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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)

**1. DISTRIBUTION IN SPECIE OF THE TOURISM REAL ESTATE BUSINESS OF THE GROUP TO THE SHAREHOLDERS OF THE COMPANY;
2. POSSIBLE DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION OF THE COMPANY;
AND
3. PROPOSED CAPITAL REDUCTION**

DISTRIBUTION IN SPECIE AND THE PROPOSED DISTRIBUTION

The Board conducts strategic reviews of the Group's business from time to time, with a strategic vision to become a "first-class tourism destination investor and operator", continuously improving its core competence and overall profitability. To achieve specialized development of the Group's core business, the Board hereby proposes the implementation of the Proposed Distribution to the Shareholders. Following the completion of the Proposed Distribution, the profitability of the Group is expected to improve. The Group will further optimize its operation by deploying more resources on its core business segments. The Directors consider that the Proposed Distribution is in the interests of the Company and Shareholders as a whole.

The Board will continue conducting review of the Group's business model based on its development strategy and may consider further actions that the Board considers that could improve the Group's core competence and overall profitability, with an aim to maximize the Shareholders' value. Should there be any further optimization measures, the Company shall make further announcement, if any, in accordance with the Listing Rules.

Pursuant to the Proposed Distribution to the Shareholders whose names appear on the register of members of the Company on the Record Date, the Company will internally reorganise its Tourism Real Estate Business to being held by the PrivateCo and forming the PrivateCo Group, and separate the PrivateCo Group from the Group by way of the Distribution in Specie of the PrivateCo Shares.

Under the Proposed Distribution, Shareholder(s) may either (i) elect to obtain the PrivateCo Shares based on their shareholding percentage in the Company on the Record Date, or (ii) receive the Cash Alternative, if the Shareholder(s) (1) elects not to accept and obtain the PrivateCo Shares, (2) is not able or not permitted to hold the PrivateCo Shares under applicable laws and regulations, and/or (3) does not respond to the relevant requisition to, elect, accept and obtain the PrivateCo Shares (save in the case of HKSCC Nominees Limited, which may elect to receive cash payment for part or the whole of its entitlement under the Proposed Distribution).

If the Proposed Distribution is approved by the Shareholders at the EGM and if any Shareholder does not wish to participate in the Proposed Distribution, he/she/it may sell the Shares on or before the last day of dealings in the Shares cum-entitlements to the Proposed Distribution, which is expected to be Monday, 17 November 2025 (the timetable of which is subject to the final timetable contained in the circular).

In order to facilitate the Proposed Distribution, the Controlling Shareholders have undertaken to (i) elect, accept and hold the PrivateCo Shares under the Distribution in Specie based on their shareholding level in the Company on the Record Date in full (i.e., without electing for the Cash Alternative); and (ii) in respect of the PrivateCo Shares not taken on by the Cash-Electing Shareholders (if any), acquire or arrange for their wholly-owned subsidiary(ies) to acquire from the Company such PrivateCo Shares on or around the time of completion of the Proposed Distribution, by paying to the Company a consideration equivalent to the amount of the Cash Alternative payable/paid by the Company to the Cash-Electing Shareholders (namely, the Possible Transaction).

Upon completion of the Proposed Distribution, the PrivateCo Group will cease to be subsidiaries of the Company and will be held by the Controlling Shareholders and the DIS-Electing Shareholders through holding the PrivateCo Shares, and the Company will continue to operate the Retained Business and the Shares will continue to be listed on the Stock Exchange.

The Proposed Distribution has the objective of enabling the Shareholders to realise their investments in the Company and reduce their exposure to investment risks in relation to the Shares of the Company with respect to the Tourism Real Estate Business, and at the same time the Company can focus on developing the Retained Business.

It should be emphasised that, upon completion of the Proposed Distribution, (i) the DIS-Electing Shareholders will maintain their respective interests in the Retained Group and, on a pro-rata basis, in the PrivateCo Group, respectively; (ii) the Shareholders taking the Cash Alternative will maintain their respective interests in the Retained Group, and there will be no dilutive effect on such interests.

Terms of the Proposed Distribution

Under the Proposed Distribution:

- the Distribution in Specie shall be conducted on the basis of one PrivateCo Share for every Share; and
- a cash consideration of HK\$0.336 under the Cash Alternative shall be payable to the Cash-Electing Shareholders for every Share held by them, the amount of which represents approximately 21.96% of the closing price of HK\$1.53 per Share as quoted on the Stock Exchange on the last trading day prior to the date of this announcement.

IMPLICATIONS UNDER THE LISTING RULES

The Possible Transaction will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of the Possible Transaction to the largest extent exceed 5% but are less than 25%, the Possible Transaction also constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the Possible Transaction is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

PROPOSED CAPITAL REDUCTION

The Board proposes to implement the Proposed Capital Reduction by reducing the credit standing to the share capital account of the Company in an amount of HK\$8,500,000,000 from HK\$9,222,295,000 as at the date of this announcement to HK\$722,295,000.

The credit in the amount of HK\$8,500,000,000 arising from the Proposed Capital Reduction will be transferred to retained profits of the Company which may be utilised by the Directors as a distributable reserve in accordance with the articles of association of the Company and the Companies Ordinance.

