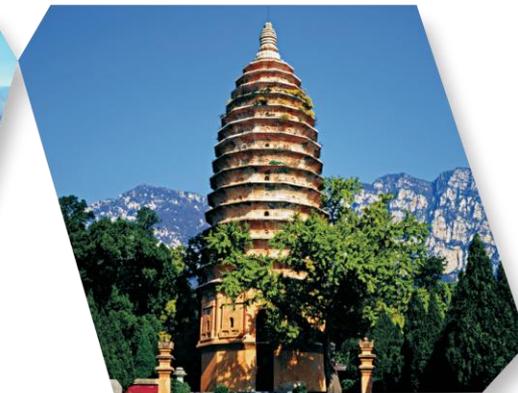




香港 **中旅** 國際投資有限公司
CHINA TRAVEL INTERNATIONAL INVESTMENT HONG KONG LIMITED

Stock code: 308

2018
Interim Results
Announcement
August 2018



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Business Review



All lines of business saw stable growth



Profit attributable to operations
+22%



Tourist attraction & related operations
Tourism real-estate began profit contribution



Profit from Travel agency, travel document & related operations
+35%



Profit from Hotel operations
+19%



Profit from Passenger transportation operations
+3%

Product innovation - Grand opening of CTS Anji Resort



Tourism Real estate

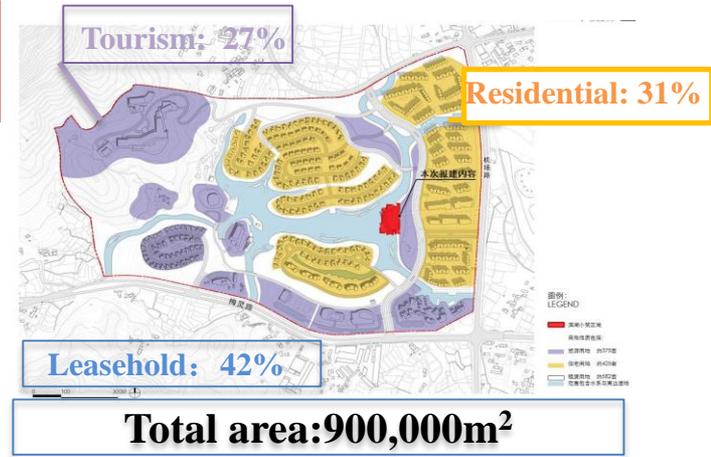
- Lingfeng local town
- 1st phase GFA 30k m²
- Nearly sold out

CTS Anji Leisure Resort

- Anji Club Med Joyview Resort
- Resort: opened on June 21

Supplementary amenities

- Equitation club
- Eco farm
- Tea garden
- SPA



- Initiated new way of collaboration with world-class resort brand to co-develop destination content

- Signature project of leisure destination in Yangtze River Delta, tapping on huge holiday demand in the region.

- Basing on Anji Resort, to further consolidate surrounding tourist resources, forming a regional destination

Continuous enrichment of experience-based products



Plentiful Summer Fun

Completion of outdoor SPA pool and Caribbean Water Park @Zhuhai OSR



Stage Modernization



Mt. Fuji 6D Theater



Track Cable Car



RV Camp Site



Thrilling Glass Bridge Upgrade

Upgraded with 3D AR special effect @Shapotou



Shaolin Glass Suspension Bridge



Gongfu Night Tour



Refine distinct attraction content with cultural events

Window to the World

Theme festivals: World Cultural Lunar New Year, Windmill Carnival, Russian Cultural Fest, Beer Fest.



Splendid China

- Lantern Food Fest
- Lunar New Year Celeb.
- Mongolian Culture
- 14th Culture Expo
- Water Fight Wave Party
in collaboration w/ Hip Hop Media Group



Zhuhai Ocean Spring Resort

Race Track Carnival



Shapotou

Silk Road Circus

First scene-experience based art show in China



Multiple sales channels riding on the trend



Cooperate with mass media to enhance brand power

- 《放開我北鼻》 entertainment show filmed @Songshan
- New Year Blessing Event @ Songshan reported by CCTV & other mass media



