

*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 COOPERATION AGREEMENT**

The Board is pleased to announce that on 1 March 2019, the Company and Daxin County People's Government entered into the Cooperation Agreement in respect of the Detian Tourism Project, pursuant to which the Company will establish the Project Company as a vehicle to invest in the Detian Tourism Project and carry out operations in the Detian Waterfall Scenic Spot.

As one or more of the applicable percentage ratios in respect of the transactions as contemplated under the Cooperation Agreement exceed 5% but are less than 25%, the entering into of the Cooperation Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 1 March 2019, the Company and Daxin County People's Government entered into the Cooperation Agreement in respect of the Detian Tourism Project, pursuant to which the Company will establish the Project Company as a vehicle to invest in the Detian Tourism Project and carry out operations in the Detian Waterfall Scenic Spot.

### **The principal terms of the Cooperation Agreement are as follows:**

#### **Date**

1 March 2019

#### **Parties**

- (1) the Company
- (2) Daxin County People's Government

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Daxin County People's Government is an Independent Third Party.

## **Subject Matter**

Pursuant to the Cooperation Agreement, the Company will establish the Project Company as a vehicle to invest in the Detian Tourism Project and carry out operations in the Detian Waterfall Scenic Spot, in particular:

- (1) the Project Company will have the exclusive right of operations of the Detian Waterfall Scenic Spot for the term of the right of operations stipulated in the Cooperation Agreement; and
- (2) The Project Company will invest in Daxin County in accordance with the total investment amount, progress and projects as set out in the terms of the Cooperation Agreement.

## **Total Planned Investment**

The total planned investment amount which will be made by the Company and the Project Company in Daxin County is approximately RMB1.45 billion, which has been determined based on the needs of the Detian Tourism Project after negotiation between the parties on arm's length basis. The Project Company will carry out construction, renovation and improvement works in the core area of the Detian Waterfall Scenic Spot, Detian town hotel and a tourism real estate project, etc. The overall implementation period of the total planned investment is expected to be seven years from the date of the Cooperation Agreement becoming effective.

## **The Exclusive Operating Rights**

Pursuant to the Cooperation Agreement, the Company shall endeavour to establish the Project Company within one month from the effective date of the Cooperation Agreement. Upon the establishment of the Project Company, the Project Company will bid for the exclusive right of operations of the Detian Waterfall Scenic Spot through statutory open bidding procedures. After the successful bid by the Project Company, Daxin County People's Government will grant the exclusive right of operations of the Detian Waterfall Scenic Spot to the Project Company by legal procedures. Upon the acquisition of the exclusive right of operations, Daxin County People's Government shall not approve, consent to or execute any arrangement that may be in contravention with the Cooperation Agreement, it shall also not sign any documents or agreements that may affect the exclusive right of operations, except as agreed by both of the parties in writing.

The term of the exclusive right of operations is from the date on which the Project Company acquires the exclusive right of operations to 31 December 2048. The Company, Daxin County People's Government, the Project Company or the competent authority(ies) (if involved) will undergo friendly negotiations in relation to the renewal of the term of the exclusive rights of operations three months before its expiration. With the same conditions offered to Daxin County People's Government, the Project Company or subsidiaries of the Company enjoys a first right of renewal of the exclusive rights of operation.

## **Registered Capital and Shareholding Structure of the Project Company**

The registered capital of the Project Company is RMB1 billion and will be contributed in cash. The Group shall hold 51% or more of the equity interest in the Project Company. The remaining equity interest in the Project Company shall be held by the Group's partners (with the written consent of Daxin County People's Government) who have the advantage of resources such as capital.

The time limit for the contribution of the registered capital shall be subject to the terms of the Project Company's articles of association. The registered capital will be contributed according to the following schedule: (1) the registered capital of not less than RMB500 million will be contributed within one year from the date of establishment of the Project Company, and (2) the registered capital of not less than RMB300 million will be contributed in the year when the Project Company will acquire not less than 50% of the construction land (about 300 Mu) for the Detian town project through public bidding.

## **INFORMATION ON THE PARTIES RELATED TO THE COOPERATION AGREEMENT**

### **The Company**

The Company is a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange.

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

### **Daxin County People's Government**

The People's Government of Daxin County, Chongzuo, Guangxi Zhuang Autonomous Region of the PRC.

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

The Company will adhere to the strategic position of being an investor, developer and operator of top-tier travel destinations, so as to achieve the strategic goal of "creating a new travel destination and leading a new lifestyle for mass tourism". The Company considers that the tourism resources in Daxin County are abundant with tremendous development potentials and participating in Detian Tourism Project, being a transaction contemplated under the Cooperation Agreement, is in line with its strategic direction and will help to strengthen its cultural scenic spot businesses, increase its market influence and bring in revenue contribution, which are important to the long-term development of the Company.

The Board considers 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 Shareholders as a whole.

## LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the transactions as contemplated under the Cooperation Agreement exceed 5% but are less than 25%, the entering into of the Cooperation Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement 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:

“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 Main Board of the Stock Exchange (Stock Code: 308)
“Cooperation Agreement”	the cooperation agreement dated 1 March 2019 entered into by the Company and Daxin County People’s Government in respect of the Detian Tourism Project
“Daxin County”	Daxin County, Chongzuo, Guangxi Zhuang Autonomous Region of the PRC
“Daxin County People’s Government”	the People’s Government of Daxin County, Chongzuo, Guangxi
“Detian Tourism Project”	the establishment of the Project Company for the purposes of operations of the Detian Waterfall Scenic Spot and investments in the Daxin County in accordance with the Cooperation Agreement
“Detian Waterfall Scenic Spot”	Detian Transnational Waterfall Scenic Spot situated in Daxin County and on the Chinese side of the Guichun Boundary River of China and Vietnam, a national 5A Scenic Spot in the PRC
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	party who is 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, for the purpose of this announcement, exclusively refer to Mainland China
“Project Company”	the project company to be established by the Group under the Cooperation Agreement for the purpose of investment in the Detian Tourism Project and the operation of the Detian Waterfall Scenic Spot, the equity interest in which the Group will hold 51% or more
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	Shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percentage

By Order of the Board  
**China Travel International Investment Hong Kong Limited**  
**Fu Zhuoyang**  
*Chairman*

Hong Kong, 1 March 2019

*As at the date of this announcement, the Board comprises six executive Directors, namely Mr. Fu Zhuoyang, Mr. Lo Sui On, Mr. Jiang Hong, Mr. Chen Xianjun, Mr. You Cheng and Mr. Yang Hao; and five Independent Non-Executive Directors, namely Mr. Wong Man Kong Peter, Mr. Tse Cho Che Edward, Mr. Zhang Xiaoke, Mr. Huang Hui and Mr. Chen Johnny.*