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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 – PROVISION OF LOAN**

### **BACKGROUND**

Reference is made to the announcement of the Company dated 18 May 2018 in respect of the provision of the Previous Loan by the Company to CTS Financial Investment under the Extension Agreement. CTS Financial Investment has, pursuant to the terms of the Extension Agreement, submitted an application to the Company within 10 business days prior to the end of the term of the Extension Agreement for entering into a new agreement with the Company (the “**Application**”) and, on 17 May 2019, being the end of the term of the Extension Agreement, repaid the principal and accrued interests of the Previous Loan to the Company.

The Board announces that, upon receipt of the Application, the Company, as lender, entered into the Loan Agreement with CTS Financial Investment, as borrower, on 17 May 2019 for a term of one year commencing from 17 May 2019 and ending on 16 May 2020, pursuant to which the Company has agreed to provide a loan of US\$20,000,000 to CTS Financial Investment.

### **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 transactions contemplated under the Loan Agreement constitute connected transactions 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 Loan Agreement is more than 0.1% but less than 5% and the transactions under the Loan Agreement have an annual consideration of more than HK\$3,000,000, the Loan Agreement and the transactions contemplated thereunder are only subject to the reporting and announcement requirements but is exempt from the circular (including financial advice) and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

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## **THE LOAN AGREEMENT**

### **Date**

17 May 2019

### **Parties**

- (a) the Company, as lender; and
- (b) CTS Financial Investment, as borrower

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

#### **Term**

The Loan Agreement shall become effective from 17 May 2019 to 16 May 2020.

#### **Loan Principal**

US\$20,000,000, which has been provided to CTS Financial Investment on 17 May 2019, 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 Loan Agreement and re-fixed on the date falling 6 months from the date of the Loan Agreement. Interest will be charged and calculated from the date of the Loan Agreement, and will be paid half-yearly by CTS Financial Investment.

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

## **Purpose of the Loan**

The Loan is provided to CTS Financial Investment for the purpose of general working capital.

## **Repayment terms**

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

Within 10 business days prior to the end of the term of the Loan Agreement, CTS Financial Investment may 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 amount of the Loan and interests accrued shall be repaid at the end of the term of the Loan Agreement.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN 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 Loan 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 Loan Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr. Fu Zhuoyang is a director of CTS (Holdings), therefore he is regarded as having material interest in the transaction and has thereby abstained from voting on the Board resolutions approving the transactions contemplated under the Loan Agreement. Mr. Chen Xianjun and Mr. Yang Hao hold senior management positions at CTS (Holdings) or its subsidiaries and have therefore voluntarily abstained from voting on the Board resolution approving the transactions contemplated under the Loan Agreement. Save as disclosed above, none of the Directors have a material interest in the transactions under the Loan Agreement and were required to abstain from voting on the Board resolutions for considering and approving the same.

## **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 transactions contemplated under the Loan Agreement constitute connected transaction of 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 Loan Agreement is more than 0.1% but less than 5% and the transactions under the Loan Agreement have an annual consideration of more than HK\$3,000,000, the Loan Agreement and the transactions contemplated thereunder are only subject to the reporting and announcement requirements but is exempt from the circular (including financial advice) and the independent shareholders' approval requirements 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 spots, and leisure resorts), travel agency, travel documents and related operations, 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 60.05% of the issued share capital of the Company and a substantial shareholder 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 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 Original Loan Agreement for one year
“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”	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
“Loan Agreement”	the loan agreement dated 17 May 2019 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 Finance Investment
“Previous 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
“Original Loan Agreement”	the loan agreement dated 19 May 2017 entered into between the Company and CTS Financial Investment, 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**  
**Fu Zhuoyang**  
*Chairman*

Hong Kong, 17 May 2019

*As at the date of this announcement, the Board comprises seven executive Directors, namely Mr. Fu Zhuoyang, Mr. Lo Sui On, Mr. Jiang Hong, Mr. Chen Xianjun, Mr. You Cheng, Mr. Yang Hao and Mr. Wu Qiang and four independent non-executive Directors, namely Mr. Tse Cho Che Edward, Mr. Zhang Xiaoke, Mr. Huang Hui and Mr. Chen Johnny.*