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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: 00308)

CONTINUING CONNECTED TRANSACTIONS HOTEL MANAGEMENT AGREEMENTS

Reference is made to the announcement dated 30 March 2000 in respect of the Existing Hotel Management Agreements between the wholly-owned subsidiaries of the Company and CT Hotel. Under the Existing Hotel Management Agreements, CT Hotel was appointed the hotel manager of three hotels owned by the Group. On 11 September 2006, Well Done and CT Hotel entered into the New HK Hotel Management Agreement, pursuant to which CT Hotel agreed to provide hotel management services to Well Done for Metropark Hotel Causeway Bay Hong Kong. On the same date, CT Hotel also entered into the New Macau Hotel Management Agreement with Fu Wa, pursuant to which the CT Hotel agreed to provide hotel managements services to Fu Wa for Hotel Grandeur (to be renamed as Metropark Hotel) at a price not less favourable than that charged by Independent Third Parties.

CT Hotel is a wholly-owned subsidiary of CTSB, a substantial shareholder of the Company, and thus a connected person of the Company. The transactions contemplated under the Existing Hotel Management Agreements, the New HK Hotel Management Agreement and the New Macau Hotel Management Agreement constitute continuing connected transactions for the Company.

It is expected that the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules in respect of the aggregate annual hotel management fees payable to CT Hotel under the Existing Hotel Management Agreements for the year ending 31 December 2006 will exceed 0.1% but will be less than 2.5%, and are subject to the reporting and announcement requirements under the Listing Rules.

Pursuant to Rule 14A.27 of the Listing Rules, the transactions contemplated under the Existing Hotel Management Agreements, the New HK Hotel Management Agreement and the New Macau Hotel Management Agreement are aggregated for the purpose of calculating the percentage ratios as defined in Rule 14A.10 of the Listing Rules. As each of the percentage ratios (other than the profits ratio) in respect of such aggregate transaction is less than 2.5%, the Hotel Management Agreements are subject to the reporting and announcement requirements under the Listing Rules.

EXISTING HOTEL MANAGEMENT AGREEMENTS

Reference is made to the announcement dated 30 March 2000 in respect of the Existing Hotel Management Agreements between wholly-owned subsidiaries of the Company and CT Hotel, which set out the details of the terms of the Existing Hotel Management Agreements. Under the Existing Hotel Management Agreements, CT Hotel was appointed the hotel manager of Metropark Hotel Wanchai Hong Kong (formerly known as Hotel New Harbour), Metropark Hotel Kowloon Hong Kong (formerly known as Metropole Hotel) and Metropark Hotel Mongkok Hong Kong (formerly known as Hotel Concourse). The Existing Hotel Management Agreements will all expire on 31 December 2007.

NEW HK HOTEL MANAGEMENT AGREEMENT

Date: 11 September 2006

Parties involved: (i) Well Done, as hotel owner
(ii) CT Hotel, as hotel manager

Services to be provided: hotel management services to be provided by CT Hotel to Well Done for Metropark Hotel Causeway Bay Hong Kong (formerly known as Metropark Hotel)

Management fee: 2% of the total revenue of Metropark Hotel Causeway Bay Hong Kong and 5% of its gross profit for the year subject to the terms contained therein

Term: 1 September 2006 to 31 December 2007 (with an option of renewal for further 3 years provided that the shareholders of Well Done approved such renewal, unless a party gives not less than six months prior written notice to the other party that it will not renew the New HK Hotel Management Agreement)

NEW MACAU HOTEL MANAGEMENT AGREEMENT

Date: 11 September 2006

Parties involved: (i) Fu Wa, as hotel owner
(ii) CT Hotel, as hotel manager

Services to be provided: hotel management services to be provided by CT Hotel to Fu Wa for Hotel Grandeur (to be renamed as Metropark Hotel)

Management fee: 2% of the total revenue of Hotel Grandeur and 5% of its gross profit for the year subject to the terms contained therein

Term: 1 September 2006 to 31 December 2007 (with an option of renewal for further 3 years provided that the shareholders of Fu Wa approved such renewal, unless a party gives not less than six months prior written notice to the other party that it will not renew the New Macau Hotel Management Agreement)

REASONS AND ANNUAL LIMITS

The transactions contemplated in the New HK Hotel Management Agreement and New Macau Hotel Management Agreement will bring operational convenience and benefit to the Group as CT Hotel also manages three other hotels of the Group pursuant to the Existing Hotel Management Agreements.

The annual limits on the hotel management fees payable by the Group to CT Hotel under the Existing Hotel Management Agreements for each of the two years ending 31 December 2007 are HK\$10,000,000 and HK\$10,000,000 respectively. The annual limits on the hotel management fees payable by the Group to CT Hotel under the New HK Hotel Management Agreements for the four months ending 31 December 2006 and the years ending 31 December 2007 are HK\$2,000,000 and HK\$5,000,000 respectively. The annual limits on the hotel management fees payable by the Group to CT Hotel under the New Macau Hotel Management Agreements for the four months ending 31 December 2006 and the years ending 31 December 2007 are HK\$1,200,000 and HK\$3,500,000 respectively.

