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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)

LETTER OF INTENT IN RELATION TO THE PROPOSED DISPOSAL OF 86.87% EQUITY INTEREST IN 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)

This announcement is made by China Resources and Transportation Group Limited (“**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

THE PROPOSED DISPOSAL

On 28 June 2016, the Company entered into a letter of intent (“**LOI**”) with Inner Mongolia Highway Construction and Development Co., Ltd.* (內蒙古高等級公路建設開發有限責任公司) (“**Potential Purchaser**”), pursuant to which the Company proposes to procure the sale of, and the Potential Purchaser proposes to acquire, 86.87% equity interest 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**”) (“**Proposed Disposal**”).

* *For identification purpose only*

Zhunxing is incorporated in the People's Republic of China (the "PRC") with limited liability. The Company, through its wholly owned subsidiaries, is interested in 86.87% of the total issued share capital of Zhunxing. The primary assets of Zhunxing is the exclusive operating right for collecting tolls from vehicles using its 265-kilometre heavy-haul toll expressway located in the Inner Mongolia for a term of 30 years.

To the best of the Company's directors' knowledge, information and belief, having made all reasonable enquiries, the Potential Purchaser is a state-owned enterprise incorporated in the PRC with limited liability and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

The LOI does not create legally binding obligations on the parties in relation to the Proposed Disposal, which is subject to further negotiations amongst the parties.

GENERAL

The Company wishes to emphasize that the Proposed Disposal may or may not materialize. If the Proposed Disposal materializes, it may constitute a very substantial disposal of the Company under Chapter 14 of the Listing Rules. The Company will comply with the relevant disclosure and/or shareholders' approval requirements in respect of the Proposed Disposal in accordance with the Listing Rules where appropriate. Shareholders and potential investors of the Company 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, 28 June 2016

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