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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)

## **PROFIT WARNING**

The Board of China Travel International Investment Hong Kong Limited announces that the Group's results for the year ending 31 December 2003 may be materially adversely affected as a result of the recent outbreak of the atypical pneumonia in Hong Kong, Mainland China and other parts of the world.

This announcement is made pursuant to paragraph 2 of the Listing Agreement.

The Board of Directors (the "Board") of China Travel International Investment Hong Kong Limited (the "Company") announces that the recent outbreak of the atypical pneumonia in Hong Kong SAR ("Hong Kong"), Mainland China and other parts of the world has materially adversely affected the travel and travel related operations of the Company and its subsidiaries (together the "Group"). The Board saw a significant drop in business throughout the tour, hotels, passenger transportation and theme parks operations since March 2003. Turnover of the Group's travel and travel related operations for the month of April 2003 has decreased by 50%-85% as compared with last year. Apart from Hong Kong, Mainland China is also a major market of the Group, so it is uncertain when the situation would be able to improve.

If this epidemic is not contained within a short period of time, it will most probably have an overall significant negative impact on the Group's performance and assets valuation for the year and there is a possibility of recording a net loss for the year ending 31 December 2003.

However, the Board would like to emphasise that the Group's financial position is strong and has sufficient cash reserves to meet long term cashflow requirements. The Group has carried out a series of cost cutting measures and will closely monitor the operations of all kinds of business (include travel and non travel business) to lessen the damage that this epidemic is bringing. The Board is also confident that the Group can endure this crisis and believe that the tourism industry will bounce back swiftly once the epidemic is under control.

Public investors and shareholders of the Company should exercise cautiously when dealing in the securities of the Company.

By Order of the Board  
**Shen Zhuying**  
*Managing Director*

Hong Kong, 16th May 2003