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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)

CONTINUING CONNECTED TRANSACTIONS — PROVISION OF ENTRUSTMENT LOANS

On 6 September 2013, Window of the World, a 51% owned subsidiary of the Company, ICBC and Overseas Chinese Town, which owns 49% equity interest in Window of the World, entered into the First Entrustment Loan Agreement for an initial term of one year commencing on 6 September 2013 and ending on 5 September 2014, extendable for up to two years beyond the initial term to 5 September 2016, pursuant to which ICBC has, at the request of and acting as an agent to Window of the World, agreed to provide an entrustment loan with a maximum amount of RMB150 million to Overseas Chinese Town.

On the same date, Splendid China, a 51% owned subsidiary of the Company, ICBC and Overseas Chinese Town, which owns 49% equity interest in Splendid China, entered into the Second Entrustment Loan Agreement for an initial term of one year commencing on 6 September 2013 and ending on 5 September 2014, extendable for up to two years beyond the initial term to 5 September 2016, pursuant to which ICBC has, at the request of and acting as an agent to Splendid China, agreed to provide an entrustment loan with a maximum amount of RMB150 million to Overseas Chinese Town.

Overseas Chinese Town is a substantial shareholder of each of Window of the World and Splendid China, and is therefore a connected person of the Company. The transactions contemplated under the Entrustment Loan Agreements constitute continuing connected transactions for the Company under the Listing Rules. Pursuant to Rule 14A.25 of the Listing Rules, the transactions contemplated under the Entrustment Loan Agreements will be aggregated and treated as if they were one transaction. As one or more of the applicable percentage ratios as defined under Rule 14A.10 of the Listing Rules in respect of the transactions contemplated under the Entrustment Loan Agreements on an aggregate basis is or are more than 1% but less than 5%, the entering into of the Entrustment Loan Agreements is only subject to the reporting, announcement and annual review requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

On 6 September 2013, Window of the World, a 51% owned subsidiary of the Company, ICBC and Overseas Chinese Town, which owns 49% equity interest in Window of the World, entered into the First Entrustment Loan Agreement for an initial term of one year commencing on 6 September 2013 and ending on 5 September 2014, extendable for up to two years beyond the initial term to 5 September 2016, pursuant to which ICBC has, at the request of and acting as an agent to Window of the World, agreed to provide an entrustment loan with a maximum amount of RMB150 million to Overseas Chinese Town. On the same date, Splendid China, a 51% owned subsidiary of the Company, ICBC and Overseas Chinese Town, which owns 49% equity interest in Splendid China, entered into the Second Entrustment Loan Agreement for an initial term of one year commencing on 6 September 2013 and ending on 5 September 2014, extendable for up to two years beyond the initial term to 5 September 2016, pursuant to which ICBC has, at the request of and acting as an agent to Splendid China, agreed to provide an entrustment loan with a maximum amount of RMB150 million to Overseas Chinese Town.

THE FIRST ENTRUSTMENT LOAN AGREEMENT

Date

6 September 2013

Parties

- (1) Window of the World, as the principal;
- (2) ICBC, as the agent; and
- (3) Overseas Chinese Town, as the borrower.

Major Terms of the First Entrustment Loan Agreement

Loan amount

ICBC has, at the request of and acting as an agent to Window of the World, agreed to provide an entrustment loan with a maximum amount of RMB150 million to Overseas Chinese Town. The entrustment loan is a revolving loan.

Interest rate

The interest payable by Overseas Chinese Town for the loan shall be at a 10% discount to the one year benchmark lending interest rate promulgated by the PBOC. If there are any changes in the one-year benchmark lending interest rate during the year, the loan interest will be adjusted to the revised one-year benchmark lending interest rate during the year discounted by 10% and become effective

from the date of change in the one-year benchmark lending interest rate. Interest will be charged and calculated from the date of drawdown, and will be payable quarterly by Overseas Chinese Town. In the event of any late repayment of the principal or interest, a daily default interest rate of 0.1% will be charged by ICBC, upon receipt of written instruction from Window of the World, on the principal and interest amount overdue.

Duration

The initial term of the First Entrustment Loan Agreement is one year commencing on 6 September 2013 and ending on 5 September 2014. If no objection is raised by Window of the World or Overseas Chinese Town one month before the end of the initial term, the term of loan will be extended automatically on a yearly basis after the expiry of the initial term but, in any case, shall not exceed 5 September 2016. During the extension period, Window of the World shall have the right at any time to terminate the First Entrustment Loan Agreement by serving written notice to Overseas Chinese Town. Overseas Chinese Town, upon receipt of the written notice, is required to repay the principal of the entrustment loan and any interest accrued thereon within one month to Window of the World, and the First Entrustment Loan Agreement will be terminated on the repayment date.

