



香港中旅國際投資有限公司

CHINA TRAVEL INTERNATIONAL INVESTMENT HONG KONG LIMITED

(Incorporated in Hong Kong under the Companies Ordinance)

(Stock Code: 0308)

NOTICE OF THIRD EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of China Travel International Investment Hong Kong Limited (the “**Company**”) will be held at Cafe du Parc, 2/F., Metropark Hotel, 148 Tung Lo Wan Road, Causeway Bay, Hong Kong on 13 May 2004 at 2:33 p.m. (or as soon thereafter as the second extraordinary general meeting to seek shareholders’ approval on the proposed bonus issue of warrants convened for the same date and place, shall have been concluded or adjourned), for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions:–

SPECIAL RESOLUTION

1. as a special resolution **THAT**:–

the Articles of Association of the Company be altered by:

(A) amending article 2 as follows:–

(1) deleting the definition of “associate” and substituting the following:–

“associate” in relation to any Director, shall mean:–

- (i) his spouse;
- (ii) any child or step-child, natural or adopted, under the age of 18 years of the Director or of his spouse (together with (i) above, the “family interests”);
- (iii) the trustees, acting in their capacity as such trustees, of any trust of which he or any of his family interests is a beneficiary or, in the case of a discretionary trust, is (to his knowledge) a discretionary object and any company (“trustee-controlled company”) in the equity capital of which the trustees, acting in their capacity as such trustees, are directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Hong Kong Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary (together, the “trustee interests”);
- (iv) a holding company of a trustee-controlled company or a subsidiary of any such holding company; and
- (v) any company in the equity capital of which he, his family interests, any of the trustees referred to in (iii) above, acting in their capacity as such trustees, and/or any trustee interests taken together are directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Hong Kong Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary or holding company or a fellow subsidiary of any such holding company.

(2) adding a definition of “business day”, as follows:–

“business day” means any day on which the Stock Exchange is open for the business of dealing in securities;

(3) adding a definition of “Hong Kong” as follows:–

“Hong Kong” shall mean the Hong Kong Special Administrative Region of the People’s Republic of China;

(4) deleting in the definition of “newspaper” the words “the Chief Secretary” and substituting “the Chief Secretary for Administration”;

(5) deleting from the definition of “Secretary” the words “or corporation”;

(B) adding at the end of article 78:–

“Where any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.”

(C) amending article 89A, as follows:–

deleting the words “the Securities and Futures (Clearing Houses) Ordinance (Chapter 420 of the Laws of Hong Kong)”, and substituting “the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)”.

(D) deleting the existing paragraph (h) of Article 100 and substituting the following new paragraph (h):–

“(h) A Director shall not vote or be counted in the quorum in respect of any contract or arrangement or proposal in which he or his associate(s) is/are materially interested, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to:–

(i) the giving of any security or indemnity either:–

(a) to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or

(b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

(ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(iii) any proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associates is derived) or of the voting rights;

(iv) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:–

(a) the adoption, modification or operation of any employees’ share scheme or any share incentive or share option scheme under which the Director or his associate(s) may benefit; or

(b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any director, or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

- (v) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.”

(E) deleting article 105 and substituting the following:–

“No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been given to the Company in the period commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, provided that such period shall be at least 7 days.”

(F) deleting in article 107 the words “special resolution” and substituting “ordinary resolution”;

(G) deleting article 178(a) and (b) and substituting the following:–

“178 (a) Every Director, manager, Secretary or other officer of the Company, shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no Director or other officer shall be liable for any loss or damages which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto, provided that this Article shall only have effect in so far as its provisions are not avoided by the Companies Ordinance.

(b) The Company may indemnify any Director, manager, Secretary or other officer of the Company, against any liability incurred by him:–

- (i) in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted; or
- (ii) in connection with any application under section 358 of the Companies Ordinance in which relief is granted to him by the court.

(c) The Company may purchase and maintain for any Director, manager, Secretary or other officer of the Company:–

- (i) insurance against any liability to the Company, a related company or any other party in respect of any negligence, default, breach of duty or breach of trust (save for fraud) of which he may be guilty in relation to the Company or a related company; and
- (ii) insurance against any liability incurred by him in defending any proceedings, whether civil or criminal, taken against him for any negligence, default, breach of duty or breach of trust (including fraud) of which he may be guilty in relation to the Company or a related company.

(d) In this article, “related company”, in relation to the Company, means any company that is the Company’s subsidiary or holding company or a subsidiary of that company’s holding company.

