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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)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

References are made to the announcements of the Company dated 6 November 2012 and 9 December 2013 in relation to the continuing connected transactions contemplated under the 2012 CTSH Master Agreement, 2012 Services Agreement, the HMS Master Agreement and the Agency Agreement.

As the 2012 CTSH Master Agreement relating to the continuing connected transactions provided thereunder will expire on 31 December 2015, the Company entered into the 2015 CTSH Master Agreement with CTS (Holdings) on 6 November 2015 to renew the terms of such continuing connected transactions for a term commencing from 1 January 2016 and ending on 31 December 2018, where the CTS (Holdings) Group and the Group will continue to provide the services thereunder to each other.

As the 2012 Services Agreement relating to the continuing connected transactions provided thereunder will expire on 31 December 2015, CTS Scenery Resort, an indirectly wholly-owned subsidiary of the Company, entered into the 2015 Services Agreement with China CTS Asset Management, a wholly-owned subsidiary of China CTS (HK), on 6 November 2015 to renew the terms of such continuing connected transactions for a term commencing from 1 January 2016 and ending on 31 December 2018, where China CTS Asset Management will continue to provide the management services thereunder to the CTS Scenery Resort Group.

On 9 May 2008, the Company, as hotel manager, and CTS (Holdings), as hotel owner, entered into the HMS Master Agreement to govern the continuous provision of hotel management services by the Group to the CTS (Holdings) Group for a term commenced from 9 May 2008, the date of signing of the HMS Master Agreement, and ending on 31 December 2015. As the HMS Master Agreement will expire on 31 December 2015, the Company entered into the 2015 HMS Master Agreement with CTS (Holdings) on 6 November 2015 to renew the terms of such continuous

connected transactions for a term commencing from 1 January 2016 and ending on 31 December 2018, where the Group will continue to provide the services thereunder to the CTS (Holdings) Group.

CTSHK has been providing Travel Permit Administration services to CTS (Holdings) as continuing connected transactions under the Agency Agreement since 2001. At the extraordinary general meeting of the Company held on 12 December 2012, the Independent Shareholders approved the Travel Permit Administration under the Agency Agreement as a continuing connected transaction and the maximum aggregate annual value for the Travel Permit Administration for each of the three years ending 31 December 2015. Although the Agency Agreement has not expired and remains in force until 30 June 2047, the annual cap for the Travel Permit Administration for the three years ending 31 December 2018 is required to be renewed in order to comply with the Listing Rules.

LISTING RULES IMPLICATIONS

CTS (Holdings) is a connected person of the Company by virtue of being a substantial Shareholder. As China CTS (HK) is the sole shareholder of CTS (Holdings), the China CTS (HK) Group and the CTS (Holdings) Group are connected persons of the Company.

As one or more of the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules for (i) the annual cap of the amount payable or receivable (as the case may be) for each of the continuing connected transactions contemplated under the 2015 CTSH Master Agreement, the 2015 Services Agreement and the 2015 HMS Master Agreement will exceed 0.1% but less than 5% and have an annual consideration of more than HK\$3,000,000, the continuing connected transactions contemplated under each of the 2015 CTSH Master Agreement, the 2015 Services Agreement and the 2015 HMS Master Agreement are subject to the reporting, announcement and annual review requirements under the Listing Rules and is exempt from the circular (independent financial advice) and independent shareholders' approval requirement; and (ii) the annual cap for the Travel Permit Administration shall exceed 5% and have an annual consideration of more than HK\$10,000,000, the renewal of the annual cap and continuing provision of the Travel Permit Administration is subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements under the Listing Rules.

A circular containing, among others, further details of the renewal of the Travel Permit Administration (including the annual cap), the respective advice of the Independent Financial Adviser and the Independent Board Committee and the notice of the EGM is expected to be despatched to the Shareholders on or before 27 November 2015.

