
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should obtain independent professional advice or consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Travel International Investment Hong Kong Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make 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.



香港中旅國際投資有限公司
CHINA TRAVEL INTERNATIONAL INVESTMENT HONG KONG LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 308)

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

A notice convening an annual general meeting of the Company to be held at Cafe du Parc, 2nd Floor, Metropark Hotel Causeway Bay Hong Kong, 148 Tung Lo Wan Road, Causeway Bay, Hong Kong on Friday, 23 May 2014 at 10:30 a.m. is set out on pages 13 to 16 of this circular. Whether or not you are able to attend the meeting, please complete and return the form of proxy accompanying this circular in accordance with the instructions printed thereon to the Company's share registrar, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and, in any event, by no later than 48 hours before the time appointed for the holding of the meeting (or adjourned meeting or of the poll, as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

CONTENT

	<i>Page</i>
Definition	1
Letter from the Board	3
Appendix I – Particulars of Retiring Directors	6
Appendix II – Explanatory Statement	10
Notice of Annual General Meeting	13

DEFINITION

In this circular, the following expressions have the meanings set out below unless the context requires otherwise:

“AGM”	the annual general meeting of the Company to be held at Cafe du Parc, 2nd Floor, Metropark Hotel Causeway Bay Hong Kong, 148 Tung Lo Wan Road, Causeway Bay, Hong Kong on Friday, 23 May 2014 at 10:30 a.m. or any adjournment thereof
“Articles”	articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“Buy-back Mandate”	as defined in section C of the letter from the Board
“Company”	China Travel International Investment Hong Kong Limited (香港中旅國際投資有限公司), a company incorporated in Hong Kong with limited liability and the securities of which are listed on the main board of the Stock Exchange (stock code: 308)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CTS (Holdings)”	China Travel Service (Holdings) Hong Kong Limited, a company interested in 57.36% of the issued share capital of the Company and a connected person of the Company
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	14 April 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Shareholders”	shareholders of the Company

DEFINITION

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



香港中旅國際投資有限公司
CHINA TRAVEL INTERNATIONAL INVESTMENT HONG KONG LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 308)

DIRECTORS:

Executive Directors:

Mr. Wang Shuai Ting (*Chairman*)
Mr. Lo Sui On (*Vice-Chairman*)
Ms. Jiang Yan
Mr. Zhang Fengchun
Mr. Xu Muhan (*General Manager*)
Mr. Fu Zhuoyang

REGISTERED OFFICE:

12th Floor, CTS House
78-83 Connaught Road Central
Hong Kong

Independent Non-Executive Directors:

Dr. Fong Yun Wah
Mr. Wong Man Kong, Peter
Mr. Sze, Robert Tsai To
Mr. Chan Wing Kee

22 April 2014

To Shareholders

Dear Sir or Madam,

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

A. DECLARATION OF FINAL DIVIDEND

The Board has recommended that subject to the approval by Shareholders at the AGM, a final dividend of HK 4 cents per Share for the year ended 31 December 2013 shall be paid to the Shareholders whose names appear on the Company's register of members on 3 June 2014.

B. RE-ELECTION OF DIRECTORS

At the AGM, Mr. Wang Shuai Ting, Ms. Jiang Yan, Mr. Zhang Fengchun and Dr. Fong Yun Wah will retire as Directors by rotation and, being eligible, offer themselves for re-election in accordance with Article 101 the Articles. Further, the continuous appointment of Dr. Fong is subject to separate resolution to be approved by the Shareholders, as he has served as Independent Non-Executive Directors for more than nine years.

LETTER FROM THE BOARD

Dr. Fong Yun Wah has been appointed as Independent Non-Executive Director since 1998. He has substantial business experience and is a highly valued and respected member of the Board. Dr. Fong has provided the Company with confirmation of his independence in accordance with the relevant requirements of the Listing Rules and it is in the belief of the Board that Dr. Fong is independent. Accordingly, the Board is of the view that the re-election of Dr. Fong as an Independent Non-Executive Director is in the interests of the Company and Shareholders as a whole.

