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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)

### **INSIDE INFORMATION- PROPOSED EQUITY TRANSFER TRANSACTION**

This announcement is made pursuant to Part XIVA of the SFO and Rule 13.09 of the Listing Rules.

The Board is pleased to announce that Allied Well, a wholly-owned subsidiary of the Company, proposes to transfer its 100% equity interest in Ruskin Overseas through an open listing process in an Assets and Equity Exchange in the PRC in the near term and the Company proposes to transfer the entire shareholder's loan owed by Ruskin Overseas to the Company at the same time.

The Company expects that if the Proposed Equity Transfer finally proceeds, it shall constitute a notifiable transaction for the Company under Chapters 14 of the Listing Rules and the Company will comply with the relevant requirements under the Listing Rules.

**As the Proposed Equity Transfer may or may not proceed, shareholders of the Company and public investors are advised to exercise caution when dealing in the Shares.**

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### **INFORMATION ON RUSKIN OVERSEAS**

Ruskin Overseas currently owns, with its subsidiaries, 100% interest in Metropark Service Apartment Shanghai situated in Changning District, Shanghai.

According to the asset appraisal report with a valuation date of 31 December 2013 (“Valuation Date”) issued by China Enterprise Appraisals Co., Ltd., the value of the shareholder’s equity of Ruskin Overseas and its subsidiaries as at the Valuation Date was approximately RMB 556.92 million (“Shareholder’s Equity Value”). As at the Valuation Date, the entire shareholder’s loan owed by Ruskin Overseas to the Company was approximately RMB 153.1 million.

## **REASONS FOR AND BENEFITS OF THE PROPOSED EQUITY TRANSFER**

The Group’s hotel brand “Metropark” is a leading Chinese hotel brand which focuses mainly on the 4-star and 5-star hotel market. The target market of Metropark Service Apartment Shanghai is not the main market focused by the “Metropark” brand. In addition, the asset return of Metropark Service Apartment Shanghai is comparatively low. If the Proposed Equity Transfer finally proceeds, it will help to improve the quality of the Group’s hotel portfolio, enhance asset liquidity and increase working capital. The Group intends to use the proceed from the Proposed Equity Transfer as general working capital or use it to invest in travel destination projects which provide better return to our shareholders.

The Group’s hotel operations comprise operation of self-owned hotels and provision of hotel management service to third party hotel owners. Our development strategy is to combine asset-heavy and asset-light approaches and focus on the asset-light approach, i.e. provision of hotel management service, in the long term.

Assuming Allied Well transfers its 100% equity interest in Ruskin Overseas at the Shareholder’s Equity Value and the Company transfers the entire shareholder’s loan owed by Ruskin Overseas to the Company at RMB 153.1 million at the same time, the Group expects to record a one-off gain on disposal of approximately RMB 200 million.

## **GENERAL INFORMATION**

The Company expects that if the Proposed Equity Transfer finally proceeds, it shall constitute a notifiable transaction for the Company under Chapters 14 of the Listing Rules and the Company will comply with the relevant requirements under the Listing Rules.

**As the Proposed Equity Transfer may or may not proceed, shareholders of the Company and public investors are advised to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

Unless the context otherwise requires, the terms used in this announcement shall have the following meanings:

“Allied Well”	Allied Well Holdings Ltd., a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“Board”	the board of directors of the Company
“BVI”	British Virgin Islands
“Company”	China Travel International Investment Hong Kong Limited ( 香港中旅國際投資有限公司 ), a company incorporated in Hong Kong with limited liability and the securities of which are listed on the main board of the Stock Exchange (stock code: 308)
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement, exclusively refer to Mainland China
“Proposed Transfer”	Equity the proposed transfer of the 100% equity interest in Ruskin Overseas by Allied Well
“RMB”	Renminbi, the lawful currency of the PRC
“Ruskin Overseas”	Ruskin Overseas Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of Allied Well
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Shares”	The issued shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board  
**China Travel International Investment Hong Kong Limited**  
**Xu Muhan**  
*Executive Director and General Manager*

Hong Kong, 3 October 2014

*As at the date of this announcement, the Board of the Company comprises five executive Directors, namely Ms. Jiang Yan, Mr. Lo Sui On, 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.*