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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)

(Stock Code: 308)

**Redemption of
Zero Coupon Guaranteed Convertible Bonds due 2008
convertible into shares of, and guaranteed by,
China Travel International Investment Hong Kong Limited
(the “Bonds”)**

China Travel International Investment Hong Kong Limited (the “Company”) announces that notice was given to the trustee and the principal paying agent of the Bonds that China Chance Developments Limited (the “Issuer”), a wholly-owned subsidiary of the Company and the Issuer of the Bonds, will be redeeming the remaining principal amount of Bonds (being US\$61,260,000 as of the date of this announcement) on 31 May 2005.

The Company announces that notice was given to the trustee and the principal paying agent of the Bonds that the Issuer will be redeeming the remaining principal amount of Bonds on 31 May 2005.

The terms and conditions of the Bonds provide that the Bonds may, at the option of the Issuer, be redeemed, at any time after 30 March 2005 and prior to 19 September 2008, provided that, among other things, the closing price on The Stock Exchange of Hong Kong Limited of the share of the Company, as expressed in US dollars, is at least US\$0.3067 (i.e. 130% of the current conversion price of HK\$1.84 adopting an agreed exchange rate of HK\$7.7993=US\$1.00) for each of 20 consecutive trading days, the last of which occurs not more than 30 days prior to the date on which the publication of the redemption notice.

The above proviso was satisfied for 20 consecutive trading days ended on 29 March 2005, and as a result the Company and the Issuer gave notice to the trustee and the principal paying agent of the Bonds that the Issuer intended to redeem the remaining principal amount of Bonds (being US\$61,260,000 as of the date of this announcement) on 31 May 2005.

As at the close of business of 20 April 2005, the aggregate principal amount of the Bonds outstanding was approximately US\$61,260,000. Upon redemption, US\$10,273.88 will be paid for each US\$10,000 principal amount of the Bonds. Bondholders wishing to avoid having any of their called Bonds redeemed have until 24 May 2005 to convert those Bonds.

If no Bondholders elect to convert their called Bonds, a total of approximately US\$62,938,000 is expected to be paid by the Issuer to redeem the Bonds. If all Bondholders elect to convert their called Bonds, a total of 259,665,825 ordinary shares of the Company are expected to be issued upon conversion of those Bonds, representing 5.59% of the Company’s existing ordinary share capital as at 20 April 2005 and 5.30% of the Company’s ordinary share capital as at such date as enlarged by the issue of such Shares. Further announcement will be made in due course as and when the results of the redemption is available.

Application for voluntary withdrawal of the listing of the Bonds on the Luxembourg Stock Exchange is expected to be arranged as soon as practicable following redemption or conversion of all the outstanding Bonds.

By Order of the Board
China Travel International Investment Hong Kong Limited
Shen Zhuying
Vice Chairman, General Manager

Hong Kong, 20 April 2005

The directors of the Company as at the date of this announcement:

Executive Directors:

Mr. Che Shujian, Mr. Zhang Xuewu, Mr. Shen Zhuying, Mr. Zheng Heshui, Mr. Lo Sui On, Mr. Chen Shoujie, Mr. Zheng Hongqing, Mr. Zhang Fengchun, Mr. Ng Chi Man, Michael and Mr. Liu Li

Independent Non-Executive Directors:

Dr. Yeh Meou Tsen, Geoffrey (Mr. Yeh V Nee being the Alternate Director to Dr. Yeh Meou Tsen, Geoffrey), Dr. Fong Yun Wah, Mr. Wong Man Kong, Peter and Mr. Sze, Robert Tsai To