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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 PROJECT COMPANY(IES) PURSUANT TO THE
COOPERATION AGREEMENT WITH EVERGRANDE REAL ESTATE IN
RESPECT OF THE ZHUHAI OSR PHASE 2 PROJECT**

AND

**DISCLOSEABLE TRANSACTION
ACQUISITION OF ASSETS**

AND

**DISCLOSEABLE TRANSACTION
DISPOSAL OF ASSETS
INCIDENTAL TO THE FORMATION OF PROJECT COMPANY(IES)**

The Board is pleased to announce that on 30 November 2015 (after the close of trading hours of the Stock Exchange), the Company entered into the Cooperation Agreement with Evergrande Real Estate to jointly develop the Zhuhai OSR Phase 2 Project. The parties agreed that Zhuhai OSR Company and Evergrande Nominated Company would be the parties for the cooperation. The scope of the cooperation includes All Land Parcels Of The Zhuhai OSR Phase 2 Project. The initial development of the Zhuhai OSR Phase 2 Project will start with Land Parcel A and the development of the Other Land Parcels Of The Zhuhai OSR Phase 2 Project will start later in phases.

Zhuhai OSR Company and Evergrande Nominated Company will establish Project Company A with a registered capital of approximately RMB822 million. Zhuhai OSR Company will contribute 49% of the registered capital of Project Company A by injecting Land Parcel A into Project Company A at the valuation of approximately RMB403 million according to the Valuation Report and Evergrande Nominated Company will contribute 51% of the registered capital of Project Company A by injecting approximately RMB419 million in cash. The cooperation arrangement of the Other Land Parcels Of The Zhuhai OSR Phase 2 Project will follow that of Project Company A or other legal arrangement agreed by the parties. When Zhuhai OSR Company and Evergrande Nominated Company use Project Company A or Project Company B and/or other Project Companies as vehicles to develop the Other Land

Parcels Of The Zhuhai OSR Phase 2 Project, the equity of such Project Companies shall be owned as to 49% by Zhuhai OSR Company and 51% by Evergrande Nominated Company.

The Company expects to recognize a one-off after tax gain of approximately RMB56 million in its consolidated accounts upon the formation of Project Company A. Afterwards, when Project Company A develops Land Parcel A and generates profits, such profits will be shared by Zhuhai OSR Company and Evergrande Nominated Company in proportion to the registered capital actually contributed by them.

As one or more of the applicable percentage ratios as defined in Rule 14.07 in respect of Zhuhai OSR Company's capital contributions to the Project Company(ies) is more than 5% but less than 25%, the formation of Project Company(ies) pursuant to the Cooperation Agreement will constitute a discloseable transaction for the Company, and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

The capital contributions by Zhuhai OSR Company to the Project Company(ies) in return for a 49% equity interest in the Project Company(ies) will constitute an acquisition by Zhuhai OSR Company. As one or more of the applicable percentage ratios as defined in Rule 14.07 in respect of such acquisition is more than 5% but less than 25%, such acquisition will constitute a discloseable transaction for the Company, and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

The injection of All Land Parcels Of The Zhuhai OSR Phase 2 Project as Zhuhai OSR Company's capital contributions to the Project Company(ies) will constitute a disposal of assets by Zhuhai OSR Company. As one or more of the applicable percentage ratios as defined in Rule 14.07 in respect of such disposal is more than 5% but less than 25%, such disposal will constitute a discloseable transaction for the Company, and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 30 November 2015 (after the close of trading hours of the Stock Exchange), the Company entered into the Cooperation Agreement with Evergrande Real Estate to jointly develop the Zhuhai OSR Phase 2 Project.

THE COOPERATION AGREEMENT

Date

30 November 2015

Parties

- (1) the Company
- (2) Evergrande Real Estate

Subject matter

The parties agreed that Zhuhai OSR Company and Evergrande Nominated Company would be the parties for the cooperation. The scope of the cooperation includes All Land Parcels Of The Zhuhai OSR Phase 2 Project. The initial development of the Zhuhai OSR Phase 2 Project will start with Land Parcel A and the development of the Other Land Parcels Of The Zhuhai OSR Phase 2 Project will start later in phases.

