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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 consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **Grand Investment International Ltd.**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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大唐投資國際有限公司*

GRAND INVESTMENT INTERNATIONAL LTD.

(incorporated in Bermuda with limited liability)

(Stock Code: 1160)

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting to be held at 1st Floor, Nos. 269–277 Queen's Road Central, Hong Kong on Monday, 30 July 2012 at 1:30 p.m. is set out on pages 15 to 19 of this circular.

Whether or not you intend to attend the Annual General Meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited, 12th Floor, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

* *For identification purposes only*

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be convened and held at 1st Floor, Nos. 269–277 Queen’s Road Central, Hong Kong at 1:30 p.m. on Monday, 30 July 2012 and any adjournment thereof, the notice of which is set out on pages 15 to 19 of this circular
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company, as amended from time to time
“Companies Act”	the Companies Act 1981 of Bermuda, as amended, supplemented or modified from time to time
“Company”	Grand Investment International Ltd., an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted, issued and dealt with under the General Mandate
“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution at the Annual General Meeting
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	22 June 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Proposals”	the proposals regarding (i) the grant of each of the General Mandate, the Repurchase Mandate and the Extension Mandate and (ii) the re-election of Directors
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to enable them to repurchase Shares, the aggregate nominal amount of which shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution at the Annual General Meeting
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Registrar”	Boardroom Share Registrars (HK) Limited, the branch share registrar and transfer office of the Company in Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“2011 AGM”	the annual general meeting of the Company held on 19 July 2011
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



大唐投資國際有限公司*
GRAND INVESTMENT INTERNATIONAL LTD.

(incorporated in Bermuda with limited liability)

(Stock Code: 1160)

Executive Directors:

Ms Lee Wai Tsang, Rosa
Dr Huang Zhijian

Non-executive Director:

Mr Lee Woo Sing (*Chairman*)

Independent non-executive Directors:

Mr Lu Fan
Dr Zhang Hongru
Dr Zhou Yunxia

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place
of business in Hong Kong:*

Unit A, 2nd Floor
Nos. 269–277 Queen's Road
Central
Hong Kong

28 June 2012

To the Shareholders,

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The primary purposes of this circular are to provide Shareholders with information in connection with the Proposals and to give you notice of the Annual General Meeting.

Resolutions to be proposed at the Annual General Meeting, in addition to ordinary business, include (a) ordinary resolutions on the proposed grant of each of the General Mandate, the Repurchase Mandate and the Extension Mandate and (b) ordinary resolutions relating to the proposed re-election of the Directors.

* *For identification purposes only*

LETTER FROM THE BOARD

GRANT OF GENERAL MANDATE, REPURCHASE MANDATE AND EXTENSION MANDATE

The following mandates, which were granted to the Directors pursuant to the ordinary resolutions passed by the Shareholder at the 2011 AGM, will expire at the conclusion of the Annual General Meeting:

- (A) a general unconditional mandate to allot, issue and deal with Shares with an aggregate nominal amount of not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution;
- (B) a general unconditional mandate to exercise all the powers of the Company to repurchase Shares with an aggregate nominal amount of not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution; and
- (C) the power to extend the general mandate mentioned in paragraph (A) immediately above by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to the mandate to repurchase Shares as referred to in paragraph (B) immediately above.

In view of the forthcoming expiration of the mandates granted to the Directors as mentioned above, the following ordinary resolutions, among other matters, will be proposed at the Annual General Meeting:

- (1) that the Directors be granted the General Mandate to exercise the powers of the Company to allot, issue and otherwise deal with Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of such resolution;
- (2) that the Directors be granted the Repurchase Mandate to enable them to repurchase Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of such resolution; and
- (3) that the Directors be granted the Extension Mandate to increase the total number of Shares which may be allotted, issued and dealt with under the General Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

Each of the General Mandate, the Repurchase Mandate and the Extension Mandate will expire (a) at the conclusion of the next annual general meeting of the Company following the Annual General Meeting; or (b) at the end of the period within which the next annual general meeting of the Company is required by the Companies Act or the Bye-laws to be held; or (c) when the authority given to the Directors thereunder is revoked or varied by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company, whichever is the earliest.