GENERAL

A circular containing, among other things, (i) further details of the Proposed Distribution and the Possible Transaction, (ii) a letter from the Independent Board Committee to the Independent Shareholders, (iii) a letter from the independent financial adviser to the Independent Board Committee, (iv) property valuation report of the PrivateCo Group; (v) further details of the Proposed Capital Reduction, and (vi) a notice of the EGM, will be sent to the Shareholders on or before Tuesday, 28 October 2025.

Shareholders should note that the Proposed Distribution, the Possible Transaction and the Proposed Capital Reduction, if implemented, is subject to the satisfaction of certain conditions, and therefore it may or may not become effective. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

DISTRIBUTION IN SPECIE AND THE PROPOSED DISTRIBUTION

The Board conducts strategic reviews of the Group's business from time to time, with a strategic vision to become a "first-class tourism destination investor and operator", continuously improving its core competence and overall profitability. To achieve specialized development of the Group's core business, the Board hereby proposes the implementation of the Proposed Distribution to the Shareholders. Following the completion of the Proposed Distribution, the profitability of the Group is expected to improve. The Group will further optimize its operation by deploying more resources on its core business segments. The Directors consider that the Proposed Distribution is in the interests of the Company and Shareholders as a whole.

The Board will continue conducting review of the Group's business model based on its development strategy and may consider further actions that the Board considers that could improve the Group's core competence and overall profitability, with an aim to maximize the Shareholders' value. Should there be any further optimization measures, the Company shall make further announcement, if any, in accordance with the Listing Rules.

Pursuant to the Proposed Distribution to the Shareholders whose names appear on the register of members of the Company on the Record Date, the Company will internally reorganise its Tourism Real Estate Business to being held by the PrivateCo and forming the PrivateCo Group, and separate the PrivateCo Group from the Group by way of the Distribution in Specie of the PrivateCo Shares.

Under the Proposed Distribution, Shareholder(s) may either (i) elect to obtain the PrivateCo Shares based on their shareholding percentage in the Company on the Record Date (the “**DIS-Electing Shareholder(s)**”), or (ii) receive the Cash Alternative, if the Shareholder(s) (1) elects not to accept and obtain the PrivateCo Shares, (2) is not able or not permitted to hold the PrivateCo Shares under applicable laws and regulations, and/or (3) does not respond to the relevant requisition to, elect, accept and obtain the PrivateCo Shares (together, the “**Cash-Electing Shareholder(s)**”) (save in the case of HKSCC Nominees Limited, which may elect to receive cash payment for part or the whole of its entitlement under the Proposed Distribution).

If the Proposed Distribution is approved by the Shareholders at the EGM and if any Shareholder does not wish to participate in the Proposed Distribution, he/she/it may sell the Shares on or before the last day of dealings in the Shares cum-entitlements to the Proposed Distribution, which is expected to be Monday, 17 November 2025 (the timetable of which is subject to the final timetable contained in the circular).

In order to facilitate the Proposed Distribution, the Controlling Shareholders have undertaken to (i) elect, accept and hold the PrivateCo Shares under the Distribution in Specie based on their shareholding level in the Company on the Record Date in full (i.e., without electing for the Cash Alternative); and (ii) in respect of the PrivateCo Shares not taken on by the Cash-Electing Shareholders (if any), acquire or arrange for their wholly-owned subsidiary(ies) to acquire from the Company such PrivateCo Shares on or around the time of completion of the Proposed Distribution, by paying to the Company a consideration equivalent to the amount of the Cash Alternative payable/paid by the Company to the Cash-Electing Shareholders (namely, the Possible Transaction).

Upon completion of the Proposed Distribution, the PrivateCo Group will cease to be subsidiaries of the Company and will be held by the Controlling Shareholders and the DIS-Electing Shareholders through holding the PrivateCo Shares, and the Company will continue to operate the Retained Business and the Shares will continue to be listed on the Stock Exchange. Upon completion of the Proposed Distribution, no application will be made for the listing of, or permission to deal in, the PrivateCo Shares on the Stock Exchange or any other securities exchange.

Reasons for the Proposed Distribution

The Directors believe that it is in the best interests of the Company and the Shareholders to effect the Proposed Distribution for the following reasons:

1. the Tourism Real Estate Business continued to underperform during the six months ended 30 June 2025. The management anticipates that there are many uncertainties about the future profitability of the Tourism Real Estate Business. Property development is a capital-intensive business with inherent cyclical risks. By the Proposed Distribution, the Group aims to reduce overall debt levels and minimize its exposure to the volatile real estate market;
2. the Proposed Distribution will allow the Group to streamline its operations and focus its resources on the remaining sectors of the tourist attraction and related operations, including but not limited to the theme parks, natural and cultural scenic sport destinations and supplementary tourist attraction operations business, which has higher growth potential and will allow the Group to achieve better profitability in the long run;
3. the higher profit margins of the tourist attraction business were currently diluted by the lower margins of the Tourism Real Estate Business, making it difficult for investors to value tourist attraction business on its own merits. After the Proposed Distribution, the Group will deploy more resources and focus on developing the Retained Business; and
4. the Proposed Distribution is structured to offer the Shareholders a choice to retain their interests in the PrivateCo and the Company. A cash alternative will also be offered because the PrivateCo will remain a private company and this provides liquidity and flexibility for Shareholders who may not wish to hold shares in a private company.

