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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **China Resources and Transportation Group Limited**, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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China Resources and Transportation Group Ltd
中國資源交通集團有限公司

CHINA RESOURCES AND TRANSPORTATION GROUP LIMITED
中國資源交通集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 269)

**PROPOSED GRANT OF GENERAL MANDATES TO ISSUE NEW
SHARES AND REPURCHASE OF SHARES
PROPOSED RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the annual general meeting of the Company to be held at the Oasis Room, 8th Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong, on Monday, 26 August 2013 at 11 a.m. is set out on pages 14 to 17 of this circular.

A proxy form for use at the meeting is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the proxy form and return the same to the Company's branch share registrar in Hong Kong, Tricor Progressive Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or any adjourned meeting (as the case may be) if you so wish.

23 July 2013

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DEFINITIONS

In this circular and the appendices, unless the context requires otherwise, the following expressions have the following meanings:

“AGM”	the Annual General Meeting of the Company to be held at the Oasis Room, 8th Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong, on Monday, 26 August 2013 at 11 a.m., or any adjournment thereof
“Articles of Association”	the Articles of Association of the Company
“Board”	the board of Directors
“Company”	China Resources and Transportation Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 269)
“Director(s)”	the directors of the Company
“General Mandate”	the general mandate proposed to be granted to the Directors at AGM to exercise all the powers of the Company to allot, issue and deal with new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the relevant resolution by the Shareholders
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	12 July 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Memorandum”	Memorandum of Association of the Company
“Notice”	the notice of the AGM set out on pages 14 to 17 of this circular

DEFINITIONS

“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to exercise the power of the Company to repurchase up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the relevant resolution by the Shareholders
“Shareholder(s)”	registered holder(s) of the Share(s) in issue
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD



China Resources and Transportation Group Ltd
中國資源交通集團有限公司

CHINA RESOURCES AND TRANSPORTATION GROUP LIMITED

中國資源交通集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 269)

Directors

Executive Directors

Mr. Cao Zhong (*Chairman*)
Mr. Fung Tsun Pong (*Vice-Chairman*)
Mr. Duan Jingquan
(*Chief Executive Officer*)
Mr. Tsang Kam Ching, David
(*Finance Director*)
Mr. Gao Zhiping

Independent Non-Executive Directors

Mr. Yip Tak On
Mr. Jing Baoli
Mr. Bao Liang Ming

Registered Office

Caledonian Trust (Cayman) Limited
Caledonian House
69 Dr. Roy's Drive
P.O. Box 1043
Grand Cayman, KY1-1102
Cayman Islands

*Head office and Principal Place
of Business*

Room 1801-07, 18/F
China Resources Building
26 Harbour Road
Wanchai
Hong Kong

23 July 2013

Dear Shareholder(s),

**PROPOSED GRANT OF GENERAL MANDATES TO ISSUE NEW
SHARES AND REPURCHASE OF SHARES
PROPOSED RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the following resolutions to be proposed at the AGM:

- (a) granting of the General Mandate and the Repurchase Mandate;
- (b) re-election of the retiring Directors;

LETTER FROM THE BOARD

- (c) approving other ordinary businesses to be considered at the AGM, including, among others, the approval and adoption of the audited financial statements and reports of the Directors and auditors for the year ended 31 March 2013, the fixing of Directors' fees, the appointment of the incumbent auditors and the authorization to the Directors to fix audit fees; and
- (d) to serve the notice of the AGM.

PROPOSED GENERAL MANDATE AND REPURCHASE MANDATE

At the AGM, the Directors propose to seek the approval of the Shareholders to grant to the Directors the General Mandate and the Repurchase Mandate.

General Mandate

At the annual general meeting of the Company held on 8 August 2012, the Directors were granted a general mandate to allot, issue and deal with ordinary shares of HK\$0.01 each in the capital of the Company on the Stock Exchange. The mandate will expire at the conclusion of the AGM.

It will be proposed at the AGM as an ordinary resolution, which is set out in resolution no. 5 of the Notice granting the Directors a general mandate to allot, issue, and deal with unissued Shares or underlying Shares or make or grant offers, agreements, options and warrant which might require the exercise of such power, of an aggregate amount of up to 20% of the issued Shares as at the date of passing the resolution. The Directors have no immediate plan to issue Shares pursuant thereto.