Purpose of the loan

The loan is provided to Overseas Chinese Town for the sole purpose as its general working capital. A daily default interest rate of 0.2% will be charged by ICBC, upon receipt of written instruction from Window of the World, on the principal and interest amount accrued if the loan is not applied for this specific purpose or used in contravention with any applicable laws and regulations.

Handling fee and account service fee

The handling fee charged by ICBC is 0.02% of the loan amount and shall be payable by Window of the World before the drawdown by Overseas Chinese Town. The account service fee charged by ICBC is RMB360 per account per annum in respect of bank accounts opened by Window of the World in association with the entrustment loan.

Other terms

If Window of the World is in need of funding, it can serve a prior notice of one month on Overseas Chinese Town and Overseas Chinese Town is required to repay the principal of the entrustment loan and any interest accrued thereon unconditionally to Window of the World.

If the market lending rates change significantly during the term of the First Entrustment Loan Agreement, Window of the World and Overseas Chinese Town could renegotiate the annual interest rate of the entrustment loan, and confirm by way of supplemental agreement.

THE SECOND ENTRUSTMENT LOAN AGREEMENT

Date

6 September 2013

Parties

- (1) Splendid China, as the principal;
- (2) ICBC, as the agent; and
- (3) Overseas Chinese Town, as the borrower.

Major Terms of the Second Entrustment Loan Agreement

Loan amount

ICBC has, at the request of and acting as an agent to Splendid China, agreed to provide an entrustment loan with a maximum amount of RMB150 million to Overseas Chinese Town. The entrustment loan is a revolving loan.

Interest rate

The interest payable by Overseas Chinese Town for the loan shall be at a 10% discount to the one year benchmark lending interest rate promulgated by the PBOC. If there are any changes in the one-year benchmark lending interest rate during the year, the loan interest will be adjusted to the revised one-year benchmark lending interest rate during the year discounted by 10% and become effective from the date of change in the one-year benchmark lending interest rate. Interest will be charged and calculated from the date of drawdown, and will be payable quarterly by Overseas Chinese Town. In the event of any late repayment of the principal or interest, a daily default interest rate of 0.1% will be charged by ICBC, upon receipt of written instruction from Splendid China, on the principal and interest amount overdue.

Duration

The initial term of the Second Entrustment Loan Agreement is one year commencing from 6 September 2013 and ending on 5 September 2014. If no objection is raised by Splendid China or Overseas Chinese Town one month before the end of the initial term, the term of the loan will be extended automatically on a yearly basis after the expiry of the initial term but, in any case, shall not exceed 5 September 2016. During the extension period, Splendid China shall have the right at any time to terminate the Second Entrustment Loan Agreement by serving written notice to Overseas Chinese Town. Overseas Chinese Town, upon receipt of the written notice, is required to repay the

principal of the entrustment loan and any interest accrued thereon within one month to Splendid China, and the Second Entrustment Loan Agreement will be terminated on the repayment date.

Purpose of the loan

The loan is provided to Overseas Chinese Town for the sole purpose as its general working capital. A daily default interest rate of 0.2% will be charged by ICBC, upon receipt of written instruction from Splendid China, on the principal and interest amount accrued if the loan is not applied for this specific purpose or used in contravention with any applicable laws and regulations.

Handling fee and account service fee

The handling fee charged by ICBC is 0.02% of the loan amount and shall be payable by Splendid China before the drawdown by Overseas Chinese Town. The account service fee charged by ICBC is RMB360 per account per annum in respect of bank accounts opened by Splendid China in association with the entrustment loan.

Other terms

If Splendid China is in need of funding, it can serve a prior notice of one month on Overseas Chinese Town and Overseas Chinese Town is required to repay the principal of the entrustment loan and any interest accrued thereon unconditionally to Splendid China.

If the market lending rates change significantly during the term of the Second Entrustment Loan Agreement, Splendid China and Overseas Chinese Town could renegotiate the annual interest rate of the entrustment loan, and confirm by way of supplemental agreement.

THE ANNUAL CAP

The annual cap for each year during the term of the Entrustment Loan Agreements is RMB323,000,000, which is determined based on the maximum principal plus the estimated maximum annual interests receivable of the entrustment loans.