The Board is aware that the PrivateCo Shares do not have a liquid market compared to the Shares which are listed and traded on the Stock Exchange. Nonetheless, having taken into account the benefits that the Proposed Distribution may bring to the Company and the Shareholders, the Directors consider that the Proposed Distribution (including the provision of the Cash Alternative), on balance, is in the interests of the Company and the Shareholders as a whole.

It is expected that the Proposed Distribution would result in a loss of around HK\$160 million in its consolidated income statement and its consolidated statement of comprehensive income mainly due to reclassification of cumulative exchange differences related to the Tourism Real Estate Business, subject to audit.

Group Restructuring

To facilitate the Proposed Distribution, the Group Restructuring will be undertaken to implement the separation of the Tourism Real Estate Business from the Group.

The Group Restructuring will involve, among other things, the reorganisation of interests in the Company's Tourism Real Estate Business to be held by the PrivateCo thereby forming the PrivateCo Group, such that the Company will hold the entire interest in the Tourism Real Estate Business through the PrivateCo.

The Group Restructuring shall be conducted on terms which are in compliance with all applicable laws and regulations of all relevant jurisdictions including the PRC, Hong Kong and the BVI, and is expected to be completed prior to the completion of the Proposed Distribution.

Principal activities of the Group

The Company is a company incorporated in Hong Kong with limited liability. The principal business activities of the Group include operations of travel destinations (including hotels, theme parks, natural and cultural scenic spots, and leisure resorts), travel documents and related operations, passenger transportation operations.

Information on the Tourism Real Estate Business

As of 30 June 2025, the Tourism Real Estate Business was primarily operated through China Travel Hong Kong (Zhuhai) Ocean Spring Co., Ltd., CTS (Xianyang) Ocean Spring Resort Co., Ltd., CTS (Anji) Tourism Development Company Limited, CTS (Shenzhen) City Development Co., Ltd. and CTS Haiquanwan Scenery (Chengdu) Real Estate Co., Ltd.. The Tourism Real Estate Business consists of five core projects: (1) Zhuhai Ocean Spring Resort Project, a comprehensive resort hotel and residential complex located in Zhuhai, Guangdong Province; (2) Xianyang Ocean Spring Resort Project, a resort hotel project located in Xianyang, Shaanxi Province, that consists of a resort hotel and a hot spring; (3) Anji Resort Project, a resort hotel and residential complex located in Anji, Zhejiang Province; (4) Dakonggang Project, located in Shenzhen, Guangdong, a commercial complex project under the name of China Travel Investment Building which has completed construction works, and (5) Jintang Project, located in Chengdu, Sichuan Province, which has a land reserve for future property development.

Following the Group Restructuring, the PrivateCo Group will retain and primarily be engaged in the Tourism Real Estate Business.

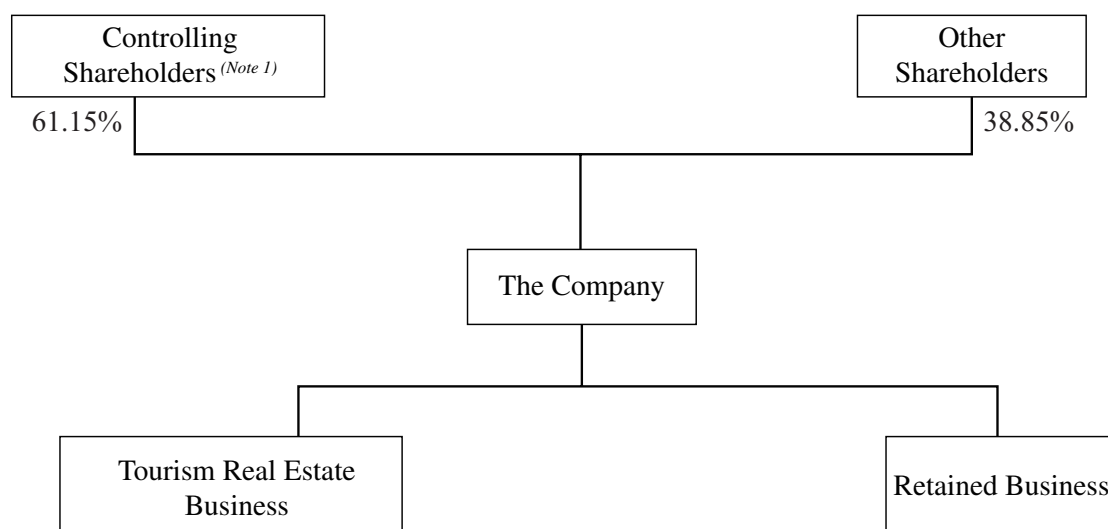
Information on the Retained Group

As described in “Group Restructuring” section of this announcement, the Retained Group will operate the following business following the Group Restructuring.