Source traffic through E-channels

Taobao, Wechat, OTA & official website



Partner with trendy media to stay vital

- Launched official accounts at Douyin (抖音)
- Organized Douyin Contest to attract Internet Celebrities and drive traffic



Offline marketing efforts

- Gongfu Contest & Gongfu Tour @Songshan
- “The Ningxia Attraction”(有个景区叫宁夏)brand promotion



Service upgrade to improve customer experience

Service hardware improvement

- Shapotou underground escalator, Splendid China sun shade & restroom renovation projects further enhanced customer's satisfaction



Smart tourist attractions



Mobile payment system



Tourist traffic monitor system



VR Tours



Online ticketing



Development Outlook





Songshan Gongfu Town Construction in Good Progress

- 1st phase development inclusive of visitor center, conference center, car park, and skywalk
- Construction preparation and land leveling ready, target to kick-off construction in August 2018 and estimated completion by end of 2019



Design work of Shapotou projects close to complete

- Transitioning from sight-seeing attraction to vacation destination, completed feasibility study of The Star Resort, with approx.100 rooms, providing tourists with unique accommodation experience and scenery.
- The development of Yellow River Wetland Project is in process





Zhuhai OSR Real-estate

Ever Grand JV project with 240k sq.m sold out, HKD 100mm in profits recognized in 1H, remaining profits will be booked by 2H.

- Remaining 700k sq.m of residential development will start this year
- 2mm sq.m of tourist development in planning



Development of Anji land reserves

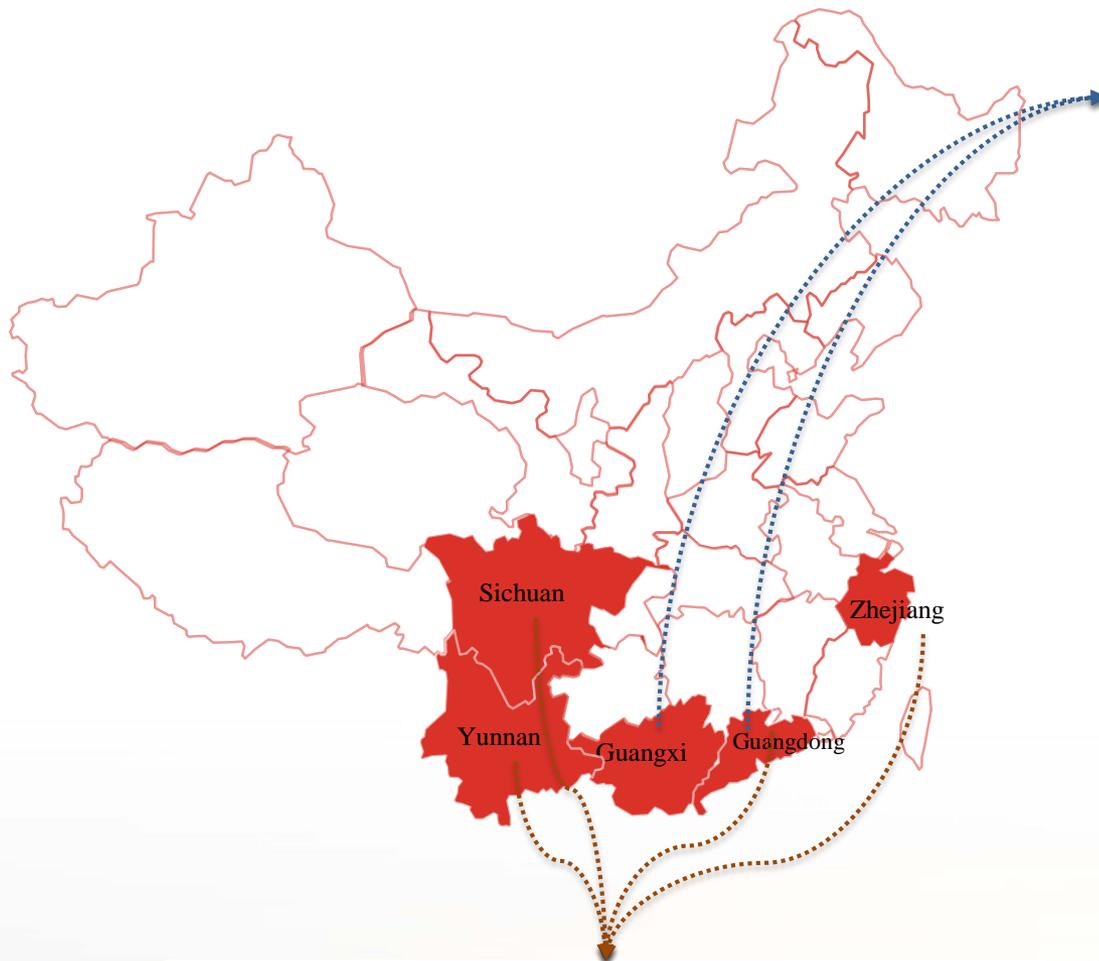
- Locked in land premium for II phase real-estate development, will acquire additional 100k sq.m land, totaled 150k sq.m in land reserves
- Product positioning of entire project will complete by this year



