



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)

CLARIFICATION ANNOUNCEMENT & UNUSUAL PRICE AND TRADING VOLUME

The Board has noted that articles published in certain newspapers circulated in Hong Kong on 16 May 2006 has reported on a proposed equity injection to the Company by its parent company. The Board wish to clarify that it is not aware of and has no knowledge of the source of the equity injection reported on. Neither is the Board aware of any negotiations or agreements entered into between the Company and its parent company in relation to the equity injection reported on as at the date of this announcement.

CLARIFICATION ANNOUNCEMENT

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”)

The board of Director (the “**Board**”) of China Chengtong Development Group Limited (the “**Company**”, which together with its subsidiaries are referred to as the “**Group**”) has noted that articles published in certain newspapers in Hong Kong on 16 May 2006 has reported on, among other matters, a proposed injection to the Company by its parent company of its equity interests in a large scale logistic development project in the People’s Republic of China entitled大豐港 (transliterated as Da Feng Port) to the Company.

The Board wish to clarify that it is not aware of and has no knowledge of the source of the above equity injection reported on. Neither is the Board aware of any negotiations or agreements entered into between the Company and its parent company in relation to the equity injection reported on as at the date of this announcement.

UNUSUAL PRICE AND TRADING VOLUME

The Board has also noted today's increases in the price and the trading volume of the shares of the Company and wish to state that the Board is not aware of any reasons for such increase.

The Board also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

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

By Order of the Board

China Chengtong Development Group Limited

Lai Ka Fai

Company Secretary

Hong Kong, 16 May 2006