1. Tourist attractions and related operations, which includes:
 - (a) theme parks including Window of the World, a large-scale theme park located in Nanshan District of Shenzhen, PRC, spanning across 480,000 square meters featuring miniature of iconic landmarks across the globe, and Splendid China, a large-scale cultural theme park located in Nanshan District of Shenzhen, PRC, spanning across 520,000 square meters featuring Chinese history, architecture, and ethnic diversity;
 - (b) natural and cultural scenic spots, including but not limited to Shapotou Scenic Spot, Detian Waterfall, Luzhou Laojiao Culture Tourism, and Lugu Lake; and
 - (c) supplementary tourist attraction including but not limited to creative planning, performing arts, management businesses, tourism planning services, and management and consulting services.
2. Travel document and related operations, which provides travel document processing services, such as (a) China Visas for travellers to enter Mainland China for tourism, visiting relatives, commercial and trade activities, cultural exchanges, employment, studying and for domestic helpers and (b) Hong Kong and Macao Residence China Travel Permits (Home Return Permits) and Taiwan Residents China Travel Permits.
3. Hotel operations, which owns and operates a number of hotels and serviced apartments in Hong Kong, Macau and Beijing.
4. Passenger transportation operations, which include cross-border bus and ferry services, primarily serving the Greater Bay Area.

Group Structure

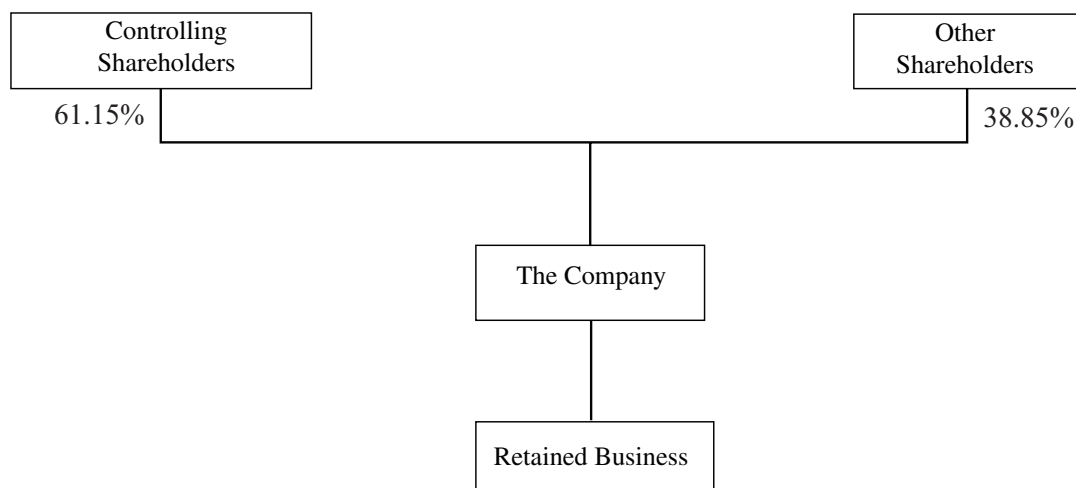
Set out below is the simplified shareholding structure of the Group as of the date of this announcement:



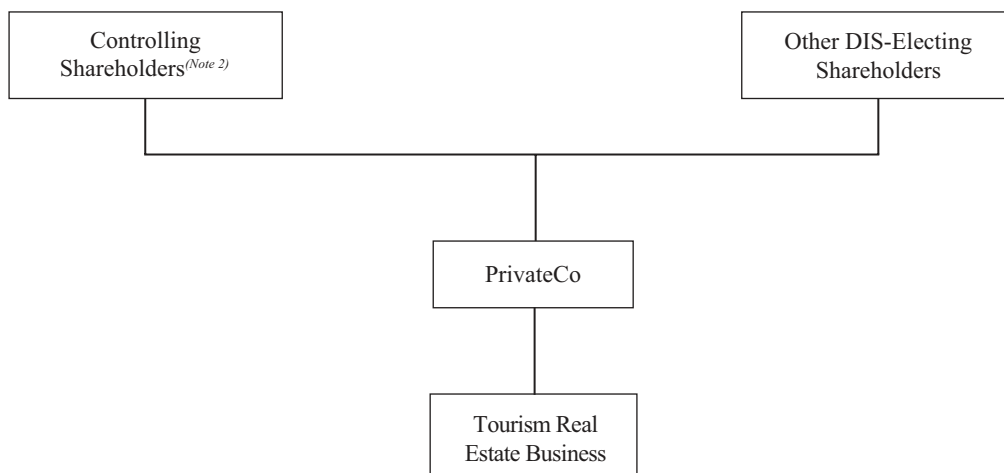
Note 1: CTG is taken to be interested in the 3,385,492,610 shares in which CTS Holdings is interested pursuant to Part XV of the SFO. The entire issued share capital of CTS (Holdings) is beneficially owned by CTG. Of these 3,385,492,610 shares, 2,249,237,709 shares are held directly by CTS (Holdings). 1,136,254,901 shares are held directly by Hongkong New Travel Investments Ltd., which is owned directly as to 100% by CTS Asset Management (I) Limited. CTS Asset Management (I) Limited is 100% directly owned by CTS (Holdings), and CTS (Holdings) and CTS Asset Management (I) Limited are deemed to be interested in the shares in which Hongkong New Travel Investments Ltd. is interested pursuant to Part XV of the SFO.

Set out below is the simplified shareholding structure of (1) the Retained Group and (2) the PrivateCo Group immediately after completion of the Group Restructuring, the Proposed Distribution and the Possible Transaction:

(1) The Retained Group



(2) The PrivateCo Group



Note 2: The Controlling Shareholders will hold the aggregate of (i) 61.15% of the PrivateCo Shares based on their shareholding level in the Company on the Record Date, and (ii) all the PrivateCo Shares that the Cash-Electing Shareholders would have been entitled to under the Distribution in Specie pursuant to the Possible Transaction.

