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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)

BUSINESS UPDATE

COLLABORATIVE DEVELOPMENT OF AMBARA ISLAND IN THE MALDIVES

This business update announcement is made by the Group for keeping the Shareholders and potential investors informed of the latest business development of the Group.

The Board is pleased to announce that on 12 October 2021, the Company entered into the Sale and Purchase Agreement with Ceylon Hotels pursuant to which the Company has agreed to acquire from Ceylon Hotels its 50% shareholding interest in Handhuvaru Company (the remaining 50% equity interest in Handhuvaru Company is held by Zhen Hua Engineering), which holds a leasehold interest in Ambara Island in the Maldives, at a consideration of US\$4,493,663. The conditions precedent of the Acquisition include, amongst others, the approval by the government of the Maldives of the environmental impact assessment report for the development of Ambara Island. Upon completion of the Acquisition, the Company and Zhen Hua Engineering will reach an agreement to jointly cooperate on developing a mid-to-high end resort of approximately 100 rooms on Ambara Island.

Maldives is a world-renowned tourist destination that, prior to the COVID-19 pandemic, continued to benefit from the growing demand and rising tourism spending of Asian tourists, especially tourists from China. The Company has observed a recovering trend in the number of tourists recently, and it is expected that the tourism sector will resume healthy growth following the gradual containment of the pandemic. With its strategic positioning as a “first-class tourist destination investment and operation service provider”, the Company has been actively seeking investment opportunities in the Maldives to achieve higher returns and long-term growth. Ambara Island is located in Vaavu Atoll, approximately 90 kilometres from Malé International Airport, with relatively convenient transportation, rich tourism resources and high development potential. Therefore, the Company considers that the Acquisition would complement the business development of the Company strongly at a strategic level.

Zhen Hua Engineering is a wholly-owned subsidiary of China Harbour, which is principally engaged in the construction of transport infrastructure in over 100 countries and regions around the world. China Harbour possesses experience in large-scale development projects in the Maldives, including the successful construction of two resorts. The cooperation between the Company and Zhen Hua Engineering will complement each other's strengths and contribute to the development and operation of the Ambara Island project, creating win-win situations for both parties. The Directors consider that the terms of the Sale and Purchase Agreement are fair and reasonable and the Acquisition is in the interests of the Group and the Shareholders as a whole.

To the best of the Directors' knowledge and having made all reasonable enquiries, as at the date of this announcement, Ceylon Hotels, Zhen Hua Engineering and Handhuvaru Company and each of their ultimate beneficial owners are Independent Third Parties. The entering into of the Sale and Purchase Agreement by the Company does not constitute a notifiable transaction and/or a connected transaction under Chapter 14 or 14A of the Listing Rules. The announcement is made on a voluntary basis.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

“Acquisition”	the acquisition by the Company of a 50% shareholding in Handhuvaru Company from Ceylon Hotels pursuant to the Sale and Purchase Agreement
“Board”	the board of Directors
“China Harbour”	China Harbour Engineering Company Limited* (中國港灣工程有限責任公司), a company established in the PRC in 1980 with limited liability
“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 of Hong Kong Limited (stock code: 308)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Ceylon Hotels”	Ceylon Hotels Maldives (Pvt) Ltd., a company incorporated in Sri Lanka with limited liability, a subsidiary of Ceylon Hotels Corporation Plc which is listed in Sri Lanka, and a member of the Galle Face Hotel Group which is principally engaged in the hotel, real estate and investment business

“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Handhuvaru Company”	Handhuvaru Ocean Holidays Private Limited, a company incorporated in the Maldives with limited liability and as at the date of this announcement, its shareholding interests are owned as to 50% by Zhen Hua Engineering and 50% by Ceylon Hotels
“Hong Kong”	Hong Kong Special Administrative Region of China
“Independent Third Parties”	parties independent of, and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Maldives”	the Republic of Maldives
“PRC”	the People’s Republic of China, for the purpose of this announcement, exclusively refers to Mainland China
“Sale and Purchase Agreement”	the conditional sale and purchase agreement entered into between the Company and Ceylon Hotels dated 12 October 2021 in relation to the Acquisition
“Shareholders”	holders of the shares of the Company
“Zhen Hua Engineering”	Zhen Hua Engineering Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of China Harbour

By Order of the Board
China Travel International Investment Hong Kong Limited
Jiang Hong
Chairman

Hong Kong, 15 October 2021

As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Jiang Hong, Mr. Lo Sui On, Mr. Wu Qiang, Mr. Fan Dongsheng and Mr. Tang Yong; one non-executive Director, namely Mr. Tsang Wai Hung; and five independent non-executive Directors, namely Mr. Tse Cho Che Edward, Mr. Zhang Xiaoke, Mr. Huang Hui, Mr. Chen Johnny and Mr. Song Dawei.

* for identification purpose only