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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 adviser.

If you have sold or transferred all your securities in **Frontier Services Group Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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FRONTIER SERVICES GROUP LIMITED

(先豐服務集團有限公司*)

(incorporated in Bermuda with limited liability)

(Stock Code: 00500)

**GRANTING OF GENERAL MANDATE TO ISSUE NEW SHARES
AND TO REPURCHASE SHARES
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice of the Annual General Meeting to be held at Suite 3902, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong on Tuesday, 6 June 2017 at 10:00 a.m. is set out on pages 14 to 17 of this circular. A form of proxy for use by the Shareholders at the Annual General Meeting is enclosed. If you intend to attend the Annual General Meeting in person, please complete the form of proxy in accordance with the instructions printed thereon and return it to the branch share registrars of the Company, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting. 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 adjourned meeting thereof should you so wish.

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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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Suite 3902, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong on Tuesday, 6 June 2017 at 10:00 a.m., or any adjournment thereof (or as the case may be)
“associate”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“Company”	Frontier Services Group Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“General Mandate”	a general mandate to allot, issue and deal with new Shares 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 ordinary resolution in relation thereof
“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
“Latest Practicable Date”	19 April 2017, 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

DEFINITIONS

“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase the Shares
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“%”	per cent.

LETTER FROM THE BOARD



FRONTIER SERVICES GROUP LIMITED

(先豐服務集團有限公司*)

(incorporated in Bermuda with limited liability)

(Stock Code: 00500)

Executive Directors:

Mr. Erik D. Prince *(Chairman)*
Mr. Ko Chun Shun, Johnson *(Deputy Chairman)*
Mr. Luo Ning *(Deputy Chairman)*
Dr. Hua Dongyi *(Chief Executive Officer)*
Mr. Hu Qinggang

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Independent Non-executive Directors:

Mr. Yap Fat Suan, Henry
Professor Lee Hau Leung
Dr. Harold O. Demuren

Principal place of business

in Hong Kong:
Suite 3902, 39/F,
Far East Finance Centre
16 Harbour Road
Admiralty
Hong Kong

26 April 2017

To the Shareholders

Dear Sir/Madam,

**GRANTING OF GENERAL MANDATE TO ISSUE NEW SHARES
AND TO REPURCHASE SHARES
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding certain ordinary resolutions to be proposed at the Annual General Meeting to enable you to make decisions on whether to vote for or against those resolutions.

* *For identification purposes only*

LETTER FROM THE BOARD

At the Annual General Meeting, resolutions, amongst others, will be proposed for the Shareholders to approve (a) the grant of the General Mandate; (b) the Repurchase Mandate; and (c) the re-election of the Directors.

GENERAL MANDATE TO ISSUE NEW SHARES

At the Annual General Meeting, an ordinary resolution will be proposed to approve the General Mandate for the Directors to allot, issue and otherwise deal with new Shares not exceeding in aggregate 20% of the nominal amount of the share capital of the Company in issue at the date of passing such resolution. As at the Latest Practicable Date, the number of Shares in issue was 1,449,703,003. Assuming no further Shares will be issued before the date of the Annual General Meeting, the Directors would be granted a General Mandate to issue up to 289,940,600 Shares.

The General Mandate, if granted, will continue in force until the earlier of (a) the conclusion of the next annual general meeting of the Company after the Annual General Meeting; or (b) it is revoked or varied by an ordinary resolution passed in a general meeting of the Company.

REPURCHASE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed to the Shareholders to grant to the Directors to exercise all powers of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the Annual General Meeting. Assuming no further shares will be issued before the date of the Annual General Meeting, the Directors would be granted a Repurchase Mandate to repurchase up to 144,970,300 Shares.

If the resolution for the Repurchase Mandate is passed at the Annual General Meeting, the Repurchase Mandate would continue in force until the earlier of (a) the conclusion of the next annual general meeting of the Company after the Annual General Meeting; or (b) it is revoked or varied by an ordinary resolution passed in a general meeting of the Company.