BACKGROUND INFORMATION

References are made to the announcements of the Company dated 6 November 2012 and 9 December 2013 in relation to the continuing connected transactions contemplated under the 2012 CTSH Master Agreement, 2012 Services Agreement, the HMS Master Agreement and the Agency Agreement.

As the 2012 CTSH Master Agreement relating to the continuing connected transactions provided thereunder will expire on 31 December 2015, the Company entered into the 2015 CTSH Master Agreement with CTS (Holdings) on 6 November 2015 to renew the terms of such continuing connected transactions for a term commencing from 1 January 2016 and ending on 31 December 2018, where the CTS (Holdings) Group and the Group will continue to provide the services thereunder to each other.

As the 2012 Services Agreement relating to the continuing connected transactions provided thereunder will expire on 31 December 2015, CTS Scenery Resort, an indirectly wholly-owned subsidiary of the Company, entered into the 2015 Services Agreement with China CTS Asset Management, a wholly-owned subsidiary of China CTS (HK), on 6 November 2015 to renew the terms of such continuing connected transactions for a term commencing from 1 January 2016 and ending on 31 December 2018, where China CTS Asset Management will continue to provide the management services thereunder to the CTS Scenery Resort Group.

On 9 May 2008, the Company, as hotel manager, and CTS (Holdings), as hotel owner, entered into the HMS Master Agreement to govern the continuous provision of hotel management services by the Group to the CTS (Holdings) Group for a term commenced from 9 May 2008, the date of signing of the HMS Master Agreement, and ending on 31 December 2015. As the HMS Master Agreement will expire on 31 December 2015, the Company entered into the 2015 HMS Master Agreement with CTS (Holdings) on 6 November 2015 to renew the terms of such continuous connected transactions for a term commencing from 1 January 2016 and ending on 31 December 2018, where the Group will continue to provide the services thereunder to the CTS (Holdings) Group.

CTSHK and CTS (Holdings) entered into the Agency Agreement on 15 May 2001 to document the transactions relating to Travel Permit Administration for a fixed term of 46 years. Travel Permit Administration became a continuing connected transaction of the Company on 15 May 2001 when the Acquisition was completed. At the extraordinary general meeting of the Company held on 12 December 2012, the Independent Shareholders approved the Travel Permit Administration under the Agency Agreement as a continuing connected transaction and the maximum aggregate annual value for the Travel Permit Administration for each of the three years ending 31 December 2015. Although the Agency Agreement has not expired and remains in force until 30 June 2047, the annual cap for the Travel Permit Administration for the three years ending 31 December 2018 is required to be renewed in order to comply with the Listing Rules.

THE 2015 CTSH MASTER AGREEMENT

Date

6 November 2015

Parties

- (i) the Company; and
- (ii) CTS (Holdings)

Transaction Nature

1. Lease arrangements with the CTS (Holdings) Group as lessor

The Group will continue to rent office premises from the CTS (Holdings) Group. Pursuant to such arrangement, the Group will renew and/or enter into tenancy agreements with the CTS (Holdings) Group to rent certain office premises from the CTS (Holdings) Group.

2. Provision of ASP related services to the CTS (Holdings) Group

The Group will continue to provide ASP related services to the CTS (Holdings) Group.

Term

1 January 2016 to 31 December 2018

Pricing Basis

1. Lease arrangements with the CTS (Holdings) Group as lessor

The rental and other charges charged by the CTS (Holdings) Group to the Group shall be based on normal commercial terms, fair and reasonable, and determined by a pricing mechanism having reference to the prevailing market prices of comparable properties in the vicinity and shall not exceed the prevailing market prices of comparable properties in the vicinity as are monitored regularly by the Group's internal control procedures. The rental and other charges will be payable monthly in cash.

2. Provision of ASP related services to the CTS (Holdings) Group

The ASP related services to be provided by the Group will be based on normal commercial terms, fair and reasonable, and determined by a pricing mechanism having reference to the prevailing market prices and shall not be lower than the prevailing market prices charged by the

Group to any Independent Third Parties for the provision of similar ASP related services as are monitored regularly by the Group's internal control procedures. The ASP related services is charged on a monthly basis and payable in cash within 14 days upon receipt of the invoices.

