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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 a stockbroker, 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 with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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  
AND  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the AGM of the Company to be held at 31st Floor, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong on Friday, 30 May 2008 at 11:00 a.m. at which the above proposals will be considered, is appended to this circular. Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 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 meeting or adjournment thereof. Completion and return of the form of proxy will not prevent the Shareholders from attending and voting at the meeting if they so wish.

29 April 2008

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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 on Friday, 30 May 2008 at 11:00 a.m., the notice of which is appended to this circular, or any adjournment thereof
“Board”	the board of directors of the Company
“Company”	CNT Group Limited, a company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	22 April 2008, 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
“Share”	the ordinary share 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)
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

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LETTER FROM THE CHAIRMAN

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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**

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

**Principal Place of Business**

31st Floor and Units E & F  
on 28th Floor  
CNT Tower  
338 Hennessy Road  
Wanchai  
Hong Kong

29 April 2008

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR  
RE-ELECTION OF DIRECTORS  
AND  
GENERAL MANDATES TO ISSUE AND REPURCHASE 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 on certain matters to be dealt with at the AGM which will be held on Friday, 30 May 2008 at 11:00 a.m.. They are: (i) the re-election of Directors at the AGM and (ii) the granting of general mandates to issue and repurchase Shares.

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## LETTER FROM THE CHAIRMAN

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### 2. RE-ELECTION OF DIRECTORS

In accordance with the Company's bye-laws, Messrs. Tsui Ho Chuen, Philip, Wong Chi Keung, Alvin, Hung Ting Ho, Richard and Sir David Akers-Jones will retire at the AGM and, being eligible, will offer themselves for re-election. Details of the Directors proposed for re-election are set out in the Appendix I to this circular.

### 3. GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The existing general mandates granted to the Directors to issue and repurchase Shares will expire at the conclusion of the AGM. To renew these general mandates, ordinary resolutions are proposed at the AGM that: (i) the Board be granted a general mandate to allot and issue new Shares up to an amount of not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue and fully paid-up 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 repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue and fully paid-up at the date of passing of such resolution; and (iii) the allotment mandate be extended by adding the nominal amount of all the Shares repurchased by the Company pursuant to the repurchase mandate to the aggregate nominal amount of the share capital of the Company to be allotted and issued pursuant to the allotment mandate.

The Directors wish to state that, as at the date hereof, they have no immediate plans to issue any new Share or to repurchase any existing Share.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,573,671,409 Shares. On the basis that no further Share is issued or repurchased 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 Shares in issue as at the date of the AGM, if approved, shall be 314,734,281 Shares.

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

### 4. AGM

A notice convening the AGM to be held on Friday, 30 May 2008 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 deposited in accordance with the instructions printed thereon not less than 48 hours before the time for holding the AGM or adjournment thereof. Completion and delivery of the form of proxy will not prevent the Shareholders from attending and voting at the AGM if they wish.

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## LETTER FROM THE CHAIRMAN

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### 5. RIGHT TO DEMAND POLL

Pursuant to bye-law 66 of the bye-laws of the Company, every resolution submitted to a general meeting shall be determined in the first instance by a show of hands of the Shareholders present in person or by proxy, but a poll may be demanded (before or on the declaration of the results of the show of hands or on the withdrawal of any other demand for a poll) by:

- (a) the chairman of the meeting; or
- (b) at least three Shareholders present in person or by proxy for the time being entitled to vote at the meeting; or
- (c) a Shareholder or Shareholders present in person or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) a Shareholder or Shareholders present in person or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right; or
- (e) if required by the Listing Rules, any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing 5% or more of the total voting rights at the meeting.

### 6. RECOMMENDATION

The Directors consider that the re-election of Directors and the granting of general mandates to issue and repurchase Shares are in the interests of the Company and the Shareholders as a whole, and accordingly recommend the Shareholders to vote in favour of each of the resolutions in respect of the above proposals on terms set out in the notice of the AGM.