An explanatory statement to provide the Shareholders with all the information reasonably necessary for them to make an informed decision in relation to the proposed resolution as required by the Listing Rules is set out in the Appendix I to this circular.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

Pursuant to Articles 83(2) and 84(1) of the Bye-laws, Mr. Erik D. Prince, Mr. Luo Ning, Dr. Hua Dongyi and Mr. Yap Fat Suan, Henry shall retire and being eligible, offer themselves for re-election at the Annual General Meeting.

Mr. Yap Fat Suan, Henry (“Mr. Yap”) has been acting as the independent non-executive Director since September 2004. Since his appointment, Mr. Yap has been exercising his independent judgement and giving objective advice to the Board. Mr. Yap has not involved in the management of the Company and its subsidiaries. The Board is of the opinion that Mr. Yap has the required integrity, independence and experience to continue to perform the role of independent non-executive director, and the re-election of him is of the interests of the Shareholders.

Mr. Erik D. Prince, aged 47, has been an executive Director and the Chairman of the Company since January 2014. He is also a member of the remuneration committee, and the chairman of the nomination committee of the Company. Mr. Prince is a US-born entrepreneur, philanthropist, military veteran and private equity investor with business interests in Africa, the Middle East and North America in the fields of logistics, aviation services, manufacturing, natural resource development and energy. He is the founder and chairman of Frontier Resource Group, a private equity firm active across the African continent in areas such as aviation, exploration, mining and logistics.

Mr. Prince is the founder of Blackwater, the leading global private security company, which he sold in 2010 after successfully growing the company over the course of more than a decade into the premier provider of global security and logistics solutions to the US Government and others. In addition, Mr. Prince purchased Presidential Airways in 2003 and grew it from a one-plane operation into a global logistics and aviation business with over 70 fixed and rotary wing aircrafts operating in Africa, the Middle East and North America; he sold the company in 2009.

Mr. Prince was educated at Hillsdale College. Upon graduation, he enlisted in the US Navy, where he served as a Navy SEAL officer until 1996. He is the father of seven children.

Save as disclosed above, as at the Latest Practicable Date, Mr. Prince did not have any directorship in other listed public companies in the past three years.

LETTER FROM THE BOARD

As at the Latest Practicable Date, Mr. Prince has (i) 30,575,000 Shares; and (ii) 205,115,657 options of the Company at the exercise price of HK\$0.73 per share and 102,557,828 options of the Company at the exercise price of HK1.5 per share within the meaning of the Part XV of the SFO.

As at the Latest Practicable Date, save as disclosed above, Mr. Prince did not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Prince has entered into a service contract with the Company and is not appointed for a specific term, but will be subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Bye-laws. Mr. Prince's remuneration is determined by reference to his duties and responsibilities with the Company and the prevailing market condition and is subject to review by the remuneration committee of the Company and the Board from time to time. For the year ended 31 December 2016, Mr. Prince received a basic salary of approximately USD11,000 for his service and his wholly owned company, Frontier Opportunities Limited, received a service fee of US\$756,525.

Save as disclosed above, there is no other matter relating to the re-election of Mr. Prince that needs to be brought to the attention of the Shareholders, nor there is any other information that needs to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr. Luo Ning, aged 57, has been an executive Director since October 2006 and was appointed as a deputy chairman of the Company on 10 January 2014. Mr. Luo is currently an assistant president of CITIC Group Corporation, a substantial shareholder of the Company, a deputy chairman of CITIC Guoan Group, the chairman and general manager of CITIC Networks Co., Ltd., and the chairman of CITIC Guoan Information Industry Company Limited (a public company listed on the Shenzhen Stock Exchange in the People's Republic of China ("PRC")). He is also a non-executive director of Asia Satellite Telecommunications Holdings Limited and an executive director of CITIC Telecom International Holdings Limited, both of which are listed on the main board of the Stock Exchange. On 23 November 2015, he was appointed as a non-executive director of Lajin Entertainment Network Group Limited, which is listed on the Growth Enterprise Market of the Stock Exchange. He also holds directorships in several other subsidiaries of CITIC Group Corporation. Mr. Luo has extensive experience in telecommunication business and holds a bachelor degree in Communication Speciality from The Wuhan People's Liberation Army Institute of Communication Command in the PRC.