Hong-hum Warehouse Re-development

- Finalized land premium negotiation, change in land use from warehouse to hotel approved, significantly increased land value.

Stay focused on key new projects



Focused on key projects
Guangxi Detian Waterfall
Guangzhou Dragon Lake

Guangxi Detian Waterfall

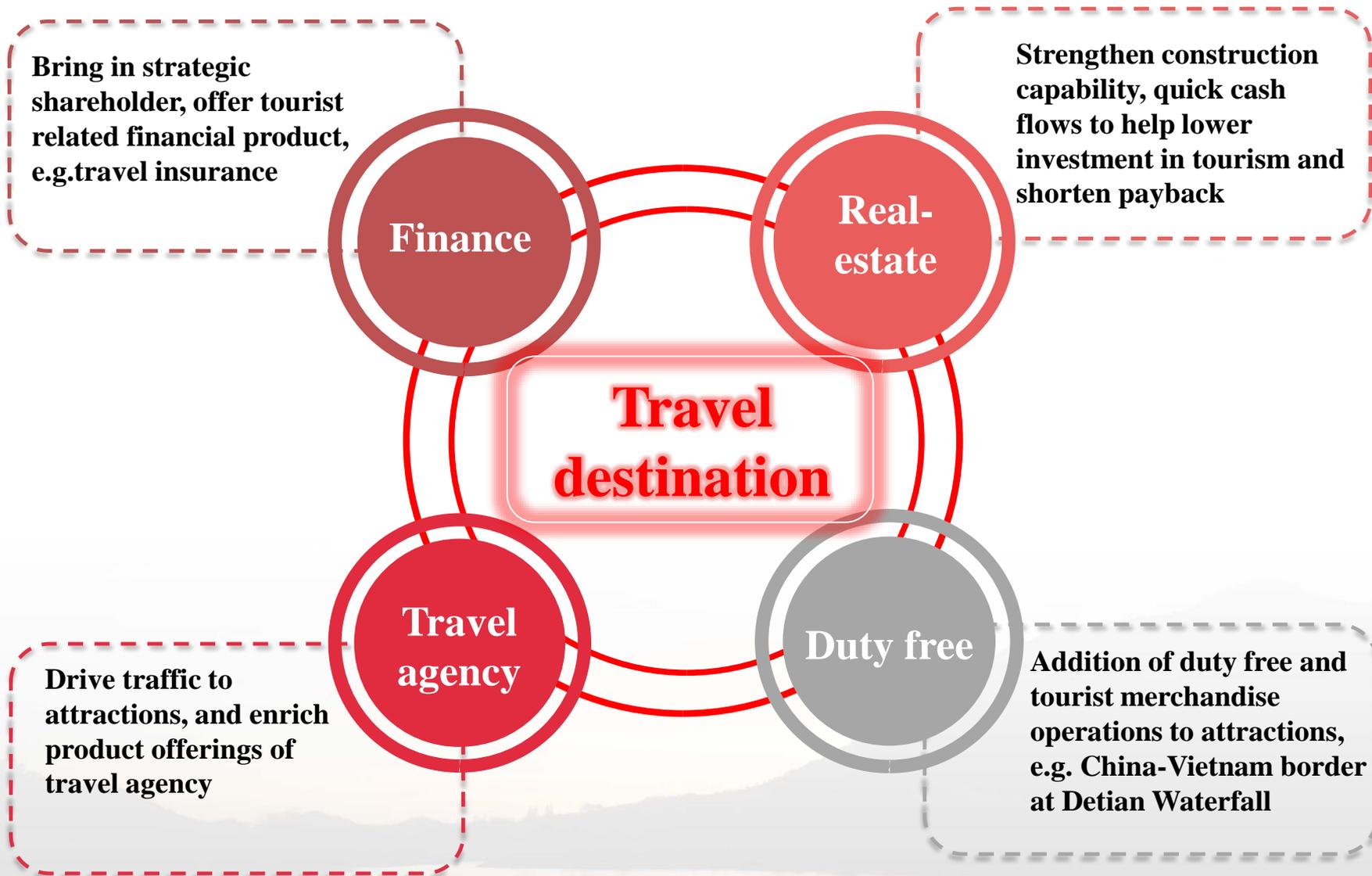


Guangzhou Dragon Lake



Actively promote multiple projects
Chengdu, Yunnan Tengchong & Dali,
Guangdong Shaoguan & Hangzhou Bay