Formation of Project Company(ies)

Zhuhai OSR Company and Evergrande Nominated Company will establish Project Company A with a registered capital of approximately RMB822 million. Zhuhai OSR Company will contribute 49% of the registered capital of Project Company A by injecting Land Parcel A into Project Company A at the valuation of approximately RMB403 million according to the Valuation Report and Evergrande Nominated Company will contribute 51% of the registered capital of Project Company A by injecting approximately RMB419 million in cash. The book value of Land Parcel A was approximately RMB157 million as at 31 December 2014. The cooperation arrangement of the Other Land Parcels Of The Zhuhai OSR Phase 2 Project will follow that of Project Company A or other legal arrangement agreed by the parties. When Zhuhai OSR Company and Evergrande Nominated Company use Project Company A or Project Company B and/or other Project Companies as vehicles to develop the Other Land Parcels Of The Zhuhai OSR Phase 2 Project, the equity of such Project Companies shall be owned as to 49% by Zhuhai OSR Company and 51% by Evergrande Nominated Company.

The parties undertake to cooperate and strive to complete the registration of Project Company A within 30 business days after the signing of the Cooperation Agreement.

If the Valuation Report is still valid (within one year from the valuation date of 31 December 2014) when Evergrande Nominated Company acquires shareholding in Project Company B or other Project Companies, the valuation of Other Land Parcels Of The Zhuhai OSR Phase 2 Project shall follow that in the Valuation Report. If the Valuation Report is no longer valid, Zhuhai OSR Company will appoint a valuer to undertake a valuation to be approved and put on record by the supervising authority and such valuation will be used. According to the Valuation Report with a valuation date of 31 December 2014, the valuation of All Land Parcels Of The Zhuhai OSR Phase 2 Project and Other Land Parcels Of The Zhuhai OSR Phase 2 Project was approximately RMB1,990 million and RMB1,587 million respectively. As at 31 December 2014, the book value of All Land Parcels Of The Zhuhai OSR Phase 2 Project and Other Land Parcels Of The Zhuhai OSR Phase 2 Project was approximately RMB1,720 million and RMB1,563 million respectively.

Governance of the Project Company

The board of directors of the Project Company will comprise seven directors, three of whom will be nominated by Zhuhai OSR Company and the other four (including the chairman) will be nominated by Evergrande Nominated Company.

Funding for the Zhuhai OSR Phase 2 Project

The funding for the development of All Land Parcels Of The Zhuhai OSR Phase 2 Project will be satisfied by the following means:

- (a) the register capital contributed by Evergrande Nominated Company to the Project Company;
- (b) preferably from borrowings of the Project Company;
- (c) if the Project Company could not secure borrowings or the borrowings could not satisfy the funding needs of the Project Company:
 - (1) if there is outstanding debt owed by the equity holders to the Project Company, the equity holders shall repay their debt according to the terms of the Cooperation Agreement;
 - (2) if there is no outstanding debt owed by the equity holders to the Project Company, the equity holders shall provide loan to the Project Company in proportion to their equity holding in the Project Company.

Distribution of profits

Profits of the Project Company will be distributed to the equity holders in proportion to the registered capital actually contributed by the equity holders. Profits distributed by the Project Company for a given year should not be less than 40% of the distributable profits for that year.

INFORMATION ON THE PARTIES RELATED TO THE COOPERATION AGREEMENT

The Company is a large tourism conglomerate whose principal business is operation of travel destinations, which include city hotels, theme parks, natural and cultural scenic spots, and leisure resorts, and provision of supplementary products and services, which include travel agency, travel document and related operations, passenger transportation, golf club and arts performance.

Zhuhai OSR Company is a wholly-owned subsidiary of the Company and its principal business is development and operation of Zhuhai OSR.

Evergrande Real Estate is a wholly owned subsidiary of Evergrande Real Estate Group. Evergrande Real Estate Group and its subsidiaries are principally engaged in the property development, property investment, property management, property construction, hotel, other property development related services and fast consuming industry in the PRC.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Evergrande Real Estate Group, Evergrande Real Estate and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF ENTERING INTO THE COOPERATION AGREEMENT

The Company is positioned as a tourism and cultural businesses platform which focuses on tourist attractions, with a mission to offer new travel destination lifestyle to customers. The Company will consolidate its position in city travel destinations, aggressively acquire scarce natural and cultural scenic spot destinations, develop leisure resort destinations in an orderly manner, and develop supplementary products and businesses in a selective manner.