In addition, the Board also proposed to extend the General Mandate authorizing the Directors to allot, issue and deal with Shares to the extent of the Shares repurchased pursuant to the Repurchase Mandate.

The Company has in issue an aggregate number of 25,605,783,895 Shares as at the Latest Practicable Date. Subject to the approval of the General Mandate and in accordance with the terms therein, the Company would be allowed to allot up to the aggregate nominal amount of 5,121,156,779 Shares on the basis that no further Shares will be issued or repurchased by the Company prior to the AGM.

Repurchase Mandate

At the AGM, an ordinary resolution will also be proposed to grant to the Directors to exercise all powers of the Company to repurchase Shares on the Stock Exchange of an aggregate amount of up to 10% of the issued Shares as at the date of passing the resolution.

Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 2,560,578,389 Shares.

LETTER FROM THE BOARD

An explanatory statement containing all information in relation to the Repurchase Mandate as required under Rule 10.06(1) of the Listing Rules is set out in **Appendix I** to this circular.

The General Mandate (including the extended General Mandate) and the Repurchase Mandate shall continue to be in force until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation of the General Mandate (including the extended General Mandate) or the Repurchase Mandate (as the case may be) by ordinary resolution of the Shareholders in general meeting.

PROPOSED RE-ELECTION OF DIRECTORS

The Board currently comprises five executive Directors, namely Messrs Cao Zhong, Fung Tsun Pong, Duan Jingquan, Tsang Kam Ching, David and Gao Zhiping; and three independent non-executive Directors, namely Messrs Yip Tak On, Jing Baoli and Bao Liang Ming.

In accordance with Article 117 of the Articles of Association, at each annual general meeting one-third, or, if their number is not three or a multiple of three, then the number nearest to one-third, of the Directors who have been longest in office since their last election by Shareholders in a general meeting shall retire from office. As a result, Mr. Tsang Kam Ching, David (“**Mr. Tsang**”) and Mr. Jing Baoli (“**Mr. Jing**”), being the longest-serving Directors shall retire at the AGM and being eligible, offer themselves for re-election.

Further, pursuant to Article 100 of the Articles of Association, any Director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next general meeting. Accordingly, Mr. Gao Zhiping (“**Mr. Gao**”), being the additional Director appointed by the Board shall retire at the AGM and being eligible, offer himself for re-election.

Details of Directors Proposed for Re-election are set out in Appendix II to this Circular

Subject to Article 121 of the Articles of Association, if a Shareholder wishes to nominate a person to stand for election as a Director at the AGM, notice of his intention to propose such person for election as a Director and the notice executed by the nominee of his willingness to be elected must be validly served at the Company’s Hong Kong branch share registrar, Tricor Progressive Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, at least **seven (7) days** before the date of the AGM. If a valid notice from a Shareholder to propose a person to stand for election as a Director at the AGM is duly received after the printing of this circular, the Company will issue a supplementary circular to inform the Shareholders of the details of the additional candidate proposed.

LETTER FROM THE BOARD

NOTICE OF ANNUAL GENERAL MEETING

The Notice is set out on pages 14 to 17 of this circular. Resolutions to be proposed at the AGM include, inter alia:

- (i) the granting of the General Mandate (including the extended General Mandate) and the Repurchase Mandate;
- (ii) approving the proposed re-election of the retiring Directors, namely Mr. Tsang and Mr. Gao as executive Directors and Mr. Jing as an independent non-executive Director; and
- (iii) approving other ordinary businesses to be considered, including, among others, the approval of the audited financial statements and reports of the Directors and auditors of the Company, the fixing of Directors' remuneration, the appointment of the incumbent auditors of the Company and the authorization to the Board to fix their remuneration.

FORM OF PROXY

A proxy form for use at the AGM is enclosed herein. Whether or not you intend to attend the AGM, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof if you so wish.

VOTING BY POLL

Pursuant to rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll.

At the AGM, the chairman of the meeting will exercise his power under the Articles of Association to put all the resolutions set out in the Notice to the vote by way of poll.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

LETTER FROM THE BOARD

RECOMMENDATIONS

The Directors believe that the General Mandate is in the best interest of the Company and the Shareholders as a whole, and that any exercise of the General Mandate (including the extended General Mandate) and the Repurchase Mandate will enable the Company to take advantage of market conditions.

The Directors also believe that the proposed resolutions in respect of re-election of retiring Directors and other resolutions to be proposed at the AGM are all in the best interest of the Company and the Shareholders as a whole.

