



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)

CONNECTED TRANSACTION
TENANCY AGREEMENT

On 18 April 2002, the Company entered into the Tenancy Agreement with CTS Holdings, pursuant to which the Company agreed to rent from the landlord, CTS Holdings, the office premises situate at 12th Floor of CTS House for a term of 2 years with retrospective effect from 1 September 2001. The total monthly rental is HK\$112,350.00, inclusive of management fee, air-conditioning and electricity charges.

CTS Holdings is interested in 59.11% of the entire issued share capital of the Company. Therefore, CTS Holdings is a connected person (as defined in the Listing Rules) of the Company and the entry into of the Tenancy Agreement constitutes a connected transaction for the Company under the Listing Rules. Details of the Tenancy Agreement will be included in the next published annual report of the Company in accordance with Rules 14.25(1)(A) to (D) of the Listing Rules.

TENANCY AGREEMENT

A. Parties

- (1) China Travel Service (Holdings) Hong Kong Limited, as landlord; and
- (2) China Travel International Investment Hong Kong Limited, as tenant.

B. Property

12th Floor of CTS House

C. Term of Tenancy

2 years commencing on 1 September 2001 and expiring on 31 August 2003.

D. Rental

The total monthly rental is HK\$112,350.00 (inclusive of management fee, air-conditioning and electricity charges) for a term of 2 years and the aggregate amount of the rental for the whole term of the tenancy is HK\$2,696,400.00.

USE OF PROPERTY

The Company has been occupying the 12th Floor of CTS House as the head office of the Group and as its principal place of business in Hong Kong since 1992 and will continue to do so during the term of the Tenancy Agreement.

BASIS UPON WHICH THE RENTAL WAS DETERMINED

The rental payable under the Tenancy Agreement and the terms and conditions of the Tenancy Agreement were arrived at after arm's length negotiations between CTS Holdings and the Company with reference to the rentals payable to CTS Holdings of the other property occupied by the Group within CTS House which were previously agreed on a prevailing market rate basis and taking into account any relocation costs which may otherwise be incurred by the Company. The Directors (including independent non-executive directors) consider that the Tenancy Agreement has been entered into on normal commercial terms and the transaction is fair and reasonable and in the interests of the Company and its shareholders.

CONNECTED TRANSACTIONS

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Listing Rules) of the Company and the entry into of the Tenancy Agreement constitutes a connected transaction for the Company under the Listing Rules.

Since the total consideration and value of the Tenancy Agreement, being HK\$2,696,400.00, is less than 3% of the book value of the net tangible assets of the Group, the entry into of the Tenancy Agreement falls within the de minimus provisions of and is subject to the disclosure requirements set out in Rule 14.25(1) of the Listing Rules. Details of the Tenancy Agreement will be included in the next published annual report of the Company in accordance with Rules 14.25(1)(A) to (D) of the Listing Rules.

DEFINITIONS

“Company”	China Travel International Investment Hong Kong Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange
“connected person”	as defined in the Listing Rules
“CTS Holdings”	China Travel Service (Holdings) Hong Kong Limited, a substantial shareholder of the Company
“CTS House”	CTS House, 78-83 Connaught Road Central, Hong Kong
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries or, where the context so requires, any of them
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 18 April 2002 between the Company and CTS Holdings in respect of 12th Floor of CTS House

By order of the Board
Shen Zhuying
Managing Director

Hong Kong, 18 April 2002