Save as disclosed above, Mr. Luo did not have any directorship in other listed public companies in the past three years.

LETTER FROM THE BOARD

As at the Latest Practicable Date, Mr. Luo did not have any Shares within the meaning of the Part XV of the SFO.

As at the Latest Practicable Date, save as disclosed above, Mr. Luo did not have any relationship with any Directors, senior management, or substantial or controlling shareholders of the Company.

Mr. Luo has not entered into any service contract with the Company and is not appointed for a specific term for acting as an executive Director, but will be subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Bye-laws. Mr. Luo's remuneration is determined by reference to his duties and responsibilities with the Company and the prevailing market condition and is subject to review by the remuneration committee of the Company and the Board from time to time.

Mr. Luo currently does not receive any fixed fee for acting as the Director.

Save as disclosed above, there is no other matter relating to the re-election of Mr. Luo that needs to be brought to the attention of the Shareholders, nor there is any other information that needs to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Dr. Hua Dongyi, aged 52, has been appointed as an executive director and the Acting Chief Executive Officer of the Company since 26 July 2016. On 22 March 2017, he has officially become the Chief Executive Officer of the Company. He is also an executive director of VDM Group Limited, which is listed on the Australian Securities Exchange, and an independent non-executive director of Bank of China (New Zealand) Limited in Auckland, New Zealand. Dr Hua graduated from the Chengdu University of Technology (formerly known as Chengdu College of Geology) with a Bachelor Degree in Engineering in 1984, and also received his Master Degree and Doctoral Degree in Engineering from the China University of Geosciences in 1990 and 1996 respectively. Dr Hua has over 20 years' experience in international engineering project bidding, international contract management of consulting projects, project management, project evaluation, cost and risk management and planning, organising, implementing, operating of major infrastructure projects and constructing and developing of large mining projects.

Save as disclosed above, as at the Latest Practicable Date, Dr. Hua did not have any directorship in other listed public companies in the past three years.

As at the Latest Practicable Date, Dr. Hua has 12,337,030 share options of the Company within the meaning of Part XV of the SFO.

LETTER FROM THE BOARD

As at the Latest Practicable date, save as disclosed above, Dr. Hua did not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Dr. Hua has entered into a service agreement with the Company and is not appointed for a specific term, but is subject to retirement by rotation and re-election at the next annual general meeting of the Company in accordance with the bye-laws of the Company. Dr. Hua is entitled to receive remuneration which is recommended by the Remuneration Committee of the Company and determined by the Board with reference to the prevailing market rate and Dr. Hua's duties and responsibilities in the Company. Dr. Hua's remuneration is subject to review by the Board and the Remuneration Committee of the Company from time to time. Dr. Hua received a basic annual salary of US\$450,000 and a guarantee bonus of US\$250,000 for the first year of service for serving as the Chief Executive Officer of the Company.

Save as disclosed above, there is no other matter relating to the re-election of Dr. Hua that needs to be brought to the attention of the Shareholders, nor any other matters that need to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules..

Mr. Yap Fat Suan, Henry, aged 71, has been an independent non-executive Director since September 2004. He is the chairman of the audit committee and a committee member of the nomination committee and remuneration committee of the Company. Mr. Yap holds a master's degree in Business Administration from the University of Strathclyde, Glasgow, in the United Kingdom and is a fellow member of the Institute of Chartered Accountants in England and Wales and an associate member of the Hong Kong Institute of Certified Public Accountants. He has extensive experience in finance and accounting. He retired as the managing director of Johnson Matthey Hong Kong Limited in June 2007 and prior to that appointment he was the general manager of Sun Hung Kai China Development Limited. Mr. Yap is also an independent non-executive director of Concord New Energy Group Limited, which is listed on the main board of the Stock Exchange, and Brockman Mining Limited, which is listed on the main board of the Stock Exchange and the Australian Securities Exchange.

