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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**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.

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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 RE-ELECTION OF DIRECTORS AND ADOPTION OF NEW SHARE OPTION SCHEME AND NOTICE OF EXTRAORDINARY GENERAL MEETING

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Unless the context requires otherwise, terms used in this cover shall have the same meaning as those in the circular.

Taking into account the recent development of the epidemic caused by the coronavirus disease (COVID-19), the Company will implement the following prevention and control measures at the EGM to protect Shareholders from the risk of infection:

- (i) compulsory body temperature checks will be conducted for every attending Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius will not be admitted to the venue, but will be able to vote by submitting a voting slip to the scrutineer at the entrance of the venue;
- (ii) maintain a safe distance between seats;
- (iii) every attending Shareholder or proxy is required to wear a surgical mask throughout the EGM; and
- (iv) no refreshments or souvenirs will be served or distributed at the EGM.

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the meeting venue. The Company wishes to advise all Shareholders, in particular those who are subject to quarantine in relation to COVID-19, that they may appoint any person or the Chairman of the EGM as a proxy to attend and vote on any of the resolutions in lieu of attending the EGM in person.

The Company will closely monitor and ascertain the regulations and measures introduced or to be introduced by the Hong Kong government, and if necessary, will make further announcements in case of any update regarding the precautionary measures to be carried out at the EGM.

A notice convening the EGM to be held at Form Wing, C/Floor, Metropark Hotel Mongkok, 22 Lai Chi Kok Road, Kowloon, Hong Kong on Friday, 20 January 2023 at 9:30 a.m. is set out on pages 27 to 29 of this circular. Whether or not you are able to attend the EGM, 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, 17/F, Far East Finance Centre, 16 Harcourt Road, 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 EGM (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 EGM should you so wish.

3 January 2023

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## DEFINITIONS

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

“2012 Share Option Scheme”	the share option scheme adopted by the Company pursuant to the resolution passed by the Shareholders at the annual general meeting held on 4 May 2012
“Adoption Date”	the date on which the New Share Option Scheme is adopted by the Company by resolutions of the Shareholders at the EGM
“Articles”	the articles of association of the Company as may be amended from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Auditors”	the auditors for the time being of the Company
“Board”	the board of Directors
“Board Lot”	the board lot in which Shares are traded on the Stock Exchange from time to time, being 2,000 Shares as at the Latest Practicable Date
“Business Day”	any day on which securities are traded on the Stock Exchange
“close associates”	has the meaning ascribed thereto under the Listing Rules
“Company”	China Travel International Investment Hong Kong Limited, 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)
“Commencement Date”	in respect of any particular Option, the date on which the Option is accepted in accordance with the terms of the New Share Option Scheme
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Controlling Shareholder”	has the meaning ascribed thereto under the Listing Rules
“Date of Grant”	means, in relation to an Option, the date on which the Option is granted

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## DEFINITIONS

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“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for Shareholders to consider and, if thought fit, approval the proposal for re-election of directors and the adoption of the New Share Option Scheme, the notice of which is set out on pages 27 to 29 of this circular
“Exercise Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described and subject to adjustments as set out in the provisions of the New Share Option Scheme
“Grantee”	means any Participant who accepts an Offer in accordance with the terms of the New Share Option Scheme or (where the context so permits) his personal representative(s)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Non-Executive Director”	in relation to any company, a person who is an independent non-executive director of that company within the meaning of Rule 3.11 of the Listing Rules
“Latest Practicable Date”	28 December 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the share option scheme of the Company proposed to be approved by the Shareholders at the EGM, the principal terms of which are summarised in Appendix II to this circular
“Offer”	means an offer of the grant of an Option
“Option(s)”	option(s) to subscribe for Shares granted pursuant to the New Share Option Scheme

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## DEFINITIONS

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“Option-holder”	a person holding an Option (and, where relevant, includes his/her personal representatives)
“Option Period”	means a period to be determined and notified by the Board to the Grantee during which the Option may be exercised, which period shall commence on the Commencement Date and expire in any event not later than the last day of the 10-year period after the Commencement Date (subject to the provisions for early termination)
“Participant(s)”	means any directors and employees of the Group (including persons who are granted Options under the New Share Option Scheme as an inducement to enter into employment contracts with the Group) who, in the sole opinion of the Board, will contribute or have contributed to the Company and/or any of its subsidiaries
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Rules”	means the rules of the New Share Option Scheme as may be altered from time to time
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shares(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	a subsidiary (within the meaning of the Companies Ordinance, Chapter 622 of the Laws of Hong Kong)
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

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## LETTER FROM THE BOARD

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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. Wu Qiang (*Chairman*)  
Mr. Feng Gang (*General Manager*)  
Mr. Li Pengyu

*Non-Executive Directors:*

Mr. Tsang Wai Hung  
Mr. Tao Xiaobin  
Mr. Fan Zhishi

*Independent Non-Executive Directors:*

Mr. Tse Cho Che Edward  
Mr. Zhang Xiaoke  
Mr. Huang Hui  
Mr. Chen Johnny  
Mr. Song Dawei

**REGISTERED OFFICE:**

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

3 January 2023

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR  
RE-ELECTION OF DIRECTORS  
AND  
ADOPTION OF NEW SHARE OPTION SCHEME  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

References are made to the announcements of the Company dated 9 November 2022 and 12 December 2022 in relation to the change of directors and the proposed adoption of the New Share Option Scheme, respectively.

The purpose of this circular is to provide you with information on the resolutions regarding the re-election of directors and the proposed adoption of the New Share Option Scheme to be proposed at the EGM and to set out the notice of the EGM.

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## LETTER FROM THE BOARD

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### RE-ELECTION OF DIRECTORS

Mr. Feng Gang, Mr. Li Pengyu, Mr. Tao Xiaobin and Mr. Fan Zhishi, who were appointed by the Board on 9 November 2022, will retire at the EGM and, being eligible, offer themselves for re-election in accordance with Article 92 of the Articles.

