

Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN that the annual general meeting ("AGM") of Guangdong Nan Yue Logistics Company Limited (the "Company") will be held at TianShan, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Tuesday, 12 June 2007 at 3:00 p.m. for the purposes of considering and, if thought fit, passing the following resolutions:

AS ORDINARY RESOLUTIONS

1. To consider and approve the report of the board of directors of the Company (the "Board of Directors") for the year ended 31 December 2006.
2. To consider and approve the report of the supervisory committee of the Company (the "Supervisory Committee") for the year ended 31 December 2006.
3. To consider and approve the report of the auditors and audited financial statements of the Company for the year ended 31 December 2006.
4. To consider and approve the profit distribution proposal and the payment of a final dividend for the year ended 31 December 2006 as recommended by the Board of Directors.
5. To consider and approve the re-appointment of PricewaterhouseCoopers as the international auditors and Guangdong Zhengzhong Zhujiang Certified Public Accountants as the PRC auditors of the Company to hold office until the conclusion of the next annual general meeting and to authorize the Board of Directors to fix their remuneration.
6. To elect members of the third session of the Board of Directors.
7. To elect members of the third session of the Supervisory Committee.
8. To authorize the Board of Directors to determine the remuneration of the directors ("Directors") and supervisors ("Supervisors") of the Company.

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AS SPECIAL RESOLUTIONS

9. To give a general mandate to the Board of Directors to issue, allot and deal with additional domestic Shares not exceeding 20% of the domestic Shares of the Company in issue and additional H shares not exceeding 20% of the H shares of the Company in issue and authorize the Board of Directors to make corresponding amendments to the Articles of Association of the Company as it thinks fit so as to reflect the new capital structure upon the allotment or issuance of shares:

“THAT

- (A) (a) subject to paragraph (c) and in accordance with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the Articles of Association of the Company and the applicable laws and regulations of the People's Republic of China, the exercise by the Board of Directors during the Relevant Period of all the powers of the Company to allot, issue and deal with, either separately or concurrently, additional domestic shares and H shares of the Company and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers be hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorize the Board of Directors during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) each of the aggregate nominal amounts of domestic shares and H 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 Board of Directors pursuant to the approval granted in paragraph (a) shall not exceed 20% of each of the aggregate nominal amounts of domestic shares and H shares of the Company in issue at the date of passing this resolution, otherwise than pursuant to (i) a Rights Issue or (ii) any scrip dividend or similar arrangement providing for allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association; and
- (d) for the purposes of this resolution:
- “Relevant Period” means the period from the 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 or other applicable laws to be held; or
- (iii) the revocation or variation of the authority given under this resolution by a special resolution of the Company in general meeting.

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“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions 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 recognized regulatory body or any stock exchange in any territory outside Hong Kong) and an offer, allotment or issue of shares by way of rights shall be construed accordingly.

- (B) The Board of Directors be authorized to make corresponding amendments to the Articles of Association of the Company as it thinks fit so as to reflect the new capital structure upon the allotment or issuance of shares as provided in sub-paragraph (a) of paragraph (A) of this resolution.”

And to consider and approve other matters, if any.

By order of the Board of Directors

Lu Mao Hao

Chairman

Guangzhou, the PRC

16 April 2007

Notes:

1. Election of members for the third session of the Board of Directors

- (a) In relation to the proposed ordinary resolution No. 6 as set out in this notice concerning election for members of the third session of the Board of Directors, the Company proposed to re-elect the following Directors: Mr. Lu Mao Hao, Mr. Zeng Hong An, Mr. Wang Wei Bing, Mr. Chen Bing Heng, Mr. Lu Ya Xing, Mr. Huang Guo Xuan, Mr. Ren Mei Long, Mr. Chen Guo Zhang, Mr. Liu Wei, Mr. Peng Xiao Lei, Mr. Liu Shao Bu and Mr. Gui Shou Ping. The above Directors, being eligible, have offered themselves for re-election by the shareholders of the Company. The Company proposed to nominate Mr. Guo Jun Fa as new Director of the Company. The term of the third session of the Board of Directors will expire in June 2010. The re-election of these Directors will be individually voted on by the shareholders at the AGM.
- (b) The qualifications, persons experience and length of service with the Company of all the Directors who stand for re-election at the AGM are set out in the “Directors, Supervisors and Senior Management” section of the Company’s 2006 annual report. Each of the Directors has a service contracts with the Company. The biographical details of the new Director, Mr. Guo Jun Fa, is set out below for Shareholders’ information.