Particulars of the retiring Directors are set out in Appendix I to this circular.

C. GENERAL MANDATE TO BUY BACK SHARES

In addition, approval is being sought from the Shareholders to buy back the Shares. At the AGM, an ordinary resolution will be proposed to approve the granting of a general mandate to the Directors to exercise the powers of the Company to buy back Shares representing up to a maximum of 10% of the aggregate number of Shares in issue as at the date of the passing of the relevant resolution (the “Buy-back Mandate”).

This letter together with the explanatory statement, which is set out in Appendix II to this circular and is required under Rule 10.06(1)(b) of the Listing Rules to provide the Shareholders with all the information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution approving the Buy-back Mandate, constitutes the memorandum of the terms of the proposed buy-backs required under Section 239 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

D. GENERAL MANDATE TO ISSUE SHARES

In addition, approval is being sought from the Shareholders at the AGM to grant a general mandate to the Directors to exercise the powers of the Company to allot and issue new Shares in the capital of the Company amounting to up to 20% of the aggregate number of Shares in issue, by way of an ordinary resolution to be proposed at the AGM.

In the event that it becomes desirable for the Company to issue any new Shares, the Directors are given flexibility and discretion to allot and issue new Shares amounting to up to 20% of the issued share capital of the Company as at the date of the passing of the relevant resolution and, if also authorised by the Shareholders at the AGM, by adding to such mandate the number of Shares repurchased by the Company pursuant to the Buy-back Mandate.

As at the Latest Practicable Date, the issued share capital of the Company was HK\$563,457,352.50 divided into 5,634,573,525 Shares. Subject to the passing of the resolution granting the proposed general mandate and on the basis that no further Shares will be issued or repurchased before the AGM, the Company will be allowed under the general mandate to allot, issue and deal with a maximum of 1,126,914,705 Shares (representing 20% of the said total number of issued Shares).

LETTER FROM THE BOARD

E. AGM

A notice convening the AGM is set out on pages 13 to 16 of this circular. A form of proxy for use at the AGM is enclosed. Whether or not you are able to attend the AGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's share registrar, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 48 hours before the time appointed for the holding of the AGM (or adjourned meeting or of the poll, as the case may be). Completion and return of a form of proxy will not preclude you from attending and voting at the AGM (or adjourned meeting or of the poll, as the case may be) if you so wish.

As required under rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the Chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the Chairman of the AGM will exercise his right under Article 73 of the Articles to demand a poll on each of the resolutions to be proposed at the AGM.

F. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

G. RECOMMENDATIONS

The Directors believe that the proposals for re-election of retiring Directors, the Buy-back Mandate and the general mandate to issue Shares are in the interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

Yours faithfully,

By Order of the Board

CHINA TRAVEL INTERNATIONAL INVESTMENT HONG KONG LIMITED

Wang Shuai Ting

Chairman

Particulars of the retiring Directors subject to re-election at the AGM are set out below:

MR. WANG SHUAI TING *Chairman and Executive Director*

Aged 58, appointed in September 2011, is the Vice Chairman, General Manager and Director of CTS (Holdings) and China National Travel Service (HK) Group Corporation, the controlling shareholder of the Company. He is also the Chairman of Nomination Committee and a member of Remuneration Committee of the Company. Mr. Wang formerly served as Vice Chairman and Deputy General Manager of China Resources (Holdings) Company Limited, Chairman and Executive Director of China Resources Power Holdings Company Limited and an Independent Non-Executive Director of Springland International Holdings Limited. Mr. Wang is highly renowned in the electricity industry in the PRC and possesses extensive management experience in large enterprise group. He served as the General Manager of China Resources (Xuzhou) Electric Power Co., Ltd. (“CR Xuzhou”) from 1994 to 2001 and was in charge of the construction and operation of Xuzhou Power Plant. Prior to his engagement in CR Xuzhou, Mr. Wang worked in the general office of the Government of Jiangsu Province from June 1985 to March 1987 and was subsequently the head of the Industrial Office of Xuzhou Municipal Government. He was also the Deputy Secretary-general of Xuzhou Municipal Government. Mr. Wang holds an Executive Master’s degree in Business Administration (“EMBA”) from China Europe International Business School.

