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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)

SUPPLEMENTAL ANNOUNCEMENT PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME

References are made to the announcement of the Company dated 12 December 2022 and the circular of the Company (the “**Circular**”) published on the website of the Stock Exchange on 30 December 2022 in relation to, among others, the adoption of the New Share Option Scheme. Unless the context requires otherwise, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

As disclosed in the Circular, the Company intends to grant Options to Participants in January 2023 to subscribe for approximately 66,400,000 Shares in accordance with the New Share Option Scheme (the “**Initial Grant Proposal**”), subject to the fulfillment of the conditions precedents. Details of the intended grants to be made under the Initial Grant Proposal are set out as follows:

Proposed Grantees	Position in the Company	Number of Options proposed to be granted	Approximate percentage out of the total number of Shares in issue as at the date of this announcement
Mr. Wu Qiang	Chairman and executive Director	2,800,000	0.05%
Mr. Feng Gang	General manager and executive Director	2,200,000	0.04%
Mr. Li Pengyu	Executive Director	1,700,000	0.03%
Employees	–	59,700,000	1.08%
Total		66,400,000	1.20%

To the best knowledge of the Directors, save as disclosed above, none of the Grantees of the Options is a Director, chief executive or substantial shareholder of the Company or an associate (as defined under the Listing Rules) of any of them as at the date of this announcement.

The principal terms of the Initial Grant Proposal are set out below:

VESTING PERIOD AND PERFORMANCE TARGETS

Vesting period	Vesting date	% of the Options to be vested	Performance targets to be fulfilled by the Company before vesting of Options
First Vesting Period	First Business Day after two years (24 months) from the Date of Grant	33%	<p>Return on invested capital shall be no less than 1.0% in 2023 and no less than the 75th percentile of benchmarked companies;</p> <p>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;</p> <p>In 2023, the Group's economic value added ("EVA") assessment target shall be achieved and ΔEVA shall be greater than 0.</p>
Second Vesting Period	First Business Day after three years (36 months) from the Date of Grant	33%	<p>Return on invested capital shall be no less than 1.5% in 2024 and no less than the 75th percentile of benchmarked companies;</p> <p>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;</p> <p>In 2024, the Group's EVA assessment target shall be achieved and ΔEVA shall be greater than 0.</p>

Vesting period	Vesting date	% of the Options to be vested	Performance targets to be fulfilled by the Company before vesting of Options
Third Vesting Period	First Business Day after four years (48 months) from the Date of Grant	34%	<p>Return on invested capital shall be no less than 2.0% in 2025 and no less than the 75th percentile of benchmarked companies;</p> <p>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;</p> <p>In 2025, the Group's EVA assessment target shall be achieved and ΔEVA shall be greater than 0.</p>

The above performance targets in respect of the financial results of the Group are determined for the purpose of the exercise 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.

The Company will publish an announcement in accordance with Rule 17.06A of the Listing Rules upon the granting of Options by the Company pursuant to the New Share Option Scheme.

As at the date of this announcement, the New Share Option Scheme (including the grant of Options and the allotment and issue of Shares pursuant to the exercise of any Options thereunder) are subject to the approval of the Shareholders at the EGM and the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares falling to be allotted and issued pursuant to the exercise of the Options. Accordingly, the Initial Grant Proposal may or may not proceed.

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

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

Hong Kong, 30 December 2022

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.