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Mr. Guo Jun Fa, aged 43 is the managing director of The Motor Transport Company of Guangdong and Hong Kong Limited. Mr. Guo worked as teacher in the Secondary School of Hainan Autonomous State for the Li and Miao Ethnic Minorities in 1987 after his graduation from the university, and taught at the Guangdong Province Shipping School from 1988 to 1995; he was an officer and chief officer of the education department of Guangdong Transportation Bureau from 1995 to 2000; from 2000 to 2002, he was the head of foreign economic department of Guangdong Transportation Bureau and officer of the World Bank loan office; from 2002 to 2005, he was the head of technology education department of Guangdong Transportation Bureau, during such period he was selected and sent overseas to the University of British Columbia of Canada by the relevant department of Guangdong Province in 2003 to study the MPA course and undertook a research course on the transportation industry for a year; in 2005, he was sent to station in Hong Kong as the managing director of The Motor Transport Company of Guangdong and Hong Kong Limited.

- (c) Save as disclosed herein and in the Company's 2005 annual report, none of the Directors who stand for re-election or new nomination at the AGM have any relationship with any Directors, Supervisors, senior management or substantial or controlling shareholders of the Company, or any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), or hold any directorships in other listed companies in the last three years.

2. Election of members for the third session of the Supervisory Committee

- (a) In relation to the proposed ordinary resolution No. 7 as set out in this notice concerning election of members for the third session of the Supervisory Committee, the Company proposed to re-elect the following Supervisors: Ms. Ling Ping, Ms. Cheng Zhuo and Ms. Zhou Jie De. The above Supervisors, being eligible, have offered themselves for re-election by the shareholders of the Company. The Company proposed to nominate Mr. Chen Di Li as new Supervisor to be elected by shareholders of the Company. The term of third session of the Supervisory Committee will expire in June 2010. The re-election of these Supervisors will be individually voted on by the shareholders at the AGM.
- (b) The qualifications, previous experience and length of service with the Company of all the Supervisors who stand for re-election at the AGM are set out in the "Directors, Supervisors and Other Senior Management" section in the Company's 2006 annual report. Each of the Supervisors has a service contract with the Company. The biographical details of the new Supervisors to be elected by shareholders of the Company are set out below for shareholders' information.

Mr. Chen Di Li, aged 37, a qualified senior accountant, is the deputy department head of the finance and audit department of Guangdong Provincial Communication Group Company Limited. Mr. Chen graduated from Guangdong University of Business Studies in July 1992 with a degree in finance. He worked in the finance department of Guangdong Provincial Freeway Company Limited as an accountant from July 1992 to July 1997, he was the deputy manager of the finance department of Guangdong Provincial Freeway Company Limited from July 1997 to November 1999, manager of the finance department of Guangdong Provincial Freeway Company Limited from November 1999 to October 2001 and manager of the finance and audit department of Guangdong Provincial Freeway Company Limited from October 2001 to December 2005.

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- (c) Ms. Li Hui, Mr. Rao Feng Sheng and Ms. Fan Xin Cai have been proposed to be re-elected or nominated by the employees of the Company. The biological details of newly nominated supervisors are set out below:

Mr. Rao Feng Sheng, aged 43, a senior personnel officer, is currently the vice secretary of the party committee, secretary of the disciplinary committee and the chairman of the union of the Company. Mr. Rao graduated from Guangdong Academy of Social Sciences with a degree in corporate management in July 1988, and graduated from Jinan University with a postgraduate degree in applied psychology in January 2002. Mr. Rao worked in Guangdong Province Communication Research Department and in the office of party committee as the deputy officer from June 1981 to May 1997, as the deputy manager of the administration department of Xin Yue Company Limited from May 1997 to June 1999 and had also acted as the deputy officer for the Guangzhou office since October 1997, manager of the department of human resources of Xin Yue Company Limited from June 1999 to February 2003 and the manager of the human resources department of the Company from February 2003 to September 2006.