There is no service contract between the Company and Mr. Wang. Mr. Wang is not appointed for a specific term but shall be subject to retirement and re-election at the annual general meeting in accordance with the Articles. The director’s fees payable to the Directors in aggregate for their service in each year is approved by the Shareholders at the annual general meeting. Pursuant to the authorization granted by the Shareholders, the Board will then determine the director’s fees payable to each Director with reference to his performance and the prevailing market conditions. During the year ended 31 December 2013, Mr. Wang received a director’s fee of HK\$330,000.

Save as disclosed above, Mr. Wang does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Wang does not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”). Save as disclosed above, Mr. Wang has not held any directorship in the last three years in other public companies the securities of which are listed on the securities market in Hong Kong and overseas.

Save as disclosed above, Mr. Wang has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to paragraph 13.51(2)(h) to (v) of the Listing Rules.

MS. JIANG YAN *Executive Director*

Aged 56, appointed in 2006, is a Director and a Deputy General Manager of CTS (Holdings) and China National Travel Service (HK) Group Corporation. She is also a member of Nomination Committee and Remuneration Committee of the Company. Prior to joining CTS (Holdings), Ms. Jiang worked in State Oceanic Administration and All-China Women's Federation. She was also the Senior Assistant of the Director General of Personnel Office and Division Chief of The Liaison Office of the Central People's Government in HKSAR. Ms. Jiang obtained a Master's degree in Business Administration from University of South Australia.

There is no service contract between the Company and Ms. Jiang. She is not appointed for a specific term but shall be subject to retirement and re-election at the annual general meeting in accordance with the Articles. The director's fees payable to the Directors in aggregate for their service in each year is approved by the Shareholders at the annual general meeting. Pursuant to the authorization granted by the Shareholders, the Board will then determine the director's fee payable to each Director with reference to his performance and the prevailing market conditions. During the year ended 31 December 2013, Ms. Jiang received a director's fee of HK\$240,000.

Save as disclosed above, Ms. Jiang does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Ms. Jiang has beneficial interest in 1,770,000 underlying Shares in respect of the share options granted by the Company at an exercise price of HK\$1.70 per Share within the meaning of Part XV of the SFO. Save as disclosed above, Ms. Jiang has not held any directorship in the last three years in other public companies the securities of which are listed on the securities market in Hong Kong and overseas.

Save as disclosed above, Ms. Jiang has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with her re-election and there is no other information that should be disclosed pursuant to paragraph 13.51(2) (h) to (v) of the Listing Rules.

MR. ZHANG FENGCHUN *Executive Director*

Aged 49, appointed in 2000, is the Chief Financial Officer of CTS (Holdings) and China National Travel Service (HK) Group Corporation, the General Manager of China Travel Financial Holdings Co. Ltd., a subsidiary of CTS (Holdings) and China National Travel Service (HK) Group Corporation, a director of some of subsidiaries of the Company, the Vice Chairman of Financial & Accounting Affairs Steering Committee of The Hong Kong Chinese Enterprises Association and the Vice Chairman of the Hong Kong Chinese Enterprises Association. Mr. Zhang is also a member of Strategy and Development Committee of the Company. Mr. Zhang was the Chairman of CTS International Logistics Corporation Limited, a subsidiary of CTS (Holdings). He is a Certified Public Accountant in China and has extensive experience in investment planning, capital operation, financial operation and business management. Mr. Zhang graduated from the Accounting Department

of Renmin University of China and obtained a Bachelor's degree in Economics in 1987. In January 2006, he graduated from the School of Economics and Management of Tsinghua University with an Executive Master's degree of Business Administration (EMBA).

