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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)

- (I) UPDATED INFORMATION ON THE ANNUAL RESULTS FOR
THE YEAR ENDED 31 MARCH 2020;
(II) UPDATE ON FURTHER DELAY IN PUBLICATION OF AUDITED ANNUAL
RESULTS ANNOUNCEMENT AND ANNUAL REPORT;
(III) POSTPONEMENT OF BOARD MEETING; AND
(IV) POSTPONEMENT OF ANNUAL GENERAL MEETING**

References are made to the announcements of China Resources and Transportation Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) (i) dated 30 June 2020 in relation to, among other things, the unaudited annual results for the year ended 31 March 2020 (the “**Unaudited Results Announcement**”), (ii) dated 5 August 2020, 13 August 2020 and 27 August 2020 in relation to, among other things, the further delay in publication of audited annual results announcement and annual report, (iii) dated 19 August 2020 in relation to the date of board meeting, and (iv) dated 21 August 2020 in relation to the postponement of annual general meeting (together, the “**Announcements**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

**(I) UPDATED INFORMATION ON THE ANNUAL RESULTS FOR THE YEAR
ENDED 31 MARCH 2020**

As disclosed in the Unaudited Results Announcement, the unaudited 2020 Annual Results may be subject to the conclusion of the assets impairment assessments on certain non-current assets as the corresponding valuations have not yet been finalized as at 30 June 2020. Accordingly, concession intangible assets, property, plant and equipment, right-of-use assets, biological assets and financial assets at fair value through profit or loss were stated at cost or past valuation performed. The Board hereby provides updated information on the impact of preliminary impairment assessments to the 2020 Annual Results.

Based on the assets impairment assessments, the expected major changes in the 2020 Annual Results are set out below:

	<i>Disclosure in the Unaudited Results Announcement HK\$'000 (Unaudited)</i>	<i>Adjustment on valuation HK\$'000 (Unaudited)</i>	<i>Adjusted total HK\$'000 (Unaudited)</i>
<i>For the year ended 31 March 2020</i>			
Impairment loss of concession intangible asset	-	(1,562,110)	(1,562,110)
Impairment loss of property, plant and equipment	(157,781)	(54,857)	(212,638)
Impairment loss of right-of-use assets	(7,826)	(47,965)	(55,791)
Gain on change in fair value less costs to sell of biological assets	-	6,389	6,389
Fair value loss on financial assets at fair value through profit or loss	(1,372)	(34,494)	(35,866)
Loss for the year	(1,876,604)	(1,693,037)	(3,569,641)
<i>As at 31 March 2020</i>			
Concession intangible asset	13,460,341	(1,523,847)	11,936,494
Property, plant and equipment	567,293	(53,513)	513,780
Right-of-use assets	144,088	(46,791)	97,297
Biological assets	57,110	6,232	63,342
Financial assets at fair value through profit or loss	91,383	(34,232)	57,151
Total non-current assets	14,320,215	(1,652,151)	12,668,064

These amounts are not yet finalized and are subject to change in accordance with the auditing process.

(II) UPDATE ON FURTHER DELAY IN PUBLICATION OF AUDITED ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

As disclosed in the Company's announcement dated 27 August 2020, based on the latest development of the COVID-19 epidemic and the discussion with the Company's auditor (the "Auditor"), the 2020 Annual Report is expected to be despatched to the Shareholders by no later than 21 September 2020.

The Board wishes to update the Shareholders and the potential investors of the Company that, based on the latest development of the COVID-19 epidemic and current progress of the audit work, additional time is required for completion of the auditing process of the 2020 Annual Results. As at the date of this announcement, the Auditor has completed the assessment on the impairment test on toll road and related facilities and equipment and the required impairment thereon, and is in the process of performing the following audit procedure:

- i. obtaining replies to the confirmations from creditors and debtors. As at the date of this announcement, all material bank confirmations were received by the Auditor. The Auditor has advised the Company that all confirmations from trade receivables and those material amounts (including a trade receivable amounted to approximately RMB244.90 million from a PRC transport authority) must be received by them before the issuance of the audit opinion of the Group, and there are no other acceptable alternative audit procedures that could be performed for the purpose of completing their audit work. The Auditor has further advised that a modified opinion in respect of the limitation of scope on ascertaining the existence, accuracy and completeness of revenue and trade receivables will be considered in case of no return of the said confirmations from trade receivables. Affected by the delay of work resumption and mail services in different regions due to the COVID-19 epidemic, the reply progress of such confirmations to the Auditor has been adversely delayed as compared with that in previous years. The Company will continue to contact the relevant creditors and debtors to check on their reply status and is expecting that all material confirmations will be received by the Auditor by 18 September 2020.

Based on the above expected schedule, the Board currently expects that, barring unforeseen circumstances, the audited figures of the 2020 Annual Results will be finalized on or before 21 September 2020. The further announcement in relation to the audited 2020 Annual Results as agreed by the Auditor and the material differences as compared with the unaudited annual results in the Unaudited Results Announcement will be published on or before 21 September 2020 and the 2020 Annual Report will be despatched to the Shareholders on or before 28 September 2020.

The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 13.46(2)(a) of the Listing Rules to extend the date by which the Company is required to despatch the 2020 Annual Report to Shareholders to on or before 28 September 2020.

(III) POSTPONEMENT OF BOARD MEETING

The Board hereby announces that the board meeting of the Company originally scheduled to be held on Monday, 31 August 2020 will be postponed to a date falling on or before 21 September 2020 for the purpose of approving, inter alia, the audited annual results of the Company and its subsidiaries for the year ended 31 March 2020 and transacting any other business. The Company will make further announcement once the date of board meeting has been fixed.

(IV) POSTPONEMENT OF ANNUAL GENERAL MEETING

Under Rule 13.46(2)(b) of the Listing Rules, the Company is required to lay its annual financial statements before its members at its annual general meeting of the Company within the period of 6 months after the end of the financial year (i.e. 30 September 2020). In light of the delay in despatch of 2020 Annual Report on or before 28 September 2020, the 2020 AGM will be postponed to a date falling on or before 6 November 2020 to fulfill the notice period of annual general meeting under the Articles. The Board confirmed that such decision does not contravene the Companies Law of the Cayman Islands and the Articles. Accordingly, the Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 13.46(2)(b) of the Listing Rules for postponing the date of the 2020 AGM to a date falling on or before 6 November 2020.

The Company will keep the Shareholders and potential investors of the Company informed of the latest progress of the annual audit and make further announcement(s) as and when necessary.

Shareholders and potential investors of the Company are advised to exercise caution in dealing in the shares of the Company.

By Order of the Board
China Resources and Transportation Group Limited
Cao Zhong
Chairman

Hong Kong, 3 September 2020

As at the date of this announcement, the board of directors comprises six executive directors, namely Messrs Cao Zhong, Fung Tsun Pong, Gao Zhiping, Tsang Kam Ching, David, Jiang Tao and Duan Jingquan; and four independent non-executive directors, namely Messrs Jing Baoli, Bao Liang Ming, Xue Baozhong and Ms. Chan Chu Hoi.