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KING POWER CAPITAL LTD.

(incorporated in the British Virgin Islands with limited liability)

US\$300,000,000 3.875 per cent. Guaranteed Notes due 2019 (Stock Code: 5822)

US\$700,000,000 5.625 per cent. Guaranteed Notes due 2024 (Stock Code: 5823)

unconditionally and irrevocably guaranteed by

CHINA TRAVEL SERVICE (HOLDINGS) HONG KONG LIMITED

(香港中旅(集團)有限公司)

(incorporated in Hong Kong with limited liability)

VOLUNTARY ANNOUNCEMENT

Please refer to the attached announcement which was published by China National Travel Service Group Corporation, who beneficially holds 100% of China Travel Service (Holdings) Hong Kong Limited, on the websites of National Association of Financial Market Institutional Investors, Shanghai Clearing House and China Foreign Exchange Trade System & National Interbank Funding Center on 25 May 2017. An English translation of the announcement is provided for your reference and the Chinese version of the announcement shall prevail should there be any discrepancy between the Chinese announcement and the English translation.

By Order of the Board

China Travel Service (Holdings) Hong Kong Limited

Zhang Xuewu

Chairman

Hong Kong, 25 May 2017

As at the date of this announcement, the directors of King Power Capital Ltd. are Zhang Fengchun, Zheng Jiang, Chen Hao and Hui Yuen Ching and the directors of China Travel Service (Holdings) Hong Kong Limited are Zhang Xuewu, Jiang Yan, Wang Ling, Li Wenxin, Zhang Xiaotie, Kao Ruey-Bin and Gu Yueren.

发行人名称：中国旅游集团公司
债券代码：1182007
债券代码：1282174
债券代码：101473004
债券代码：101473010

债券简称：11 港中旅 MTN1
债券简称：12 港中旅 MTN1
债券简称：14 港中旅 MTN001
债券简称：14 港中旅 MTN002

关于中国旅游集团公司无偿划转资产的公告

中国旅游集团公司（以下简称“本公司”）通过下属全资企业合计共持有港中旅华贸国际物流股份有限公司（以下简称“华贸物流”，603128.SH）51.09%的股份，本公司为华贸物流的间接控股股东。

本公司及本公司有关全资子公司（划出方）与国务院国有资产监督管理委员会出资监管的中国诚通控股集团有限公司（以下简称“中国诚通”）及其有关全资子公司、中国国新控股有限责任公司（以下简称“中国国新”）及其有关全资子公司（划入方）于2017年5月24日签署了股权无偿划转协议，协议约定划出方将合计持有的510,451,432股华贸物流股份（占总股本51.09%）无偿划转至划入方。

上述无偿划转协议是本公司在取得董事会原则同意后与中国诚通及其全资子公司、中国国新及其全资子公司签署的。本次划转（上述股权无偿划转协议统称为“本次划转”）完成后，本公司将不再持有华贸物流股份。

本次划转尚需经国务院国有资产监督管理委员会、中国证券监督管理委员会批准后正式生效。无偿划转协议生效并满足实施股份划转的全部条件后，将由划转各方按约定共同办理股份过户手续。本次划转的实施尚需满足相关条件，因此存在一定的不确定性。

截至2016年末，华贸物流经审计净资产为35.85亿元，本公司经审计净资产为461.01亿元，前者数额占后者数额比例为7.78%。本次划转不会对本公司生产经营、财务状况及偿债能力产生不利影响。

本公司承诺所披露信息的真实、准确、完整、及时，并将按照银行间债券市场相关自律规则的规定，履行相关后续信息披露义务。

特此公告。

（以下无正文）

(本页无正文，为《关于中国旅游集团公司无偿划转资产的公告》之盖章页)



Name of Issuer: China National Travel Service Group Corporation

Bond code: 1182007

Abbreviation: 11 China Travel HK MTN1

Bond code: 1282174

Abbreviation: 12 China Travel HK MTN1

Bond code: 101473004

Abbreviation: 14 China Travel HK MTN001

Bond code: 101473010

Abbreviation: 14 China Travel HK MTN002

China National Travel Service Group Corporation

Announcement on Gratuitous Asset Transfer

China National Travel Service Group Corporation (中國旅遊集團公司) (hereinafter referred to as the “**Company**”) holds aggregately 51.09% shares in CTS International Logistics Corporation Limited (港中旅華貿國際物流股份有限公司) (hereinafter referred to as the “**CTS International Logistics**”, 603128.SH) through its wholly-owned subsidiary. The Company is the indirect controlling shareholder of CTS International Logistics.

On 24 May 2017, the Company and its relevant wholly-owned subsidiary (hereinafter referred to as “**Transferor**”) executed a Gratuitous Equity Transfer Agreement with China Chengtong Holdings Group Ltd (中國誠通控股集團有限公司) (hereinafter referred to as “**China Chengtong**”) and its relevant wholly-owned subsidiary, and China Reform Holdings Corporation Ltd. (中國國新控股有限責任公司) (hereinafter referred to as “**China Reform**”) and its relevant wholly-owned subsidiary, each funded and supervised by State-owned Assets Supervision and Administration Commission of the State Council (hereinafter referred to as “**Transferees**”), under which the Transferor would transfer gratuitously 510,451,432 shares held by it in CTS International Logistics (representing 51.09% of the share capital) in aggregate to the Transferees.

The execution of the Gratuitous Transfer Agreement by the Company with China Chengtong and its wholly-owned subsidiary and China Reform and its wholly-owned subsidiary was approved by the board of the Company. Upon completion of the transfer (together with the above Gratuitous Transfer Agreement, hereinafter referred to as “**Transfer**”), the Company will no longer hold any shares in CTS International Logistics.

The Transfer will not be effective formally until it is approved by State-owned Assets Supervision and Administration Commission of the State Council and China Securities Regulatory Commission.

After the effectiveness of the Gratuitous Transfer Agreement and satisfaction of all condition precedents for the Transfer, the parties involved in the Transfer will jointly go through procedures for the transfer of the shares as agreed by themselves. There are some uncertainties as the Transfer is subject to satisfaction of relevant conditions.

As at 31 December 2016, the audited net assets of CTS International Logistics were RMB 3.585 billion and the audited net assets of the Company were RMB 46.101 billion, in which the former amount accounts for 7.78% of the latter amount. The Transfer shall not have any adverse impact on the operations, financial conditions and solvency of the Company.

We undertake that all information disclosed is true, accurate, complete and current, and will perform our relevant subsequent information disclosure obligations in accordance with the provisions of relevant self-discipline rules among banks in debt market.

(No text below)

(No text on this page. This is the signing page of Announcement on Gratuitous Asset Transfer of China National Travel Service Group Corporation)

China National Travel Service Group Corporation (seal affixed)



25 May 2017