

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of China Chengtong Development Group Limited (formerly known as China Logistics Group Limited) (the “Company”) will be held at Rooms 2903-2907, 29th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong on 26 September 2003 at 10:30 a.m. to transact the following businesses:

1. To receive and approve the audited financial statements and the reports of the directors and the Company’s auditors for the year ended 31 March 2003.
2. To re-elect the retiring directors and to authorise the board of directors to fix their remuneration.
3. To re-appoint the Company’s auditors and to authorise the board of directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass the following resolution (with or without modification) as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) of this resolution, pursuant to Section 57B of the Companies Ordinance and the Rules (“Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options, including warrants to exercise for shares, which may require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which may require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) an exercise of rights of subscription or conversion under the terms of any warrants of the Company or other securities which are convertible into shares in the Company; or (iii) an exercise of the options granted under any share option schemes of the Company adopted from time to time in accordance with the Listing Rules; or, (iv) any scrip dividend or similar arrangements providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares in accordance with the articles of association of the Company in force from time to time, shall not exceed the aggregate of:
 - (aa) 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
 - (bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution),

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and the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution:

“Relevant Period” means the period from the date of passing of 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, the Companies Ordinance or any applicable law to be held; and
- (iii) the revocation or variation of the approval granted under this resolution by an ordinary resolution of the members of the Company in general meeting.

“Rights Issue” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares in the Company open for a period fixed by the directors of the Company to the shareholders of the Company whose names appear on the Company’s register of members on a fixed record date in proportion to their then holdings of shares in the Company (subject to such exclusion or other arrangements as the directors of the Company 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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange, in any territory).”

5. As special business, to consider and, if thought fit, pass (with or without modification) the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company during the Relevant Period (as defined below) of all powers of the Company to purchase its own shares of HK\$0.10 each on The Stock Exchange of Hong Kong Limited, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares in the Company to be purchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and the said approval be limited accordingly; and
- (c) for the purpose of this resolution:

“Relevant Period” means the period from the date of passing of 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, the Companies Ordinance or any applicable law to be held; and
 - (iii) the revocation or variation of the approval granted under this resolution by an ordinary resolution of the members of the Company in general meeting.”
6. As special business, to consider and, if thought fit, pass (with or without modification) the following resolution as an ordinary resolution:

“**THAT** conditional on the passing of resolutions set out in the notice convening this meeting as Resolutions nos. 4 and 5, the general mandate granted to the directors of the Company pursuant to the resolution set out in the notice convening this meeting as Resolution no. 4 be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors of the Company pursuant to or in accordance with such general mandate an amount representing the aggregate nominal amount of the share capital of the Company which has been purchased or agreed to be purchased by the Company since the granting of such general mandate pursuant to the exercise by the directors of the Company of the powers of the Company to purchase such shares pursuant to or in accordance with the authority granted under the resolution set out in the notice convening this meeting as Resolution No. 5, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution.”

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By order of the Board
Lai Ka Fai
Company Secretary

Hong Kong, 22 July 2003

Notes:

1. A member entitled to attend and vote at the abovesaid meeting is entitled to appoint one or more proxies to attend and, in the event of a poll, to vote in his stead. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is appointed. A proxy need not be a member of the Company. In case of a joint holding, the form of proxy may be signed by any joint holder, but if more than one joint holder is present at the meeting, whether in person or by proxy, that one of the joint holders whose name stands first on the register of members in respect of the relevant joint holding shall alone be entitled to vote in respect thereof.
2. In order to be valid, the form of proxy, accompanied by a power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power of attorney or authority must be deposited with the share registrar of the Company, Computershare Hong Kong Investor Services Limited at Rooms 1901-5, 19th Floor, Hopewell Centre, 183 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 abovesaid meeting or any adjournment thereof.
3. Completion and return of the form of proxy will not preclude members of the Company from attending and voting in person at the meeting or any adjournment thereof should they so wish.
4. An explanatory statement regarding the proposal of granting general mandates to allot and issue new shares and to repurchase the Company’s own shares will be despatched to the members of the Company together with this notice.