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

### ADOPTION OF NEW SHARE OPTION SCHEME

References are made to the circular of the Company dated 29 March 2012 in relation to, among others, the adoption of the 2012 Share Option Scheme. The 2012 Share Option Scheme adopted by the Company on 4 May 2012 has expired on the tenth anniversary of its adoption. No further options can be offered or granted upon the expiration of the 2012 Share Option Scheme. As at the Latest Practicable Date, there are no outstanding share option under the 2012 Share Option Scheme. In view of the expiration of the 2012 Share Option Scheme, the Board proposes to adopt the New Share Option Scheme in accordance with Chapter 17 of the Listing Rules.

The purpose of the New Share Option Scheme is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Participants and for such other purposes as the Board may approve from time to time, and to provide the Participants with the opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and the Shareholders as a whole.

The Rules set out the basis for determining the Exercise Price (as described in paragraph 5 in Appendix II) and provide that the Company may specify the date or dates on which an Option will vest or may be exercised in the grant of an Option (as described in paragraph 7 in Appendix II). The Rules enable the Company to grant Option(s) to Participants. The Directors are of the view that the adoption of the New Share Option Scheme aligns with the market practice of providing incentives to employees to work towards enhancing the enterprise value and achieving the long-term objectives for the benefit of the Group as a whole. Upon further consideration and assessment after taking into account the actual circumstance, needs of the Group and relevant regulatory requirements, the Board has decided that the New Share Option Scheme shall be for the exclusive benefit of employees and directors of the Group, and the definition of “Participants” will no longer include directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company as originally stated in the announcement of the Company dated 12 December 2022.

The Board may determine the Participants’ eligibility in its sole discretion by considering all relevant factors as appropriate before granting Options to them (as described in paragraph 2 in Appendix II).

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the Company has not formulated any concrete plan or intention to grant any Option to the independent non-executive Directors under the New Share Option Scheme. However, having considered that (i) equity-based remuneration continues to be an important means of ensuring alignment between the interests of Shareholders and all Board members, including the independent non-executive Directors; (ii) it is common to include independent non-executive Directors as eligible persons of share option schemes among public companies; and (iii) independent non-executive Directors may provide crucial contributions to the Group's development and business in providing valuable insight and advices to the Company with their deep industry knowledge and professional background, as well as their vital role in maintaining a sound corporate governance framework and supervising the internal control system within the Group, the Board believes the inclusion of independent non-executive Directors as Participants and the flexibility to grant Options to the independent non-executive Directors in addition to cash-based incentives will allow the Company to keep its remuneration package competitive in order to attract and retain talents.

The Company is of the view that the independence and impartiality of the independent non-executive Directors will not be impaired by any potential grant of the Options under the New Share Option Scheme for the following reasons: (i) the independent non-executive Directors will continue to comply with the independence requirement under Rule 3.13 of the Listing Rules; (ii) approval by independent Shareholders will be required if any Option is to be granted to independent non-executive Directors or any of their respective associates would result in the total number of Shares issued and to be issued upon exercise of all the Options granted and to be granted to such person in the period of 12 months up to and including the date of the grant representing in aggregate over 0.1% of the Shares in issue; and (iii) the Board will be mindful of the recommended best practice E.1.9 of the corporate governance code set out in Appendix 14 to the Listing Rules which recommends that issuers should generally not grant equity-based remuneration with performance-related elements to independent non-executive directors when considering any future grants of Options to the independent non-executive Directors.

The Rules will not prescribe specific performance targets that must be met before an Option can be exercised. However, the Rules will give the Board discretion to impose such conditions on the Options where appropriate. The Directors consider that it may not always be appropriate to impose such conditions particularly when the purpose of granting options is to remunerate or compensate employees. The Directors consider that it is not practicable to expressly set out a generic set of performance targets in the Rules, as each Grantee will play different roles and contribute in different ways to the Group. The Directors consider it more beneficial to the Company to retain the flexibility to determine when and to what extent such conditions are appropriate. If performance targets are imposed on a Grantee upon the grant of Options, the Board will have regard to the purpose of the New Share Option Scheme in assessing such performance targets with reference to factors including but not limited to, as and when appropriate, sales performance (e.g. revenue), operating performance (e.g. operation efficiency in terms of cost control), financial performance (e.g. profits, cash flow, earnings, market capitalization, return on equity) of the Group, corporate sustainability parameters (e.g. timeliness and accuracy in handling customer feedback, team



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## LETTER FROM THE BOARD

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work capabilities, adherence to corporate culture) and discipline and responsibility (e.g. punctuality, integrity, honesty or compliance with internal business procedures), the satisfaction of which shall be assessed and determined by the Board at its sole discretion.

The Group will utilize its internal assessment system to appraise and evaluate the performance targets applicable to each grant of Options on a case-by-case basis. The Company will consider the past contributions of a Participant with reference to the factors set out above and form an internal assessment as regards the future value that such Participant may bring to the growth and development of the Group. The assessment involves the consideration and appraisal of the Participant's expected contribution with reference to such Participant's nature of duties (e.g. whether in a sales role, management role or a support role), position within the Group (e.g. whether overall Group level targets or specific performance indicators should be adopted) and other features including geographical location, corporate culture and business strategy focus. Specific weightings will be given to the factors above in order to provide a fair and objective appraisal of the Participants before the grant of Options, such that the grants will be on a fair and reasonable basis and in the interest of the Company and its Shareholders as a whole. The management will propose the performance targets of each Participant in each grant of Options to the Board or the remuneration committee of the Company for consideration, who will then assess the reasonableness and suitability of such performance targets.

Subject to the discretion of the Board, if a Grantee's employment has been terminated summarily, or has been convicted of any criminal offence involving his or her integrity or honesty, or any wrongdoing involving misstatement in the Group's financial statements, any outstanding Options shall immediately lapse. With such clawback mechanism in place, the Company would be able to clawback the equity incentives granted to Grantees culpable of misconduct and is in line with the purpose of the New Share Option Scheme and the interests of Shareholders.

The Directors believe that these provisions, as well as such other terms as may be determined by the Board, will serve to protect the value of the Company as well as to achieve the purpose of the New Share Option Scheme.

The Board or a duly constituted committee of the Board will be responsible for administering the New Share Option Scheme. There are no trustees appointed for the purposes of the New Share Option Scheme.