There is no service contract between the Company and Mr. Zhang. He is not appointed for a specific term but shall be subject to retirement and re-election at the annual general meeting in accordance with the Articles. The director's fees payable to the Directors in aggregate for their service in each year is approved by the Shareholders at the annual general meeting. Pursuant to the authorization granted by the Shareholders, the Board will then determine the director's fee payable to each Director with reference to his performance and the prevailing market conditions. During the year ended 31 December 2013, Mr. Zhang received a director's fee of HK\$240,000.

Save as disclosed above, Mr. Zhang does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Zhang has beneficial interest in 1,770,000 underlying Shares in respect of the share options granted by the Company at an exercise price of HK\$1.70 per Share within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Zhang has not held any directorship in the last three years in other public companies the securities of which are listed on the securities market in Hong Kong and overseas.

Save as disclosed above, Mr. Zhang has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to paragraph 13.51(2) (h) to (v) of the Listing Rules.

DR. FONG YUN WAH *S.B.S., J.P., Independent Non-Executive Director*

Aged 89, appointed as an Independent Non-Executive Director of the Company in 1998, is the Chairman of The Hip Shing Hong Group, Kam Wah Investment Co., Ltd., Fong Shu Fook Tong Foundation and Fong's Family Foundation. Dr. Fong is also an independent non-executor director of Melbourne Enterprises Limited whose securities are listed on the Stock Exchange, director of the Real Estate Developers Association of Hong Kong and the council member of United College at the Chinese University of Hong Kong. He has been appointed as honorary professor and honorary adviser of a number of Universities in the PRC and has also served as the chairman and council member of many charitable organizations in Hong Kong. He was a member of the selection committee for the First Government of the HKSAR and was awarded the Silver Bauhinia Star in 2000 by the Government of the HKSAR.

There is no service contract between the Company and Dr. Fong. He is not appointed for a specific term but shall be subject to retirement and re-election at the annual general meeting in accordance with the Articles. The director's fees payable to the Directors in aggregate for their service in each year is approved by the Shareholders at the annual general meeting. Pursuant to the authorization granted by the Shareholders, the Board will then determine the director's fee payable to each Director with reference to his performance and the prevailing market conditions. During the year ended 31 December 2013, Dr. Fong received a director's fee of HK\$350,000.

Dr. Fong does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Dr. Fong is interested in 50,000 ordinary shares, representing approximately 0.0009% in the share capital of the Company within the meaning of Part XV of the SFO. Save as disclosed above, Dr. Fong has not held any directorship in the last three years in other public companies the securities of which are listed on the securities market in Hong Kong and overseas.

Save as disclosed above, Dr. Fong has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to paragraph 13.51(2) (h) to (v) of the Listing Rules.

The following is the Explanatory Statement required to be sent to the Shareholders under the Listing Rules in connection with the general mandate for buy-backs of Shares and, together with the letter from the board contained in this circular, also constitutes the memorandum of the terms of the buy-backs required under section 239 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

GENERAL MANDATE FOR BUY BACK OF SHARES

(a) Share capital

As at the Latest Practicable Date, the issued share capital of the Company was HK\$563,457,352.50 divided into 5,634,573,525 Shares. Subject to the passing of the resolution granting the proposed Buy-back Mandate and on the basis that no further Shares will be issued or repurchased before the AGM, the Company will be allowed under the Buy-back Mandate to buy back a maximum of 563,457,352 Shares (representing 10% of the said total number of issued Shares).

(b) Reasons for buy-backs

The Directors believe that it is in the best interests of the Company and its shareholders to have a general authority from the Shareholders to enable the Directors to buy back securities in the market. Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the value of the Company's securities and/or its earnings per Share and will only be made when the Directors believe that such buy-backs will benefit the Company and its shareholders.

(c) Funding of buy-backs

Buy-backs of Shares must be funded out of funds legally available for the purpose in accordance with the Articles and the laws of Hong Kong, being profits available for distribution or the proceeds of a fresh issue of shares made for the purpose of the buy-backs, and it is envisaged that the funds required for any buy-backs would be derived from such sources.

There could be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements as at 31 December 2013) in the event that the Buy-back Mandate is exercised in full. However, the Directors do not propose to exercise the Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

(d) Disclosure of interests

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules), has any present intention to sell Shares to the Company if the Buy-back Mandate is approved by the Shareholders.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Company is authorised to make buy-backs of Shares.

