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STONE GROUP HOLDINGS LIMITED
四通控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 409)

ANNOUNCEMENT

POSSIBLE MAJOR TRANSACTION
DISPOSAL OF A SHARES IN CHINA RAILWAY ERJU CO. LTD.

DELAY IN DESPATCH OF CIRCULAR

Stone Group Holdings Limited (the “**Company**”) has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.38 of the Listing Rules so that the despatch of the Circular (as defined below) in relation to Possible Major Transaction as detailed in an announcement of the Company dated 7 March 2008 and published on 7 March 2008, will be postponed from 28 March 2008 to 18 April 2008.

Reference is made to the announcement of the Company dated 7 March 2008 and published on 7 March 2008 (the “**Announcement**”) relating to the Possible Major Transaction. Capitalised terms used herein shall have the same meaning as ascribed thereto in the Announcement.

Pursuant to Rule 14.38 of the Listing Rules, the Company is required to despatch a circular in relation to the Possible Major Transaction (the “**Circular**”) to the Shareholders within 21 days after the publication of the Announcement, which is on or before 28 March 2008.

The Company has accordingly applied to the Stock Exchange for a waiver from strict compliance with Rule 14.38 of the Listing Rules so that the despatch of the Circular in relation to the Possible Major Transaction as detailed in the Announcement will be postponed from 28 March 2008 to 18 April 2008, as additional time is required to review and finalize certain financial information on indebtedness, contingent liabilities and working capital for inclusion in the Circular. In particular, the financial information on working capital depends on the finalization of the working capital forecast of the Group for the period from 1 October 2007 to 31 March 2009 which in turn depends on the budget of the Group for the year from to 1 April 2008 to 31 March 2009 which is still in the process of being finalized.

By order of the Board
Stone Group Holdings Limited
Hung Ka Wai
Company Secretary

Hong Kong, 28 March 2008

As at the date hereof, the Board of the Company comprises eleven directors, of which Messrs. DUAN Yongji, SHI Yuzhu, SHEN Guojun, CHEN Xiaotao and ZHANG Disheng and Ms. LIU Wei are executive directors, Mr. CHENG Fumin is non-executive director and Messrs. NG Ming Wah, Charles, Andrew Y. YAN, LIU Ji and LIU Jipeng are independent non-executive directors.