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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.

FURTHER DELAY IN DESPATCH OF CIRCULAR

The Company had applied to the Stock Exchange for an extension of time for the despatch of the Circular on 18 April 2008 to review and finalize certain financial information on indebtedness, contingent liabilities and working capital for inclusion in the Circular.

As the Company requires additional time to review and finalize certain financial information on indebtedness, contingent liabilities and working capital and to also collect the outstanding bank confirmations for finalising the indebtedness statement of the Group as at 31 March 2008 to be included in the Circular, the Company, after making reasonable enquiries with the reporting accountants of the Company, has applied to the Stock Exchange for a further extension of time for the despatch of the Circular to a date falling on or before 2 May 2008.

Reference is made to the announcement of the Company dated 7 March 2008 relating to the Possible Major Transaction for the Company (the “**Announcement**”) and the announcement of the Company dated 28 March 2008 relating to the delay in despatch of the Circular to the Shareholders (the “**First Delay Announcement**”). Terms used in this announcement shall have the same meanings as those defined in the Announcement and the First Delay Announcement unless otherwise stated herein.

Pursuant to Rules 14.38 of the Listing Rules, the Company is required to despatch the Circular to the Shareholders within 21 days after publication of the Announcement, that is, on or before 28 March 2008. As set out in the First Delay Announcement, the Company had applied to the Stock Exchange for an extension of time for the despatch of the Circular on 18 April 2008 to review and finalize certain financial information on indebtedness, contingent liabilities and working capital for inclusion in the Circular.

As the Company requires additional time to review and finalize certain financial information on indebtedness, contingent liabilities and working capital and also to collect the outstanding bank confirmations for finalising the indebtedness statement of the Group as at 31 March 2008 to be included in the Circular, the Company, after making reasonable enquiries with the reporting accountants of the Company, has applied to the Stock Exchange for a further extension of time for the despatch of the Circular to a date falling on or before 2 May 2008.

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

Hong Kong, 18 April 2008

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. DUAN Yongji
Mr. SHI Yuzhu
Mr. SHEN Guojun
Mr. CHEN Xiaotao
Mr. ZHANG Disheng
Ms. LIU Wei

Non-Executive Director:

Mr. CHENG Fumin

Independent Non-Executive Directors:

Mr. NG Ming Wah, Charles
Mr. Andrew Y. YAN
Mr. LIU Ji
Mr. LIU Jipeng