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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** about this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **CNT Group Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

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**CNT GROUP LIMITED**

**北海集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 701)**

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE AND BUY BACK SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of the Company to be held at 31st Floor, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong on Thursday, 2 June 2016 at 11:00 a.m. is appended to this circular. A form of proxy for use at the annual general meeting is enclosed with this circular. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cntgroup.com.hk](http://www.cntgroup.com.hk)). Whether or not you are able to attend the annual general meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting or any adjournment thereof if they so wish.

26 April 2016

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## CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b>	
1. Introduction .....	3
2. Re-election of Directors .....	3
3. General Mandates to Issue and Buy Back Shares .....	4
4. AGM .....	4
5. Listing Rules Requirement .....	4
6. Recommendation .....	5
7. Further Information .....	5
<b>Appendix I – Details of Directors Proposed to be Re-elected</b> .....	6
<b>Appendix II – Explanatory Statement on Buy-back Mandate</b> .....	7
<b>Appendix III – Notice of Annual General Meeting</b> .....	10

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“AGM”	the annual general meeting of the Company to be held at 31st Floor, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong on Thursday, 2 June 2016 at 11:00 a.m. to consider and, if appropriate, to approve the resolutions as set out in the notice of AGM, which is appended to this circular, or any adjournment thereof;
“Board”	the board of directors of the Company;
“Bye-laws”	the bye-laws of the Company;
“close associate(s)”	has the same meaning as defined in the Listing Rules;
“Company”	CNT Group Limited, a company incorporated in Bermuda with limited liability and the securities of which are listed on the Stock Exchange;
“core connected person(s)”	has the same meaning as defined in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	19 April 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“RMB”	Renminbi, the lawful currency for the time being of the People’s Republic of China;
“Share(s)”	ordinary share(s) in the capital of the Company with a par value of HK\$0.10 each (or such other prevailing par value from time to time);

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## DEFINITIONS

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“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeover Code”	The Codes on Takeovers and Mergers and Share Buy-backs approved by the Securities and Futures Commission as amended from time to time; and
“%”	per cent.

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## LETTER FROM THE BOARD

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**CNT GROUP LIMITED**

**北海集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 701)**

**Executive Directors**

Lam Ting Ball, Paul (Chairman)

Tsui Ho Chuen, Philip (Executive Deputy Chairman and Managing Director)

Chong Chi Kwan (Finance Director)

**Non-executive Directors**

Chan Wa Shek

Zhang Yulin

**Independent Non-executive Directors**

Sir David Akers-Jones (Deputy Chairman)

Danny T Wong

Steven Chow

Zhang Xiaojing

**Registered Office**

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

**Principal Office**

31st Floor

CNT Tower

338 Hennessy Road

Wanchai

Hong Kong

26 April 2016

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE AND BUY BACK SHARES AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with the notice of the AGM and information in respect of the ordinary resolutions to be proposed at the AGM for the approval of (a) the re-election of Directors at the AGM; and (b) the granting of general mandates to issue and buy back Shares.

**2. RE-ELECTION OF DIRECTORS**

In accordance with the Bye-laws, Mr. Chong Chi Kwan, Mr. Zhang Yulin and Mr. Zhang Xiaojing are subject to re-election at the AGM. Details of the Directors proposed for re-election are set out in Appendix I to this circular.

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## LETTER FROM THE BOARD

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### 3. GENERAL MANDATES TO ISSUE AND BUY BACK SHARES

The existing general mandates granted to the Directors to issue and buy back Shares will expire at the conclusion of the AGM. To renew these general mandates, ordinary resolutions will be proposed at the AGM that: (i) the Board be granted a general mandate to allot and issue new Shares up to a maximum of 20% of the total number of the Shares in issue as at the date of passing of such resolution; (ii) the Board be granted a general mandate to exercise all the powers of the Company to buy back Shares up to a maximum of 10% of the total number of the Shares in issue as at the date of passing of such resolution; and (iii) the allotment mandate be extended by adding the number of the Shares bought back by the Company pursuant to the buy-back mandate to the total number of the Shares in issue to be allotted and issued pursuant to the allotment mandate.

The Board wishes to state that, as at the Latest Practicable Date, it has no immediate plans to issue any new Share or to buy back any existing Share.

As at the Latest Practicable Date, the number of the Shares in issue was 1,903,685,690. On the basis that no further Share will be issued or bought back prior to the AGM, the maximum number of Shares under the general mandate to allot and issue new Shares of not exceeding 20% of the total number of the Shares in issue as at the date of the AGM, if approved, shall be 380,737,138.

An explanatory statement as required under the Listing Rules to provide the requisite information concerning the buy-back mandate is set out in Appendix II to this circular.

### 4. AGM

A notice convening the AGM to be held on Thursday, 2 June 2016 at 11:00 a.m. at 31st Floor, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong is appended to this circular.