LETTER FROM THE BOARD

Based on 172,800,000 Shares in issue as at the Latest Practicable Date and on the basis that no new Shares will be issued and no Shares will be repurchased by the Company for the period from the Latest Practicable Date up to and including the date of the Annual General Meeting:

- (1) subject to the passing of the proposed resolution granting the General Mandate to the Directors, the Company will be allowed under the General Mandate to issue up to a maximum of 34,560,000 Shares, representing 20% of the Shares in issue as at the Latest Practicable Date; and
- (2) subject to the passing of the proposed resolution granting the Repurchase Mandate to the Directors, the Company will be allowed under the Repurchase Mandate to repurchase up to a maximum of 17,280,000 Shares, representing 10% of the Shares in issue as at the Latest Practicable Date.

The Board has no immediate plans to allot and issue any new Shares other than Shares which may fall to be allotted and issued upon the exercise of any options granted under the share option scheme of the Company.

Under the Listing Rules, the Company is required to give the Shareholders all information which is reasonably necessary to enable them to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in Appendix I to this circular.

PROPOSED RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the Board consisted of six Directors, namely:

Executive Directors

Ms Lee Wai Tsang, Rosa
Dr Huang Zhijian

Date of appointment

1 June 2005
1 January 2007

Non-executive Director

Mr Lee Woo Sing (*Chairman*)

Date of appointment

25 April 2003 (*note*)

Independent non-executive Directors

Mr Lu Fan
Dr Zhang Hongru
Dr Zhou Yunxia

Date of appointment

1 June 2005
13 February 2004
1 June 2009

Note: Mr Lee Woo Sing was re-designated as a non-executive director on 27 February 2004.

According to Bye-law 113(A) of the Bye-laws, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three (3), then the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

LETTER FROM THE BOARD

By virtue of Bye-law 113(A) of the Bye-laws, Dr. Huang Zhijian and Dr. Zhang Hongru will retire at the Annual General Meeting and, being eligible, offer themselves for re-election.

Dr. Zhang Hongru does not have any management role in the Company and save as disclosed in Appendix II to this circular, he has no relationship with any other Directors, senior management, substantial or controlling Shareholders of the Company. At all times during the period of directorship of Dr. Zhang Hongru has properly discharged his duties and responsibilities as an independent non-executive Director and has made positive contribution to the development of the Company through independent, constructive and informed comments and participation at the Board and Board committees meetings. In addition, the Company received from Dr. Zhang Hongru a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. In this regard, for the purpose of Code Provision A.5.5 of Appendix 14 to the Listing Rules, the Board is satisfied that Dr. Zhang Hongru is a person of integrity and stature and believes that his re-appointment allows the Board as well as the Company to continuously benefit from the sharing of his invaluable experience, contribution and participation. Therefore, the Board recommended the re-appointment and re-election of Dr. Zhang Hongru as an independent non-executive Director in the Annual General Meeting.

Brief biographical details of Dr. Huang Zhijian and Dr. Zhang Hongru are set out in Appendix II to this circular.

ACTIONS TO BE TAKEN

Set out on pages 15 to 19 of this circular is a notice convening the Annual General Meeting at which resolutions will be proposed to approve, among other matters, the following:

- (a) the proposed grant of the General Mandate, the Repurchase Mandate and the Extension Mandate; and
- (b) the proposed re-election of Directors.

Whether or not you intend to attend the Annual General Meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit, together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, the same with the Share Registrar, Boardroom Share Registrars (HK) Limited, 12th Floor, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

RECOMMENDATIONS

The Directors consider that the ordinary resolutions relating to the proposed grant of the General Mandate, the Repurchase Mandate and the Extension Mandate and the re-election of Directors to be proposed at the Annual General Meeting are in the best interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of such resolutions at the Annual General Meeting.

LETTER FROM THE BOARD

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully
By order of the Board
Grand Investment International Ltd.
Lee Wai Tsang, Rosa
Executive Director

This appendix serves as an explanatory statement, as required under Rule 10.06(1)(b) of the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the grant of the Repurchase Mandate to the Directors.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

2. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 172,800,000 Shares in issue.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no new Shares are issued and no Shares are repurchased for the period from the Latest Practicable Date up to and including the date of the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase up to a maximum of 17,280,000 Shares, representing 10% of the issued share capital of the Company as at the Latest Practicable Date.

3. REASONS FOR THE REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase Shares on the Stock Exchange or any other stock exchange on which the Shares are listed. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

4. FUNDING OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association, the Bye-laws, the Companies Act, other applicable laws of Bermuda and the Listing Rules. A listed company is prohibited from repurchasing its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Under the Companies Act, repurchases by the Company may only be made out of the profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by the Bye-laws and subject to the provisions of the Companies Act, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by the Bye-laws and subject to the provisions of the Companies Act, out of capital.