The adoption of the New Share Option Scheme is conditional upon:

- (a) the passing of the resolution(s) by the Shareholders at the EGM to (1) approve and adopt the New Share Option Scheme; (2) authorise the Board to grant Options under the New Share Option Scheme; and (3) authorise the Board to allot and issue Shares pursuant to the exercise of any Options to be granted pursuant to the New Share Option Scheme; and

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## LETTER FROM THE BOARD

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- (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares falling to be allotted and issued pursuant to the exercise of the Options in accordance with the terms and conditions of the New Share Option Scheme.

Subject to the obtaining of the Shareholders' approval with respect to the adoption of the New Share Option Scheme at the EGM, the total number of Shares which may be issued in respect of all Options and awards to be granted under the New Share Option Scheme and any other schemes of the Company must not in aggregate exceed 10% of the total issued share capital of the Company (i.e. 553,663,370 Shares) as at the Adoption Date unless the Company obtains a fresh approval from Shareholders to renew the 10% limit.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares, representing a maximum of 10% of the Company's issued share capital as at the Adoption Date, which fall to be issued pursuant to the exercise of the Options to be granted under the New Share Option Scheme. As at the Latest Practicable Date, there were 5,536,633,709 Shares in issue. Assuming that no further Shares will be allotted, issued or repurchased prior to the EGM, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme is 553,663,370, representing 10% of the total number of Shares in issue as at the Adoption Date.

A summary of the principal Rules which is proposed to be approved and adopted by the Company at the EGM is set out in Appendix II to this circular. A copy of the New Share Option Scheme will be published on the Company's website at [www.irasia.com/listco/hk/ctii](http://www.irasia.com/listco/hk/ctii) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) for display for a period of not less than 14 days before the date of the EGM.

None of the Directors is a trustee of the New Share Option Scheme nor has a direct or indirect interest in the trustees of the New Share Option Scheme (if any).

As at the Latest Practicable Date, no Shareholder had a material interest in the adoption of the New Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolutions in relation thereto.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the Company intends to grant Options to Participants in January 2023 to subscribe for approximately 66,400,000 Shares in accordance with the New Share Option Scheme. Details of the intended grants are set out as follows:

Proposed Grantees	Position in the Company	Number of Options proposed to be granted	Approximate percentage out of the total number of Shares in issue as at the Latest Practicable Date
Mr. Wu Qiang	Chairman and executive Director	2,800,000	0.05%
Mr. Feng Gang	General manager and executive Director	2,200,000	0.04%
Mr. Li Pengyu	Executive Director	1,700,000	0.03%
Employees	–	<u>59,700,000</u>	<u>1.08%</u>
<b>Total</b>		<b><u>66,400,000</u></b>	<b><u>1.20%</u></b>

The Company will publish an announcement in accordance with Rule 17.06A of the Listing Rules upon the granting of Options by the Company pursuant to the New Share Option Scheme.

The Board has sought advice from its Hong Kong legal advisers and understands the adoption of the New Share Option Scheme does not constitute an offer of shares or debentures under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32 of the Laws of Hong Kong) (“C(WUMP)O”) and therefore the prospectus requirements under C(WUMP)O are not applicable to the adoption of the New Share Option Scheme. The Company will continue to observe the requirements under CWUMPO and ensure any grant of Options under the New Share Option Scheme does not constitute an offer of shares or debentures under C(WUMP)O or will qualify under the exemption thereof.

### EXTRAORDINARY GENERAL MEETING

A notice convening the EGM to be held at Form Wing, C/Floor, Metropark Hotel Mongkok, 22 Lai Chi Kok Road, Kowloon, Hong Kong on Friday, 20 January 2023 at 9:30 a.m. is set out on pages 27 to 29 of this circular.

At the EGM, ordinary resolutions will be proposed to approve, inter alia, the re-election of retiring Directors and the adoption of the New Share Option Scheme.

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## LETTER FROM THE BOARD

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A form of proxy for use at the EGM is enclosed in this circular. Whether or not you are able to attend such meeting, please complete, sign and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's share register, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in present at the EGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the EGM must be taken by poll. The chairman of the meeting will therefor demand a poll for every resolution to be passed at the EGM pursuant to the Articles. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

The Register of Members of the Company will be closed from Tuesday, 17 January 2023 to Friday, 20 January 2023 (both dates inclusive), for the purposes of ascertaining Shareholders' entitlement to attend and vote at the EGM. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 16 January 2023.

### **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 enquires, 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.

### **RECOMMENDATIONS**

The Directors consider that the adoption of the New Share Option Scheme and the re-election of the retiring Directors are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the ordinary resolutions to be proposed at the EGM approving the adoption of the New Share Option Scheme and the re-election of the retiring Directors.

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## LETTER FROM THE BOARD

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To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the ordinary resolutions to be proposed at the EGM approving the adoption of the New Share Option Scheme and the re-election of the retiring Directors.

Yours faithfully,

By order of the Board

**CHINA TRAVEL INTERNATIONAL INVESTMENT HONG KONG LIMITED**

**Wu Qiang**

*Chairman*

**MR. FENG GANG** *Executive Director and General Manager*

Aged 49, was the deputy general manager of the Company from January 2019 to 8 November 2022. He is a director of some of the subsidiaries of China CTS and a director of a number of subsidiaries of the Company. Mr. Feng was the president of China Travel Hong Kong (Zhuhai) Ocean Spring Co., Ltd. and a director and the executive deputy general manager of Shenzhen The World Miniature Co., Ltd., which are subsidiaries of the Company. Mr. Feng has extensive experience in investment planning, finance and business management. Mr. Feng obtained a master degree in accounting from Wuhan University in 2008 and a master of business administration degree from the Open University of Hong Kong (now known as Hong Kong Metropolitan University) in 2013.