Explore synergy within parent holding group





Financial Review



Key Indicators at a Glance



HKD (in millions)	1H 2018	1H 2017	%
Revenue	2,078	2,352	-12%
Profit attributable to shareholders	379	375	+1%
Profit attributable to operations	380	311	+22%
Basic earnings per share (HK cents)	6.96	6.88	+1%
Interim dividend per share (HK cents)	3.00	3.00	
Dividend payout ratio	43.10%	43.60%	

Healthy Balance Sheet

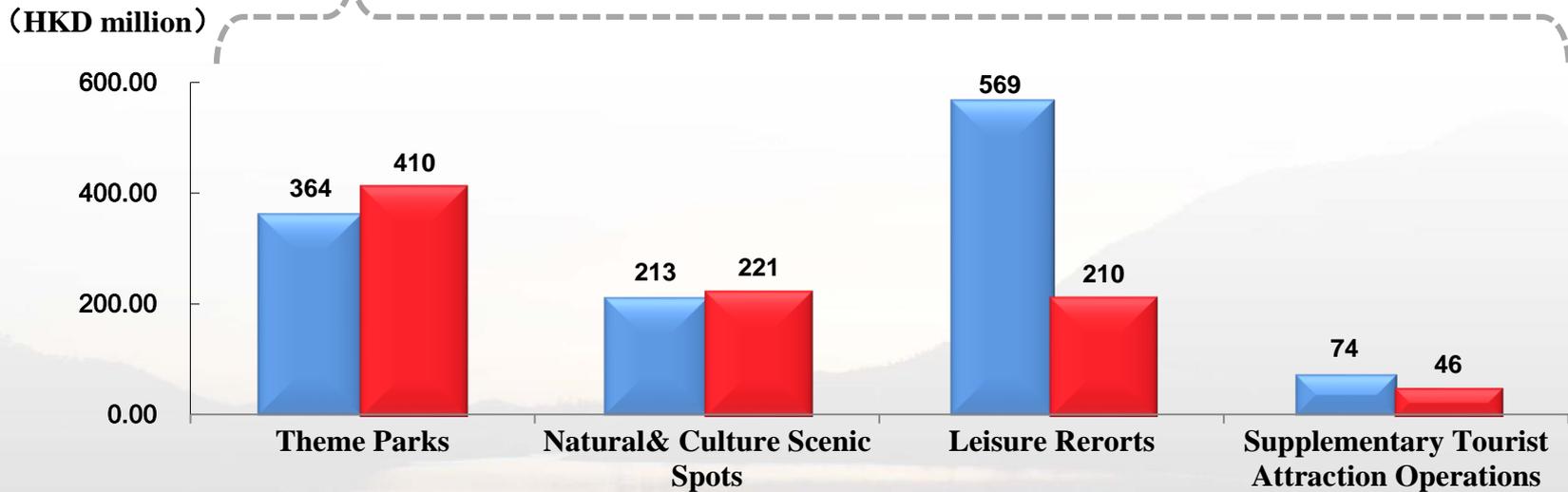
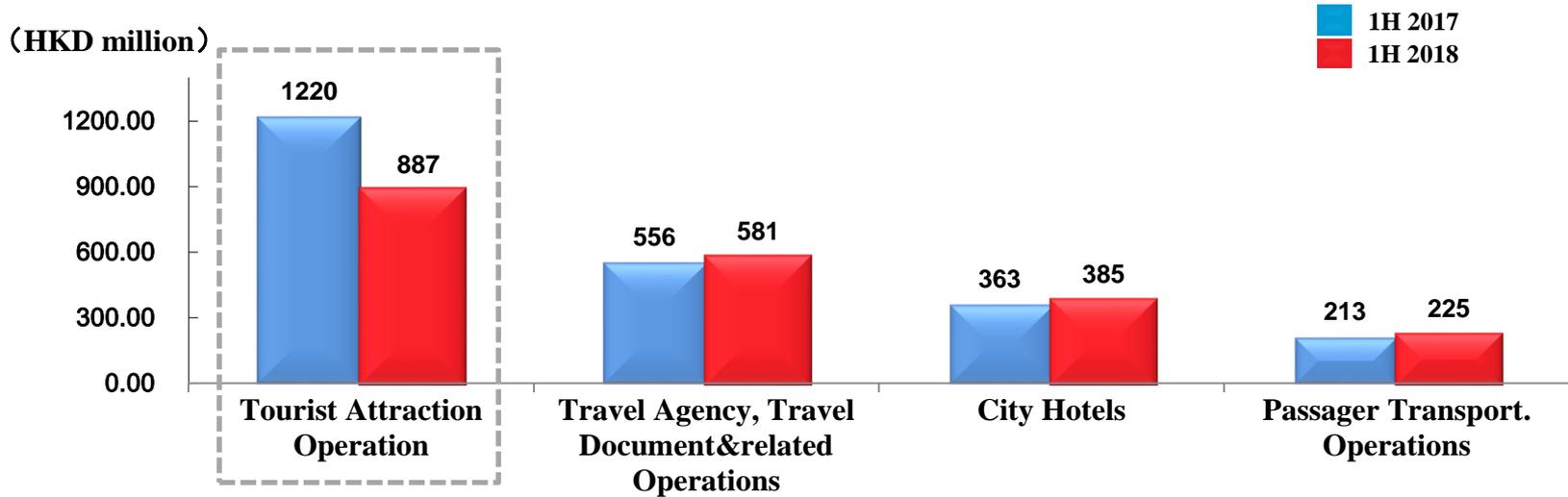


