
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should obtain independent professional advice or consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Travel International Investment Hong Kong Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CHINA TRAVEL INTERNATIONAL INVESTMENT HONG KONG LIMITED **香港中旅國際投資有限公司**

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00308)

RE-ELECTION OF RETIRING DIRECTORS AND GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening an annual general meeting of the Company to be held at Cafe du Parc, 2nd Floor, Metropark Hotel Causeway Bay Hong Kong, 148 Tung Lo Wan Road, Causeway Bay, Hong Kong on Friday, 15 June 2007 at 2:30 p.m. is set out on pages 11 to 14 of this circular. Whether or not you are able to attend the meeting, please complete and return the form of proxy accompanying this circular in accordance with the instructions printed thereon to the Company's share registrar, Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and, in any event, by no later than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

30 April 2007

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LETTER FROM THE BOARD



CHINA TRAVEL INTERNATIONAL INVESTMENT HONG KONG LIMITED

香港中旅國際投資有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00308)

DIRECTORS:

Executive Directors:

Mr. Zhang Xuewu (*Chairman*)
Mr. Xiong Weiping (*Vice-Chairman*)
Mr. Zheng Heshui (*Vice-Chairman*)
Mr. Lo Sui On (*Vice-Chairman*)
Mr. Zheng Hongqing
Ms. Jiang Yan
Mr. Mao Jianjun
Mr. Zhang Fengchun
Mr. Ng Chi Man, Michael
Mr. Liu Li

REGISTERED OFFICE:

12th Floor, CTS House
78-83 Connaught Road Central
Hong Kong

Independent Non-Executive Directors:

Dr. Yeh Meou Tsen, Geoffrey
Mr. Yeh V-Nee
(*alternate Director to Dr. Yeh Meou Tsen, Geoffrey*)
Dr. Fong Yun Wah
Mr. Wong Man Kong, Peter
Mr. Sze, Robert Tsai To

30 April 2007

To Shareholders

Dear Sir or Madam,

**RE-ELECTION OF RETIRING DIRECTORS
AND
GENERAL MANDATES TO ISSUE SHARES AND
TO REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. RE-ELECTION OF RETIRING DIRECTORS

At the Annual General Meeting (the “Annual General Meeting”) of China Travel International Investment Hong Kong Limited (the “Company”), and the “Group” means the Company and its subsidiaries) to be held on Friday, 15 June 2007, Messrs. Zheng Heshui, Lo Sui On, Zheng Hongqing, Wong Man Kong, Peter and Dr. Fong Yun Wah, will retire as Directors by rotation. Messrs. Zheng Heshui, Lo Sui

LETTER FROM THE BOARD

On, Wong Man Kong, Peter and Dr. Fong Yun Wah, being eligible, offer themselves for re-election in accordance with Article 101 of the Company's Articles of Association (the "Articles"). The Company understands that Mr. Zheng Hongging will resign as a Director of the Company before the Annual General Meeting and the Company will make a separate announcement after his resignation takes effect in accordance with Rule 13.51(2) of the Listing Rules.

Each of Messrs. Xiong Weiping, Mao Jianjun and Ms. Jiang Yan, who were appointed by the board of Directors ("the Board") on 17 July 2006, will retire at the forthcoming AGM and, being eligible, offer himself for re-election in accordance with Article 92 of the Articles.

Particulars of Messrs. Xiong Weiping, Zheng Heshui, Lo Sui On, Ms. Jiang Yan, Mao Jianjun, Wong Man Kong, Peter and Dr. Fong Yun Wah, are set out in Appendix I to this circular.

2. GENERAL MANDATE TO REPURCHASE SHARES

In addition, approval is being sought from the shareholders of the Company (the "Shareholders") to repurchase ordinary share(s) of HK\$0.10 each in the share capital of the Company (the "Shares"). At the Annual General Meeting, an ordinary resolution will be proposed to approve the granting of a general mandate to the Directors to exercise the powers of the Company to repurchase (the "Repurchase Mandate") shares representing up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the relevant resolution.

This letter together with the explanatory statement, which is set out in Appendix II to this circular and is required under Rule 10.06(1)(b) of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") to provide the Shareholders with all the information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution approving the Repurchase Mandate, constitutes the memorandum of the terms of the proposed repurchases required under Section 49BA(3)(b) of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong).

3. GENERAL MANDATE TO ISSUE SHARES

In addition, approval is being sought from the Shareholders at the Annual General Meeting to grant a general mandate to the Directors to exercise the powers of the Company to allot and issue new Shares in the capital of the Company amounting to up to 20% of the aggregate nominal amount of the share capital of the Company in issue, by way of an ordinary resolution to be proposed at the Annual General Meeting. The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to such general mandate.

In the event that it becomes desirable for the Company to issue any new Shares, the Directors are given flexibility and discretion to allot and issue new Shares amounting to up to 20% of the issued share capital of the Company as at the date of the passing of the relevant resolution and, if also authorised by the Shareholders at the Annual General Meeting, by adding to such mandate the number of Shares repurchased by the Company pursuant to the Repurchase Mandate.