Save as disclosed above, Mr. Feng did not hold any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Pursuant to the service contract entered into between the Company and Mr. Feng, Mr. Feng is not appointed for a specific term but he shall be subject to retirement and re-election at the first general meeting of the Company after his appointment in accordance with the Articles. Thereafter, Mr. Feng is subject to retirement and re-election at least once every three years at the annual general meetings in accordance with the Articles and the Listing Rules. The annual director's fee is subject to approval by the Shareholders at the annual general meeting and is determined by the Board with the authority granted based on the performance of his duties and responsibilities and with reference to the prevailing market conditions and trends. As an executive director and general manager of the Company, Mr. Feng is entitled to a director's fee of HK\$240,000 per annum and a fixed remuneration of about HK\$1,170,000 per annum (including allowance and subsidies), which is determined by the Board with reference to his duties and responsibilities, the Company's remuneration policies and the prevailing market conditions, and is payable on a time pro-rata basis for any non-full year's service and will be subject to review from time to time. Mr. Feng is also entitled to year-end bonus, which will be determined by the Company with reference to its operating results, the assessment incentive policies of the Company, and his individual performance appraisal result.

Save as disclosed above, Mr. Feng does not hold any other position with the Company or its subsidiaries and does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Feng does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, as of the Latest Practicable Date, Mr. Feng has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his appointment and there is no other information required be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

**MR. LI PENGYU** *Executive Director*

Aged 44, was the deputy general manager of the human resources department of CTS (Holdings). Mr. Li graduated from China Center for Economic Research in 2005 with a master's degree in economics. Mr. Li has extensive experience in human resources and business management.

Save as disclosed above, Mr. Li did not hold any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Pursuant to the service contract entered into between the Company and Mr. Li, Mr. Li is not appointed for a specific term but he shall be subject to retirement and re-election at the first general meeting of the Company after his appointment in accordance with the Articles. Thereafter, Mr. Li is subject to retirement and re-election at least once every three years at the annual general meetings in accordance with the Articles and the Listing Rules. The annual director's fee is subject to approval by the Shareholders at the annual general meeting and is determined by the Board with the authority granted based on the performance of his duties and responsibilities and with reference to the prevailing market conditions and trends. As an executive Director, Mr. Li is entitled to a director's fee of HK\$240,000 per annum and a fixed remuneration of about HK\$1,030,000 per annum (including allowance and subsidies), which is determined by the Board with reference to his duties and responsibilities, the Company's remuneration policies and the prevailing market conditions, and is payable on a time pro-rata basis for any non-full year's service and will be subject to review from time to time. Mr. Li is also entitled to year-end bonus, which will be determined by the Company with reference to its operating results, the assessment incentive policies of the Company, and his individual performance appraisal result.

Save as disclosed above, Mr. Li does not hold any other position with the Company or its subsidiaries and does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Li does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, as of the Latest Practicable Date, Mr. Li has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his appointment and there is no other information required be disclosed pursuant to paragraph 13.51(2)(h) to (v) of the Listing Rules.

**MR. TAO XIAOBIN** *Non-Executive Director*

Aged 45, is the general manager of the overseas business department of CTS (Holdings) and a director of CTG Development Corporation Limited (formerly known as CTG Financial Services Corporation Limited), a subsidiary of China CTS. Mr. Tao is also a director of a number of subsidiaries of the Company. Mr. Tao was the deputy general manager of the Company from February 2017 to September 2022. He has extensive experience in investment planning, corporate management and financial management. Mr. Tao graduated from Nanjing Audit Institute (now known as Nanjing Audit University) in 1999 with a bachelor's degree in accounting, and obtained a master's degree in business administration from Fudan University in 2004.

Save as disclosed above, Mr. Tao did not hold any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. There is no service contract entered into between the Company and Mr. Tao. He is not appointed for a specific term but he shall be subject to retirement and re-election at the first general meeting of the Company after his appointment in accordance with the Articles. Thereafter, Mr. Tao is subject to retirement and re-election at least once every three years at the annual general meetings in accordance with the Articles and the Listing Rules. The annual director's fee is subject to approval by the Shareholders at the annual general meeting and is determined by the Board with the authority granted based on the performance of his duties and responsibilities and with reference to the prevailing market conditions and trends. As a non-executive Director, Mr. Tao is entitled to a director's fee of HK\$300,000 per annum, which is determined by the Board with reference to his duties and responsibilities, the Company's remuneration policies and the prevailing market conditions, and is payable on a time pro-rata basis for any non-full year's service and will be subject to review from time to time.

Save as disclosed above, Mr. Tao does not hold any other position with the Company or its subsidiaries and does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Tao does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, as of the Latest Practicable Date, Mr. Tao has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his appointment and there is no other information required be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.



**MR. FAN ZHISHI** *Non-Executive Director*

Aged 53, is a director CTG Investment and Asset Management Corporation Limited, a subsidiary of China CTS. He was a director of CTG Development Corporation Limited and the deputy general manager of CTG Travel Service Co., Ltd., which are subsidiaries of China CTS, and the general manager of the information management department of CTS (Holdings). Mr. Fan has extensive experience in tourism industry, information management and corporation management. He obtained a bachelor's degree in economics in 1993 and a master's degree in economics in 2001 from Renmin University of China.

Save as disclosed above, Mr. Fan did not hold any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. There is no service contract entered into between the Company and Mr. Fan. He is not appointed for a specific term but he shall be subject to retirement and re-election at the first general meeting of the Company after his appointment in accordance with the Articles. Thereafter, Mr. Fan is subject to retirement and re-election at least once every three years at the annual general meetings in accordance with the Articles and the Listing Rules. The annual director's fee is subject to approval by the Shareholders at the annual general meeting and is determined by the Board with the authority granted based on the performance of his duties and responsibilities and with reference to the prevailing market conditions and trends. As a non-executive Director, Mr. Fan is entitled to a director's fee of HK\$300,000 per annum, which is determined by the Board with reference to his duties and responsibilities, the Company's remuneration policies and the prevailing market conditions, and is payable on a time pro-rata basis for any non-full year's service and will be subject to review from time to time.

