



KTL International Holdings Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 442)

27 January 2017

To the Independent Shareholders

Dear Sir or Madam,

**COMPOSITE OFFER AND RESPONSE DOCUMENT RELATING TO
THE MANDATORY UNCONDITIONAL CASH OFFER BY
CCB INTERNATIONAL CAPITAL LIMITED
FOR AND ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL THE ISSUED SHARES IN THE SHARE CAPITAL OF
KTL INTERNATIONAL HOLDINGS GROUP LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED
OR AGREED TO BE ACQUIRED BY
HNA AVIATION INVESTMENT HOLDING COMPANY LTD)**

INTRODUCTION

We refer to the composite offer and response document dated 27 January 2017 issued jointly by the Offeror and the Company (“**Composite Offer Document**”) of which this letter forms part. Capitalised terms used in this letter have the same meanings as defined in the Composite Offer Document unless the context requires otherwise.

We have been appointed by the Board to form the Independent Board Committee to consider the terms of the Offer and to make a recommendation to you as to whether, in our opinion, the terms of the Offer are, or are not, fair and reasonable so far as the Independent Shareholders are concerned, and as to acceptance thereof.

Veda Capital Limited has been appointed as the independent financial adviser to advise us in respect of the terms of the Offer and as to acceptance thereof. Details of its advice and the principal factors considered by it in arriving at its advice and recommendation are set out in the “**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**” on pages 22 to 41 of the Composite Offer Document.

We also wish to draw your attention to the “**LETTER FROM THE BOARD**”, the “**LETTER FROM CCBI**” and the additional information set out in the appendices to the Composite Offer Document.


RECOMMENDATION

Having considered the terms of the Offer and the letter of advice and recommendation from the Independent Financial Adviser, we consider that the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned, and therefore we recommend the Independent Shareholders to accept the Offer.

However, for those Independent Shareholders who are considering to realise all or part of their holdings in the Shares, they should monitor the Share price movement until near the end of the Offer Period. If the market price of the Shares exceeds the Offer Price and the sale proceeds net of all transaction costs exceed the net proceeds receivable under the Offer, the Independent Shareholders should consider selling their Shares in the open market instead of accepting the Offer.

Independent Shareholders are recommended to read the full text of the “LETTER FROM THE INDEPENDENT FINANCIAL ADVISER” set out in the Composite Offer Document. Notwithstanding our recommendation, the Independent Shareholders should consider carefully the terms and conditions of the Offer.

Yours faithfully,
For and on behalf of the
Independent Board Committee



Mr. Ting Tit Cheung
*Independent non-executive
Director*



Mr. Chan Chi Kuen
*Independent non-executive
Director*



Mr. Lo Chun Pong
*Independent non-executive
Director*