
THE CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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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

Tsui Tsin Tong (Honorary Chairman)
Lam Ting Ball, Paul (Chairman)
Tsui Ho Chuen, Philip (Executive Deputy Chairman)
Tsui Yam Tong, Terry (Managing Director)
Wong Chi Keung, Alvin

Non-executive Directors

Hung Ting Ho, Richard
Zhang Yulin
Ko Sheung Chi

Independent Non-executive Directors

Sir David Akers-Jones (Deputy Chairman)
Danny T Wong
Chan Wa Shek
Steven Chow

Registered Office

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Bermuda

Principal Place of Business

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CNT Tower
338 Hennessy Road
Wanchai
Hong Kong

7 June 2007

To the shareholders

Dear Sir or Madam,

SCRIP DIVIDEND SCHEME IN RELATION TO THE FINAL DIVIDEND FOR THE YEAR ENDED 31 DECEMBER 2006

PARTICULARS OF SCRIP DIVIDEND SCHEME

At the annual general meeting of CNT Group Limited (the “Company”) held on 29 May 2007, the shareholders of the Company have (inter alia) approved a final dividend of HK1 cent per share for the year ended 31 December 2006 payable by allotment of new shares of HK\$0.1 each (the “New Shares”) credited as fully paid up with a cash option to the shareholders whose names appear on the Company’s register of members on 29 May 2007 (the “Scrip Dividend Scheme”).

The number of New Shares to be allotted will be calculated by reference to HK\$0.294, being the average of the closing prices of the shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the five consecutive trading days up to and including 29 May 2007.

Accordingly, the number of New Shares which each shareholder will be issued and allotted will be calculated as follows:

$$\begin{array}{r} \text{Number of New Shares} \\ \text{to be allotted} \end{array} = \begin{array}{r} \text{Number of existing shares} \\ \text{entitled to receive scrip} \end{array} \times \frac{0.01}{0.294}$$

unless such shareholder has elected a cash alternative for the whole or any part of his or her existing shares.

The New Shares to be issued pursuant to the Scrip Dividend Scheme will not rank for the final dividend for the year ended 31 December 2006 but will rank pari passu in all other respects with the existing shares of the Company. The number of New Shares to be received by each shareholder under the Scrip Dividend Scheme will be rounded down to the nearest whole number of New Shares. Fractional entitlements to New Shares will be disregarded and the benefit thereof will accrue to the Company.

CASH ELECTION FORM

A Cash Election Form is enclosed with this circular.

No action is required if you wish the final dividend for the year ended 31 December 2006 which you are entitled to receive to be wholly satisfied by an allotment of New Shares on the abovementioned basis.

If however you wish to receive such final dividend wholly in cash or partly in cash and the balance to be satisfied by an allotment of New Shares, you must complete the Cash Election Form in accordance with the instructions printed thereon and lodge it with the Company’s registrar in Hong Kong, Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong by not later than 4:00 p.m. on Thursday, 28 June 2007. No acknowledgement of receipt of the Cash Election Form will be issued.

OVERSEAS SHAREHOLDERS

None of this circular, the Cash Election Form or the New Shares will be registered or filed under the securities laws or equivalent legislation of any jurisdiction outside Hong Kong. The participation in the Scrip Dividend Scheme by overseas shareholders may be restricted by laws of their relevant jurisdictions. No shareholders receiving a copy of this circular and/or the Cash Election Form in any jurisdiction outside Hong Kong may treat the same as an invitation to elect for New Shares unless in the relevant jurisdiction such invitation could lawfully be made to him/her without having to comply with any registration or other legal or regulatory requirements. Shareholders with registered addresses outside Hong Kong should consult their own professional advisers as to whether or not they are permitted to receive the final dividend in scrip form by issue of the New Shares or if any governmental or other consent is required or other formalities which need to be observed and whether there are any other restrictions in relation to the future sale of any New Shares so acquired. Overseas shareholders residing in a jurisdiction where it would be illegal for them to participate in the Scrip Dividend Scheme will be deemed to have received this circular and/or the Cash Election Form for information only.