Save as disclosed above, Mr. Fan does not hold any other position with the Company or its subsidiaries and does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Fan does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, as of the Latest Practicable Date, Mr. Fan has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his appointment and there is no other information required be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

**WARNING**

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

**NEW SHARE OPTION SCHEME**

The following is a summary of the principal Rules of the New Share Option Scheme proposed to be approved at the EGM but does not form part of, nor was it intended to be, part of the New Share Option Scheme nor should it be taken as effecting the interpretation of the New Share Option Scheme:

**1. Purpose**

The purpose of the New Share Option Scheme is to provide incentive to or reward Participants for their contribution to, and continuing efforts to promote the interests of, the Group and for other purposes as the Board may approve from time to time.

**2. Participants and basis of determining their eligibility**

Subject to the terms of the New Share Option Scheme, the Board shall be entitled but shall not be bound at any time within the period of 10 years after the Adoption Date to make an Offer to any Participant, taking into account such factors as the Board may at its discretion consider appropriate, as the Board may in its absolute discretion select to subscribe for such number of Shares, being a Board Lot for dealing in Shares on the Stock Exchange or an integral multiple thereof, subject to the limits specified in the Rules, as the Board may determine at the Exercise Price. The basis of eligibility of any of the Participants to the grant of Options shall be determined by the Board from time to time on the basis of the Board's opinion as to his contribution or potential contribution to the development and growth of the Group.

In assessing whether Options are to be granted to any Participant, the Board shall take into account various factors, including but not limited to, the nature and extent of contributions provided by such Participant to the Group, the special skills or technical knowledge possessed by them which is beneficial to the continuing development of the Group, the positive impacts which such Participant has brought to the Group's business and development and whether granting Options to such Participant is an appropriate incentive to motivate such Participant to continue to contribute towards the betterment of the Group.

In assessing the eligibility of the Participant(s), the Board will consider all relevant factors as appropriate, including, among others:

- (a) his/her skills, knowledge, experience, expertise and other relevant personal qualities;

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## APPENDIX II      PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

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- (b) his/her performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard;
- (c) his/her contribution made or expected to be made to the growth of the Group; and
- (d) his/her educational and professional qualifications, and knowledge in the industry.

### 3. Acceptance of offers

An offer for the grant of Options must be accepted within 28 days after the day on which such offer was made. Option-holders are required to pay an amount of HK\$1.00 for each acceptance of an Offer of the grant of an Option payable on acceptance of such Offer.

### 4. Terms of Options

Each Offer shall be in writing made to a Participant by letter in such form as the Board may from time to time determine and shall:

- (a) state the name, address and position of the Grantee;
- (b) state the date on which the Offer is made to a Participant, which must be a Business Day (the “**Offer Date**”);
- (c) specify a date, being a date not later than 28 days after the Offer Date by which the Participant must accept the Offer or be deemed to have declined it;
- (d) state the method and procedures for accepting the Offer and that an acceptance of the Offer must be accompanied by payment of the option price of HK\$1.00 (the “**Option Price**”);
- (e) state that the Option Price is not refundable and shall not in any circumstances be, or be deemed to be, a part payment of the Exercise Price;
- (f) specify the number of Shares to which the Offer relates;
- (g) specify the Exercise Price;
- (h) specify the Option Period, and the date or dates during the Option Period upon which the Option shall first become exercisable;
- (i) specify the expiry date in relation to that Option;
- (j) specify any other conditions which must be satisfied before the Option may be exercised, including without limitation such performance targets as the Board may determine from time to time as fair and reasonable but not being inconsistent with the New Share Option Scheme and the Listing Rules;

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## APPENDIX II      PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

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- (k) the clawback mechanism for the Company to recover or withhold any Option granted to any Participant (if any) in the event of, for example, serious misconduct, a material misstatement in the Company's financial statements or other special circumstances as identified by the Board;
- (l) require the Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme; and
- (m) subject to the above, be made in such form as the Board may from time to time prescribe.

### 5. Exercise Price

The Exercise Price will be determined by the Board (subject to any necessary consent or approval being obtained) and notified to a Participant and shall not be less than the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Date of Grant, which must be a Business Day; and (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Date of Grant, provided that in the event of fractional prices, the Exercise Price per Share shall be rounded upwards to the nearest whole cent.

### 6. Maximum number of Shares subject to the New Share Option Scheme

The total number of Shares which may be issued in respect of all Options and awards to be granted under the New Share Option Scheme or any other schemes ("**Other Scheme(s)**") must not in aggregate exceed 10% of the Shares of the Company in issue as at the Adoption Date (i.e. 553,663,370 Shares) (the "**Scheme Mandate**"). Options or awards lapsed in accordance with the terms of the New Share Option Scheme and any Other Scheme will not be regarded as utilized for the purpose of calculating the Scheme Mandate.

With the approval of the Shareholders, the Board may "refresh" the Scheme Mandate after three years from Adoption Date or the date of Shareholders' approval for the last refreshment provided that the total number of Shares which may be issued in respect of all Options and awards to be granted under all of the schemes of the Company under the limit as "refreshed" shall not exceed 10% of the Shares of the Company in issue at the date on which the Shareholders approve the "refreshed" limit. Options previously granted under the New Share Option Scheme and any Other Schemes (including those outstanding, cancelled, lapsed in accordance with the terms of the relevant scheme, or exercised options) will not be counted for the purpose of calculating the limit as "refreshed". A circular regarding the proposed refreshing of the Scheme Mandate must be despatched to the Shareholders containing the number of Options and awards that were already granted under the existing Scheme Mandate and the reason for the refreshment.

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## APPENDIX II      PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

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Any refreshment to the Scheme Mandate within any three-year period must be approved by the Shareholders, where any controlling shareholders of the Company and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting and in accordance with the requirements under the Listing Rules. Such requirements do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate immediately before the issue of securities, rounded to the nearest whole Share.