A form of proxy for use at the AGM is enclosed. The form of proxy, in order to be valid, must be completed and deposited in accordance with the instructions printed thereon not less than 48 hours before the time for holding the AGM. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof in person if you so wish.

### 5. LISTING RULES REQUIREMENT

According to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all the resolutions put to the vote at the AGM will be taken by way of poll.

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## LETTER FROM THE BOARD

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### 6. RECOMMENDATION

The Directors consider that the re-election of Directors and the granting of general mandates to issue and buy back Shares are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of each of the relevant resolutions on terms as set out in the notice of the AGM.

### 7. FURTHER INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,  
On behalf of the Board  
**Lam Ting Ball, Paul**  
*Chairman*

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## APPENDIX I                      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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*Stated below are the details of the Directors proposed to be re-elected at the AGM.*

**1.     Mr. Chong Chi Kwan, aged 48, Finance Director**

Mr. Chong joined the Group in November 2005. He has over 24 years of experience in auditing, finance, accounting and management. He holds a master degree in professional accounting from The Hong Kong Polytechnic University and is a fellow member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants. Mr. Chong has no service agreement with the Company and he is not appointed for a specific term but is subject to re-election at least once every three years pursuant to the Bye-laws. Mr. Chong presently receives a monthly salary of HK\$75,000 and a fixed travelling allowance of RMB5,000 per month and other fringe benefits. For the year ended 31 December 2015, the total remuneration paid to Mr. Chong by the Group, including the director's fee of HK\$360,000, was HK\$1,577,003.

**2.     Mr. Zhang Yulin, aged 52, Non-executive Director**

Mr. Zhang Yulin was appointed a non-executive Director in December 2006. He has over 19 years of experience in finance and management. He graduated from Nanjing University and is an economist in the People's Republic of China. Mr. Zhang is a deputy managing director of Broadsino Investment Company Limited which is interested in 5.15% of the issued share capital of the Company. Mr. Zhang has no service agreement with the Company and he is not appointed for a specific term but is subject to re-election once every three years pursuant to the Bye-laws. For the year ended 31 December 2015, the remuneration being the director's fee paid to Mr. Zhang was HK\$100,000.

**3.     Mr. Zhang Xiaojing, aged 61, Independent Non-executive Director**

Mr. Zhang Xiaojing was appointed an independent non-executive Director in December 2012. He has over 33 years of experience in engineering and management. He holds a bachelor degree in engineering from the University of Science and Technology Beijing. Mr. Zhang is an independent non-executive director of Jian ePayment Systems Limited, a company listed on The Growth Enterprise Market of the Stock Exchange. Mr. Zhang has no service agreement with the Company and he is not appointed for a specific term but is subject to re-election once every three years pursuant to the Bye-laws. For the year ended 31 December 2015, the remuneration being the director's fee paid to Mr. Zhang was HK\$100,000.

The remuneration of the executive Directors is determined by the remuneration committee of the Company and the remuneration of the non-executive Directors is determined by the Board on the recommendation of the remuneration committee of the Company, by reference to their duties and responsibilities, performance, experiences, time commitment, market conditions and the corporate goals and objectives as set by the Board.

Save as disclosed above, there is no other information required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.



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## **APPENDIX II      EXPLANATORY STATEMENT ON BUY-BACK MANDATE**

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*This Appendix serves as an explanatory statement required by the Listing Rules to provide the Shareholders with the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the buy-back mandate.*

### **1.      SHARE CAPITAL**

As at the Latest Practicable Date, the Company had 1,903,685,690 Shares in issue.

Subject to the passing of the relevant resolution and on the basis that no further Share is issued or bought back prior to the AGM, the Company would be allowed under the buy-back mandate to buy back a maximum of 190,368,569 Shares representing 10% of the total number of the Shares in issue as at the date of the AGM. The Shares proposed to be bought back by the Company must be fully-paid up.

The buy-back mandate may continue in force until the earliest of: (i) the conclusion of the next annual general meeting of the Company for the year of 2017; (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and (iii) the revocation or variation of the buy-back mandate by ordinary resolution of the Shareholders in general meeting.

### **2.      REASONS FOR BUY-BACKS**

The Directors believe that the buy-back mandate is in the interests of the Company and the Shareholders as a whole. Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share and will only be made when the Directors believe that such a buy-back will benefit the Company and the Shareholders as a whole.

