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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)

DISCLOSEABLE TRANSACTION — FORMATION OF A JOINT VENTURE COMPANY

The Board announces that, on 14 December 2012, the Company entered into the JV Agreement with AnJi Development to establish the JV Company, which shall be owned by the Company as to 80% and AnJi Development as to 20%. The total registered capital of the JV Company is US\$99,800,000 and shall be contributed by the Company and AnJi Development as to 80% and 20%, respectively. The total investment amount of the JV Company is US\$99,800,000.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 5% but less than 25%, the formation of the JV Company pursuant to the JV Agreement constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that, on 14 December 2012, the Company entered into the JV Agreement with AnJi Development to establish the JV Company, which shall be owned by the Company as to 80% and AnJi Development as to 20%.

THE JV AGREEMENT

Date

14 December 2012

Parties

- (1) the Company; and
- (2) AnJi Development

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, AnJi Development and its ultimate beneficial owner are Independent Third Parties.

Formation of the JV Company and term of joint venture

The JV Company shall be owned by the Company as to 80% and AnJi Development as to 20% and therefore becomes a subsidiary of the Company. The term of the joint venture shall be 40 years from the date on which the business licence is granted to the JV Company and such term may be extended by an unanimous board resolution and by application to the relevant PRC government authorities 6 months before the end of the term.

Scope of business

The scope of business of the JV Company shall be construction and management of a resort hotel and related travel and leisure facilities in the western block of Airport Road, Linfeng Village, Anji Lingfeng Travel and Leisure Area.

Total capital commitment and registered capital

The total registered capital of the JV Company is US\$99,800,000, which shall be contributed as to 80% (US\$79,840,000) by Company in cash and 20% (US\$19,960,000) by AnJi Development in kind with land use rights. The total investment of the JV Company is US\$99,800,000.

The Company shall contribute all its total registered capital commitment and AnJi Development shall contribute no less than 15% of its total registered capital commitment within 3 months from the date of establishment of the JV Company as shown on the business licence of the JV Company and AnJi Development shall contribute the balance within 2 years from such date of establishment. The registered capital required to be paid up by the Company will be funded by internal resources of the Group.

Any transfer of the capital contribution of each Party, whether in whole or in part, is subject to approval from the other Party.

The board of directors

The board of directors of the JV Company shall consist of five directors of which four (including the chairman) shall be nominated by the Company and one shall be nominated by AnJi Development.

INFORMATION OF THE PARTIES

The Group is principally engaged in the business of travel agency and related operations, tourist attractions, hotels, passenger transportation, golf clubs, art performance and power generation.

AnJi Development is principally engaged in urban infrastructure construction, land consolidation, real estate development and operation, property management, tourist attractions and tourism agriculture development and construction of new villages.

REASONS FOR AND BENEFITS OF FORMING THE JV COMPANY

The Directors are optimistic about the tourism market of the PRC and believe that the formation of the JV Company will be complementary to the Group's existing businesses, and the development of resort hotel and related travel and leisure facilities by the JV Company has attractive prospects and growth potential and represents an important part of the Group's long term development strategy.

The Directors, including the independent non-executive Directors, are of the view that the JV Agreement is entered into in the ordinary and usual course of business of the Group, the terms of the JV Agreement are on normal commercial terms and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 5% but less than 25%, the formation of the JV Company pursuant to the JV Agreement constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

“AnJi Development”	浙江安吉滸溪生態園發展有限公司(Zhejiang Anji Ecological Park Development Company Limited*), a company incorporated in the PRC and an Independent Third Party
“Board”	the board of Directors
“Company”	China Travel International Investment Hong Kong Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto 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
“Independent Third Party(ies)”	parties independent of the Group and its connected persons
“JV Agreement”	the joint venture agreement entered into between the Company and AnJi Development on 14 December 2012 in respect of the formation of the JV Company
“JV Company”	港中旅(安吉)旅遊發展有限公司 (CTS (AnJi) Travel Development Company Limited*), a limited liability company to be incorporated in the PRC pursuant to the JV Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	collectively, the Company and AnJi Development. “Party” means any of them, as the case may be
“PRC”	the People’s Republic of China

* *for illustration purpose only*

“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

By Order of the Board
China Travel International Investment Hong Kong Limited
Wang Shuai Ting
Chairman

Hong Kong, 14 December 2012

As at the date of this announcement, the Board comprises seven executive Directors, namely Mr. Wang Shuai Ting, Mr. Lo Sui On, Ms. Jiang Yan, Mr. Fang Xiaorong, Mr. Zhang Fengchun, Mr. Xu Muhan and Mr. Fu Zhuoyang; 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.

* *for illustration purpose only*