(e) Undertaking of the Directors

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make buy-backs pursuant to the Buy-back Mandate in accordance with the Listing Rules and the laws of Hong Kong and the Articles.

(f) Market prices of Shares

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

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2013		
April	1.59	1.42
May	1.63	1.48
June	1.52	1.36
July	1.46	1.39
August	1.51	1.39
September	1.56	1.46
October	1.60	1.49
November	1.73	1.50
December	1.77	1.61
2014		
January	1.66	1.43
February	1.73	1.42
March	1.65	1.50
April (up to the Latest Practicable Date)	1.66	1.51

(g) Buy-backs of Shares

During the six months immediately preceding the Latest Practicable Date, an aggregate of 5,456,000 Shares were repurchased by the Company on the Stock Exchange, details of which are set out as below:

Date	Number of Shares repurchased	Highest price paid per Share (HK\$)	Lowest price paid per Share (HK\$)	Total amount paid (HK\$)
28/03/14	638,000	1.57	1.56	995,980
31/03/14	1,500,000	1.58	1.55	2,338,720
01/04/14	1,000,000	1.56	1.52	1,539,580
02/04/14	650,000	1.57	1.54	1,013,160
04/04/14	500,000	1.58	1.56	784,600
07/04/14	718,000	1.58	1.56	1,122,980
08/04/14	300,000	1.59	1.56	471,960
10/04/14	<u>150,000</u>	1.60	1.60	<u>240,000</u>
	<u>5,456,000</u>			<u>8,506,980</u>

(h) General

Upon the exercise of the power to buy back Shares pursuant to the Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company will increase. Such increase will be treated as an acquisition for the purposes of the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs (the "Takeovers Code"). As a result, a Shareholder or a group of Shareholders, acting in concert could, depending on the level of increase of shareholding interest obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, CTS (Holdings) beneficially owned, directly and indirectly, approximately 57.36% of the issued share capital of the Company. If the Buy-back Mandate is exercised in full, the beneficial interests of CTS (Holdings) in the Company may be increased to approximately 63.73% of the issued share capital of the Company. The Directors consider that such buy-backs made under the Buy-back Mandate will not give rise to an obligation for CTS (Holdings) to make a mandatory offer under Rule 26 of the Takeovers Code. Moreover, the Directors have no present intention to exercise the power of the Company to buy back Shares to such an extent as would result in the number of Shares in public hands falling below 25%.

NOTICE OF ANNUAL GENERAL MEETING



香港中旅國際投資有限公司
CHINA TRAVEL INTERNATIONAL INVESTMENT HONG KONG LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 308)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of China Travel International Investment Hong Kong Limited (the “Company”) will be held at Cafe du Parc, 2nd Floor, Metropark Hotel Causeway Bay Hong Kong, 148 Tung Lo Wan Road, Causeway Bay, Hong Kong on Friday, 23 May 2014 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the Directors of the Company (the “Directors”) and of the Auditor for the year ended 31 December 2013.
2. To declare a final dividend of HK 4 cents per issued share of the Company for the year ended 31 December 2013.
3. To re-elect retiring Directors and authorize the board of directors of the Company (the “Board”) to fix the fees of the Directors.
4. To re-appoint PricewaterhouseCoopers as Auditor of the Company and to authorise the Board to fix the Auditor’s remuneration.

As special business to consider and, if thought fit, to pass with or without amendments, the following resolutions as ordinary resolutions:

5. **“THAT:**
 - (A) subject to paragraph (B) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back shares in the capital of the Company (“Shares”) be and is hereby generally and unconditionally approved;
 - (B) the aggregate number of Shares which may be repurchased on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange recognized for this purpose by the Securities and Futures Commission of Hong Kong (the “SFC”) and the Stock Exchange under the Hong Kong Code on Share Buy-backs (the “Buy-back Code”) pursuant to the approval in paragraph (A) of this Resolution shall not exceed 10% of the aggregate number of Shares in issue at the date of passing this Resolution, and the said approval shall be limited accordingly;
 - (C) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (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 by the laws of Hong Kong to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting.”