The Board shall not grant any Options (the “**Relevant Options**”) to any Participant which, if exercised, would result in such Participant becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued or to be issued to him under all Options or options or share awards granted to him (excluding any Options and awards lapsed in accordance with the terms of New Share Option Scheme or Other Schemes) in the 12 month period up to and including the Date of Grant of the Relevant Options, exceed 1% of the Shares in issue at such date (including cancelled, exercised and outstanding Options) unless:

- (a) such grant has been duly approved by the Shareholders in general meeting, at which the relevant Participant and his close associates (or associates if the relevant Participant is a connected person of the Company) abstained from voting;
- (b) a circular regarding the grant has been despatched to the Shareholders disclosing the identity of the relevant Participant, the number and terms of the Options to be granted (and Options or options or share awards previously granted to such relevant Participant in the 12-month period), the purpose of granting the Options to the relevant Participant and an explanation as to how the terms of the Options serve such purpose; and
- (c) the number and terms of such Options are fixed before the Shareholders’ approval in general meeting of the Company at which the same are approved. In respect of any Options to be granted, the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

The Company may seek separate approval from the Shareholders in the general meeting for granting Options under the New Share Option Scheme which will result in the Scheme Mandate or, if applicable, the extended limits, being exceeded, provided that:

- (a) the grant is to Participants specifically identified by the Company before the approval is sought;
- (b) a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the name of each specified Participant who may be granted such Options, the number and terms of the Options to be

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## **APPENDIX II      PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME**

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granted to each Participant, and the purpose of granting Options to the specified Participants with an explanation as to how the terms of the Options serve such purpose; and

- (c) the number and terms of Options to be granted to such Participant be fixed before Shareholders' approval. In respect of any Options to be granted, the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

### **7. Exercise of option**

An Option can be exercised from the moment and to the extent that it vests. The date or dates on which an Option vests will be set by the Board at the time of grant, which shall be not less than twelve (12) months from the date on which the Option is accepted. The Options granted to the Participants will not be subject to a shorter vesting period.

Subject to, among other things, the fulfilment of all terms and conditions attached to the Options, including the attainment of any performance targets (if any), an Option may be exercised according to the terms of the New Share Option Scheme and the relevant Offer in whole or in part by the Grantee (or his personal representative(s)) before its expiry by giving notice in writing to the Company stating that the Option is to be exercised and the number of Shares in respect of which it is exercised, provided that the number of Shares shall be equal to the size of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. Such notice must be accompanied by a remittance for the full amount of the Exercise Price for the Shares in respect of which the notice is given.

The vesting or exercise of Options may also be subject to any conditions imposed by the Board at the time of grant (see paragraph 4 above).

### **8. Performance targets and clawback mechanism**

The Board may determine and provide in the offer of the grant of the relevant Options performance target(s) which must be achieved before any of the Options can be exercised and the clawback mechanism for the Company to recover or withhold the Options granted to any Participant. Subject to the discretion of the Board, if a Grantee's employment has been terminated summarily, or has been convicted of any criminal offence involving his or her integrity or honesty, or any wrongdoing involving misstatement in the Group's financial statements, any outstanding Options shall immediately lapse. The Board may, in its discretion, require at the time of grant any particular Grantee to achieve such performance targets as the Board may then specify in the grant before any Options granted under the New Share Option Scheme to such Grantee can be exercised. The Directors consider that it may not always be appropriate to impose such conditions particularly when the purpose of granting options is to remunerate or compensate employees. The Directors consider that it is not practicable to expressly set out a generic set of performance targets in the Rules, as each Grantee will play different roles and contribute in different ways to the Group. The Directors consider it more beneficial to the Company to retain the flexibility to determine when and to what extent such conditions are appropriate. If performance targets are imposed on a Grantee upon the grant of Options, the Board have regard to the purpose of the New

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## **APPENDIX II      PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME**

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Share Option Scheme in assessing such performance targets, with reference to factors including but not limited to, as and when appropriate, sales performance (e.g. revenue), operating performance (e.g. profits, operation efficiency in term of cost control), financial performance (e.g. profits, cash flow, earnings, market capitalization, return on equity) of the Group, corporate sustainability parameter (e.g. timeliness and accuracy in handling customer feedback, team work capabilities, adherence to corporate culture) and discipline and responsibility (e.g. punctuality, integrity, honesty or compliance with internal business procedures), the satisfaction of which shall be assessed and determined by the Board at its sole discretion.

The Group will utilize its internal assessment system to appraise and evaluate the performance targets applicable to each grant of Options on a case-by-case basis. The Company will consider the past contributions of a Participant with reference to the factors set out above and form an internal assessment as regards the future value that such Participant may bring to growth and development of the Group. The assessment involves the consideration and appraisal of the Participant's expected contribution with reference to such Participant's nature of duties (e.g. whether in a sale role, management role or a support role), position within the Group (e.g. whether overall Group level targets or specific performance indicators should be adopted) and other feature including geographical location, corporate culture and business strategy focus. Specific weightings will be given to the factors above in order to provide a fair and objective appraisal of the Participants before the grant of Options, such that the grants will be on a fair and reasonable basis and in the interest of the Company and its Shareholders as a whole. The management will propose the performance targets of each Participant to the Board or the remuneration committee of the Company for consideration, who will then assess the reasonableness and suitability of such performance targets.

### **9. Non-transferability of Options**

An Option shall be personal to the Grantee and shall not be assignable nor transferable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so, except as permitted under the Listing Rules provided that the purpose of the New Share Option Scheme will be met and the requirements of Chapter 17 of the Listing Rules (including but not limited to a waiver from the Stock Exchange, where applicable) will be complied. Any breach of the foregoing shall entitle the Company to cancel any outstanding Options or any part thereof granted to such Grantee.

### **10. Rights on ceasing employment or other engagement**

If an Option-holder ceases to be a Participant for any reason other than those specified in paragraph 11, then any Options shall lapse on the date of cessation and not be exercisable unless the Directors otherwise determine and notified to the Grantee in writing, in which event the Grantee may exercise the Option in whole or in part (to the extent exercisable) within six months after of such cessation or, if any of the events referred to in paragraphs 12 or 13 occur during such period, exercise the Option pursuant to paragraphs 12 or 13 respectively. The date of cessation shall be the Grantee's last actual working day with the Company or any subsidiary whether salary is paid in lieu of notice or not.

**11. Rights on death, disability and transfer**

If an Option-holder ceases to be a Participant by reason of his death or disability or retirement in accordance with applicable labour laws and regulations or his/her contract of employment, then any unvested Option will lapse and the Option-holder or his personal representatives (if appropriate) may exercise all his vested Options (to the extent exercisable) within a period of 6 months of the date of cessation of employment. Any vested Option not exercised prior to the expiry of this period shall lapse.