Historical Figures

1. *Lease arrangements with the CTS (Holdings) Group as lessor*

The total amount of the continuing connected transactions in connection with the rents received or receivable by the CTS (Holdings) Group from the Group for each of the two financial years ended 31 December 2014 and the eight months ended 31 August 2015 were HK\$15,767,000, HK\$16,291,000, and HK\$12,292,000, respectively.

2. *Provision of ASP related services to the CTS (Holdings) Group*

The total amount of the continuing connected transactions in connection with the provision of ASP related services by the Group to the CTS (Holdings) Group for each of the two financial years ended 31 December 2014 and the eight months ended 31 August 2015 were HK\$12,225,000, HK\$12,727,000 and HK\$6,326,000, respectively.

Annual Caps

The annual caps under the 2015 CTSH Master Agreement are as follows:

	Year ending 31 December		
	2016	2017	2018
	HK\$'000	HK\$'000	HK\$'000
(a) Lease arrangements with the CTS (Holdings) Group as lessor	26,000	28,500	31,500
(b) Provision of ASP related services to the CTS (Holdings) Group	4,000	5,000	6,250

The above caps are determined based on the following:

- (i) historical transaction amounts for transactions covered by the 2012 CTSH Master Agreement;
- (ii) in relation to the lease arrangements with the CTS (Holdings) Group as lessor, the potential increase in market rentals and office space required by the Group during the term of the 2015 CTSH Master Agreement; and

- (iii) in relation to the provision of ASP related services to the CTS (Holdings) Group, an expected decrease in ASP service in 2016 in connection with the entry endorsements of Mainland Travel Permit for Taiwan Residents which is no longer required and the expected growth rate of the remaining ASP related services.

The above is merely assumed for the purpose of determining the annual caps and shall not be regarded as any indication directly or indirectly as to the Group's revenue, profitability or trading prospects.

THE 2015 SERVICES AGREEMENT

Date

6 November 2015

Parties

- (i) CTS Scenery Resort; and
- (ii) China CTS Asset Management

Transaction Nature

China CTS Asset Management will provide management services to the CTS Scenery Resort Group for the day-to-day management and operations of the CTS Scenery Resort Businesses.

Term

1 January 2016 to 31 December 2018

Pricing Basis

The management services to be provided by China CTS Asset Management shall be charged at 1% of the total assets of the CTS Scenery Resort Group as a base management fee, and 8% of the net profit of the CTS Scenery Resort Group as an incentive management fee, the aggregate of which shall be based on normal commercial terms, fair and reasonable, and determined by a pricing mechanism having reference to the historical management expenses incurred by China CTS Asset Management and taking into account the management's assessment of the management expenses to be incurred by China CTS Asset Management as are monitored regularly by the CTS Scenery Resort Group's internal control procedures. The management fees will be payable semi-annually in cash.

Historical Figures

The total management fees payable by CTS Scenery Resort for each of the two years ended 31 December 2014 and the eight months ended 31 August 2015 were RMB5,392,000, RMB5,428,000 and RMB4,751,000, respectively.

Annual Caps

The annual caps for each of the three years ending 31 December 2018 for the provision of management services by China CTS Asset Management to the CTS Scenery Resort Group are as follows:

	Year ending 31 December		
	2016	2017	2018
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Provision of management services by China CTS Asset Management	6,600	7,300	8,000

The above annual caps are determined based on the historical transaction amounts for transactions covered by the 2012 Service Agreement and the projected growth of the CTS Scenery Resort Businesses.

The above is merely assumed for the purpose of determining the annual caps and shall not be regarded as any indication directly or indirectly as to the Group's revenue, profitability or trading prospects.

