

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



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 CONSTRUCTION CONTRACT**

The Board is pleased to announce that on 7 May 2014, CTS Tycoon, a wholly-owned subsidiary of the Company, entered into the Construction Contract with the Contractor, pursuant to which the Contractor will undertake the Construction Work for the Consideration of RMB397 million (subject to adjustment).

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Construction Contract is or are more than 5% but less than 25%, entering into the Construction Contract constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

### **INTRODUCTION**

The Board is pleased to announce that on 7 May 2014, CTS Tycoon, a wholly-owned subsidiary of the Company, entered into the Construction Contract with the Contractor, pursuant to which the Contractor will undertake the Construction Work for the Consideration of RMB397 million (subject to adjustment).

### **PRINCIPAL TERMS OF THE CONSTRUCTION CONTRACT**

#### **Date**

7 May 2014

#### **Parties**

- (1) CTS Tycoon, as the developer; and
- (2) the Contractor, as the contractor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Contractor and its ultimate beneficial owner(s) are Independent Third Parties.

The Contractor was selected from a group of contractors who responded through an open bidding process of CTS Tycoon and was selected by CTS Tycoon after due and careful consideration, taking into account a number of factors, including their quotations, quality of work, experience and market position. Such factors also form the basis for determining the Consideration.

### **Scope of the Construction Work**

Pursuant to the Construction Contract, the scope of the Construction Work includes the construction of complementary facilities of the CTS Tycoon Golf Club comprising 150 low-rise buildings and 2 clubhouses with a total gross floor area of approximately 79,940.3 square metres on the land with a total site area of approximately 167,136.29 square metres in the CTS Tycoon Golf Club. The scope of construction includes but is not limited to earthworks, foundation works, concrete works, masonry works, electrical works, lightning protection, drainage works, outdoor pipe network, roads and drainage and road access.

### **Completion of the Construction Work**

The Construction Work will be completed by 30 April 2015.

### **Consideration**

The consideration for the Construction Contract is approximately RMB397 million (subject to adjustment based on the actual work to be undertaken) and will be funded by internal resources of the Group.

### **Payment terms**

- (i) Within 15 working days after the signing of the Construction Contract and provision of letter of performance guarantee by the Contractor, CTS Tycoon shall pay RMB26.6 million to the Contractor as advance payment (the "Advance Payment")
- (ii) The Advance Payment shall be deducted in 4 monthly equal instalments commencing from the payment of the fifth monthly progress payment.
- (iii) After commencement of works, CTS Tycoon shall make monthly progress payment, equal to 80% of the value of work completed during that month, to the Contractor until the aggregate payment reaches 85% of the Consideration.

- (iv) Within 15 working days after the completion of settlement (preceded by the passing of the Completion Inspection and the submission of qualified completion information and settlement information by the Contractor) and the receipt of the full invoice from the Contractor and the bank guarantee letter for an amount equal to 5% of the total value of work certified, CTS Tycoon shall make further payment to the Contractor to bring the aggregate payment to 95% of the total value of work certified.
- (v) The amount equal to 5% of the total value of work certified (the “Retention Monies”) shall be retained by CTS Tycoon as security for post-completion repairs. CTS Tycoon shall pay the Contractor the Retention Monies, after deducting repair costs incurred, if any, and return the bank guarantee letter to the Contractor after 2 years from the date of passing of the Completion Inspection.

### **Performance Guarantee**

The Contractor shall provide CTS Tycoon with a performance guarantee to guarantee the performance of the Construction Contract either by letter of guarantee issued by bank or in cash transfer. The amount of the performance guarantee is equivalent to 15% of the Consideration.

### **REASON FOR ENTERING INTO THE CONSTRUCTION CONTRACT**

The entering into of the Construction Contract by CTS Tycoon and the construction of complementary facilities of the CTS Tycoon Golf Club is expected to improve the competitiveness of the CTS Tycoon Golf Club and help to develop its business further. The terms of the Construction Contract have been reached after arm’s length negotiations between CTS Tycoon and the Contractor, which are on normal commercial terms. The Directors are of the view that the terms of the Construction Contract are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Construction Contract is or are more than 5% but less than 25%, entering into the Construction Contract constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

### **INFORMATION OF THE PARTIES**

CTS Tycoon is principally engaged in the management and operation of golf club and its ancillary facilities.

The principal business activities of the Group include travel agency and related operations, tourist attraction, hotel, passenger transportation, golf club, arts performance and power generation operations.

The Contractor is principally engaged in house-building engineering construction and related business.

## DEFINITIONS

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

“Board”	the board of Directors
“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
“Completion Inspection”	the inspection conducted by CTS Tycoon at the completion of the Construction Work
“Consideration”	The consideration of the Construction Contract, being RMB397 million (subject to adjustment based on the actual work to be undertaken).
“Construction Work”	The project comprises 150 low-rise buildings and 2 clubhouses with a total gross floor area of approximately 79,940.3 square metres on the land with a total site area of approximately 167,136.29 square metres in the CTS Tycoon Golf Club. The scope of construction includes but is not limited to earthworks, foundation works, concrete works, masonry works, electrical works, lightning protection, drainage works, outdoor pipe network, roads and drainage and road access etc.
“Construction Contract”	The agreement dated 7 May 2014 entered into between CTS Tycoon and the Contractor, pursuant to which the Contractor will undertake the Construction Work.
“Contractor”	Shenzhen Construction Engineering Company Limited* (深圳市建築工程股份有限公司), a company incorporated in the PRC with limited liability
“CTS Tycoon”	CTS Tycoon (Shenzhen) Golf Club Company Limited* (港中旅聚豪(深圳)高爾夫球會有限公司), a wholly-owned subsidiary of the Company
“CTS Tycoon Golf Club”	the golf club and its ancillary facilities operated by CTS Tycoon and located at Zhoushi Road, Hezhou, Baoan District, Shenzhen
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Parties”	parties who are independent from the Company and the connected persons of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this announcement, does not include the Hong Kong and Macau
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 7 May 2014

*As at the date of this announcement, the Board comprises six executive Directors, namely Mr. Wang Shuai Ting, Mr. Lo Sui On, Ms. Jiang Yan, 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 identification purposes only*