Ms. Fan Xin Cai, aged 30, a senior economist, is the senior officer of the investment and development department of the Company. Ms. Fan graduated from Southwest Communication University with a degree in photogrammetry and remote sensing in July 1998; she obtained a master's degree in economics and management from Southwest Communication University in December 2000.

- (d) Save as disclosed herein and in the Company's 2006 annual report, none of the Supervisors who stand for re-election, new nomination at the AGM or to be elected by the employees of the Company have any relationship with any Directors, Supervisors, senior management or substantial or controlling shareholder of the Company, or any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), or hold any directorships in any listed companies in the last three years.

3. Grant of general mandate to issue new shares

The purpose of the proposed special resolution No. 9 as set out in this notice is to seek approval from the shareholders in the AGM to grant a general mandate ("General Mandate") to the Board of Directors to allot and issue and otherwise deal with additional domestic shares ("Domestic Shares") and H shares ("H Shares") of the Company up to the limit of 20% of each of the aggregate nominal values of the Domestic Shares and H Shares respectively in issue on the date of passing such resolution. As at the date of this notice, a total of 279,641,867 Domestic Shares and 138,000,000 H shares were issued. Subject to the passing of the proposed resolution granting the General Mandate to the Directors and on the basis that no Domestic Shares or H Shares will be issued by the Company prior to the AGM, the Company will be allowed under the General Mandate to issue a maximum of 55,928,373 Domestic Shares and 27,600,000 H shares. Any exercise of the power by the Directors under the General Mandate shall comply with the relevant requirements of the Listing Rules, the Articles of Association of the Company and the applicable laws and regulations of the PRC. The Board has no present plan to issue new shares pursuant to the General Mandate.

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4. According to the Articles of Association of the Company, resolutions at general meetings of the Company will be determined by a show of hands unless a poll is required under the Listing Rules or demanded before or after any vote by show of hands. A poll may be demanded by the chairman of the meeting or at least two shareholders entitled to vote, present in person or by proxy, or by one or more shareholders present in person or by proxy representing 10% or more of all shares carrying the voting rights at the meeting singly or in aggregate. Irrespective of whether the voting is carried out by show of hands or by poll, the votes counted will be based on the number of shares represented by such votes.
5. The register of members will be closed from Monday, 14 May 2007 to Tuesday, 12 June 2007, both days inclusive, during which period no transfer of shares will be effected. Holders of H shares and domestic shares of the Company whose names appear on the register of members of the Company on Friday, 11 May 2007 at 4:30 p.m. are entitled to attend this meeting.
6. A shareholder entitled to attend and vote at this meeting may appoint one or more proxies to attend and vote in his stead. A proxy need not to be a shareholder of the Company.
7. The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorized in writing. If the shareholder is a corporation, that instrument must be either under its common seal or under the hand of its director(s) or duly authorized attorney(s). If that instrument is signed by an attorney of the shareholder, the power of attorney authorizing that attorney to sign or other authorization document must be notarized.
8. In order to be valid, the form of proxy together with the power of attorney or other authorization document (if any) must be deposited at the registered office of the Company for holders of domestic shares and at the Company's H share registrar, Computershare Hong Kong Investor Services Limited (address: Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) for holders of H shares not less than 24 hours before the time appointed for the holding of this meeting or any adjournment thereof (as the case may be). Completion and return of a proxy form will not preclude a shareholder from attending and voting in person at this meeting if he so wishes.
9. Shareholders who intend to attend this meeting in person or by proxy should return the reply slip to the registered office of the Company for holders of domestic shares and the Company's H share registrar, Computershare Hong Kong Investor Services Limited, for holders of H shares not later than 20 days before the date of this meeting, i.e. 23 May 2007.
10. Shareholders or their proxies attending this meeting shall produce their identity documents.