THE 2015 HMS MASTER AGREEMENT

Date

6 November 2015

Parties

- (i) the Company as hotel manager; and
- (ii) CTS (Holdings), as hotel owner

Transaction Nature

The Group will provide hotel management services to the CTS (Holdings) Group.

Term

1 January 2016 to 31 December 2018

Pricing Basis

Hotel management fees shall be charged at a certain percentage (1.5%-3%) of total revenue of the hotel under management payable monthly as a base fee, a certain percentage (2%-6%) of its gross operating profit payable yearly as an incentive fee, and as the case maybe, 1% of its room revenue payable monthly as a marketing fee, the aggregate of which shall be based on normal commercial terms, fair and reasonable, and determined by a pricing mechanism having reference to the prevailing market prices and shall not be lower than the prevailing market prices charged by the Group to any Independent Third Parties for the provision of hotel management services as are monitored regularly by the Group's internal control procedures.

Historical Figures

The total management fees payable by the CTS (Holdings) Group for each of the two years ended 31 December 2014 and the eight months ended 31 August 2015 were HK\$16,135,000, RMB12,072,000 and RMB7,604,000, respectively.

Annual Caps

The annual caps for each of the three years ending 31 December 2018 for the provision of hotel management services by the Group to the CTS (Holdings) Group are as follows:

	Year ending 31 December		
	2016	2017	2018
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Hotel management fees	15,000	16,500	18,200

The above annual caps are determined based on the following:

- (i) historical transaction amounts for the transactions covered by the HMS Master Agreement; and
- (ii) expected market conditions, possible inflation and a reasonable buffer to allow for increase in room rate and occupancy of hotels under the 2015 HMS Master Agreement.

The above is merely assumed for the purpose of determining the annual caps and shall not be regarded as any indication directly or indirectly as to the Group's revenue, profitability or trading prospects.

THE AGENCY AGREEMENT

Date

15 May 2001

Parties

- (i) CTSHK; and
- (ii) CTS (Holdings)

Transaction Nature

CTSHK and CTS (Holdings) agreed that CTSHK would provide general administration services in Hong Kong to CTS (Holdings) for the application for tourist visas and travel permits for entry into the PRC, for a fixed term until 30 June 2047.

Principal Terms

CTSHK and CTS (Holdings) entered into the Agency Agreement on 15 May 2001 to document the transaction relating to Travel Permit Administration for a fixed term of 46 years. The 46-year term of the Agency Agreement was part and parcel of the term of the Acquisition, which was approved by the then independent shareholders. The Company believes that a fixed contractual term of 46 years enabling CTSHK to provide Travel Permit Administration until 2047 (i.e. 50 years after 1997) is necessary and is in the best interests of the Company.

Pricing Basis

In accordance with the terms of the Agency Agreement determined on an arm's length basis between the parties, CTS (Holdings) agreed to pay CTSHK 45% of the gross fee revenue from permit applications for the services provided by CTSHK in relation to Travel Permit Administration. The agency fees will be payable monthly in cash.

The price of Travel Permit Administration rendered by CTSHK is determined on the basis of cost of providing the service plus reasonable profit. The profit margin of Travel Permit Administration is higher than the profit margin of China visa service provided by CTSHK to foreigners and is deemed as reasonable by the Company and CTS (Holdings).

Historical Figures

The total amount of the continuing connected transactions in connection with the Travel Permit Administration for each of the two financial years ended 31 December 2014 and the eight months ended 31 August 2015 were HK\$297,533,000, HK\$292,035,000 and HK\$192,012,000, respectively.

Proposed Annual Caps

The Company proposes to set the annual cap for the continuing connected transactions as follows:

	Year ending 31 December		
	2016	2017	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Provision of Travel Permit Administration by CTSHK	290,000	290,000	290,000

The above caps are determined based on the historical transaction amounts in 2013 and 2014 and the annualized transaction amount in 2015 based on the transaction amount for the eight months ended 31 August 2015 under the Agency Agreement.