Based on the Company's register of members as at 29 May 2007, there were overseas shareholders with registered addresses outside Hong Kong. The Company has made enquiries and has been advised that (except in relation to Malaysia and the United States of America) there are no legal restrictions or there are exemptions available to the Company under the laws of the relevant jurisdictions and there are no regulatory requirements in those jurisdictions with respect to offering and issuing the New Shares under the Scrip Dividend Scheme and sending this circular and the Cash Election Form to the relevant shareholders in the relevant jurisdictions. Accordingly, those shareholders will be permitted to participate in the Scrip Dividend Scheme. However, the Company has been advised that New Shares will be subject to resale restrictions in applicable provinces or territories of Canada and unless certain conditions are satisfied, New Shares obtained by way of scrip dividend can only be traded to a purchaser resident in a province or territory of Canada under a prospectus or in accordance with exemptions from prospectus and registration requirements. While shareholders in the Provinces of Ontario and British Columbia of Canada will not be excluded from the Scrip Dividend Scheme, such shareholders are advised to consult their own professional advisers as to whether it would be beneficial or expedient for them to participate in the Scrip Dividend Scheme.

After making legal enquiries in Malaysia and the United States of America, the Company understands that registration, filing or other procedures or formalities would need to be carried out in Malaysia and the United States of America in relation to the Scrip Dividend Scheme to ensure compliance with the relevant securities legislation and regulations in those jurisdictions. After considering the time, costs and legal uncertainties involved in ensuring compliance with securities laws and regulations in Malaysia and the United States of America, the directors of the Company have decided that it would be expedient to exclude from the Scrip Dividend Scheme shareholders with a registered address in Malaysia or the United States of America. Such shareholders will receive the final dividend wholly in cash. This document will be sent to those shareholders for information only and does not constitute an offer of invitation to subscribe for or purchase New Shares under the Scrip Dividend Scheme.

Notwithstanding the above, any shareholder in an excluded jurisdiction who is able to prove to the satisfaction of the Company that such shareholder may legally participate in the Scrip Dividend

Scheme without further action by the Company will be entitled to participate in the Scrip Dividend Scheme. Excluded shareholders who wish to participate in the Scrip Dividend Scheme should notify the Company forthwith. If such shareholder can prove to the satisfaction of the Company that, without registration, filings or other action by the Company, his or her participation in the Scrip Dividend Scheme will not result in a contravention of any applicable legal or regulatory requirements, then such shareholder will be entitled to participate in the Scrip Dividend Scheme.

For the avoidance of doubt, the New Shares are not offered to the public and the Cash Election Form are non-transferable. Notwithstanding the legal advices taken by the Company, it is the responsibility of anyone wishing to participate in the Scrip Dividend Scheme to satisfy themselves as to full observance of the laws of any relevant jurisdiction, including obtaining any governmental or other consents which may be required. Overseas shareholders who are in doubt as to their position should consult their own professional advisers.

STOCK EXCHANGE LISTING AND DESPATCH OF SHARE CERTIFICATES/DIVIDEND WARRANTS

Application has been made to the Listing Committee of the Stock Exchange for a listing of and permission to deal in the New Shares to be issued pursuant to the Scrip Dividend Scheme. No securities of the Company are listed or dealt in on any other stock exchange nor is listing or permission to deal on any other stock exchange being or proposed to be sought. Certificates of the New Shares and dividend warrants will be posted at the risk of those entitled thereto on or about 6 July 2007.

GENERAL

Whether or not it is to your advantage to receive New Shares or cash, in whole or in part, depends upon your own individual circumstances and the decision in this regards, and all effects resulting therefrom, must be solely the responsibility of each shareholder. If you are in any doubt as to what to do, you should consult your professional advisers.

Yours faithfully,
Lam Ting Ball, Paul
Chairman