Accordingly, the Directors recommend you to vote in favour of the relevant resolutions to be proposed at the AGM.

Yours faithfully,
By Order of the Board
Cao Zhong
Chairman

This Appendix I serves as an explanatory statement given to all Shareholders relating to a resolution to be proposed at the AGM authorizing the proposed Repurchase Mandate. This explanatory statement contains all information pursuant to Rule 10.06(1) and other relevant provisions of the Listing Rules which is set out as follows:

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 25,605,783,895 Shares.

Subject to the passing of the resolution for the grant of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to purchase a maximum of 2,560,578,389 Shares, representing 10% of the issued share capital of the Company as at the date of passing of the resolution, until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation of the Repurchase Mandate by an ordinary resolution of the Shareholders in general meeting.

2. REASONS FOR PROPOSED REPURCHASES OF SHARES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Directors to repurchase Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders as a whole.

3. SOURCE OF FUNDS

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles, the applicable laws of the Cayman Islands and the Listing Rules. It is envisaged that the funds required for any repurchase may also be derived from the Company's available cash flow or internal resources.

4. EFFECT OF EXERCISING THE REPURCHASE MANDATE

Taking into account the current capital position of the Company, the Directors consider that, the exercise in full of the Repurchase Mandate to repurchase Shares might have a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 March 2013). However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or on the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

5. DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) has any present intention to sell any Shares to the Company under the Repurchase Mandate if it is approved by the Shareholders at the AGM.

6. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchase pursuant to the Repurchase Mandate in accordance with the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands.

7. TAKEOVERS CODE

If, as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportional interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (within that term's meaning under the Takeovers Code), depending on the level of increase in the shareholders' interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, the following persons were directly or indirectly interested in 5% or more of the nominal value of the issued ordinary Shares that carry a right to vote in all circumstances at general meetings of the Company:

Name	Number of Shares			Approximate Percentage (%) of shareholding interests
	Personal interest	Corporate interests	Total number of shares held	
China Alliance International Holding Group Limited (<i>Note 1</i>)	NIL	4,275,862,068	4,275,862,068	16.70
Mr. Cao Zhong (<i>Note 2</i>)	124,200,000	2,070,300,000	2,194,500,000	8.57
Champion Rise International Limited (<i>Note 2</i>)	NIL	2,070,300,000	2,070,300,000	8.08
Mr. Fung Tsun Pong (<i>Note 3</i>)	1,242,362,449	1,114,300,000	2,356,662,449	9.20
Vivid Beyond Securities Limited (<i>Note 4</i>)	NIL	2,500,000,000	2,500,000,000	9.76
Fresh Generation Development Limited (<i>Note 5</i>)	NIL	1,350,000,000	1,350,000,000	5.27

Note 1: China Alliance International Holding Group Limited is wholly owned by Ms. Zhang Lei.

Note 2: Champion Rise International Limited being wholly owned by Mr. Cao Zhong was interested in 2,070,300,000 Shares, representing approximately 8.08% in the issued share capital of the Company.

Note 3: Mr. Fung Tsun Pong was interested in 1,114,300,000 Shares being held by Ocean Gain Limited, representing approximately 4.35% in the issued share capital of the Company.

Note 4: Vivid Beyond Securities Limited is wholly owned by Hu Wei.

Note 5: Fresh Generation Development Limited is wholly owned by Hu Bing Zhuo.

On the basis of the shareholding held by each substantial Shareholder as set out above, an exercise of the Repurchase Mandate in full will not give rise to an obligation for any substantial shareholder to make a mandatory offer under Rule 26 and 32 of the Takeovers Code.

The Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchase pursuant to the Repurchase Mandate.

The Directors will not repurchase Shares on the Stock Exchange if the repurchase would result in the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

The Company and the Directors have no current intention to exercise the Repurchase Mandate to such extent as would give rise to any obligation under the Takeovers Code.

8. REPURCHASES OF SHARES BY THE COMPANY

No purchase of Shares has been made by the Company during the six months preceding the Latest Practicable Date.

9. CONNECTED PERSON

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company or has undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

10. SHARES PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2012		
July	0.290	0.270
August	0.280	0.250
September	0.260	0.230
October	0.300	0.255
November	0.305	0.275
December	0.310	0.265
2013		
January	0.310	0.280
February	0.315	0.290
March	0.310	0.290
April	0.305	0.285
May	0.305	0.290
June	0.325	0.295

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

This appendix provides you with the biographical details of the Directors who will retire from their offices at the AGM and being, eligible, will offer themselves for re-election, at the AGM in accordance with the Articles of Association.