The above is merely assumed for the purpose of determining the annual caps and shall not be regarded as any indication directly or indirectly as to the Group's revenue, profitability or trading prospects.

REASONS FOR ENTERING INTO AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

In view of past operational convenience and benefits brought to the Group and extended business relationships established between the Group and the CTS (Holdings) Group, such continuing relationships are expected to bring synergies to the parties. Thus, the Board (including the independent non-executive Directors) considers it to be in the interests of the Group to continue to engage in the continuing connected transactions contemplated under the 2015 CTSH Master Agreement.

China CTS Asset Management is principally engaged in the business of asset and property management and the development and management of new business. In view of the extensive experience in asset management of China CTS Asset Management, the engagement of China CTS Asset Management for the provision of management services to the CTS Scenery Resort Group is expected to enhance its operation and bring cost savings and synergy to the Group.

The Directors consider that the continuing connected transactions under the 2015 HMS Master Agreement will allow the Group to leverage on its experience in hotel management and will benefit the ongoing operation of the Group's business and facilitate future growth.

The Directors (including the independent non-executive Directors) consider that the terms of the 2015 CTSH Master Agreement, the 2015 Services Agreement and the 2015 HMS Master Agreement, and the continuing connected transactions contemplated thereunder (including the annual caps) are entered into in the ordinary and usual course of business and are fair and reasonable and in the interests of the Shareholders and the Company as a whole. The continuing connected transactions under the 2015

CTSH Master Agreement, the 2015 Services Agreement and the 2015 HMS Master Agreement were negotiated on an arm's length basis and were arrived at on normal commercial terms no less favourable to the Group than terms available to or from Independent Third Parties (as the case may be).

CTSHK is the only commercial entity in Hong Kong having the relevant expertise and brand recognition to carry out Travel Permit Administration on behalf of CTS (Holdings). In view of past operational convenience and benefits brought to the Group, the Board (other than the independent non-executive Directors whose opinion will be included in the circular to be despatched to Shareholders) considers it to be in the interests of the Company to continue to engage in Travel Permit Administration and that the terms of the Travel Permit Administration are fair and reasonable and in the interests of the Shareholders as a whole.

The Directors (other than the independent non-executive Directors whose opinions will be included in the circular to be despatched to Shareholders) consider that the Agency Agreement were entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and that the terms of the Agency Agreement and the annual caps are fair and reasonable and the continuing connected transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Group's principal business includes operations of travel destinations (including hotels, theme parks, natural and cultural scenic spots, and leisure resorts) and supplementary products and services, which include travel agency and related operations, passenger transportation, golf club and arts performance.

CTS (Holdings) Group is principally engaged in travel business, industrial investment in steel production, real estate development, logistics and trading.

China CTS Asset Management is principally engaged in the business of asset and property management and the development and management of new business.

CTS Scenery Resort is principally engaged in the investment, development and management of resort hotel, scenic spots, cable car systems and skiing facilities.

INTERNAL CONTROL MEASURES ON CONTINUING CONNECTED TRANSACTIONS

In accordance with the Listing Rules, the Company will comply at all times with the applicable provisions under Rules 14A.34, 14A.51 to 14A.59 of the Listing Rules in respect of the continuing connected transactions contemplated under the 2015 CTSH Master Agreement, the 2015 HMS Master Agreement, the Agency Agreement and the 2015 Services Agreement. In addition, in order to

safeguard the interests of the Company and the Shareholders as a whole, the Group has adopted certain guidelines and principles in monitoring the transactions between the Group and the China CTS (HK) Group, namely:

- (i) the Company will report the transactions under the 2015 CTSH Master Agreement, the 2015 HMS Master Agreement, the Agency Agreement and the 2015 Services Agreement to the independent non-executive Directors during each of the audit committee meetings (if necessary) according to the audit committee meeting agenda. The Company shall ensure that such kind of reporting shall be conducted not less than two times in a year; and
- (ii) the Company will review the transactions with the China CTS (HK) Group to identify any continuing connected transaction that may be at risk of exceeding the proposed caps, and any measures to be taken in respect of such continuing connected transaction. The Group has established a series of measures and policies to ensure that the continuing connected transactions will be conducted in accordance with the terms of the 2015 CTSH Master Agreement, the 2015 HMS Master Agreement, the Agency Agreement and the 2015 Services Agreement. The Group will conduct random internal checks to ensure that the internal control measures in respect of the continuing connected transactions remain complete and effective.

