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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 all of the Outstanding Bonds have been converted as of 31 May 2005.

Reference is made to the announcement issued by the Company on 20 April 2005 in relation to the redemption of the Bonds. Capitalised terms used herein shall have the same meanings as those ascribed to them in the terms and conditions of the Bonds.

As at the close of business of 20 April 2005, the aggregate principal amount of the Bonds outstanding was approximately US\$61,260,000 (“Outstanding Bonds”). The Company announces that it has been informed by China Chance Developments Limited (the “Issuer”) that all the Outstanding Bonds, representing 5.18% of the Company’s share capital as enlarged by the issue of such Shares. Based on the closing price of HK\$2.15 of the Company’s Shares as of 31 May 2005, **the issue of such Shares has increased the Company’s market capitalisation by HK\$558,281,523.75.**

Accordingly, as of 31 May 2005, all of the Outstanding Bonds have been converted. Application for the voluntary withdrawal of the listing of the Bonds on the Luxembourg Stock Exchange is underway.

By Order of the Board
China Travel International Investment Hong Kong Limited
Ng Chi Man, Michael
Executive Director

Hong Kong, 31 May 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