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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)

DELAY IN DESPATCH OF CIRCULARS

Reference is made to (1) the First Announcement in relation to the Xian and Luoyang Acquisitions and (2) the Second Announcement in relation to the Zhongshi Acquisition.

For the reasons more particularly discussed below, the despatch of the circular in relation to the Xian and Luoyang Acquisitions and the circular in relation to the Zhongshi Acquisition will be postponed. It is currently expected that the circulars in relation to the Xian and Luoyang Acquisitions and the Zhongshi Acquisition will be despatched to the Company's shareholders no later than 4 May 2007 and 18 May 2007 respectively.

Reference is made to (1) the announcement of China Chengtong Development Group Limited ("**Company**") dated 22 March 2007 ("**First Announcement**") in relation to the discloseable and connected transactions in respect of the acquisition of 52% of the equity interest in 西安富祥房地產開發有限公司 (Xian Fuxiang Real Estate Development Limited) ("**Xian PRC Company**") and the acquisition of the entire equity interest in 洛陽關林中儲物流中心 (Luoyang Guanlin Zhongchu Logistics Centre) ("**Luoyang PRC Company**") ("**Xian and Luoyang Acquisitions**") and (2) the announcement of the Company dated 28 March 2007 ("**Second Announcement**") in relation to the major and connected transaction in respect of the proposed acquisition of 30% interest in 中實投資有限責任公司 (Zhongshi Investment Company Limited) ("**Zhongshi**") ("**Zhongshi Acquisition**").

Pursuant to the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**"), the Company must send a circular containing, among other matters, further details of the Xian and Luoyang Acquisitions to its shareholders within 21 days after the publication of the First Announcement, being 13 April 2007. The Company is also required to send a circular containing, among other matters, further details of the Zhongshi Acquisition to its shareholders within 21 days after the publication of the Second Announcement, being 18 April 2007.

Since additional time is required for the preparation of documents in support of the opinion of the independent financial adviser for the Xian and Luoyang Acquisitions, the circular in relation to the Xian and Luoyang Acquisitions will be postponed. It is currently expected that such circular will be despatched to the Company's shareholders no later than 4 May 2007. The Company has applied to the Stock Exchange for a waiver from strict compliance with the relevant Listing Rules for an extension of time to despatch the circular to no later than 4 May 2007.

In addition, since more time is required for the preparation of the reports to be included in the circular in relation to the Zhongshi Acquisition which includes the accountants' report on Zhongshi for the three years ended 31 December 2006 and the valuation report in respect of the property interests owned by Zhongshi, the despatch of the circular in relation to Zhongshi Acquisition will be postponed. It is currently expected that such circular will be despatched to the Company's shareholders no later than 18 May 2007. The Company has applied to the Stock Exchange for a waiver from strict compliance with the relevant Listing Rules for an extension of time to despatch the circular to no later than 18 May 2007.

As at the date of this announcement, the executive Directors are Mr. Zhang Guotong and Mr. Wang Hongxin; the non-executive Directors are Mr. Ma Zhengwu, Mr. Hong Shuikun, Mr. Gu Laiyun and Ms. Xu Zhen; and the independent non-executive Directors are Mr. Kwong Che Keung, Gordon, Mr. Tsui Yiu Wa, Alec, Mr. Lao Youan and Mr. Ba Shusong.

By order of the board of directors of
China Chengtong Development Group Limited
Zhang Guotong
Managing Director

Hong Kong, 12 April 2007