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)

UPDATE ON DEBT RESTRUCTURING

Reference is made to the announcements of China Resources and Transportation Group Limited (the "**Company**") dated 26 February 2016, 24 January 2017 and 3 February 2017 (the "**Announcements**"). The board of directors of the Company (the "**Board**") wishes to provide an update to the shareholders and potential investors of the Company in relation to the Company's debt restructuring. Unless the context otherwise requires, capitalised terms in this announcement shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, the Bank has issued a demand notice to the Company, claiming for the immediate repayment by the Company for an aggregate sum of outstanding principal of RMB 145.62 million and interest of approximately RMB 0.54 million (together, the "**Outstanding Amounts**"), as borrowed and owed by Jinjing where the Company acted as guarantor, at no later than 3 February 2017.

On 6 February 2017, the Company received a statutory demand (the "**Statutory Demand**") under Section 327(4)(a) of the Companies (Winding Up and Miscellaneous Provisions Ordinance (Cap 32)) from the Bank, requiring the Company to pay the Outstanding Amounts within 3 weeks from the date of service of the Statutory Demand. Should the Company fail to repay the Outstanding Amounts within 3 weeks, the Bank may apply to the court for a winding up petition of the Company.

In addition to the Outstanding Amounts guaranteed by the Company, as at the date of this announcement, the Company has outstanding bonds in the principal amount of HKD4,032 million.

The Board is discussing with its legal adviser and financial adviser and considering debt restructuring plans, including but not limited to a possible scheme of arrangement, to discharge and release all the existing debts of the Company. Further announcement(s) relating to the debt restructuring will be made by the Company as and when appropriate.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares and other securities of the Company.

By order of the Board
China Resources and Transportation Group Limited
Cao Zhong
Chairman

Hong Kong, 7 February 2017

As at the date of this announcement, the Board comprises six executive Directors, namely Messrs Cao Zhong, Fung Tsun Pong, Duan Jingquan, Tsang Kam Ching, David, Gao Zhiping and Jiang Tao; a non-executive Director namely Mr. Suo Suo Stephen; and four independent non-executive Directors, namely Messrs Yip Tak On, Jing Baoli, Bao Liang Ming and Xue Baozhong.