Condition of the Proposed Distribution and the Possible Transaction

The completion of the Proposed Distribution and the Possible Transaction will be conditional upon the passing of the requisite resolution(s) by the Shareholders at the EGM to approve the Proposed Distribution and the Possible Transaction. The condition cannot be waived.

Cash Alternative under the Proposed Distribution

If the Shareholder(s) (1) elects not to accept and obtain the PrivateCo Shares, (2) is not able or not permitted to hold the PrivateCo Shares under applicable laws and regulations, and/or (3) does not respond to the relevant requisition to elect, accept and obtain the PrivateCo Shares, such Shareholder(s) shall receive the Cash Alternative.

Under the Proposed Distribution:

- the Distribution in Specie shall be conducted on the basis of one PrivateCo Share for every Share; and
- a cash consideration of HK\$0.336 under the Cash Alternative shall be payable to the Cash-Electing Shareholders for every Share held by them, the amount of which represents approximately 21.96% of the closing price of HK\$1.53 per Share as quoted on the Stock Exchange on the last trading day prior to the date of this announcement.

To determine the cash consideration per Share under the Cash Alternative, the Company has taken into account; (i) the trading price-to-book multiples of other Hong Kong listed companies primarily engaged in the real estate and hotel industry and the discount of the market capitalisation to the net asset value attributable to the owners of these listed companies; and (ii) the relevant pricing methodology of distribution in specie and privatisation transactions of comparable companies engaged primarily in the real estate and hotel industry in recent years. The Cash Alternative will be funded by the consideration to be paid by the Controlling Shareholders (or their wholly-owned subsidiary(ies)) under the Possible Transaction. Therefore, no sale proceeds will be received by the Company from the Possible Transaction.

Stock Connect Shareholders

Pursuant to article 24 of the Implementation Rules for Registration, Depository and Clearing Services under the Mainland-Hong Kong Stock Markets Connect Programme (《內地與香港股票市場交易互聯互通機制登記、存管、結算業務實施細則》), if the Stock Connect Shareholders receive any securities not listed on the Stock Exchange, they will not be allowed to buy or sell such securities through the Stock Connect. As it is not expected that any application for listing or trading of the PrivateCo Shares will be made with the Stock Exchange or any other securities exchange, there will be practical difficulty for the Stock Connect Shareholders in realising the benefit of their entitlement to the PrivateCo Shares under the Proposed Distribution should they receive the PrivateCo Shares directly. Therefore, the Stock Connect Shareholders will not be able to receive the PrivateCo Shares under the Distribution in Specie and will receive the Cash Alternative, and this treatment is in accordance with No. 4 of the FAQ18.4 of the Guidance Materials for Listed Issuers (Consolidated) published by the Stock Exchange (which is last updated in June 2024).

As of 10 October 2025, the shareholding held by the Stock Connect Shareholders in the Company constituted approximately 7.90% of the total issued Shares of the Company.

Overseas Shareholders

Based on the register of members of the Company as at the close of business on 10 October 2025, there were 9 Overseas Shareholders whose addresses as shown on the register of members of the Company were outside Hong Kong, comprising 5 jurisdictions outside Hong Kong, namely Australia, PRC, the Macau Special Administrative Region of the PRC, Singapore and the United States of America, with a total holding of 168,850 Shares, representing approximately 0.003% of the total number of issued Shares as at the close of business on 10 October 2025.

The Company will make further enquiries regarding the legal restrictions under the laws of the relevant overseas jurisdiction(s) and the requirements of the relevant regulatory body(ies) pursuant to Rule 13.36(2)(a) of the Listing Rules to assess if any Overseas Shareholders on the Record Date will be subject to legal restrictions to receive the PrivateCo Shares.

If after making such enquiries and based on legal opinions provided to the Company, the Board is of the opinion that it cannot directly distribute the PrivateCo Shares to certain Overseas Shareholders on account of either the legal restrictions under the laws of the relevant jurisdiction(s) or the requirements of the relevant regulatory body(ies), such Overseas Shareholders will receive the Cash Alternative.

Any Shareholder with an address outside Hong Kong should also consult his/her/its own professional advisers as to whether or not he/she/it is permitted to receive the PrivateCo Shares under the Proposed Distribution or if any governmental or other consent is required or other formalities are required to be observed and whether there are any other restrictions in relation to the future sale of any PrivateCo Shares. An Overseas Shareholder residing in a jurisdiction where it would be illegal for him/her/it to elect for or to receive the PrivateCo Shares under the Proposed Distribution due to restrictions under the relevant overseas securities laws and regulations will receive the Cash Alternative.

Notwithstanding the arrangements with regard to the Shareholders with registered addresses outside Hong Kong as described above, the Board reserves the ultimate right to exclude any Shareholder from receiving the PrivateCo Shares (and to distribute cash-in-lieu payments to such Shareholder instead) if it believes that the transfer of the PrivateCo Shares to such person(s) may violate any applicable legal and/or regulatory requirements in any jurisdiction or may be inexpedient.