5. MATERIAL ADVERSE IMPACT IN THE EVENT OF REPURCHASE IN FULL

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period, it might have a material adverse impact on the working capital and/or gearing position of the Company as compared with the position as at 31 March 2012, being the date of its latest published audited financial statements were made up. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

6. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the twelve calendar months immediately preceding (and including) the Latest Practicable Date were as follows:

	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2011		
June	0.57	0.52
July	0.52	0.52
August	0.52	0.48
September	0.48	0.45
October	0.45	0.43
November	0.43	0.43
December	0.43	0.43
2012		
January	0.43	0.43
February	0.43	0.43
March	0.43	0.43
April	0.43	0.43
May	0.43	0.40
June (up to the Latest Practicable Date)	0.40	0.40

7. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases under the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda and in accordance with the regulations set out in the memorandum of association of the Company and the Bye-laws.

8. CONNECTED PERSON

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, have any present intention to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the Shareholders at the Annual General Meeting.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has any such connected person undertaken not to sell any Shares held by him/her/it to the Company, in the event that the grant of Repurchase Mandate to the Directors is approved by the Shareholders at the Annual General Meeting.

9. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder’s proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase securities pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could 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, according to the register of interests kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the following entities/persons were directly or indirectly interested in 5% or more of the issued Shares:

Name	Capacity	Number of Shares	Approximate percentage of existing shareholding (Note 5)	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Optimize Capital Investments Limited (“Optimize Capital”) (Note 1)	Beneficial owner (Note 1)	14,980,000 (long position) (Note 1)	8.67%	9.63%
Lee Tak Lun (Note 1)	Interest of a controlled corporation (Note 1)	14,980,000 (long position) (Note 1)	8.67%	9.63%
(Notes 2 to 4)	Interest of a controlled corporation (Notes 2 to 4)	35,180,000 (long position) (Notes 2 to 4)	20.36%	22.62%
			<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>
			29.03%	32.25%

APPENDIX I	EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE
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Name	Capacity	Number of Shares	Approximate percentage of existing shareholding <i>(Note 5)</i>	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Grand Finance Group Company Limited (“GFG”) <i>(Notes 2 to 4)</i>	Registered and beneficial owner <i>(Notes 2 to 4)</i>	35,180,000 (long position) <i>(Notes 2 to 4)</i>	20.36%	22.62%
Jumbo China Holdings Limited <i>(Notes 2 to 4)</i>	Interest of a controlled corporation <i>(Notes 2 to 4)</i>	35,180,000 (long position) <i>(Notes 2 to 4)</i>	20.36%	22.62%
Billion Sky Limited <i>(Notes 2 to 4)</i>	Interest of a controlled corporation <i>(Notes 2 to 4)</i>	35,180,000 (long position) <i>(Notes 2 to 4)</i>	20.36%	22.62%
Win Key Investments Limited <i>(Notes 2 to 4)</i>	Interest of a controlled corporation <i>(Notes 2 to 4)</i>	35,180,000 (long position) <i>(Notes 2 to 4)</i>	20.36%	22.62%

Notes:

- (1) Optimize Capital is a company incorporated in the British Virgin Islands, and is owned as to 90% by Mr Lee Tak Lun and as to 10% by his daughter, Ms Lee Wai Tsang, Rosa (an executive director of the Company). Mr Lee Tak Lun is the son of Mr Lee Woo Sing (a non-executive director of the Company). Accordingly, Mr Lee Tak Lun is taken to be interested in the Shares held by Optimize Capital under Part XV of the SFO.
- (2) GFG is a company incorporated in Hong Kong, the entire issued share capital of which is beneficially owned as to 58% by Jumbo China Holdings Limited, 28% by Bright Pearl Limited and 14% by Win Key Investments Limited. Jumbo China Holdings Limited is taken to be interested in these Shares under Part XV of the SFO.
- (3) The entire issued share capital of Jumbo China Holdings Limited is beneficially owned as to 79.31% by Billion Sky Limited. Billion Sky Limited is taken to be interested in these Shares under Part XV of the SFO.
- (4) The entire issued share capital of Billion Sky Limited is beneficially owned as to 59.55% by Win Key Investments Limited, the entire issued share capital of which is beneficially owned by Mr Lee Tak Lun. Win Key Investments Limited and Mr Lee Tak Lun are taken to be interested in these Shares under Part XV of the SFO.
- (5) The percentage of shareholding is calculated on the basis of 172,800,000 Shares in issue as at the Latest Practicable Date.