6. **“THAT:**

- (A) subject to paragraph (C) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements, options, and warrants which might require the exercise of such power be and it is hereby generally and unconditionally approved;
- (B) the approval in paragraph (A) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options, and warrants which might require the exercise of such power after the end of the Relevant Period;
- (C) the aggregate number of Shares allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option, warrant or otherwise) by the Directors pursuant to the approval in paragraph (A) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or right to acquire Shares, (iii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company or (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company, shall not exceed 20% of the aggregate number of Shares in issue at the date of passing this Resolution.
- (D) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier 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 by the laws of Hong Kong to be held; or

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; and “Rights Issue” means an offer of shares or issue of options, warrants or other securities giving the right to subscribe for Shares, open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion 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 recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”
7. “**THAT** subject to the passing of ordinary resolutions nos. 5 and 6 set out in the notice convening this meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with additional Shares pursuant to the ordinary resolution no. 6 set out in the notice convening this meeting be and is hereby extended by the addition thereto of a number representing the aggregate number of Shares repurchased by the Company under the authority granted pursuant to the ordinary resolution no. 5 set out in the notice convening this meeting, provided that such extended number shall not exceed 10% of the aggregate number of Shares in issue as at the date of passing the ordinary resolution no. 5.”

By Order of the Board
Wang Shuai Ting
Chairman

Hong Kong, 22 April 2014

Notes:

- (1) A member entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxy(ies) to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
- (2) A form of proxy for use at the meeting will be enclosed with the 2013 Annual Report to be despatched to the Shareholders. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting or poll concerned if he so wishes. In the event of a member who has lodged a form of proxy attending the meeting, his form of proxy will be deemed to have been revoked.
- (3) In order to be valid, the instrument appointing a proxy together with a power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company’s share registrar, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not less than 48 hours before the time appointed for the holding of the meeting (or adjourned meeting or of the poll, as the case may be).
- (4) In the case of joint holders of a share, any one of such holders may vote at the meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of such holders so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.

NOTICE OF ANNUAL GENERAL MEETING

- (5) The Register of Members of the Company will be closed from Wednesday, 21 May 2014 to Friday, 23 May 2014 (both dates inclusive), for the purposes of ascertaining Shareholders' entitlement to attend and vote at the meeting. In order to be eligible to attend and vote at the meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 20 May 2014. For the purpose of ascertaining Shareholders' entitlement to the proposed dividend, the Registrar of Members of the Company will be closed from Friday, 30 May 2014 to Tuesday, 3 June 2014 (both dates inclusive). In order to qualify for the proposed final dividends, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Tengis Limited at the address as set out above not later than 4:30 p.m. on Thursday, 29 May 2014.
- (6) In relation to agenda item 3 in this notice regarding election of retiring directors of the Company, Mr. Wang Shuai Ting, Ms. Jiang Yan, Mr. Zhang Fengchun and Dr. Fong Yun Wah, will retire at the meeting and, being eligible, offer themselves for re-election in accordance with the articles of association of the Company. The biographical details and interests in the shares of the Company of the said directors to be re-elected at the meeting are set out in the circular of the Company dated 22 April 2014 (the "Circular") despatched together with the 2013 Annual Report.
- (7) In relation to agenda items 5, 6 and 7 of this notice, the directors of the Company propose to seek shareholders' approval of the general mandates to buy back shares and to issue shares, as described in the Circular.
- (8) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

As at the date of this notice, the Board of the Company comprises six Executive Directors, being Mr. Wang Shuai Ting, Mr. Lo Sui On, Ms. Jiang Yan, Mr. Zhang Fengchun, Mr. Xu Muhan and Mr. Fu Zhuoyang; and four Independent Non-Executive directors, being Dr. Fong Yun Wah, Mr. Wong Man Kong, Peter, Mr. Sze, Robert Tsai To and Mr. Chan Wing Kee.