CORPORATE GUARANTEE

On 6 September 2013, Huaqiaocheng provided an irrevocable joint liability corporate guarantee in favour of Window of the World to secure the repayment obligations of Overseas Chinese Town under the First Entrustment Loan Agreement. On the same date, Huaqiaocheng provided an irrevocable joint liability corporate guarantee in favour of Splendid China to secure the repayment obligations of Overseas Chinese Town under the Second Entrustment Loan Agreement. The provision of such corporate guarantees by Huaqiaocheng to Window of the World and Splendid China are exempt from reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.65(4) of the Listing Rules.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ENTRUSTMENT LOAN AGREEMENTS

The terms of the Entrustment Loan Agreements were determined by the parties after arm's length negotiations. Currently, the annual deposit rate for one-year fixed deposits is approximately 3.25% in the PRC. Through entering into the Entrustment Loan Agreements, Window of the World and Splendid China could enjoy an annual interest rate of approximately 5.4%, which is equal to the one-year benchmark lending interest rate promulgated by the PBOC discounted by 10%, assuming the entrustment loans are drawn down on 6 September 2013. Taking into account the flexibility that Window of the World and Splendid China can recall the loan at any time by giving only one month prior notice to Overseas Chinese Town, the Company believes that this arrangement will provide a better utilization of the surplus cash of Window of the World and Splendid China with acceptable level of risk, and the interest receivable thereto will, after deducting the relevant fees charged by ICBC, provide satisfactory economic returns for the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Entrustment Loan Agreements are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors (including the independent non-executive Directors) also consider that the annual cap of the Entrustment Loan Agreements is fair and reasonable.

LISTING RULES IMPLICATIONS

Overseas Chinese Town is a substantial shareholder of each of Window of the World and Splendid China, and is therefore a connected person of the Company. The transactions contemplated under the Entrustment Loan Agreements constitute continuing connected transactions for the Company under the Listing Rules. Pursuant to Rule 14A.25 of the Listing Rules, the transactions contemplated under the Entrustment Loan Agreements will be aggregated and treated as if they were one transaction. As one or more of the applicable percentage ratios as defined under Rule 14A.10 of the Listing Rules in respect of the transactions contemplated under the Entrustment Loan Agreements on an aggregate basis is or are more than 1% but less than 5%, the entering into of the Entrustment Loan Agreements is only subject to the reporting, announcement and annual review requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the Directors has a material interest in the Entrustment Loan Agreements and the transactions contemplated thereunder and accordingly, none of them was required to abstain from voting on the Board resolutions for considering and approving the same.

INFORMATION OF THE PARTIES

ICBC is a bank incorporated in the PRC and is principally engaged in banking, financial and other financial related services. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, ICBC and its ultimate beneficial owner(s) are third parties independent of the Company and are not connected persons of the Company.

The principal business activity of Window of the World and Splendid China is operation of theme parks in Shenzhen. The principal business activities of the Group include travel agency and related operations, tourist attractions, hotel, passenger transportation, golf clubs, arts performance and power generation operations.

Oversea Chinese Town is listed on the SZSE with a market capitalization of approximately RMB43.6 billion as of 5 September 2013 and is principally engaged in travel, real estate and paper packaging businesses. Huaqiaocheng, which owns approximately 56.63% equity interest in Overseas Chinese Town, is a central state-owned enterprise under the direct supervision of SASAC and is principally engaged in the export of textile and light industrial products; import of mechanical equipments and light industrial products; development of compensation trade; as well as investment in manufacturing industries, tourism, real estates, trading, finance and insurance businesses.

DEFINITIONS

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

“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 Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Entrustment Loan Agreements”	Collectively, the First Entrustment Loan Agreement and Second Entrustment Loan Agreement
“First Entrustment Loan Agreement”	the entrustment loan agreement dated 6 September 2013 entered into between Window of the World, ICBC and Overseas Chinese Town for an entrustment loan with a maximum amount of RMB150 million

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huaqiaocheng”	華僑城集團公司 (Huaqiaocheng Group Company), a state-owned enterprise of the PRC
“ICBC”	Industrial and Commercial Bank of China Ltd. Shenzhen Xinian Branch, a joint stock limited liability company incorporated in the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Chinese Town”	深圳華僑城股份有限公司 (Shenzhen Overseas Chinese Town Co., Ltd), a 56.63% owned subsidiary of Huaqiaocheng
“PBOC”	the People’s Bank of China, the central bank of the PRC
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, exclusively refers to Mainland China
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	The State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Second Entrustment Loan Agreement”	the entrustment loan agreement dated 6 September 2013 entered into between Splendid China, ICBC and Overseas Chinese Town for an entrustment loan with a maximum amount of RMB150 million
“Shareholder(s)”	shareholder(s) of the Company
“Splendid China”	Shenzhen Splendid China Development Co., Ltd., a subsidiary of the Company owned as to 51% by the Company, and as to 49% by Overseas Chinese Town
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“SZSE”	The Shenzhen Stock Exchange

“Window of the World”

Shenzhen The World Miniature Co., Ltd., a subsidiary of the Company owned as to 51% by the Company, and as to 49% by Overseas Chinese Town

By Order of the Board

China Travel International Investment Hong Kong Limited

Wang Shuai Ting

Chairman

Hong Kong, 6 September 2013

As at the date of this announcement, the Board comprises six executive Directors, namely Mr. Wang Shuai Ting, Mr. Lo Sui On, Ms. Jiang Yan, 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.