Expected timetable of the Proposed Distribution

Despatch of circular and notice of EGM on the Proposed Distribution	Tuesday, 28 October 2025
Latest date and time for lodging transfer of the Shares in order to be qualified for attending and voting at the EGM	4:30 p.m. on Monday, 10 November 2025
Register of members of the Company closes	Tuesday, 11 November 2025 to Friday, 14 November 2025 (both days inclusive)
Latest date and time for lodging proxy forms for the EGM	2:30 p.m. on Wednesday, 12 November 2025
Date and time of the EGM	2:30 p.m. on Friday, 14 November 2025
Announcement of results of the EGM to be posted on the Stock Exchange's and the Company's websites	Friday, 14 November 2025
Register of members of the Company reopens	Monday, 17 November 2025
Last day of dealings in the Shares cum-entitlement to the Proposed Distribution	Monday, 17 November 2025
First day of dealings in the Shares ex-entitlement to the Proposed Distribution	Tuesday, 18 November 2025

Latest date and time for lodging transfers of
Shares to qualify for entitlement to
the Proposed Distribution 4:30 p.m. on Wednesday,
19 November 2025

Register of members of the Company closes Thursday, 20 November 2025 to
Friday, 21 November 2025
(both days inclusive)

Record Date Friday, 21 November 2025

Register of members of the Company reopens Monday, 24 November 2025

Despatch of form of election Friday, 28 November 2025

Latest date and time to lodge form of election 4:30 p.m. on
Monday, 15 December 2025

Despatch of certificates for the PrivateCo Shares Monday, 22 December 2025

Completion of payment of the Cash Alternative
to the Cash-Electing Shareholders Wednesday, 31 December 2025

Shareholders should note that the times and dates specified in the expected timetable of the Proposed Distribution as set out above, and in other parts of this announcement, are indicative only and subject to the final timetable contained in the circular. All times and dates refer to Hong Kong local times and dates.

Financial information of the PrivateCo Group

The unaudited financial information attributable to the PrivateCo Group for the two years ended 31 December 2024 and the six months ended 30 June 2025 (as if the PrivateCo Group has come into existence since 1 January 2023) is as follows:

	For the year ended 31 December		For the six months ended
	2023	2024	30 June 2025
	HK\$'000	HK\$'000	HK\$'000
Revenue	628,955	458,587	146,968
Net loss (before taxation)	(232,107)	(223,819)	(192,018)
Net loss (after taxation)	(460,926)	(238,730)	(191,567)

The unaudited net assets of the PrivateCo Group were HK\$4,906 million as at 30 June 2025.

Information of CTG and CTS (Holdings)

CTG, the ultimate controlling shareholder of CTS (Holdings) and the Company, is a central state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

The CTG Group is principally engaged in businesses such as travel business and real estate development.

CTS (Holdings) is a company incorporated in Hong Kong with limited liability. The CTS (Holdings) Group is principally engaged in travel business and real estate development.

Implications under the Listing Rules

The Distribution in Specie does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. However, pursuant to the articles of association of the Company, the Distribution in Specie is subject to the approval by the Shareholders. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the proposed relevant resolution(s) approving the payment of the special dividend by way of the Distribution in Specie at the EGM.

As disclosed in the section "Distribution in Specie and the Proposed Distribution" above, to facilitate the Proposed Distribution, the Controlling Shareholders have undertaken to acquire or arrange for their wholly-owned subsidiary(ies) to acquire from the Company all of the PrivateCo Shares not taken on by the Cash-Electing Shareholders (if any) on or around the time of completion of the Proposed Distribution by paying to the Company a consideration equivalent to the amount of the Cash Alternative payable/paid by the Company to the Cash-Electing Shareholders (namely, the Possible Transaction). Assuming that the Controlling Shareholders will hold 61.15% of the PrivateCo Shares based on their shareholding level in the Company as of the Record Date by electing, accepting and holding the PrivateCo Shares under the Distribution in Specie and that no other Shareholder has elected to obtain the PrivateCo Shares, the Controlling Shareholders (or their wholly-owned subsidiary(ies)) will acquire up to an additional 38.85% of the equity interests in the PrivateCo, for a maximum aggregate consideration of approximately HK\$722,730,000, equivalent to the amount of the Cash Alternative payable/paid by the Company to the Cash-Electing Shareholders under the Proposed Distribution (assuming all Shareholders other than the Controlling Shareholders will receive the Cash Alternative). As the Controlling Shareholders are connected persons of the Company under the Listing Rules, the acquisition of the PrivateCo Shares not taken on by the Cash-Electing Shareholders by the Controlling Shareholders under the Possible Transaction will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under the Listing Rules. As the applicable percentage ratios in respect of the Possible Transaction to the largest extent exceed 5% but are less than 25%, the Possible Transaction also constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to announcement requirement only under the Listing Rules.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Mr. Wu Qiang is the deputy general manager of CTS (Holdings) and Mr. Tsang Wai Hung is a director of CTS (Holdings). Such Directors are considered to be materially interested in the Possible Transaction and have therefore abstained from voting on the Board resolutions approving the Possible Transaction. Save as disclosed above, none of the other Directors has material interest in aforesaid transactions and accordingly, none of them was required to abstain from voting on the Board resolutions approving the same.

The Directors (excluding the independent non-executive Directors who will form their views after considering the advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders) are of the view that the Possible Transaction will be entered into on normal commercial terms and on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

CTS (Holdings), a Controlling Shareholder, was regarded as having a material interest in the Possible Transaction and will abstain from voting in respect of the relevant Shareholders' resolutions in the EGM to be held for considering and approving the Possible Transaction.