Yours faithfully,  
**Lam Ting Ball, Paul**  
*Chairman*

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

**1. Mr. Tsui Ho Chuen, Philip, aged 44, Executive Deputy Chairman**

Mr. Tsui joined the Group in September 1985. He is a qualified lawyer of Hong Kong. Mr. Tsui is the son of Mr. Tsui Tsin Tong and the nephew of Mr. Tsui Yam Tong, Terry. He is also a discretionary beneficiary of a discretionary trust of which Rapid Growth Ltd. (“RGL”), a substantial shareholder of the Company, is the trustee. As at the Latest Practicable Date, Mr. Tsui held interests in 365,912,935 Shares of the Company and derivative interests in 98,000,000 Shares of the Company, in aggregate representing approximately 29.47% of the existing issued share capital of the Company, within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Tsui has a service agreement (not having a fixed term of service) with the Company which entitles him to the payment of a monthly salary of HK\$115,000 and an accommodation allowance of not more than HK\$70,000 per month and other fringe benefits. For the year ended 31 December 2007, the total remuneration paid to Mr. Tsui, including the director’s fee of HK\$350,000, was HK\$2,640,000.

**2. Mr. Wong Chi Keung, Alvin, aged 45, Finance Director**

Mr. Wong joined the Group in July 2004. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants and an associate member of The Chartered Institute of Management Accountants, and has over 20 years of experience in finance and accounting. He is an independent non-executive director of ITC Properties Group Limited (a company listed on the Stock Exchange). Under the service agreement (not having a fixed term of service) with the Company, Mr. Wong is entitled to receive a monthly salary of HK\$65,000 (inclusive of a housing allowance) and other fringe benefits. For the year ended 31 December 2007, the total remuneration paid to Mr. Wong, including the director’s fee of HK\$300,000, was HK\$1,163,000.

**3. Mr. Hung Ting Ho, Richard, aged 54, Non-executive Director**

Mr. Hung was appointed the non-executive Director in June 2002. Mr. Hung is a fellow member of the Hong Kong Institute of Certified Public Accountants and an associate member of The Hong Kong Institute of Chartered Secretaries. He is the chairman of Midas International Holdings Limited (“Midas”, a company listed on the Stock Exchange). A subsidiary of Chuang’s Consortium International Limited (“Chuang’s Consortium”), being the controlling shareholder of Midas, is a substantial shareholder of the Company. The Company’s another non-executive Director Mr. Ko Sheung Chi is the managing director of Chuang’s Consortium. There is no service agreement between Mr. Hung and 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 Company’s bye-laws. For the year ended 31 December 2007, the remuneration being the director’s fee paid to Mr. Hung was HK\$100,000.

**4. Sir David Akers-Jones, aged 81, Deputy Chairman and Independent Non-executive Director**

Sir David has been the Deputy Chairman of the Company since April 1991. He was formerly the Chief Secretary of Hong Kong specialising in land planning and housing development. Sir David is also an independent non-executive director of China Everbright International Limited, Hysan Development Company Limited and K. Wah International Holdings Limited (all being listed companies in Hong Kong). There is no service agreement between Sir David and 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 Company's bye-laws. For the year ended 31 December 2007, the remuneration being the director's fee paid to Sir David was HK\$200,000.

The remuneration of the executive Directors are determined by the remuneration committee and the remuneration of the non-executive Directors are determined by the Board on the recommendation of the remuneration committee, by reference to their duties and responsibilities, performance, experiences, time commitment and the market conditions.

As a result of dealings in the Shares by the trustee of a discretionary trust in which Mr. Tsui Ho Chuen, Philip is a discretionary beneficiary during the dealing prohibition period, the Stock Exchange publicly censured Mr. Tsui in December 1999 for breaches of the Listing Rules. The Stock Exchange considered that he had an obligation to inform the trustee not to deal when necessary.

The following companies incorporated in Hong Kong, in which Mr. Tsui Ho Chuen, Philip is/was a director, had been put into receiverships or creditors' or compulsory winding up: Champion Rich Investment Limited (property holding and investment, appointment of receivers over charged properties for HK\$64,803,777.28 plus costs of interests on 25 May 1999 and settlement and cessation of receiverships on 29 December 1999), Chrysanthemum Chinese Restaurant Limited (restaurant operation, commencement of creditors' voluntary winding up on 5 February 1999 and dissolution on 15 May 2001) and Happy Trade Limited (investment holding, appointment of receivers over charged property and commencement of compulsory winding up on 10 September 1999 and 17 November 1999 respectively and dissolution on 7 June 2003).