**12. Rights on a General Offer**

If, as a result of a general offer, more than 50 per cent. of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror, any company controlled by the offeror or any person associated with or acting in concert with the offeror, the Board will notify every Option-holder of this within 14 days of becoming so aware (or as soon as practicable) and each Option-holder will be entitled to exercise his vested Options during the 6 months starting on the later of (i) the date of the Board's notification to the Option-holders; and (ii) the date on which the person making the offer obtains control of the Company. The Options will lapse on expiry of this 6-month period.

**13. Rights on Winding Up**

If notice is duly given of a resolution for the voluntary winding-up of the Company, Options may be exercised within 3 months after the date of the resolution, provided that such exercise and the issue or transfer of any Shares is authorised by the liquidator and/or the court (as appropriate). Any Options not exercised during the 3 month period will lapse at the end of the period. If the Company is wound-up by the court, Options may be exercised within 2 months after the date of the winding-up order, provided that such exercise and the issue or transfer of any Shares is authorised by the liquidator or the court (as appropriate). Any Options not exercised during the 2 month period will lapse at the end of the period.

**14. Reorganisation of Capital Structure**

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalisation issue, further rights issues of Shares, consolidation, subdivision or reduction of the share capital of the Company, or, in the event of any distribution in specie involving any member of the Group whilst any Option may become or remain exercisable, in accordance with applicable laws and regulatory requirements (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), such corresponding adjustments (if any) shall be made to (i) the number of Shares, the subject matter of the Option (insofar as it is unexercised); and/or (ii) the price at which the Options are exercisable, as the Board may decide.



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## APPENDIX II      PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

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Any such adjustment shall be made on the basis that (i) the proportion of the issued share capital of the Company to which an Option-holder is entitled after such adjustment shall remain the same as that to which he was entitled before such adjustment (rounded to the nearest whole Share); and (ii) it will not enable any Share to be issued at less than its nominal value, or to increase the proportion of the issued share capital of the Company for which any Option-holder would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustments; and (iii) that the Auditors or independent financial adviser selected by the Board (as appropriate) must confirm to the Board in writing that the adjustment satisfies the requirements of the Note to Rule 17.03 (13) of the Listing Rules, except where such adjustment is made on a capitalisation issue.

### **15. Lapse of options**

An Option will lapse on the earlier of:

- (i) the expiry of the Option Period; or
- (ii) expiry of any of the other periods referred to in paragraphs 10, 11, 12 and 13; or
- (iii) expiry of 3 months following a court order sanctioning a compromise or arrangement in relation to the reconstruction of the Company or its amalgamation with another company or companies; or
- (iv) the date of commencement of the winding-up of the Company; or
- (v) the date on which the Grantee ceases to be a Participant by reason of such Grantee's resignation from the employment of the Company or any of the its subsidiaries or the termination of his or her employment or contract on any one or more of the grounds that he or she has been guilty of serious misconduct, has been liable for a material misstatement in the Company's financial statements, has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his/her creditors generally, has been convicted of any criminal offence involving his or her integrity or honesty, or in relation to an employee of the Group (if so determined by the Board) or any other ground on which an employee would be entitled to terminate his employment summarily at common law or pursuant to any applicable laws or under the Grantee's service contract with the Group; or
- (vi) the date on which the Board exercises the Company's right to cancel the Option following a breach of the Rules summarised in paragraph 9 above.

**16. Rights and Ranking of Shares**

The Shares to be allotted upon the exercise of an Option shall not carry voting rights until completion of the registration of the Grantee (or such other person nominated by the Grantee) as the holder thereof. Subject as aforesaid, the Shares to be allotted and issued upon the exercise of an Option shall be subject to the Company's articles of association and the laws of Hong Kong for the time being in force and shall rank pari passu in all respects with the fully-paid Shares in issue of the Company as at the date of allotment and will entitle the holders to have the same voting, dividend transfer and other rights, including those arising on liquidation of the Company as attached to the fully-paid Shares in issue on the date of issue, in particular but without prejudice to the generality of the foregoing, in respect of voting, transfer and other rights including those arising on a liquidation of the Company and rights in respect of any dividend or other distributions paid or made on or after the date of issue.

**17. Cancellation of Options granted but not exercised**

The Board may cancel any Option granted but not exercised provided that (i) the Company pays to the Option-holder an amount equal to the fair market value of the Option at the date of cancellation as determined by the Board, after consultation with the Auditors or an independent financial adviser appointed by the Board; or (ii) the Board offers to grant to the Option-holder replacement Options (or options under any Other Scheme) or makes such arrangements as the Option-holder may agree to compensate him for the loss of the Option. Following the cancellation of any Options granted under the New Share Option Scheme but not exercised, new Options may only be granted to the same grantee under the New Share Option Scheme with available unissued Options (excluding the cancelled options) within the limit of the Scheme Mandate then available to the Board.

**18. Amendments to the New Share Option Scheme and Terms of Options**

The Board may amend any of the provisions of the New Share Option Scheme except that (a) any alteration to the terms and conditions of the New Share Option Scheme which are of a material nature; and (b) any alteration to the provisions of the New Share Option Scheme relating to the matters governed by Rule 17.03 of the Listing Rules to the advantage of Participants must be approved by a resolution of the Shareholders in general meeting.

Any change to the terms of the Options granted to a Participant must be approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be), unless the alterations take effect automatically under the existing terms of the New Share Option Scheme. The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

Any change to the authority of the Board to alter the terms of the New share Option Scheme may only be made with the approval of the Shareholders in general meeting.

**19. Termination of the New Share Option Scheme**

The Company, by resolution in general meeting, or the Board may at any time terminate the operation of the New Share Option Scheme. In such circumstances, no new grants of Options under the New Share Option Scheme will be made but the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Option granted prior to the termination or otherwise as may be required in accordance with the provisions of the New Share Option Scheme and any Options which have been granted under the New Share Option Scheme but not yet exercised shall continue to be valid and exercisable in accordance with the Rules.

