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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 under the Companies Ordinance)

Announcement

China Travel International Investment Hong Kong Limited (the “Company”) has noted the various press reports recently regarding the Possible Acquisition (as defined below) and the Possible Disposal (as defined below) respectively.

The Company wishes to clarify that it has only had very preliminary discussions in relation to the Possible Acquisition and the Possible Disposal.

Shareholders and investors should exercise caution when dealing in the securities of the Company.

This statement is made at the request of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company has noted the various press reports recently regarding a possible acquisition of travel-related businesses in the PRC (the “Possible Acquisition”) and a possible disposal of the Company’s 51% interests in Shaanxi Weihe Power Co., Ltd. (the “Possible Disposal”).

The Company wishes to clarify that it has only had very preliminary discussions with independent third parties in relation to a possible acquisition of a handful of travel agencies in the mainland China and no definite agreements have been signed in this respect. It is envisaged that such acquisition, if finalised, may happen within the second half of this year.

As far as the Possible Disposal is concerned, we would like to reiterate that the Company has only had very preliminary discussions with independent third parties, and there is no definite plans to dispose of the Company’s interests in Shaanxi Weihe Power Co., Ltd.

The Company will comply with the Rules Governing the Listing of Securities on the Stock Exchange if the Company proceed with the Possible Acquisition and the Possible Disposal. Further announcement will be made by the Company as and where appropriate.

Shareholders and investors should exercise caution when dealing in the securities of the Company.

By order of the Board
Ng Chi Man, Michael
Executive Director

Hong Kong, 4 June, 2001