Save as disclosed above, there is no other information required to be disclosed pursuant to any of the requirements of the 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 FOR REPURCHASE 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 repurchase mandate.*

### **1.    SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,573,671,409 Shares.

Subject to the passing of the relevant resolution and on the basis that no further Share is issued or repurchased prior to the AGM, the Company would be allowed under the repurchase mandate to repurchase a maximum of 157,367,140 Shares representing 10% of the Shares in issue as at the date of the AGM. The Shares proposed to be repurchased by the Company must be fully-paid up.

The repurchase 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 2009; (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 repurchase mandate by ordinary resolution of the Shareholders in general meeting.

### **2.    REASONS FOR REPURCHASES**

The Directors believe that the repurchase mandate is in the interests of the Company and the Shareholders as a whole. Such repurchases 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 repurchase will benefit the Company and the Shareholders as a whole.

### **3.    FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum of association and bye-laws of the Company and the laws of Bermuda. It is presently proposed that any repurchase under the repurchase mandate would be repurchased out of the capital paid up on the repurchased 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 material 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 most recently published annual report for the year ended 31 December 2007 in the event that the repurchase mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the repurchase 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 printing of this circular were as follows:

	Share price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2007</b>		
April	0.325	0.230
May	0.355	0.248
June	0.480	0.325
July	0.430	0.335
August	0.460	0.220
September	0.390	0.295
October	0.315	0.250
November	0.350	0.260
December	0.285	0.242
<b>2008</b>		
January	0.275	0.169
February	0.250	0.225
March	0.240	0.200
April (up to the Latest Practicable Date)	0.238	0.201

**5. UNDERTAKING**

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make repurchases 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 and bye-laws of the Company.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates (as defined in the Listing Rules) have any present intention to sell Shares to the Company under the repurchase mandate if such is approved by the Shareholders.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell Shares to the Company, nor has undertaken not to do so, in the event that the repurchase mandate is approved by the Shareholders.

**6. TAKEOVER CODE**

If on exercise of the powers to repurchase Shares pursuant to the repurchase 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 the Rule 26 of the Takeover Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, RGL is the single largest shareholder of the Company beneficially interested in 346,231,521 Shares, representing approximately 22.00% of the issued share capital of the Company. In the event that the repurchase mandate is exercised in full and no further share is issued during the proposed repurchase period, the beneficial interest of RGL in the issued share capital of the Company will increase to approximately 24.44%. Accordingly, the Directors are not aware of any consequences which would arise under the Takeover Code as a result of any repurchase of Shares pursuant to the repurchase mandate.

**7. SHARE REPURCHASES MADE BY THE COMPANY**

The Company has not repurchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months prior to the printing of this circular.

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## NOTICE OF ANNUAL GENERAL MEETING

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### **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 Friday, 30 May 2008 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 2007.
2. To re-elect directors and to authorise the directors to fix the directors’ remuneration.
3. To re-appoint auditors and to authorise the directors to fix their remuneration.

#### **Special business**

4. 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 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 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 or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (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; or (ii) the exercise of 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

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## NOTICE OF ANNUAL GENERAL MEETING

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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 nominal amount of the share capital of the Company in issue as at the date of this resolution; and (ii) subject to the passing of resolution 6 below, all those number of shares which may from time to time be repurchased by the Company pursuant to the general mandate granted under resolution 5 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 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).”

5. 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 of all the powers of the Company to purchase shares in the capital of the Company 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 nominal amount of shares of the Company to be purchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the shares of the Company in issue at the date of this resolution, and the said approval shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until 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.”
6. 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 repurchased by the Company pursuant to the approval granted under resolution 5 above to the general mandate granted under resolution 4 above.”
7. To transact any other business.

By order of the board  
**Ma Lai King**  
*Company Secretary*

Hong Kong, 29 April 2008

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 registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 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 or any adjournment thereof.
3. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.