**20. Life of the New Share Option Scheme**

Subject to fulfillment of the conditions and the Board exercising its right under the Rules to terminate the New Share Option Scheme, the New Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Options will be granted. The Rules shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior to expiry of the 10-year period and which are at that time or become thereafter capable of exercise under the Rules, or otherwise to the extent as may be required in accordance with the Rules.

**21. Restrictions on the time of grant of Option**

A grant of Options may not be made after an inside information event has occurred or an inside information matter has been the subject of a decision or inside information has come to the Company's knowledge until (and including) the trading day after such inside information has been published in accordance with Rule 2.07C of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to publish results for any year, or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of actual publication of the results announcement, no Option may be granted. The period during which no Option may be granted will cover any period of delay in the publication of a results announcement. An Offer may not be made to a Participant who is subject to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules ("Model Code") during the periods or times in which such Participant is prohibited from dealing in the Shares pursuant to the Model Code, or any corresponding code or securities dealing restrictions adopted by the Company.

**22. Restrictions on Grant**

Each grant of Options to a Participant who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, under the New Share Option Scheme must be approved by the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the proposed Grantee of the Options).

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## APPENDIX II      PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

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Where any grant of Options to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all Options and awards already granted or to be granted under the New Share Option Scheme or Other Schemes (excluding any Options and awards lapsed in accordance with the terms of the New Share Option Scheme or Other Schemes) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of Options by the Board shall not be valid unless:

- (a) a circular containing the details of the grant has been despatched to the Shareholders;
- (b) the grant has been approved by the Shareholders in general meeting (taken on a poll), at which the Grantee, his/her associates and all core connected persons (as defined in the Listing Rules) of the Company of the Company have abstained from voting in favour at such meeting, and in accordance with the Listing Rules; and
- (c) the number and terms of such Options are fixed before the general meeting of the Company at which the same are approved.

The circular to be issued by the Company to its Shareholders pursuant to paragraph 22(a) shall contain the following information:

- (A) the details of the number and terms of the Options to be granted to each Participant which must be fixed before the Shareholders' meeting;
- (B) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Options) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and its Shareholders as a whole, and their recommendation to the independent Shareholders as to voting;
- (C) the information required under Rule 17.02(2)(c) of the Listing Rules; and
- (D) the information required under Rule 2.17 of the Listing Rules.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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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 an extraordinary general meeting (the “**Meeting**”) of the shareholders of China Travel International Investment Hong Kong Limited (the “**Company**”) will be held at Form Wing, C/Floor, Metropark Hotel Mongkok, 22 Lai Chi Kok Road, Kowloon, Hong Kong on Friday, 20 January 2023 at 9:30 a.m. to consider as special business and, if thought fit, passing (with or without amendments) the following resolutions as ordinary resolution:

1. “**THAT**
  - (a) to re-elect Mr. Geng Gang as an Executive Director;
  - (b) to re-elect Mr. Li Pengyu as an Executive Director;
  - (c) to re-elect Mr. Tao Xiaobin as a non-executive Director;
  - (d) to re-elect Mr. Fan Zhishi as a non-executive Director.”
  
2. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval of the listing of, and permission to deal in, the shares of the Company (not exceeding 10% of the Company’s issued share capital on the date of this resolution) which may fall to be issued upon the exercise of the options or awards to be granted under the new share option scheme of the Company (the “**New Share Option Scheme**”), the rules of which are contained in the document marked “A” produced to the meeting and signed by the Chairman of the Meeting for identification purposes or other schemes of the Company, the New Share Option Scheme be and is hereby approved and adopted and the Directors of the Company be and are hereby authorized to grant options and to allot, issue and deal with the shares which fall to be issued pursuant to the exercise of any option granted under the New Share Option Scheme and to take all such steps as may be necessary or expedient in order to give full effect to the New Share Option Scheme including, but not limited to:
  - (i) administering the New Share Option Scheme and granting options under the New Share Option Scheme;
  - (ii) modifying and/or amending the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (iii) making application(s) at the appropriate time or times to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, any shares of the Company or any part thereof that may hereafter from time to time be issued and allotted pursuant to the exercise of the options granted under the New Share Option Scheme.”

By Order of the Board  
**China Travel International Investment Hong Kong Limited**  
**Wu Qiang**  
*Chairman*

Hong Kong, 3 January 2023

*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. Taking into account the recent development of the epidemic caused by the coronavirus disease (COVID-19), the Company will implement the following prevention and control measures at the EGM to protect Shareholders from the risk of infection:
- (i) compulsory body temperature checks will be conducted for every attending Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius will not be admitted to the venue, but will be able to vote by submitting a voting slip to the scrutineer at the entrance of the venue;
  - (ii) maintain a safe distance between seats;
  - (iii) every attending Shareholder or proxy is required to wear a surgical mask throughout the EGM; and
  - (iv) no refreshments or souvenirs will be served or distributed at the EGM.

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the meeting venue. The Company wishes to advise all Shareholders, in particular those who are subject to quarantine in relation to COVID-19, that they may appoint any person or the Chairman of the EGM as a proxy to attend and vote on any of the resolutions in lieu of attending the EGM in person.

The Company will closely monitor and ascertain the regulations and measures introduced or to be introduced by the Hong Kong government, and if necessary, will make further announcements in case of any update regarding the precautionary measures to be carried out at the EGM.

- (2) A form of proxy for use at the Meeting is enclosed herewith. 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, 17/F, Far East Finance Centre, 16 Harcourt Road, 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.

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- (5) The Register of Members of the Company will be closed from Tuesday, 17 January 2023 to Friday, 20 January 2023 (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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 16 January 2023.
- (6) 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 comprises three executive Directors, namely Mr. Wu Qiang, Mr. Feng Gang and Li Pengyu; three non-executive Directors, namely Mr. Tsang Wai Hung, Mr. Tao Xiaobin and Mr. Fan Zhishi; and five independent non-executive Directors, namely Mr. Tse Cho Che Edward, Mr. Zhang Xiaoke, Mr. Huang Hui, Mr. Chen Johnny and Mr. Song Dawei.*