The above annual limits are determined based on the historical transaction amounts and the Company's internal projections.

The Directors (including the independent non-executive Directors) consider that the terms of the Hotel Management Agreements and their annual limits are fair and reasonable so far as the Shareholders are concerned and are in the interest of the Shareholders as a whole. The Hotel Management Agreements were negotiated on an arm's length basis and were arrived at on normal commercial terms no less favourable to the Group than terms available from Independent Third Parties.

LISTING RULES IMPLICATIONS

CT Hotel is a wholly owned subsidiary of CTSB, a substantial shareholder of the Company, and thus a connected person of the Company. The Existing Hotel Management Agreements, the New HK Hotel Management Agreement and the New Macau Hotel Management Agreement therefore constitute continuing connected transactions for the Company.

It is expected that the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules in respect of the aggregate annual hotel management fees payable to CT Hotel under the Existing Hotel Management Agreements for the year ending 31 December 2006 will exceed 0.1% but will be less than 2.5%, and are subject to the reporting and announcement requirements under the Listing Rules.

Pursuant to Rule 14A.27 of the Listing Rules, the transactions contemplated under the Existing Hotel Management Agreements, the New HK Hotel Management Agreement and the New Macau Hotel Management Agreement are aggregated for the purpose of calculating the percentage ratios as defined in Rule 14A.10 of the Listing Rules. As each of the percentage ratios (other than the profits ratio) in respect of such aggregate transaction on an annual basis is less than 2.5%, the Hotel Management Agreements are subject to the reporting and announcement requirements under the Listing Rules.

PRINCIPAL BUSINESS ACTIVITIES OF THE PARTIES

The Group is principally engaged in travel and travel-related business, hotel and resort business, theme park business, golf club business, passenger transportation business, freight forwarding business and investment in infrastructure.

CT Hotel is principally engaged in the provision of hotel management services to hotel owners including the Group.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Board”	the board of Directors
“Company”	China Travel International Investment Hong Kong Limited, a company incorporated in Hong Kong with limited liability
“connected person(s)”, “substantial shareholder(s)”	each of which has the meaning ascribed to it under the Listing Rules
“CT Hotel”	CTS H.K. Metropark Hotels Management Company Limited (Formerly known as China Travel Hotel Management Services Hong Kong Limited), a wholly-owned subsidiary of CTSH
“CTSH”	China Travel Service (Holdings) Hong Kong Limited, a company interested in 52.56% of the issued share capital of the Company and a connected person of the Company
“Directors”	the directors of the Company
“Existing Hotel Management Agreements”	the agreements entered into between the wholly owned subsidiaries of the Company and CT Hotel on 29 March 2000, pursuant to which CT Hotel agreed to provide hotel management services to Metrocity Hotel Limited (formerly known as Smart Concord Enterprises Limited), Hotel Metropole Holdings Limited and Glading Development Limited for Metropark Hotel Wanchai Hong Kong (formerly known as Hotel New Harbour), Metropark Hotel Kowloon Hong Kong (formerly known as Metropole Hotel) and Metropark Hotel Mongkok Hong Kong (formerly known as Hotel Concourse) respectively
“Fu Wa”	Sociedade De Fomento Predial Fu Wa (Macau) Limitada a wholly-owned subsidiary of the Company and the immediate holding company of Hotel Grandeur (to be renamed as Metropark Hotel)
“Group”	the Company and its subsidiaries
“Hotel Management Agreements”	the Existing Hotel Management Agreements, the New HK Hotel Management Agreement and the New Macau Hotel Management Agreement
“Independent Third Parties”	parties who are independent from the Company and the connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New HK Hotel Management Agreement”	the agreement entered into between Well Done and CT Hotel on 11 September 2006, pursuant to which CT Hotel agreed to provide hotel management services to Well Done for Metropark Hotel Causeway Bay Hong Kong (formerly known as Metropark Hotel)

“New Macau Hotel Management Agreement”	the agreement entered into between Fu Wa and CT Hotel on 11 September 2006, pursuant to which CT Hotel agreed to provide hotel management services to Fu Wa for Hotel Grandeur (to be renamed as Metropark Hotel)
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Well Done”	Well Done Enterprises Inc., a wholly-owned subsidiary of the Company and the immediate holding company of Metropark Hotel Causeway Bay Hong Kong (formerly known as Metropark Hotel)

By Order of the Board
China Travel International Investment Hong Kong Limited
Xiong Weiping
Vice Chairman & General Manager

Hong Kong, 11 September 2006

As at the date of this announcement, the Executive Directors are Mr. Zhang Xuewu, Mr. Xiong Weiping, Mr. Zheng Heshui, Mr. Lo Sui On, Mr. Zheng Hongqing, Ms. Jiang Yan, Mr. Mao Jianjun, Mr. Zhang Fengchun, Mr. Ng Chi Man, Michael and Mr. Liu Li and the Independent Non-Executive Directors are 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.