PROPOSED RE-ELECTION OF DIRECTORS

Mr. Tsang Kam Ching, David, aged 56, has been appointed as an executive Director since 17 February 2004. Mr. Tsang has extensive financial management experience over the past 20 years which covers merchant banking, stock broking and corporate finance business. Mr. Tsang is also a fellow member of the Chartered Association of Certified Accountants in the United Kingdom and a member of the HKICPA. Mr. Tsang's employment was recently renewed on 1 June 2013 for a term of three years by a service agreement.

Mr. Gao Zhiping, aged 51, graduated from China Europe International Business School (中歐國際工商學院) with a Master of Business Administration and is a Senior Economist certified by the State Grid Corporation of China (國家電網公司). He has received the awards of Distinctive Young Enterprise Management Personnel and Distinctive Pilot Project Construction Personnel of Henan Province. From 1979 to 1994, he served various departments in the local administrative office of Nanyang Prefecture in Henan as secretary of finance office as well as the chief officer of the finance office of Nanyang city government. From 1994 to 2009, he was positioned as the deputy general manager and the secretary of the party committees of Nanyang YaHeKou Electricity Company Limited (南陽鴨河口發電有限責任公司) and Nanyang Tianyi Power Generation Co., Ltd. (南陽天益發電有限責任公司), both being subsidiary of Henan Investment Group (河南投資集團). He also took up the post as the deputy general manager of Tianjin Hangfa (Jinji) Expressway Company Limited (天津航發(津薊)高速公路有限公司) and the chairman of the board of directors of Nan Yang WDX Expressway Construction Co., Ltd. (南陽宛達昕高速公路建設有限責任公司) in 2010. Since October 2010, he has been appointed as the general manager of Inner Mongolia Zhunxing Heavy Haul Expressway Company Limited (內蒙古准興重載高速公路有限責任公司) ("**Zhunxing**"), an indirect subsidiary of the Company, and has made great contribution to the management of Zhunxing and construction of the expressway of Zhunxing. Mr. Gao was appointed on 17 June 2013 for a term of three years.

Mr. Jing Baoli, aged 48, has been appointed as an INED since 28 February 2006. Mr. Jing was graduated from Beijing University Law School with a Bachelor's degree in Laws in 1987 and acquired a Master's degree in Laws from Lanzhou University in 1997. After graduation from Beijing University, he was assigned to the High Court of Gansu Province and worked in various positions till 1997. In 1997, Mr. Jing joined Gansu Tianhe Law Firm as a partner and in 1999, he joined Beijing Shuang Cheng Law Firm as an attorney-at-laws. In August 2007, Mr. Jing joined China Commercial Law Company, Guangdong.

Each of Mr. Tsang and Mr. Gao is entitled to an annual salary of approximately HK\$2,400,000, discretionary bonus and other benefits at the sole and absolute discretion of the Board and its remuneration committee. The remuneration of Mr. Tsang and Mr. Gao was determined by reference to their respective duties and responsibilities, experience, performance and market conditions.

The appointment of Mr. Jing was renewed from 28 February 2013 for a term of two years and his annual director's fee is HK\$120,000. Mr. Jing does not hold any other position with the Company or other members of the Group.

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

As at the Latest Practicable Date, Mr. Tsang is interested in 51,624,499 shares of the Company whilst both Mr. Gao and Mr. Jing do not hold any interest or short position in the shares, underlying shares and debentures of the Company.

Each of Mr. Tsang, Mr. Gao and Mr. Jing has not held any position in other companies listed on the Stock Exchange or any other securities market in the last three years. In addition, each of Mr. Tsang, Mr. Gao and Mr. Jing does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company or any of their associates (as defined in the Listing Rules).

Save as disclosed above and to the best of the Board's knowledge, information and belief, having made all reasonable enquiries, there is no other information relating to the proposed re-election of the retiring Directors that needs to be disclosed pursuant to Rules 13.51(2) of the Listing Rules nor the Board is aware of any other matter that need to be brought to the attention of the holders of securities of the Company in respect of the above proposed appointments.