Zhuhai OSR is a key strategic project of the Company in development of leisure resort destinations. The Zhuhai OSR Phase 1 Project commenced operation in January 2006 and was awarded the title of model leisure resort in the PRC. It attracted a large number of visitors annually and brought them quality leisure holiday experiences. To further enrich the product and service offerings of Zhuhai OSR, make it more appealing to visitors and enhance its earnings capability and return, the Company is actively pushing forward the development of the Zhuhai OSR Phase 2 Project, which comprises tourism facilities and tourism real estate. Zhuhai OSR plans to develop quality tourism real estate with time share and exchange arrangement. Tapping on the tourism resources and network of the Company and its associates, Zhuhai OSR will provide tourists and residents with extensive travel services and lifetime value-added travel services and offer a unique leisure and vacation lifestyle.

Evergrande Real Estate is a well-known property developer and with Evergrande Real Estate Group and its parent company's business network in football, cultural tourism, media and commerce, etc., the Directors believe that the entering into of the Cooperation Agreement helps to combine our respective strengths to jointly develop Zhuhai OSR into the most distinctive leisure resort destination in the PRC, expedite the pace of development and bring in benefits quickly. It marks a major step forward in the Company's efforts to create a new travel destination lifestyle and paves the way for potential cooperation between the parties on other tourism projects. In addition, in February this year, the Company, Diamond Resorts International, Inc., a company listed on the New York Stock Exchange, and Dorsett Hospitality International Limited established a joint venture CDD International Holdings Limited to develop prepaid vacation package business, which will render strong support for the development and sales of the Company's travel destination operations and exchangeable tourism real estate.

The Company expects to recognize a one-off after tax gain of approximately RMB56 million in its consolidated accounts upon the formation of Project Company A (such one-off after tax gain is calculated as follows: the valuation of Land Parcel A according to the Valuation Report less the book value of Land Parcel A as at 31 December 2014, adjusted for applicable taxes and multiplied by 51%. The actual after tax gain will be subject to audit). Afterwards, when Project Company A develops Land Parcel A and generates profits, such profits will be shared by Zhuhai OSR Company and Evergrande Nominated Company in proportion to the registered capital actually contributed by them.

Assuming Zhuhai OSR Company contributes 49% of the registered capital of the Project Company(ies) by injecting All Land Parcels Of The Zhuhai OSR Phase 2

Project into the Project Company(ies) at the valuation of approximately RMB1,990 million according to the Valuation Report, the Company expects to recognize a one-off after tax gain of approximately RMB62 million in its consolidated accounts upon the formation of the Project Company(ies) (such one-off after tax gain is calculated as follows: the valuation of All Land Parcels Of The Zhuhai OSR Phase 2 Project according to the Valuation Report less the book value of All Land Parcels Of The Zhuhai OSR Phase 2 Project as at 31 December 2014, adjusted for applicable taxes and multiplied by 51%. The actual after tax gain will be subject to audit). Afterwards, when the Project Company(ies) develop All Land Parcels Of The Zhuhai OSR Phase 2 Project and generate profits, such profits will be shared by Zhuhai OSR Company and Evergrande Nominated Company in proportion to the registered capital actually contributed by them.

The Directors consider that the terms of the Cooperation Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES' IMPLICATIONS

As one or more of the applicable percentage ratios as defined in Rule 14.07 in respect of Zhuhai OSR Company's capital contributions to the Project Company(ies) is more than 5% but less than 25%, the formation of Project Company(ies) pursuant to the Cooperation Agreement will constitute a discloseable transaction for the Company, and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

The capital contributions by Zhuhai OSR Company to the Project Company(ies) in return for a 49% equity interest in the Project Company(ies) will constitute an acquisition by Zhuhai OSR Company. As one or more of the applicable percentage ratios as defined in Rule 14.07 in respect of such acquisition is more than 5% but less than 25%, such acquisition will constitute a discloseable transaction for the Company, and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

