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香港中旅國際投資有限公司  
CHINA TRAVEL INTERNATIONAL INVESTMENT HONG KONG LIMITED

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 308)

## **CONTINUING CONNECTED TRANSACTION WITH HUAQIAOCHENG GROUP**

Pursuant to the Original Agreement dated 24 October 1995 between Window of the World and Huaqiaocheng, the increase in annual rent under the Original Agreement for the period between 28 April 2007 and 5 May 2012 was to be negotiated and agreed between the parties, subject to a maximum increment of 15% as compared with the annual rent for the period between 28 April 2002 and 27 April 2007. On 10 September 2007, Window of the World entered into a Supplemental Agreement with Huaqiaocheng to supplement the Original Agreement and to govern the continuing connected transaction between the Group and the Huaqiaocheng Group for the period from 28 April 2007 to 27 April 2010. On 24 May 2010, Window of the World entered into a New Supplemental Agreement with Huaqiaocheng to supplement the Original Agreement and to govern the Huaqiaocheng CCT for the period commencing from 28 April 2010 to 5 May 2012.

Huaqiaocheng owns approximately 56.36% of equity interest in Overseas Chinese Town. Overseas Chinese Town in turn owns 49% of equity interest in Window of the World, a non wholly-owned subsidiary of the Company, and is therefore a substantial shareholder of Window of the World. Accordingly, Huaqiaocheng and Overseas Chinese Town are connected persons of the Company, and the Huaqiaocheng CCT constitutes a continuing connected transaction for the Company.

The Directors (including the independent non-executive Directors) consider the terms of the New Supplemental Agreement, the Huaqiaocheng CCT and the Caps are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Group and the Shareholders as a whole.

The applicable percentage ratios under the Listing Rules for the Caps will exceed 0.1% but will be less than 2.5%. The Huaqiaocheng CCT is subject to the reporting and announcement requirements and exempt from the independent shareholders' approval requirement under the Listing Rules.

## **1. BACKGROUND INFORMATION**

Pursuant to the Original Agreement dated 24 October 1995 between Window of the World and Huaqiaocheng, the increase in annual rent under the Original Agreement for the period between 28 April 2007 and 5 May 2012 was to be negotiated and agreed between the parties, subject to a maximum increment of 15% as compared with the annual rent for the period between 28 April 2002 and 27 April 2007. On 10 September 2007, Window of the World entered into a Supplemental Agreement with Huaqiaocheng to supplement the Original Agreement and to govern the continuing connected transaction between the Group and the Huaqiaocheng Group for the period from 28 April 2007 to 27 April 2010. On 24 May 2010, Window of the World entered into a New Supplemental Agreement with Huaqiaocheng to supplement the Original Agreement and to govern the Huaqiaocheng CCT for the period commencing from 28 April 2010 to 5 May 2012.

## **2. PARTICULARS OF THE NEW SUPPLEMENTAL AGREEMENT**

### **Transaction Nature**

Window of the World will continue to rent premises from the Huaqiaocheng Group for operating its theme park “World Miniature”.

### **Pricing Basis**

The annual rent payable by Window of the World for the period between 28 April 2010 and 5 May 2012 will be RMB11.385 million per year. This is based on the annual rent of RMB9.90 million for the period between 28 April 2002 and 27 April 2007 with an increment of 15%. The rent shall be payable monthly by Window of the World in cash by its internal resources.

## **3. HISTORICAL FIGURES**

Window of the World signed the Original Agreement with Huaqiaocheng on 24 October 1995 for a lease term of 18 years commencing from 28 April 1994. The actual rent paid by Window of the World for each of the three years ended 31 December 2009 were RMB10.56 million, RMB10.89 million and RMB10.89 million respectively.

