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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Board wishes to inform the Shareholders and potential investors of the Company that the net loss of the Group for the year ended 31 March 2015 is expected to increase by more than 100% as compared to the net loss recorded for the year ended 31 March 2014.

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

This announcement is made by China Resources and Transportation Group Limited (the “Company” together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Based on the preliminary review of the draft unaudited consolidated management accounts of the Group for the year ended 31 March 2015, the board of directors of the Company (the “Board”) wishes to inform the shareholders (the “Shareholders”) and potential investors of the Company that the net loss of the Group for the year ended 31 March 2015 is expected to increase by more than 100% as compared to the net loss recorded for the year ended 31 March

2014, which is mainly attributable to the significant increase in finance costs arising from bank borrowings and convertible bonds issued by the Company (collectively the “Specific Borrowings”). These Specific Borrowings were made primarily to finance the construction of the Group’s 265-kilometer heavy haul toll expressway in Inner Mongolia (the “Zhunxing Expressway”). During the construction phase of Zhunxing Expressway, all finance costs arising from these Specific Borrowings were capitalized to the Group’s concession intangible assets. Upon the traffic opening and commencement of toll collection of Zhunxing Expressway on 21 November 2013, the Group ceased capitalizing such finance costs and started recognizing them directly in the Group’s consolidated income statement pursuant to Hong Kong Accounting Standard 23, *Borrowing Costs*. The total amount of finance costs incurred for the year ended 31 March 2015 is expected to be approximately HK\$1,749 million of which all are charged to the Group’s consolidated income statement (year ended 31 March 2014: total amount of finance costs incurred was HK\$1,580 million of which HK\$932 million was capitalized to the Group’s concession intangible assets and HK\$648 million was charged to the Group’s consolidated income statement).

The Board wishes to state that this announcement is made based on a preliminary review of the draft unaudited consolidated management accounts of the Group for the year ended 31 March 2015, which have not taken into account the effects (if any) of valuations and impairment assessments and have not been audited by the Company’s auditors. Detailed financial results of the Group for the year ended 31 March 2015 will be disclosed in the annual results announcement which is expected to be published before the end of June 2015.

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

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

Hong Kong, 22 May 2015

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