On the basis of 172,800,000 Shares in issue as at the Latest Practicable Date and assuming there is no further issue or repurchase of Shares during the period from the Latest Practicable Date up to and including the date of the Annual General Meeting, if the Repurchase Mandate were exercised in full, the percentage shareholding of Mr Lee Tak Lun would increase from approximately 29.03% to approximately 32.25% of the issued Shares if the Repurchase Mandate was exercised in full. Such increase would not result in the aggregate amount of the issued share capital of the Company in the public hands being reduced to less than 25%, but would give rise to an obligation on the part of Mr Lee Tak Lun and parties acting in concert (as defined in the Takeovers Code) with him to make a mandatory offer under Rule 26 of the Takeovers Code. Save as disclosed, the Directors are not aware of any consequence which would arise under the Takeovers Code as a result of any repurchase pursuant to the Repurchase Mandate.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that would result in (i) any obligation of Mr Lee Tak Lun and parties acting in concert (as defined in the Takeovers Code) with him to make a mandatory offer under the Takeovers Code or (ii) the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

10. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not purchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

Set out below are the particulars of the retiring Directors, who being eligible, will offer themselves for re-election at the Annual General Meeting:

Dr. Huang Zhijian (黃志儉博士), aged 66, has been an executive Director since 1 January 2007. Dr. Huang graduated from Tsinghua University in Beijing, the PRC. He received a Master of Science degree and a Doctor of Philosophy degree from the Institute of Science and Technology of the University of Manchester, and he had been lecturer at Tsinghua University during the period from 1984 to 1986. Dr. Huang had held senior executive and managerial positions in various companies since 1986 including China Resources Development and Investment Co., Ltd. Dr. Huang had served as a non-executive director of China Resources Peoples Telephone Company Limited and an executive director of Cosmos Machinery Enterprises Limited (stock code: 0118) and now served as an independent non-executive director of Pine Technology Holdings Limited (stock code: 1079).

As at the Latest Practicable Date, save as disclosed above, Dr. Huang did not hold any directorship in any public listed companies in the last three years.

As far as the Directors are aware, Dr. Huang does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders nor hold any position with the Company (other than being an executive Director).

As at the Latest Practicable Date, Dr. Huang did not have any interest in Shares within the meaning of Part XV of the SFO.

Dr. Huang has entered into a service agreement with the Company for an initial term of one year commencing from 1 January 2007, which is automatically renewable thereafter for successive periods of one year until terminated by not less than three months' notice in writing served by either party on the other or payment in lieu of notice. Dr. Huang's remuneration is determined by the Board with reference to his qualifications, duties and responsibilities with the Company, the performance of the Company and the prevailing market condition. For the year ended 31 March 2012, Dr. Huang received by way of remuneration and other emoluments the amount of HK\$120,000 in his capacity as executive Director.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor other information required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules in relation to the proposed re-election of Dr. Huang as executive Director.

Dr. Zhang Hongru (張鴻儒博士), aged 55, is an independent non-executive Director since 13 February 2004. Dr. Zhang is currently the vice general manager of Tianjin Automobile Group, the director of Tianjin FAW XIALI Automobile Co., Ltd. (stock code: 000927) a company listed on the Shenzhen Stock Exchange and the director and general manager of Tianjin China Car Component Industry Park Co. Ltd. He is qualified as a senior economist and an attorney in the PRC. He is also a part-time professor of Nankai University, PRC.

As far as the Directors are aware, Dr. Zhang does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders nor hold any position with the Company (other than being an independent non-executive Director).

As at the Latest Practicable Date, Dr. Zhang does not hold any directorship in other public listed companies in the last three years.

As at the Latest Practicable Date, Dr. Zhang did not have any interest in Shares within the meaning of Part XV of the SFO. Except for a letter of appointment from the Company confirming his appointment as independent non-executive Director, there is no service contract entered into between the Company and Dr. Zhang. Dr. Zhang is not appointed for a specific term except that he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws. Dr. Zhang's remuneration is determined by the Board with reference to his qualifications, duties and responsibilities with the Company, the performance of the Company and the prevailing market condition. For the year ended 31 March 2012, Dr. Zhang received by way of remuneration the amount of HK\$25,000 in his capacity as independent non-executive Director.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor other information required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules in relation to the proposed re-election of Dr. Zhang as independent non-executive Director.

NOTICE OF ANNUAL GENERAL MEETING



大唐投資國際有限公司* GRAND INVESTMENT INTERNATIONAL LTD.