LISTING RULES IMPLICATIONS

CTS (Holdings) is a connected person of the Company by virtue of being a substantial Shareholder. As China CTS (HK) is the sole shareholder of CTS (Holdings), the China CTS (HK) Group and the CTS (Holdings) Group are connected persons of the Company. Therefore, the transactions underlying 2015 CTSH Master Agreement, the 2015 HMS Master Agreement, the Agency Agreement and the 2015 Services Agreement constitute continuing connected transactions for the Company under the Listing Rules.

As one or more of the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules for the annual cap of the amount payable or receivable (as the case may be) for the continuing connected transactions contemplated under the 2015 CTSH Master Agreement, the 2015 Services Agreement and the 2015 HMS Master Agreement will exceed 0.1% but less than 5% and have an annual consideration of more than HK\$3,000,000, the continuing connected transactions contemplated under the 2015 CTSH Master Agreement, the 2015 Services Agreement and the 2015 HMS Master Agreement are subject to the reporting, announcement and annual review requirements in accordance with Chapter 14A of the Listing Rules and is exempt from the circular (independent financial advice) and independent shareholders' approval requirements.

As one or more of the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules for the annual cap for the Travel Permit Administration shall exceed 5% and have an annual consideration of more than HK\$10,000,000, the renewal of the annual cap and continuing provision of the Travel Permit Administration is subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements in accordance with Chapter 14A of the Listing Rules.

The Directors who have voted on the Board resolutions in relation to the continuing connected transactions contemplated under the 2015 CTSH Master Agreement, the 2015 Services Agreement, the Agency Agreement and the 2015 HMS Master Agreement do not have a material interest in the aforesaid transactions or were required to abstain from voting on the Board resolutions for considering and approving the same. The Chairman of the Board, Ms. Jiang Yan, who is also a director of CTS (Holdings) and China CTS (HK), is regarded as having a material interest in the aforesaid transactions and she has not attended the Board meeting for voting on the relevant Board resolutions.

At the EGM, the Company will seek Independent Shareholders' approval for the renewal of the Travel Permit Administration (including the annual cap). In view of the interest of CTS (Holdings) and its associates in the continuing provision of Travel Permit Administration, CTS (Holdings) and its associates (as defined in the Listing Rules) will abstain from voting at the EGM in this regard. The votes to be taken at the EGM will be taken by poll, the results of which will be announced after the EGM.

An Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders whether or not to vote in favour of the renewal of the Travel Permit Administration (including the annual cap). First Shanghai has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on whether the renewal of the Travel Permit Administration (including the annual cap) are on normal commercial terms, in the ordinary and usual course of business, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

A circular containing, among others, further details of the renewal of the Travel Permit Administration (including the annual cap), the respective advice of the Independent Financial Adviser and the Independent Board Committee and the notice of the EGM is expected to be despatched to the Shareholders on or before 27 November 2015.

