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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)

## **CONNECTED TRANSACTION – EXTENSION OF LOAN**

Reference is made to the announcement of the Company dated 19 May 2017 in respect of the provision of the First Loan by the Company to CTS Financial Investment under the Loan Agreement for a term of one year. CTS Financial Investment has, pursuant to the terms of the Loan Agreement, submitted an application to the Company within 10 business days prior to the maturity date to apply for extension of the maturity date of the First Loan, and accordingly, the Company entered into the Extension Agreement with CTS Financial Investment on 18 May 2018 (after the close of trading hours of the Stock Exchange), the maturity date of the First Loan, to set out the terms and conditions with respect to such extension.

CTS (Holdings) is a substantial shareholder of the Company. CTS Financial Investment is a wholly-owned subsidiary of CTS (Holdings) and is therefore a connected person of the Company. Accordingly, the transaction contemplated under the Extension Agreement constitutes connected transaction for the Company under the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction contemplated under the Extension Agreement is more than 0.1% but less than 5% and the transaction under the Extension Agreement has an annual consideration of more than HK\$3,000,000, the entering into of the Extension Agreement is only subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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## **THE EXTENSION AGREEMENT**

### **Date**

18 May 2018 (after the close of trading hours of the Stock Exchange)

### **Parties**

- (a) the Company; and
- (b) CTS Financial Investment

### **Principal terms and conditions of the Extension Agreement**

#### **Term**

The Extension Agreement shall become effective from 18 May 2018 to 17 May 2019.

#### **Loan Principal**

US\$20,000,000, which has been provided on 19 May 2017, the date of the Loan Agreement.

#### **Interest Rate and Security**

The interest rate shall be the six month US\$ LIBOR plus 2.6% per annum, which will be fixed at the date of the Extension Agreement and re-fixed on the date falling 6 months from the date of the Extension Agreement. Interest will be charged and calculated from the date of the Extension Agreement, and will be paid half-yearly by CTS Financial Investment.

No guarantee or security is given by CTS Financial Investment for the Extended Loan.

#### **Purpose of the Extended Loan**

The loan is provided to CTS Financial Investment for the purpose as its general working capital.

#### **Repayment terms**

The principal amount of the Extended Loan together with all accrued interests to be repaid at the end of the term of the Extension Agreement.

Within 10 business days prior to the end of the term of the Extension Agreement, CTS Financial Investment can submit an application to the Company and, with the consent of the Company, enter into a new agreement with the Company, provided that the principal and interests accrued shall be repaid at the end of the term of the Extension Agreement.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE EXTENSION AGREEMENT**

Having considered the background of CTS Financial Investment and that a stable revenue and cashflow stream from the interest income is expected, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Extension Agreement have been negotiated on an arm's length basis and on normal commercial terms and in the ordinary and usual course of business of the Group, and the transaction contemplated thereunder and the Extension Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors has a material interest in the Extension Agreement and the transactions contemplated thereunder and accordingly, none of them was required to abstain from voting on the Board resolutions.

## **LISTING RULES' IMPLICATIONS**

CTS (Holdings) is a substantial shareholder of the Company. CTS Financial Investment is a wholly-owned subsidiary of CTS (Holdings) and is therefore a connected person of the Company. Accordingly, the transaction contemplated under the Extension Agreement constitutes connected transaction for the Company under the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Extension Agreement is more than 0.1% but less than 5% and the transaction under the Extension Agreement has an annual consideration of more than HK\$3,000,000, the entering into of the Extension Agreement is only subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **INFORMATION OF THE PARTIES**

The principal business activities of the Group include operations of travel destinations (including hotels, theme parks, natural and cultural scenic spots, and leisure resorts), travel agency, travel documents and related operations and passenger transportation operations.

The CTS (Holdings) Group is principally engaged in travel business, real estate development and finance.

CTS Financial Investment is a wholly-owned subsidiary of CTS (Holdings). Its principal business is investment holding.

## DEFINITIONS

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

“associates”	has the same meaning as ascribed thereto in the Listing Rules
“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)
“CTS Financial Investment”	China Travel Financial Investment Holdings Co., Limited, a company established in Hong Kong with limited liability and a wholly-owned subsidiary of CTS (Holdings)
“CTS (Holdings)”	China Travel Service (Holdings) Hong Kong Limited, a company interested in 60.08% of the issued share capital of the Company and a connected person of the Company
“CTS (Holdings) Group”	CTS (Holdings) and its associates, but excluding the Group for the purpose of this announcement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Extension Agreement”	the loan agreement dated 18 May 2018 entered into between the Company and CTS Financial Investment, pursuant to which the Company has agreed to extend the maturity date of the First Loan for one year
“Extended Loan”	the loan in the amount of US\$20,000,000 granted by the Company to CTS Financial Investment pursuant to the terms and conditions of the Extension Agreement
“First Loan”	the loan in the amount of US\$20,000,000 granted by the Company to CTS Financial Investment pursuant to the terms and conditions of the Loan Agreement
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“LIBOR”	London Interbank Offered Rate
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement dated 19 May 2017 entered into between the Company and CTS Financial Investment for a term of one year, pursuant to which the Company has agreed to provide a loan of US\$20,000,000 to CTS Financial Investment.
“PRC”	the People’s Republic of China, for the purpose of this announcement, exclusively refer to Mainland China
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“US\$”	United States Dollars, the lawful currency of the United States of America

By Order of the Board  
**China Travel International Investment Hong Kong Limited**  
**Zhang Fengchun**  
*Chairman*

Hong Kong, 18 May 2018

*As at the date of this announcement, the Board of the Company comprises five executive Directors, namely Mr. Zhang Fengchun, Mr. Lo Sui On, Mr. Zhang Xing, Mr. Liu Fengbo and Mr. Chen Xianjun 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.*