#### **4. BENEFITS OF THE HUAQIAOCHENG CCT AND THE CAPS**

The Huaqiaocheng CCT will continue to be conducted in the ordinary and usual course of business of the Group. In view of the long term established relationship with the Huaqiaocheng Group and the substantial investment of the Group in the “World Miniature” theme park, the Board considers it to be in the interests of the Group to continue to engage in the Huaqiaocheng CCT. The Huaqiaocheng CCT was negotiated on an arm’s length basis and was arrived at on normal commercial terms no less favourable to the Group than terms available from independent third parties. The Directors (including the independent non-executive Directors) consider the terms of the New Supplemental Agreement, the Huaqiaocheng CCT and the Caps are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Group and the Shareholders as a whole.

#### **5. LISTING RULES IMPLICATIONS**

Huaqiaocheng owns approximately 56.36% of equity interest in Overseas Chinese Town. Overseas Chinese Town in turn owns 49% of equity interest in Window of the World, a non wholly-owned subsidiary of the Company, and is therefore a substantial shareholder of Window of the World. Accordingly, Huaqiaocheng and Overseas Chinese Town are connected persons of the Company, and the Huaqiaocheng CCT constitutes a continuing connected transaction for the Company.

The applicable percentage ratios under the Listing Rules for the Caps will exceed 0.1% but will be less than 2.5%. The Huaqiaocheng CCT is subject to the reporting and announcement requirements and exempt from the independent shareholders’ approval requirement under the Listing Rules.

#### **6. GENERAL INFORMATION**

The principal businesses of the Group include travel agency and related operations, online travel consolidator, hotels, scenic spots, resorts, passenger transportation, golf club, art performance and infrastructure investment. Huaqiaocheng is principally engaged in export of textile and light industrial products; import of mechanical equipments and light industrial products; development of compensation trade; as well as investment in manufacturing industries, tourism, real estates, trading, finance and insurance businesses.

## 7. DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Caps”	the maximum aggregate annual consideration for the Huaqiaocheng CCT for the period governed by the New Supplemental Agreement
“Company”	China Travel International Investment Hong Kong Limited, a company incorporated in Hong Kong with limited liability and the securities of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huaqiaocheng”	華僑城集團公司 (Huaqiaocheng Group Company), a state-owned enterprise of the PRC
“Huaqiaocheng CCT”	the continuing connected transaction between the Group and the Huaqiaocheng Group in accordance with the Original Agreement as supplemented by the New Supplemental Agreement
“Huaqiaocheng Group”	Huaqiaocheng and its subsidiaries
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“New Supplemental Agreement”	the new supplemental agreement dated 24 May 2010 for the purpose of supplementing the Original Agreement and governing the Huaqiaocheng CCT for the period from 28 April 2010 to 5 May 2012
“Original Agreement”	the lease agreement dated 24 October 1995 and entered into between Window of the World and Huaqiaocheng in relation to the Huaqiaocheng CCT

“Overseas Chinese Town”	深圳華僑城控股股份有限公司 (Shenzhen Overseas Chinese Town Holding Company), a subsidiary of Huaqiaocheng
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, exclusively refers to Mainland China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Supplemental Agreement”	the supplemental agreement dated 10 September 2007 for the purpose of supplementing the Original Agreement and governing the continuing connected transaction between the Group and the Huaqiaocheng Group for the period from 28 April 2007 to 27 April 2010 as disclosed in the announcement of the Company dated 9 October 2007
“Window of the World”	深圳世界之窗有限公司 (Shenzhen The World Miniature Company Limited), a subsidiary of the Company owned as to 51% by the Company, and as to 49% by Overseas Chinese Town

By Order of the Board  
**China Travel International Investment Hong Kong Limited**  
**Zhang Xuewu**  
*Chairman*

Hong Kong, 24 May 2010

*As at the date of this announcement, the Board of the Company comprises eight executive Directors, namely Mr. Zhang Xuewu, Mr. Zheng Heshui, Mr. Lo Sui On, Ms. Jiang Yan, Mr. Mao Jianjun, Mr. Fang Xiaorong, Mr. Zhang Fengchun and Mr. Xu Muhan and four independent non-executive Directors, namely Dr. Fong Yun Wah, Mr. Wong Man Kong, Peter, Mr. Sze, Robert Tsai To and Mr. Chan Wing Kee.*