HKD (in billions)	2018.6.30	2017.12.31
Total assets	22.8	22.1
Equity attributable to shareholders	16.3	16.2
Net asset value per share* (HK\$)	2.98	2.98
Balance of funds*	5.34	5.15
Asset to Debt ratio	23.85%	21.42%

*Balance of funds: Cash and bank balances and wealth management products, etc.

Revenue Breakdown

Revenue

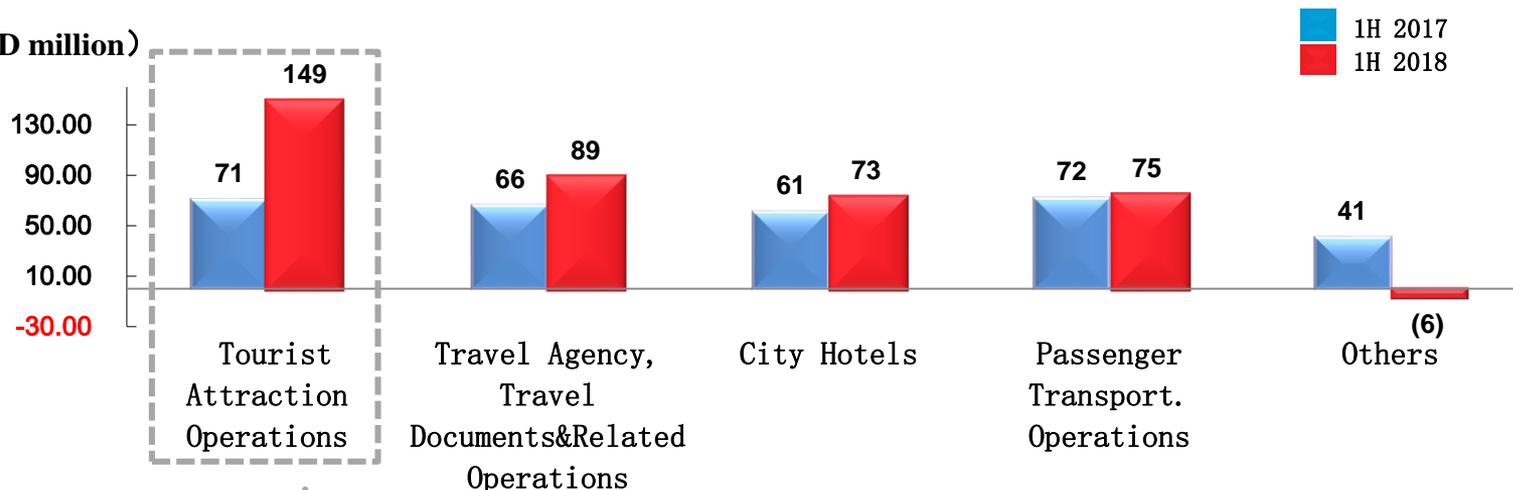


Operating Profit Breakdown

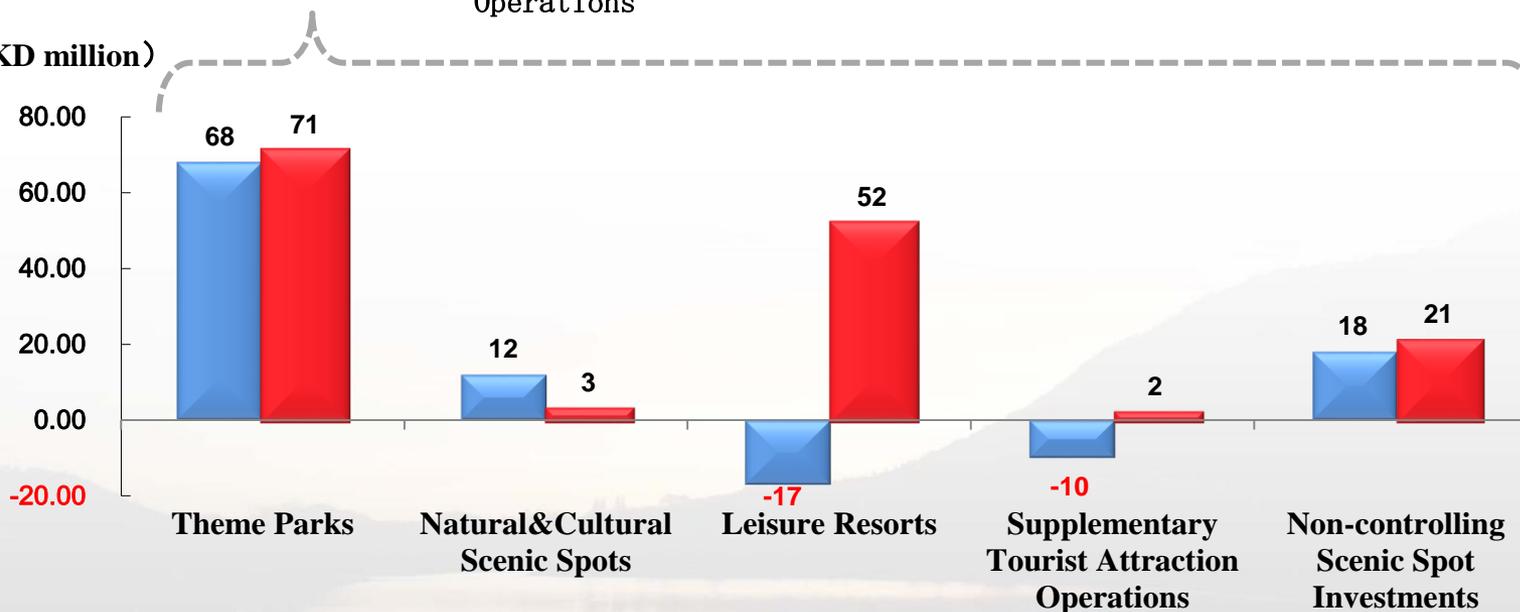


Attributable Operating Profit

(HKD million)