PROPOSED CAPITAL REDUCTION

The Board proposes to implement the Proposed Capital Reduction by reducing the credit standing to the share capital account of the Company in an amount of HK\$8,500,000,000 from HK\$9,222,295,000 as at the date of this announcement to HK\$722,295,000.

The credit in the amount of HK\$8,500,000,000 arising from the Proposed Capital Reduction will be transferred to retained profits of the Company which may be utilised by the Directors as a distributable reserve in accordance with the articles of association of the Company and the Companies Ordinance.

Conditions of the Proposed Capital Reduction

The Proposed Capital Reduction is subject to the satisfaction of the following conditions:

- (a) all the Directors making a Solvency Statement;
- (b) the passing by the Shareholders of the Special Resolution at the EGM;
- (c) the obtaining of all other necessary consents/approvals as may be required in respect of the Proposed Capital Reduction;
- (d) the publication of a notice of capital reduction in the Gazette and newspapers in accordance with the Companies Ordinance;
- (e) the delivery to the Registrar for registration a copy of the Solvency Statement and other relevant documents in relation to the Proposed Capital Reduction in accordance with the Companies Ordinance;

- (f) either (i) there being no application to the Court for cancellation of the Special Resolution by creditors or members of the Company within five (5) weeks from the date of the Special Resolution to approve the Proposed Capital Reduction; or (ii) if there is any such application, the Court making an order to confirm the Special Resolution; and
- (g) the delivery to the Registrar for registration and/or the registration by the Registrar (as applicable) of the relevant documents within the prescribed timeframe in accordance with the Companies Ordinance.

As at the date of this announcement, none of the above conditions have been fulfilled.

Reasons for the Proposed Capital Reduction

Following the Proposed Distribution, the retained profits of the Company will be significantly reduced. This would significantly limit the Company to legally pay dividends and/or undertake any corporate exercise which requires the use of distributable reserves.

As such, the proposal of the Capital Reduction would put the Company in a position to legally pay dividends and/or undertake any corporate exercise which requires the use of distributable reserves. When the Capital Reduction becomes effective, the Company will have greater flexibility in undertaking corporate exercises and/or making decisions on its dividend policy, subject to the Company's performance and when the Board considers that it is appropriate to do so in the future.

Based on the reasons and the effects of the Proposed Capital Reduction as set out above, the Board considers that the Proposed Capital Reduction is fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

Effect of the Proposed Capital Reduction

As at the date of this announcement, the Company has an issued and paid-up share capital of HK\$9,222,295,000.

Save for the expenses to be incurred by the Company in relation to the Proposed Capital Reduction, the implementation of the Proposed Capital Reduction will not, of itself, alter the consolidated net asset value, underlying assets, liabilities, business, operations, management or financial position of the Company or the interests of the Shareholders as a whole. The Board believes that the Proposed Capital Reduction alone will not have any adverse effect on the financial position of the Group.

Set out below, for illustrative purpose only, is an extract of the statement of financial position of the Company showing the proposed movement in the equity of the Company before and after the Proposed Capital Reduction taking effect, based on the Company's position as at 31 December 2024 assuming the Proposed Distribution is completed and Proposed Capital Reduction was completed on 31 December 2024:

	Immediately before the Proposed Capital Reduction as at 31 December 2024 HK\$	Immediately before the Proposed Capital Reduction as at 31 December 2024 assuming the Proposed Distribution was completed HK\$	Immediately after the Proposed Capital Reduction taking effect and the application of credit arising from the Proposed Capital Reduction to retained profits HK\$
Share capital	9,222,295,000	9,222,295,000	722,295,000
Retained profits	4,393,214,000	(1,843,872,000)	6,656,128,000
Other reserves	45,289,000	45,289,000	45,289,000
Total equity of the Company	13,660,798,000	7,423,712,000	7,423,712,000

Note: This table does not take into account expenses to be incurred by the Company in relation to the Proposed Capital Reduction.

In addition, except for the expenses to be incurred by the Company in relation thereto, which are expected to be insignificant in the context of the net asset value of the Company, the net asset value of the Company will remain unchanged before and after the Proposed Capital Reduction becoming effective. The Proposed Capital Reduction will not result in any change in the relative rights of the Shareholders.

EFFECTIVE DATE OF THE PROPOSED CAPITAL REDUCTION

Assuming that all of the above conditions are fulfilled, it is expected that the Proposed Capital Reduction would become effective upon the registration by the Registrar of the Return of Reduction of Share Capital (by Special Resolution supported by the Solvency Statement) required under the Companies Ordinance. If the Company proceeds with the Proposed Capital Reduction and the conditions are fulfilled, a further announcement will be made informing the Shareholders of the effective date of the Proposed Capital Reduction.

GENERAL

A circular containing, among other things, (i) further details of the Proposed Distribution and the Possible Transaction, (ii) a letter from the Independent Board Committee to the Independent Shareholders, (iii) a letter from the independent financial adviser to the Independent Board Committee, (iv) property valuation report of the PrivateCo Group; (v) further details of the Proposed Capital Reduction, and (vi) a notice of the EGM, will be sent to the Shareholders on or before Tuesday, 28 October 2025.

