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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)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of the Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board of directors (the “**Board**”) of China Travel International Investment Hong Kong Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that the Company has resolved to grant share options (the “**Options**”) to certain directors and employees of the Group (the “**Grantees**”) to subscribe for, in aggregate, up to 61,404,000 ordinary shares (the “**Share(s)**”) of the Company, subject to acceptance of the Grantees, under the share option scheme adopted by the Company on 20 January 2023 (the “**Share Option Scheme**”). The offers for the grant of Options will remain open for acceptance by the Grantees for a period of 28 days from the date of offer and the Options will be deemed to have been granted when the offers are accepted. A summary of such grant is set out below:

Date of grant	:	27 January 2023
Exercise price of the Options granted	:	HK\$1.72 per Share, representing the higher of: (i) the closing price of HK\$1.72 per Share stated in the Stock Exchange’s daily quotations sheet on the date of grant; and (ii) the average closing price of HK\$1.696 per Share as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant.
Number of Options granted	:	61,404,000 Options
Closing price of the Shares on the date of grant	:	HK\$1.72 per Share

- Vesting/Exercise Period of the Options : The Options granted shall be exercisable during the relevant periods set out below subject to a vesting scale in three tranches:
- (i) The first 33% of the Options shall be exercisable from 27 January 2025 to 26 January 2030 (the “**First Vesting Period**”);
 - (ii) The second 33% of the Options shall be exercisable from 27 January 2026 to 26 January 2031 (the “**Second Vesting Period**”); and
 - (iii) The remaining 34% of the Options shall be exercisable from 27 January 2027 to 26 January 2032 (the “**Third Vesting Period**”).

None of the Grants were made with a vesting period shorter than 12 months as set out in Rule 17.03F of the Listing Rules.

- Performance Targets : Performance targets to be fulfilled before vesting of Options:

First Vesting Period:

- Return on invested capital shall be no less than 1.0% in 2023 and no less than the 75th percentile of benchmarked companies;
- Based on the net profit* of 2021, the compound growth rate of net profit of 2023 shall be no less than 5.0% and no less than the 75th percentile of the benchmark companies; and
- In 2023, the Group’s economic value added (“**EVA**”) assessment target shall be achieved and the increase rate of the economic value added (“**ΔEVA**”) shall be greater than 0.

Second Vesting Period:

- Return on invested capital shall be no less than 1.5% in 2024 and no less than the 75th percentile of benchmarked companies;
- Based on the net profit of 2021, the compound growth rate of net profit of 2024 shall be no less than 5.0% and no less than the 75th percentile of the benchmark companies; and

- In 2024, the Group’s EVA assessment target shall be achieved and Δ EVA shall be greater than 0.

Third Vesting Period:

- Return on invested capital shall be no less than 2.0% in 2025 and no less than the 75th percentile of benchmarked companies;
- Based on the net profit of 2021, the compound growth rate of net profit of 2025 shall be no less than 5.0% and no less than the 75th percentile of the benchmark companies; and
- In 2025, the Group’s EVA assessment target shall be achieved and Δ EVA shall be greater than 0.

** the “net profit” mentioned above refers to the profit attributable to shareholders of the Company.*

The above performance targets in respect of the financial results of the Group are determined for the purpose of the vesting of the Options only, and shall not be taken as a forecast or estimate of the financial results of the Group.

Vesting arrangement in relation to the appraisal of the Grantees : The proportion of Options to be vested in the Grantees on each vesting date will be subject to the performance appraisal results of the Grantees for the immediately preceding year, details of which are set out below:

Results of Personal Appraisal	% of Options granted to the Grantee to be vested on a vesting date
Excellent and Good	100%
Competent	90%
Basically Competent	60%
Incompetent	0%

The personal appraisal takes into account indicators including but not limited to qualitative and quantitative performance indicators, qualifications, education background, contribution, experience and loyalty.

- Clawback Mechanism : Under any of the following circumstances, granting of new Option to the Grantees shall be terminated, his/her right to exercise the outstanding Options shall be cancelled and any equity remuneration received in connected with the Options granted shall be recovered:
- (I) the economic responsibility audit results show that he/she has not effectively performed his/her duties or there is a serious breach of duty or malfeasance acts;
 - (II) violation of relevant laws and regulations and Articles of Association of the Company;
 - (III) during the term of employment of Grantees, he/she has been involved in bribery, corruption, theft, disclosure of commercial and technical secrets of the Company, carrying out connected transactions which impair the interest and reputation of the Company, and illegal acts which have material adverse effect to the image of the Company, leading to the losses of the Company;
 - (IV) non-performance or improper performance of duties of Grantees causing relatively material asset loss to the Company;
 - (V) where Grantees transfer the granted Options, use them for guarantee or repayment of debts, from the date of actual occurrence of the aforesaid act or the date of signing the relevant written document, whichever is the earlier; or
 - (VI) any other material breach of the Company's regulations as determined by the Board.
- Financial assistance : There is no arrangement for the Group to provide any financial assistance to the Grantees to facilitate the purchase of shares under the Share Option Scheme.

Among the Options granted above, 4,996,000 Options were granted to three directors of the Company (the “**Directors**”) as follows:

Name of Director	Position	Number of Options granted	Approximate percentage out of the total number of Shares in issue as at the date of this announcement
Wu Qiang	Chairman and executive Director	2,088,000	0.04%
Feng Gang	General manager and executive Director	1,640,000	0.03%
Li Pengyu	Executive Director	1,268,000	0.02%
Total		<u>4,996,000</u>	<u>0.09%</u>

The grant of the Options to the three Directors above has been approved by all independent non-executive Directors pursuant to Rule 17.04(1) of the Listing Rules.

The remaining 56,408,000 Options (representing approximately 1.02% of the total number of Shares in issue as at the date of this announcement) were granted to employees of the Group.

Save as disclosed in this announcement, none of the Grantees is a Director, chief executive or substantial shareholder of the Company, nor an associate (as defined under the Listing Rules) of any of them.

After grant of the Options, the number of Shares available for future grant under the scheme mandate limit of the Share Option Scheme is 492,259,370.

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

Hong Kong, 27 January 2023

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Wu Qiang, Mr. Feng Gang and Li Pengyu; three non-executive Directors, namely Mr. Tsang Wai Hung, Mr. Tao Xiaobin and Mr. Fan Zhishi; 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.