The injection of All Land Parcels Of The Zhuhai OSR Phase 2 Project as Zhuhai OSR Company's capital contributions to the Project Company(ies) will constitute a disposal of assets by Zhuhai OSR Company. As one or more of the applicable percentage ratios as defined in Rule 14.07 in respect of such disposal is more than 5% but less than 25%, such disposal will constitute a discloseable transaction for the Company, and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“All Land Parcels Of The Zhuhai OSR Phase 2 Project”	all land parcels of the Zhuhai OSR Phase 2 Project excluding the protection zone of the hot spring well
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“Board”		the board of directors of the Company
“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 Main Board of the Stock Exchange (stock code: 308)
“Cooperation Agreement”		The cooperation agreement entered into by the Company and Evergrande Real Estate in respect of the joint development of the Zhuhai OSR Phase 2 Project on 30 November 2015
“Directors”		the directors of the Company
“Evergrande Estate”	Real	恒大地產集團有限公司, a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Evergrande Real Estate Group
“Evergrande Estate Group”	Real	Evergrande Real Estate Group Limited, a company incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3333)
“Evergrande Nominated Company”		Evergrande Real Estate or its related company nominated by Evergrande Real Estate
“Hong Kong”		the Hong Kong Special Administrative Region of the PRC
“Land Parcel A”		the land parcel with an area of 242,800 sq.m. for residential and commercial use within the area of the Zhuhai OSR Phase 2 Project
“Listing Rules”		The Rules Governing the Listing of Securities on the Stock Exchange
“Other Land Parcels Of The Zhuhai OSR Phase 2 Project”		all the other land parcels of the Zhuhai OSR Phase 2 Project excluding Land Parcel A and the protection zone of the hot spring well
“PRC”		the People’s Republic of China, for the purpose of this announcement, exclusively refer to Mainland China
“Project Company(ies)”		Project Company A, Project Company B and/or other project company established by the parties for development of the land parcels of the Zhuhai OSR Phase 2 Project

“Project Company A”	the real estate company to be established by Zhuhai OSR Company and Evergrande Nominated Company, whose registered capital will be contributed by Zhuhai OSR Company in the form of Land Parcel A and by Evergrande Nominated Company in cash
“Project Company B”	the real estate company to be established for development of the Other Land Parcels Of The Zhuhai OSR Phase 2 Project, whose registered capital will be contributed by Zhuhai OSR Company solely and then 51% of the registered capital will be acquired by Evergrande Nominated Company, or whose registered capital will be contributed by Zhuhai OSR Company and Evergrande Nominated Company in the form of land parcels and cash respectively. In respect of the cooperation on the Other Land Parcels Of The Zhuhai OSR Phase 2 Project, the parties could establish several project companies for different land parcels. Or Zhuhai OSR Company and Evergrande Nominated Company could increase the registered capital of Project Company A by injecting land parcels and cash respectively.
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Valuation Report”	the valuation report in respect of All Land Parcels Of The Zhuhai OSR Phase 2 Project with a valuation date of 31 December 2014 issued by 深圳市明洋資產評估事務所
“Zhuhai OSR”	Zhuhai Ocean Spring Resort, a leisure resort situated at Gaolangang Economic Zone, Zhuhai
“Zhuhai OSR Company”	China Travel Hong Kong (Zhuhai) Ocean Spring Co., Ltd., a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Zhuhai OSR Phase 1 Project”	phase one of Zhuhai OSR, which commenced operation in January 2006, with a land area of approximately one square kilometer comprising five-star hotels, theme park, fisherman’s wharf, theatre, medical check-up centre, sports complex, outward

bound training camp, Caribbean seashore and test drive centre, etc.

“Zhuhai OSR Phase 2 Project”

phase two of Zhuhai OSR with a land area of approximately 2.77 million sq.m., of which 0.95 million sq.m. are for residential and commercial use and 1.82 million sq.m. are for tourism use (excluding the protection zone of the hot spring well). The land area of the protection zone of the hot spring well is approximately 0.26 million sq.m. and the protection zone of the hot spring well could not be used for development

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

Hong Kong, 30 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.