Save as disclosed above, as at the Latest Practicable Date, Mr. Yap did not have any directorship in other listed public companies in the past three years.

As at the Latest Practicable Date, Mr. Yap has 1,400,000 share options within the meaning of Part XV of the SFO.

LETTER FROM THE BOARD

Mr. Yap has entered into a letter of appointment with the Company and is appointed for a term of 3 years and will be subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Bye-laws. Mr. Yap's remuneration is determined by reference to his duties and responsibilities with the Company and the prevailing market condition. Mr. Yap currently receives a monthly director fee of approximately US\$5,833.33 for serving as an independent non-executive Director.

Save as disclosed above, there is no other matter relating to the re-election of Mr. Yap that needs to be brought to the attention of the Shareholders, nor there is any other information that needs to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

RECOMMENDATIONS

Pursuant to the Listing Rules and/or the Bye-laws, the voting on all proposed resolutions at the Annual General Meeting will be taken by way of a poll.

The Directors consider that all the proposed resolutions at the Annual General Meeting are in the best interests of the Company and the Shareholders as a whole and, accordingly, the Directors recommend all Shareholders to vote in favour of all the resolutions at the Annual General Meeting.

A form of proxy for use by the Shareholders at the Annual General Meeting is enclosed. Whether or not you intend to attend and vote at the Annual General Meeting in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the branch share registrars of the Company, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as practicable but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting. 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 adjourned meeting thereof should you so wish.

Yours faithfully,
For and on behalf of the Board
Frontier Services Group Limited
Erik D. Prince
Chairman

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide information to the Shareholders regarding the Repurchase Mandate as referred to in the section headed “Repurchase Mandate” on page 4 of this circular.

SHARE CAPITAL

The shares proposed to be repurchased by a company must be fully paid-up. A maximum of 10% of the existing issued share capital as at the date of passing the relevant resolution may be repurchased on the Stock Exchange.

It is proposed that up to 10% of the shares of the Company in issue at the date of passing the resolution to approve the Repurchase Mandate may be repurchased. As at the Latest Practicable Date, the number of shares in issue was 1,449,703,003. On the basis of such figure (assuming no further shares are issued or repurchased after the Latest Practicable Date and up to the date of passing such resolution), the Directors would be authorised to repurchase shares up to a maximum limit of 144,970,300 Shares.

REASONS FOR REPURCHASES

The Directors believe that giving the Company the ability to repurchase shares is in the best interests of the Company and the Shareholders. Repurchases of shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per share. The Directors are seeking the grant of the Repurchase Mandate to repurchase shares to give the Company the flexibility to do so if and when appropriate. The number(s) of Shares to be repurchased, the price and other terms upon which the same are repurchased, and whether Shares are to be repurchased on any occasion will be decided by the Directors at the relevant time having regard to the factors and circumstances then pertaining.

FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum of association of the Company, the Bye-laws, the Listing Rules and the applicable laws of Bermuda.

The laws of Bermuda provide that such repurchases may only be effected out of the capital paid up on the repurchased shares or out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purposes.

Any premium payable on a repurchase over the par value of the Shares to be repurchased is to be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account before the Shares are repurchased.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts of the Company for the year ended 31 December 2016 contained in the Company's 2016 annual report) if the Repurchase Mandate were to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors, are from time to time appropriate for the Company.

