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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)

FURTHER DELAY IN DESPATCH OF CIRCULAR IN RELATION TO VERY SUBSTANTIAL ACQUISITION: CAPITAL INJECTION TO HUZHOU LAND COMPANY

Reference is made to the announcement of the Company dated 28 March 2008 in relation to a very substantial acquisition of the Company. The despatch of the Circular to the Shareholders regarding the Capital Injection will be further postponed. It is currently expected that the Circular will be despatched on or before 30 May 2008.

Reference is made to the announcement of China Chengtong Development Group Limited (the “**Company**”) dated 28 March 2008 in relation to a very substantial acquisition of the Company, and the announcement of the Company dated 17 April 2008 in relation to the delay in despatch of circular (the “**Announcements**”). Unless otherwise stated, terms used in this announcement shall have the same meanings as defined in the Announcements.

Pursuant to Rule 14.38 of the Listing Rules, the Circular containing details of, among other matters, the Capital Injection Agreement, together with a notice of the EGM, was required to be despatched to the Shareholders within 21 days after the publication of the Company’s announcement dated 28 March 2008, being no later than 18 April 2008.

Application was made to the Stock Exchange on 17 April 2008 for a waiver from strict compliance with Rule 14.38 of the Listing Rules, pursuant to which the Stock Exchange granted an extension of time for the despatch of the Circular to 16 May 2008. During the extended period, the financial information of Huzhou Land Company, the financial information of the Group, the pro forma financial information of the Enlarged Group following the Capital Injection becoming effective and the valuation report on the property interests of the Group have been prepared.

As more time is required for finalisation of the pro forma financial information of the Enlarged Group following the Capital Injection becoming effective and other information contained in the Circular, and to allow sufficient time for bulk-printing of the Circular, the despatch of the Circular will be further postponed. It is currently expected that the Circular will be despatched to the Shareholders no later than 30 May 2008.

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.38 of the Listing Rules by further extending the despatch date of the Circular to no later than 30 May 2008 in accordance with the requirements of the Listing Rules.

By order of the Board of
China Chengtong Development Group Limited
Zhang Guotong
Chairman

Hong Kong, 16 May 2008

As at the date of this announcement, the executive Directors are Mr. Zhang Guotong and Mr. Wang Hongxin; the non-executive Directors are 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.