ORDINARY RESOLUTIONS

2. as an ordinary resolution **THAT**:–

(A) the exercise by the Directors during the Relevant Period of all the powers of the Company to repurchase shares of the Company and subject to the ordinary resolution to approve a bonus issue (“**Bonus Issue**”) of warrants (“**Warrants**”) in the proportion of one warrant for every five shares being duly passed at the extraordinary general meeting convened for the same date and place immediately prior to this Meeting (“**Warrants Resolution**”), Warrants issued under the Warrants Resolution be and is hereby generally and unconditionally approved;

(B) the aggregate nominal amount of the shares which may be repurchased on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange recognised for this purpose by The Securities and Futures Commission of Hong Kong (the “**SFC**”) and the Stock Exchange under the Hong Kong Codes on Share Repurchases pursuant to the approval in paragraph (A) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution and the aggregate nominal amount of the Warrants which may be repurchased on the Stock Exchange or any other stock exchange recognised for this purpose by the SFC and the Stock Exchange under the Hong Kong Codes on Share Repurchases pursuant to the approval in paragraph (A) above shall not exceed 10% of the aggregate nominal amount of the Warrants to be issued pursuant to the Bonus Issue;

(C) for the purpose of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by its Articles of Association or by the laws of Hong Kong to be held; or
- (iii) the revocation or variation of the authority given to the Directors under this Resolution by passing of an ordinary resolution by the shareholders in general meeting.

3. as an ordinary resolution **THAT**:–

(A) subject to paragraph (C) of this Resolution, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements, options and warrants which might require the exercise of such power be and it is hereby generally and unconditionally approved;

(B) the approval in paragraph (A) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements, options and warrants which might require the exercise of such power after the end of the Relevant Period;

(C) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (A), otherwise than pursuant to, (i) a Rights Issue, (ii) any option scheme or similar arrangement for the time being adopted for the grant of issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or right to acquire shares of the Company, (iii) the Warrants or the exercise of any conversion rights attaching to any convertible notes or bonds issued by the Company (including, without limitation, the US\$150,000,000 Zero Coupon Guaranteed Convertible Bonds due 2008 issued by China Chance Developments Limited and convertible into shares of, and guaranteed by, the Company (the “**Convertible Bonds**”)) or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed the aggregate of:

- (i) 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution plus; and
- (ii) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of securities of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the securities of the Company in issue at the date of passing this Resolution and to be issued pursuant to the Bonus Issue), and the said approval shall be limited accordingly.

(D) for the purpose of this Resolution:–

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier of:–

- (i) the conclusion of the next annual general meeting of the Company;

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by its Articles of Association or by the laws of Hong Kong to be held; or
- (iii) the revocation or variation of the authority given to the Directors under this Resolution by passing of an ordinary resolution by the shareholders in general meeting.

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or legal or practical problems having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).

4. as an ordinary resolution **THAT**:—

the Directors of the Company be and are hereby authorised to exercise the powers of the Company referred to in paragraph (A) of the resolution set out as Resolution No. 3 in the notice convening this Meeting in respect of the share capital of the Company referred to in sub-paragraph (ii) of paragraph (C) of such resolution.

By Order of the Board
WOO WAI SEE, ALICE
Company Secretary

Hong Kong, 19 April 2004

Notes:

- (1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint more than one proxy to attend and, vote instead of him. A proxy need not be a member of the Company. A form of proxy for use at the meeting is enclosed herewith.
- (2) 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 form of 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 registered office at 12th Floor, CTS House, 78-83 Connaught Road Central, Hong Kong, by no later than 48 hours before the time appointed for holding of the meeting.
- (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.
- (5) As at the date of this announcement, the board of directors of the Company comprises the Executive Directors, namely, Mr. Che Shujian, Mr. Zhang Xuewu, Mr. Shen Zhuying, Mr. Zheng Heshui, Mr. Lo Sui On, Mr. Chen Shoujie, Mr. Zheng Hongqing, Mr. Zhang Fengchun, Mr. Ng Chi Man, Michael and Mr. Liu Li, as well as the Independent Non-Executive Directors, namely, Dr. Yeh Meou Tsen, Geoffrey, Mr. Yeh V Nee (Alternate Director to Dr. Yeh Meou Tsen, Geoffrey), Dr. Fong Yun Wah and Mr. Wong Man Kong, Peter.

*Please also refer to the published version of this announcement in
The Standard and Hong Kong Economic Times.*