placing price for the Placing is approximately HK$0.267 per Share.

The Placing Price was negotiated on arm's length basis between the Company and the Placing Agent. The Directors consider that the Placing Price is fair and reasonable based on current market conditions and in the interests of the Company and the Shareholders as a whole.

Placing commission payable to the Placing Agent:

The Placing Agent will receive a placing commission calculated as 2.5% of the amount equal to the Placing Price multiplied by the number of the Placing Shares.

Conditions of the Placing Agreement:

Completion is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares.

The Company and the Placing Agent shall use their respective best endeavours to procure the fulfilment of the conditions and in particular, shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may reasonably be required by each other and/or the Stock Exchange and/or the SFC in connection with the fulfilment of the conditions.

If the conditions are not fulfilled on or prior to 26 September 2009 (or such later date as the Company and the Placing Agent shall agree in writing), the Placing Agreement and all the obligations thereunder will cease and terminate.

Force majeure:

(i) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

(ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which would, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

(iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities).

General Mandate:

The Placing Shares will be allotted and issued pursuant to the refreshed general mandate granted to the Directors at the special general meeting held on 22 June 2009. Under this refreshed general mandate, the Directors are allowed to allot and issue up to 313,647,321 Shares. As at the date of this announcement, no Shares have been issued and allotted under such general mandate and therefore, the Company is allowed to issue a maximum of 313,647,321 Shares under such general mandate. The Placing Shares will utilize approximately 100% of the said 313,647,321 Shares that are allowed to be allotted and issued under such general mandate.

Completion:

Completion of the Placing shall take place on the second business day upon the fulfillment of the conditions of the Placing (or such other time or date as the Company and the Placing Agent shall agree in writing).

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in supply and procurement business, provision of finance and securities investment. The gross proceeds from the Placing will be approximately HK$86.25 million and the net proceeds from the Placing (after deducting the placing commission for the Placing and other expenses) of approximately HK$83.8 million will be used as general working capital of the Group.

The Directors have considered different types of fund raising arrangement such as rights issue and open offer and the Directors consider that the Placing is the most efficient way in terms of cost and time involved for the Company. In the meantime, the Company can take this opportunity to broaden the capital base and shareholders base of the Company.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Apart from the fund raising activity mentioned below, the Company has not carried out other fund raising activities during the 12 months immediately preceding the date of this announcement:

Date of announcement	Fund raising activities	Net proceeds raised (HK$)	Intended use of proceeds	Actual use of proceeds
26 February 2009	Placing and top up subscription	10.85 million	To be used for general working capital	Used as intended
14 May 2009	Placing and top up subscription	9.63 million	To be used for general working capital	Used as intended

SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing are set out as below:

	As at the date of this announcement		**Upon completion of the Placing**	
	No. of Shares	*Approximately %*	*No. of Shares*	*Approximately %*
Global Wealthy Limited *(Note)*	437,433,866	26.46	437,433,866	22.24
Placees	–	–	313,640,000	15.95
Other public Shareholders	1,215,925,894	73.54	1,215,925,894	61.81
Total	1,653,359,760	100.00	1,966,999,760	100.00

Note:

Global Wealthy Limited, a company incorporated in the British Virgin Islands with limited liability, is a wholly owned subsidiary of Excelsior Kingdom Limited, which in turn is wholly owned by Mr. Suen Cho Hung, Paul, an Executive Director and the Chairman of the Company.

DEFINITIONS

In this announcement, the following terms shall have the meanings set opposite to them unless the context otherwise requires:

"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"business day"	any day (excluding Saturday and Sunday) on which banks generally open for business in Hong Kong
"Board"	the board of Directors
"Company"	Poly Development Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Placees"	any independent individual(s), corporation and/or institutional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
"Placing"	placing of 313,640,000 new Shares at the Placing Price pursuant to the Placing Agreement
"Placing Agent"	Chung Nam Securities Limited, a deemed licensed corporation within the meaning of the SFO
"Placing Agreement"	the placing agreement entered into between the Placing Agent and the Company dated 26 August 2009 in respect of the Placing

"Placing Price"	HK$0.275 per Share
"Placing Shares"	313,640,000 new Shares to be placed under the Placing
"SFC"	Securities and Futures Commission of Hong Kong
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent.

By Order of the Board
Suen Cho Hung, Paul
Chairman

Hong Kong, 26 August 2009

At the date of announcement (see Note), the Board 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:

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 of the Company dated 24 August 2009.