(HKD million)



1. Tourist Attraction Operations



Theme Parks

(HKD million)	1H 2017	1H 2018
Revenue	364	410
Attributable operating profit	68	71

★ Overall revenue and profit maintained steady growth, revenue up 13% and profit increased 5% YoY

Window of the world

- Visitations stayed flat
- Revenue increased 5%, and profit slightly increased 1% YoY

Splendid China

- Visitor traffic increased 13%, coupled with increase in management contract revenue, drove total revenue and profit growth by 32%, 27% respectively

Natural & Cultural Scenic Spots

(HKD million)	1H 2017	1H 2018
Revenue	213	221
Attributable operating profit	12	3

★ Segment revenue increased 4%, profits declined due to increase in depreciation & amortization derived from new add-on projects that are still in ramp-up

Songshan Scenic Spot

- Driven by Online + Offline promotions, visitations increased YoY, revenue grew by 13% with profit growth of 10%

Shapotou Scenic Spot

- ASP decreased as a result of upgrade and re-development projects within the attraction, together with additional depreciation & amortization expenses of the tourist center that was newly opened in mid 2017, overall revenue and profit dipped

1. Tourist Attraction Operations (cont.)



Leisure Resort Destinations – Real estate

(HKD million)	1H 2017	1H 2018
Revenue	414	17
Attributable operating profit	0.4	107

Leisure Resort Destinations – Leisure Resort

(HKD million)	1H 2017	1H 2018
Revenue	155	193
Attributable operating profit	-17	-55

Real Estate

- Revenue decline was attributable to the fact that majority of real estate units of Zhuhai internal housing project & Anji project has been sold last year
- Evergrande JV project (49%) started to see profit contribution, with over HKD 100 million booked in 1H, remaining profit will continue to be recognized in 2H
- Sales of Anji real-estate close to completion, 1H revenue amounted to 14 million RMB

Leisure Resort

- Zhuhai OSR loss widened, due to increase in energy and environmental protection expenses
- Xianyang OSR visitation increased 25%, revenue up 18%.
- Anji Resort soft opened in January and is still in ramp-up period, with HKD 25 million expenses of start-up and depreciation incurred in 1H

1. Tourist Attraction Operations (cont.)

Supplementary Tourist Attraction Operations

(HKD million)	1H 2017	1H 2018
Revenue	74	46
Attributable operating profit	-10	2

- Turned loss to profit. Mainly inclusive of asset light consultancy businesses: performing arts design, management contract and tourism planning

Non-controlling scenic spot investments

(HKD million)	1H 2017	1H 2018
Revenue	N/A	N/A
Attributable operating profit	18	21

- Profit increased by 21% YoY. Mainly inclusive of investments in Changsha Window of World, Huangshan Tainping& Yuping

2. Travel Agency, Travel Document

Travel Agency, Travel Document

- Total revenue increased 4%, profit 35%
- Benefited from document renewal volume reaching cyclical peak, both revenue and profit of Travel Document business increased
- IT business saw increase in profit from new development projects

3. Passenger Transportation Operations

Passenger Transportation Operations

- Revenue of bus business up 6% and profit up 11%, attributable to increase in business volume and rise in ticket prices for major routes such as Airport Express and Urban Lines.
- Shun-Tak China Travel Ferry (29%) share-profit dipped due to higher fuel prices

4. City Hotels



(HKD million)	1H 2017		1H 2018		%	
Revenue	363		385		6%	
Attributable operating profit	61		73		19%	
Key Indicator	Hotels in HK and Macau (HKD)			Beijing Metropark Hotel (RMB)		
	1H 2017	1H 2018	%	1H 2017	1H 2018	%
Average Occupancy rate	92%	91%	-1pct	57%	57%	-
Average Room rate	747	844	+13%	596	649	+9%

➤ **Overall hotel business performed well, with revenue up 6% & profit up 19% YoY**

Hotel in HK& Macau: In light of the steady growth of tourism in HK and Macau, room rate continued to improve, occupancy rate maintained at high level with slight increase

Beijing Metropark Hotel: Average room rate increased 9%

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