PRICES OF THE SHARES

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

	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2016		
April	1.48	1.16
May	1.32	1.12
June	1.20	1.01
July	1.27	1.07
August	1.17	1.03
September	1.28	1.09
October	1.16	1.04
November	1.10	0.75
December	1.26	0.93
2017		
January	1.09	1.01
February	1.14	0.80
March	1.24	1.00
April (up to the Latest Practicable Date)	1.22	1.20

UNDERTAKING

None of the Directors nor, to the best of their knowledge and having made all reasonable enquiries, any of their associates, presently intend to sell any Shares to the Company under the Repurchase Mandate in the event that the Repurchase Mandate is approved by the Shareholders and exercised.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules, the applicable laws of Bermuda and the Bye-laws.

No other connected persons have notified the Company that they have a present intention to sell any Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders and exercised.

TAKEOVERS CODE

If during the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company will increase, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

The Directors are not aware of any consequences which will arise under the Takeovers Code even if the Repurchase Mandate is utilized in full. As at the Latest Practicable Date, if the Repurchase Mandate were to be utilized in full and if there is no other change in the issued share capital of the Company, the Shares (with voting rights) held by Easy Flow Investments Limited and Mr. Ko and his associates would increase from approximately 16.39% to approximately 18.21% and approximately 15.58% to approximately 17.31% respectively. Such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no present intention to exercise the Repurchase Mandate to such an extent that would result in the number of Shares held by the public falling below 25% of the total number of Shares in issue.

Save as disclosed above, the Directors are not aware of any Shareholder or group of Shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of any purchases pursuant to the Repurchase Mandate.

REPURCHASE OF SHARES

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

NOTICE OF ANNUAL GENERAL MEETING



FRONTIER SERVICES GROUP LIMITED

(先 豐 服 務 集 團 有 限 公 司 *)

(incorporated in Bermuda with limited liability)

(Stock Code: 00500)

NOTICE IS HEREBY GIVEN that an annual general meeting of Frontier Services Group Limited (the “**Company**”) will be held at Suite 3902, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong on Tuesday, 6 June 2017 at 10:00 a.m. (the “**Annual General Meeting**”) for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the audited financial statements and the reports of the directors and the independent auditor of the Company for the year ended 31 December 2016.
2. To re-elect the retiring directors and to authorise the board of directors to fix the directors’ remuneration.
3. To re-appoint PricewaterhouseCoopers as independent auditor and to authorise the board of directors to fix their remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, pass with or without modifications, the following resolutions of the Company:

4. “**THAT:**
 - (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as defined below) 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 rights of exchange or conversion which might require the exercise of such powers be and is hereby generally and unconditionally approved;

* *For identification purposes only*

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers 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 granted in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as defined below), or (ii) the share option scheme of the Company approved by the Stock Exchange, or (iii) 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 Bye-laws of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the 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 law or the Company’s Bye-laws to be held; or
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in a general meeting.

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

NOTICE OF ANNUAL GENERAL MEETING

5. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to repurchase shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which securities of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate number of shares to be purchased or agreed conditionally or unconditionally to be purchased by the directors of the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the issued share capital of the Company at the date of passing 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 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 law or the Company’s Bye-laws to be held; or
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT** the aggregate number of shares in the capital of the Company which shall have been repurchased by the Company subsequent and pursuant to the passing of Ordinary Resolution 5 (up to a maximum of 10 per cent. of the issued shares at the date of passing Ordinary Resolution 5) shall be added to the aggregate number of shares that may be allotted or agreed conditionally or unconditionally to be allotted by the Company pursuant to Ordinary Resolution 4 above.”

By order of the Board
Chan Kam Kwan, Jason
Company Secretary

Hong Kong, 26 April 2017

Notes:

1. Any shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
2. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed must be deposited at the Company’s branch share registrars, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting.

As at the date of this notice, the executive directors are Mr. Erik D. Prince (Chairman), Mr. Ko Chun Shun, Johnson (Deputy Chairman), Mr. Luo Ning (Deputy Chairman), Dr. Hua Dongyi (Chief Executive Officer) and Mr. Hu Qinggang; and the independent non-executive directors are Mr. Yap Fat Suan, Henry, Professor Lee Hau Leung and Dr. Harold O. Demuren.