### **3.      FUNDING OF BUY-BACKS**

In buying back Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum of association of the Company, the Bye-laws and the laws of Bermuda. It is presently proposed that any buy-back under the buy-back mandate would be bought back out of the capital paid up on the bought-back Shares, the profits of the Company which would otherwise be available for dividend, the Company's share premium account and/or contributed surplus account in each case to the extent as permitted by the laws of Bermuda.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited consolidated accounts contained in the Company's annual report for the year ended 31 December 2015 in the event that the buy-back mandate was to be carried out in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the buy-back mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

**4.      SHARE PRICES**

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

	<b>Share price</b>	
	<b>Highest</b>	<b>Lowest</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>2015</b>		
April	0.660	0.490
May	0.650	0.530
June	0.680	0.460
July	0.490	0.325
August	0.420	0.315
September	0.390	0.310
October	0.365	0.320
November	0.360	0.260
December	0.310	0.280
<b>2016</b>		
January	0.305	0.250
February	0.280	0.234
March	0.320	0.260
April (up to the Latest Practicable Date)	0.365	0.280

**5.      UNDERTAKING**

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make buy-backs in accordance with the Listing Rules and the applicable laws of Bermuda so far as the same may be applicable and in accordance with the regulations set out in the memorandum of association of the Company and the Bye-laws.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates have any present intention to sell any of the Shares to the Company under the buy-back mandate if such is approved by the Shareholders.

No core connected persons of the Company have notified the Company that they have a present intention to sell any of the Shares to the Company, or have undertaken not to do so, in the event that the buy-back mandate is approved by the Shareholders.

**6.      TAKEOVER CODE**

If on exercise of the powers to buy back Shares pursuant to the buy-back mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of the Takeover Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeover Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Prime Surplus Limited ("Prime Surplus") is the largest Shareholder beneficially interested in 498,053,620 Shares, representing approximately 26.16% of the issued share capital of the Company. In the event that the buy-back mandate is exercised in full and no further Share is issued during the proposed buy-back period, the beneficial interest of Prime Surplus in the issued share capital of the Company will increase to approximately 29.07%. Mr. Tsui Ho Chuen, Philip is the sole director and shareholder of Prime Surplus. The Directors have no intention to exercise the buy-back mandate to the extent that would give rise to an obligation on Prime Surplus to make a mandatory offer under the Takeover Code.

**7.      SHARE BUY-BACKS MADE BY THE COMPANY**

The Company did not buy back any of the Shares (whether on the Stock Exchange or otherwise) in the past six months preceding the Latest Practicable Date.

**CNT GROUP LIMITED****北海集團有限公司***(Incorporated in Bermuda with limited liability)***(Stock Code: 701)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of CNT Group Limited (the “Company”) will be held at 31st Floor, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong on Thursday, 2 June 2016 at 11:00 a.m. for the following purposes:

**Ordinary business**

1. To receive and consider the audited financial statements and the report of the directors and the independent auditors’ report for the year ended 31 December 2015.
2. To declare a final dividend of HK1.0 cent per share for the year ended 31 December 2015.
3.
  - (a) To re-elect Mr. Chong Chi Kwan as director.
  - (b) To re-elect Mr. Zhang Yulin as director.
  - (c) To re-elect Mr. Zhang Xiaojing as director.
  - (d) To authorise the directors to fix the directors’ remuneration.
4. To re-appoint auditors and to authorise the directors to fix their remuneration.

**Special business**

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (c) below, the exercise by the board of directors of the Company (the “Board”) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and otherwise deal with additional shares in the capital of the Company and to make, issue or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Board during the Relevant Period to make, issue or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period (as defined below);

- (c) the aggregate number of shares of the Company allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Board pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of the rights of subscription or conversion under the terms of any warrant or other securities issued by the Company carrying a right to subscribe for shares of the Company; or (iii) the exercise of subscription rights under any share option scheme of the Company; or (iv) an issue of shares as scrip dividends pursuant to the bye-laws of the Company from time to time, shall not exceed the aggregate of (i) 20% of the total number of shares of the Company in issue as at the date of this resolution; and (ii) subject to the passing of resolution 7 below, all those number of shares which may from time to time be bought back by the Company pursuant to the general mandate granted under resolution 6 below, and the said approval shall be limited accordingly; and
- (d) for the purpose 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 law to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means the allotment, issue or grant of shares of the Company pursuant to an offer open for a period fixed by the Board to holders of shares or any class thereof on the register of members of the Company on a fixed record date pro rata to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or having regard to any restriction or obligation under the laws of, or the requirements of any recognised regulatory body of any stock exchange in any territory outside Hong Kong).”

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (b) below, the exercise by the board of directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to buy back its own shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange recognised for this purpose by the Securities and Futures Commission and the Stock Exchange, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of shares of the Company to be bought back by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate number of shares of the Company in issue at the date of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose 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 law to be held; and
  - (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT** the board of directors of the Company be and is hereby given a general mandate to add all those shares in the capital of the Company which may from time to time be bought back by the Company pursuant to the approval granted under resolution 6 above to the general mandate granted under resolution 5 above.”

By order of the Board  
**Fok Pik Yi, Carol**  
*Company Secretary*

Hong Kong, 26 April 2016

Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power of attorney or authority shall be delivered to the Company's share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting at which the person named in the instrument proposes to vote.
3. The register of members of the Company will be closed from Wednesday, 8 June 2016 to Friday, 10 June 2016, during the period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 7 June 2016.
4. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.