Shareholders should note that the Proposed Distribution, the Possible Transaction and the Proposed Capital Reduction, if implemented, is subject to the satisfaction of certain conditions, and therefore it may or may not become effective. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

“Accumulated Losses”	the accumulated losses of the Company standing in the financial statements of the Company;
“Board”	the board of Directors of the Company;
“BVI”	the British Virgin Islands;
“Cash Alternative”	the proposed cash alternative to be provided by the Company to the Cash-Electing Shareholders under the Proposed Distribution;
“Cash-Electing Shareholder(s)”	has the meaning given to it in the “Distribution in Specie and the Proposed Distribution” section of this announcement;
“Controlling Shareholders”	CTG and CTS (Holdings), the shareholders of the Company holding as to 61.15% of the total issued share capital of the Company as of the date of this announcement;
“Company”	China Travel International Investment Hong Kong Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (stock code: 308);
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“Court”	the Court of First Instance of the High Court of Hong Kong;

“CTG”	China Tourism Group Corporation Limited, a central state-owned enterprise under the direct supervision of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC, which owns the entire issued share capital of CTS (Holdings);
“CTG Group”	CTG and its subsidiaries and associates, but excluding the Group for the purpose of this announcement
“CTS (Holdings)”	China Travel Service (Holdings) Hong Kong Limited, a company interested in 61.15% of the issued share capital of the Company and a controlling shareholder of the Company;
“CTS (Holdings) Group”	CTS (Holdings) and its subsidiaries and associates, but excluding the Group for the purpose of this announcement
“Directors”	the directors of the Company;
“DIS-Electing Shareholders”	has the meaning given to it in the “Distribution in Specie and the Proposed Distribution” section of this announcement;
“Distribution in Specie”	the proposed distribution in specie of the PrivateCo Shares by the Company to the Shareholders;
“EGM”	the extraordinary general meeting of the Company to be convened by the Company for the purposes of approving, among other matters, the Proposed Distribution, the Possible Transaction, the Proposed Capital Reduction and related matters;
“Group”	the Company and its subsidiaries;
“Group Restructuring”	the proposed group restructuring of the Group for the purpose of implementing the Proposed Distribution, details of which are set out in the “Group Restructuring” section of this announcement;
“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;
“Independent Board Committee”	a committee of the Board comprising the independent non- executive Directors (namely Mr. Song Dawei, Ms. Fang Xuan and Mr. Qian Jiannong);

“Independent Shareholders”	Shareholders of the Company other than the Controlling Shareholders and their respective associates;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Overseas Shareholders”	the Shareholders (if any) with registered addresses on the register of members of the Company which are outside Hong Kong;
“Possible Transaction”	the possible acquisition of all of the PrivateCo Shares not taken on by the Cash-Electing Shareholders (if any) by the Controlling Shareholders (or their wholly-owned subsidiary(ies)) on or around the time of completion of the Proposed Distribution by paying to the Company a consideration equivalent to the amount of the Cash Alternative payable/paid by the Company to the Cash-Electing Shareholders;
“PRC”	the People’s Republic of China;
“PrivateCo”	CTG Wellness Retreat Holding Ltd (中旅康養度假控股有限公司), a BVI business company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company as of the date of this announcement;
“PrivateCo Group”	the PrivateCo and its subsidiaries upon completion of the Group Restructuring;
“PrivateCo Share(s)”	share(s) in the share capital of PrivateCo;
“Proposed Capital Reduction”	the proposed reduction of the credit standing to the share capital account of the Company by an amount of HK\$8,500,000,000 from HK\$9,222,295,000 to HK\$722,295,000;
“Proposed Distribution”	the Distribution in Specie and the provision of the Cash Alternative;
“Record Date”	a date for determining entitlements of the Shareholders to the Proposed Distribution, which is expected to be Friday, 21 November 2025;
“Retained Business”	has the meaning given to it in the “Group Restructuring” section of this announcement;
“Retained Group”	the Company and the Retained Subsidiaries upon completion of the Group Restructuring and the Distribution in Specie;

“ Retained Subsidiaries ”	the remaining subsidiaries of the Company upon completion of the Group Restructuring and the Distribution in Specie, which include all current subsidiaries of the Company other than the PrivateCo Group;
“ Registrar ”	the Registrar of Companies in Hong Kong;
“ RMB ”	Renminbi or Chinese Yuan, the lawful currency of the PRC;
“ Shareholder(s) ”	the shareholder(s) of the Company;
“ Solvency Statement ”	the solvency statement to be made by all Directors in relation to the Proposed Capital Reduction in accordance with the Companies Ordinance;
“ Special Resolution ”	the special resolution by the Shareholders to approve the Proposed Capital Reduction at the EGM;
“ Stock Connect ”	Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
“ Stock Connect Shareholders ”	the Mainland China southbound trading investors holding the Shares through the Stock Connect;
“ Stock Exchange ”	The Stock Exchange of Hong Kong Limited;
“ Tourism Real Estate Business ”	has the meaning given to it in the “Information on the Tourism Real Estate Business” section of this announcement;
“ % ”	per cent.

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

Hong Kong, 12 October 2025

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Wu Qiang, Mr. Feng Gang and Mr. Li Pengyu; three non-executive Directors, namely Mr. Tsang Wai Hung, Mr. Zheng Jiang and Mr. Fan Zhishi; and three independent non-executive Directors, namely Mr. Song Dawei, Ms. Fang Xuan and Mr. Qian Jiannong.