DEFINITIONS

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

“2012 CTSH Master Agreement”	the master agreement dated 6 November 2012 and entered into between the Company and CTS (Holdings) in relation to the lease arrangements with the CTS (Holdings) Group as lessor and provision of ASP related services to the CTS (Holdings) Group
“2012 Services Agreement”	the agreement dated 6 November 2012 entered into between China CTS Asset Management and CTS Scenery Resort in relation to the provision of management services by China CTS Asset Management to CTS Scenery Resort and its subsidiaries

“2015 CTSH Master Agreement”	the master agreement dated 6 November 2015 and entered into between the Company and CTS (Holdings) in relation to the lease arrangements with the CTS (Holdings) Group as lessor and provision of ASP related services to the CTS (Holdings) Group
“2015 HMS Master Agreement”	the master agreement entered into between CTS (Holdings) and the Company on 6 November 2015, pursuant to which the Company agrees to provide or procure its subsidiaries to provide hotel management services to the CTS (Holdings) Group
“2015 Services Agreement”	the agreement dated 6 November 2015 entered into between China CTS Asset Management and CTS Scenery Resort in relation to the provision of management services by China CTS Asset Management to CTS Scenery Resort and its subsidiaries
“Acquisition”	The Company’s acquisition of CTSHK from CTS (Holdings) in 2001
“Agency Agreement”	the agency agreement dated 15 May 2001 between CTSHK and CTS (Holdings) in relation to Travel Permit Administration
“ASP”	Computer application service provider
“associate(s)”, “connected person(s)”, “subsidiary(ies)”, “substantial shareholder(s)”	each of which has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“China CTS Asset Management”	China CTS Asset Management Corporation* (中國港中旅資產經營公司), a state-owned enterprise and a wholly-owned subsidiary of China CTS (HK)
“China CTS (HK)”	China National Travel Service (HK) Group Corporation, (中國港中旅集團公司), a state-owned enterprise under the direct supervision of the State-owned Assets Supervision and Administration Commission of the State Council of the People’s Republic of China which owns the entire issued share capital of CTS (Holdings)
“China CTS (HK) Group”	China CTS (HK) and its subsidiaries and associates, but excluding the Group for the purpose of this announcement

“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
“CTSHK”	China Travel Service (Hong Kong) Limited, a wholly-owned subsidiary of the Company
“CTS (Holdings)”	China Travel Service (Holdings) Hong Kong Limited, a company interested in 58.69% of the issued share capital of the Company and a connected person of the Company
“CTS (Holdings) Group”	CTS (Holdings) and its subsidiaries and associates (including the China CTS (HK) Group), but excluding the Group for the purpose of this announcement
“CTS Scenery Resort”	CTS Scenery Resort Investment Company Limited* (中旅景區投資有限公司), a company incorporated in the PRC and is wholly-owned by Mutual Great (Hong Kong) Limited, a company incorporated in Hong Kong and wholly-owned by the Company
“CTS Scenery Resort Businesses”	the businesses held by CTS Scenery Resort and its subsidiaries
“CTS Scenery Resort Group”	CTS Scenery Resort and its subsidiaries
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to approve, among other things, the renewal of the Travel Permit Administration (including the cap)
“First Shanghai” or “Independent Financial Adviser”	First Shanghai Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the renewal of the Travel Permit Administration (including the cap)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HMS Master Agreement”	the master agreement entered into between CTS (Holdings) and the Company on 9 May 2008, pursuant to which the Company agrees to provide or procure its subsidiaries to provide hotel management services to the CTS (Holdings) Group

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Company comprising of the independent non-executive Directors, namely, Dr. Fong Yun Wah, Mr. Wong Man Kong, Peter, Mr. Sze, Robert Tsai To and Mr. Chan Wing Kee, formed for advising the Independent Shareholders in respect of the renewal of the Travel Permit Administration (including the cap)
“Independent Shareholders”	Shareholders other than CTS (Holdings) and its associates and any other persons who are required to abstain from voting on resolutions to approve the renewal of the Travel Permit Administration (including the cap) at the EGM pursuant to the Listing Rules
“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
“RMB”	Reminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“Shares”	ordinary shares in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Travel Permit Administration”	the general administration services provided in Hong Kong for the application of tourist visas and travel permits for entry into the PRC by CTSHK to CTS (Holdings)

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

Hong Kong, 6 November 2015

As at the date of this announcement, the Board 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.

** For identification purpose only*