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CHINA RESOURCES AND TRANSPORTATION GROUP LIMITED
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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 269)

NOTICE IS HEREBY GIVEN that an annual general meeting of China Resources and Transportation Group Limited (the “**Company**”) will be held at the Oasis Room, 8th Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong, on Monday, 26 August 2013 at 11 a.m. for the purpose of considering the following resolutions:

AS ORDINARY BUSINESS

A. To consider and, if thought fit, passing with or without amendments, the following resolutions as Ordinary Resolutions THAT:

1. To receive and consider the audited financial statements and the reports of directors of the Company (the “**Directors**”) and of the auditors for the year ended 31 March 2013.
2. To re-elect Mr. Tsang Kam Ching, David and Mr. Gao Zhiping as executive Directors and Mr. Jing Baoli as an independent non-executive Director.
3. To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration.
4. To re-appoint the retiring auditors BDO Limited for the ensuing year and to authorize the Board to fix their audit fee.

AS SPECIAL BUSINESS

B. To consider and, if thought fit, passing with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT:**

- 5(1) (a) subject to paragraph (c) below, and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional ordinary shares of HK\$0.01 each in the capital of the Company (the “**Shares**”) and to make or grant whether conditionally or unconditionally, offers agreements and options

(including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;

- (b) the Directors be and are hereby authorized during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers during or after the end of the Relevant Period;
- (c) the aggregate nominal amount of Shares allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph 5(1) (a) and (b), **otherwise than pursuant to** (i) a Right Issue (as hereinafter defined), (ii) the exercise of any rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are otherwise convertible into Shares, (iii) the exercise of any options granted under a share option scheme or similar arrangement of the Company for the time being adopted by the Company, or (iv) an issue of Shares in lieu of the whole or part of a dividend on Shares or any script dividend scheme or similar arrangement providing for the allotment of Shares in accordance with the Memorandum and Articles of Association of the Company from time to time, **shall not exceed the aggregate of:**

- (i) twenty per cent (20%) of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution and the said approval be limited accordingly; and
- (ii) subject to the passing of the resolution no.5(2), the nominal amount of any share capital repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of resolution no.5(2)),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purpose of this Resolution:

"Relevant Period" means the period from the time of passing this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law of Cayman Islands to be held; or

- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to the holders of Shares and/or warrants on the respective registers of the Company on a fixed record date in proportion to their then holdings of such Shares and/or warrants (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognized regulatory body or any stock exchange applicable to the Company).

- 5(2) (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as herein hereinabove) of all the powers of the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognized by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Future Commission, the Stock Exchange, the Companies Law of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the Shares which the Company is authorized to repurchase pursuant to the approval in paragraph 5(2)(a) of this resolution during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the approval pursuant to paragraph 5(2)(a) of this resolution shall be limited accordingly.”

By Order of the Board
Cao Zhong
Chairman

Hong Kong, 23 July 2013

Principal place of business:
Room 1801-07, 18/F
China Resources Building
26 Harbour Road, Wanchai
Hong Kong

Notes:

- (a) A member entitled to attend and vote at the above meeting is entitled to appoint one or more than one proxies to attend and vote on his behalf. A proxy need not be a member of the Company but must be present in person to represent the member.
- (b) If the appointer is a corporation, the form of proxy must be under its common seal, or under the hand of an officer or attorney duly authorized on its behalf.
- (c) In order to be valid, a form of proxy must be deposited at the Company's Hong Kong branch share registrar, Tricor Progressive Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. The completion and delivery of the form of proxy will not preclude a member from attending and voting at the meeting if he so wishes. In the event that he attends the meeting after having lodged the form of proxy, the form of proxy will be deemed to have been revoked.
- (d) With respect to the resolution no.5, approval is being sought from shareholders of the Company for a general mandate to issue Shares to be given to the Directors. The Directors wish to state that they have no immediate intention to issue any new Shares. Approval is being sought from the shareholders of the Company as a general mandate for the purpose of compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
- (e) Where there are joint registered holders of any Share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such Shares as if he was solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Share shall alone be entitled to vote and will be accepted to the exclusion of other joint registered holders in respect hereof.

As at the date of this notice, the Board comprises five executive Directors, namely Messrs Cao Zhong, Fung Tsun Pong, Duan Jingquan, Tsang Kam Ching, David and Gao Zhiping; and three independent non-executive Directors, namely Messrs Yip Tak On, Jing Baoli and Bao Liang Ming.