(incorporated in Bermuda with limited liability)

(Stock Code: 1160)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of **GRAND INVESTMENT INTERNATIONAL LTD.** (the “**Company**”) will be held at 1st Floor, Nos. 269–277 Queen’s Road Central, Hong Kong on Monday, 30 July 2012 at 1:30 p.m. to consider, if thought fit, transact the following ordinary businesses:

1. to receive and approve the audited financial statements of the Company and the reports of the directors (the “**Directors**”) and the auditors (the “**Auditors**”) of the Company for the year ended 31 March 2012;
2. to re-elect the retiring Directors (namely, Dr. Huang Zhijian and Dr. Zhang Hongru), each as a separate resolution, and to authorise the board of Directors (the “**Board**”) to fix their remuneration;
3. to re-appoint East Asia Sentinel Limited as the Auditors for the year ending 31 March 2013 and to authorise the Board to fix their remuneration;

and, as special businesses, to consider and, if thought fit, pass with or without modifications, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

4. “**THAT:**
 - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and all other applicable laws, the exercise by the directors (the “**Directors**”) of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares (the “**Shares**”) of HK\$0.10 each in the share capital of the Company, and to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;

* For identification purposes only

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of the share capital of the Company allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
- (i) a Rights Issue (as hereinafter defined in paragraph (d) below);
 - (ii) the exercise of options granted under the share option scheme or similar arrangement for the time being adopted by the Company from time to time;
 - (iii) any scrip dividend or similar arrangements providing for allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws (the “**Bye-laws**”) of the Company and other relevant regulations in force from time to time; or
 - (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares;

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution, “**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable law of the Bermuda to be held; or
 - (iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to the holders of Shares or any class of Shares whose names appear on the registers of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions 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, or the expenses or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

NOTICE OF ANNUAL GENERAL MEETING

5. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors (the **“Director”**) of the Company during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to repurchase the shares (the **“Shares”**) of HK\$0.10 each in the share capital of the Company on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or any other stock exchange on which Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the **“SFC”**) and the Stock Exchange for such purpose, and subject to and in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Act 1981 of Bermuda (as amended, supplemented or modified from time to time) and all other applicable laws as amended from time to time in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, **“Relevant Period”** means the period from the date of passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any other applicable law of Bermuda to be held; or
 - (iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT** conditional upon resolutions numbered 4 and 5 above being passed, the unconditional general mandate granted to the directors (the “**Directors**”) of the Company to allot, issue and deal with the unissued shares of the Company pursuant to resolution numbered 4 above be and it is hereby extended by the addition to the aggregate nominal amount of the shares in the capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 5 above.”

Yours faithfully,
By order of the Board
Grand Investment International Ltd.
Lee Wai Tsang, Rosa
Executive Director

Hong Kong, 28 June 2012

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place
of business in Hong Kong:*
Unit A, 2nd Floor
Nos. 269–277 Queen’s Road Central
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the meeting above is entitled to appoint another person as his proxy to attend and vote in his stead. A member who is the holder of two or more shares (the “**Shares**”) of HK\$0.10 each in the Company may appoint more than one proxy to represent him and vote on his behalf at the above meeting. A proxy need not be a member of the Company.
2. In the case of joint holders of Shares, any one of such joint holders may vote, either in person or by proxy, in respect of such Shares as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the above meeting, personally or by proxy, that one of the said persons so present whose name stands first in the register in respect of such Shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised, and must be deposited at the Company’s Hong Kong branch share registrar and transfer office, Boardroom Share Registrars (HK) Limited, 12th Floor, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong, (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) not less than 48 hours before the time fixed for holding of the above meeting or any adjournment thereof.
4. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. In relation to the proposed resolution numbered 2, the biographical details of the retiring directors of the Company to be re-elected are set out in Appendix II to this circular of which this notice of the annual general meeting forms part.
6. In relation to the proposed resolutions numbered 4 and 6 above, approval is being sought from the shareholders of the Company for the grant to the directors of the Company of a general mandate to authorise the allotment and issue of Shares under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

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The Directors have no immediate plans to issue any new Shares other than Shares which may fall to be issued upon the exercise of options granted under the share option scheme of the Company or otherwise or any scrip dividend scheme of the Company which may be approved by the shareholders of the Company.

7. In relation to the proposed resolution no.5 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase the Company's shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to this circular of which this notice of the annual general meeting forms part.
8. The above resolutions will be put to vote at the above meeting by way of poll.

As at the date of this notice, the executive Directors are Ms Lee Wai Tsang, Rosa and Dr Huang Zhijian, the non-executive Director is Mr Lee Woo Sing (Chairman) and the independent non-executive Directors are Mr Lu Fan, Dr Zhang Hongru and Dr Zhou Yunxia.