LETTER FROM THE BOARD

4. ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting is set out on pages 11 to 14 of this circular.

A form of proxy for use at the Annual General Meeting is enclosed. Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's share registrar, Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong no later than 48 hours before the time appointed for the holding of the Annual General Meeting. Completion and return of a form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

5. RIGHT TO DEMAND A POLL

Under Article 73 of the Articles, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:

- (a) the Chairman;
- (b) at least three members present in person or by proxy for the time being entitled to vote at the meeting;
- (c) any member(s) present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) any member(s) present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

6. RECOMMENDATION

The Directors believe that the proposals for re-election of retiring Directors, the Repurchase Mandate and the general mandate to issue Shares are in the interest of the Company. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Yours faithfully,

By Order of the Board

CHINA TRAVEL INTERNATIONAL INVESTMENT HONG KONG LIMITED

Zhang Xuewu

Chairman

Particulars of the retiring Directors subject to re-election at the Annual General Meeting are set out below:

MR. XIONG WEIPING - EXECUTIVE DIRECTOR, aged 50, was appointed as an Executive Director of the Company on 17 July 2006 and is the chairman and director of a number of subsidiaries of the Group. He is also the Vice Chairman and General Manager of CTS Holdings . Prior to joining the Group, he was the Vice-Chancellor and Dean of the Faculty of Management, Professor and Instructor of PhD. students of Central South Industrial University. Mr. Xiong subsequently was the deputy general manager of China Copper, Lead and Zinc Group Company and Aluminum Corporation of the PRC. Mr. Xiong was an executive director and the president of Aluminum Corporation of China Limited, a main board listed company in New York and Hong Kong. Mr. Xiong obtained a PhD. in Mining Engineering from Central South Industrial University in China and completed post-doctoral research in economics from Peking University. He is currently a part-time Professor and Instructor of PhD. students of Guanghua School of Management of Peking University.

There is no service contract between the Company and Mr. Xiong. He is not appointed for a specific term but shall be subject to retirement and re-election at the annual general meeting in accordance with the Articles. Mr. Xiong received a director's fee of HK\$260,000 for the year ended 31 December 2006 as determined by the Board and his emoluments are subject to the approval from time to time in general meeting of the Company. His emoluments for the financial year ending 31 December 2007 will be determined by the Board with reference to his performance and duties as well as the prevailing market conditions shortly before the annual general meeting of the Company to be held in 2008.

Mr. Xiong is not connected with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Xiong does not have any interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"). Save as disclosed above, Mr. Xiong has not held any directorship in other listed companies in the last three years.

MR. ZHENG HESHUI - EXECUTIVE DIRECTOR, aged 56, joined the Group in 1993 and was appointed as an Executive Director of the Company on 4 September 1998. Mr. Zheng is currently the chairman and director of a number of subsidiaries of the Group, and is also a director of CTS Holdings. Mr. Zheng has over 20 years' experience in management. He graduated from Xiamen University in China.

There is no service contract between the Company and Mr. Zheng. He is not appointed for a specific term but shall be subject to retirement and re-election at the annual general meeting in accordance with the Articles. Mr. Zheng received a director's fee of HK\$225,000 for the year ended 31 December 2006 as determined by the Board and his emoluments are subject to the approval from time to time in general meeting of the Company. His emoluments for the financial year ending 31 December 2007 will be determined by the Board with reference to his performance and duties as well as the prevailing market conditions shortly before the annual general meeting of the Company to be held in 2008.

Mr. Zheng is not connected with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Zheng does not have any interest in shares of the Company within the meaning of Part XV of the SFO. Mr. Zheng has not held any directorship in other listed companies in the last three years.

MR. LO SUI ON - EXECUTIVE DIRECTOR, aged 56, was appointed as an Executive Director of the Company on 21 June 2000. Mr. Lo is also a director of CTS Holdings and a number of subsidiaries of the Group. He is currently a director and the general manager of China Travel Service (Hong Kong) Limited and responsible for the Group's tourism service. Mr. Lo has over 30 years of operation and management experience in the tourism industry. Mr. Lo is a member of Hong Kong Tourism Board, a member of Central Policy Unit Panel on Pan-Pearl River Delta, a member of The Selection Committee for the Second & Third Government of Hong Kong Special Administration Region ("HKSAR"), a member of the HKSAR Government's Election Committee on Deputy of the Tenth National People's Congress of the PRC, a committee member of the Ninth Chinese People's Political Consultative Committee of Inner Mongolia Autonomous Region of China, the Chairman of Committee on Tourism of The Hong Kong Chinese Enterprises Association and the President of Hong Kong Association of China Travel Organizers Limited. In addition, Mr. Lo was appointed as a Director of the Travel Industry Council of Hong Kong and a member of the Tourism Strategy Group of the HKSAR Government.

There is no service contract between the Company and Mr. Lo. He is not appointed for a specific term but shall be subject to retirement and re-election at the annual general meeting in accordance with the Articles. Mr. Lo received a director's fee of HK\$225,000 for the year ended 31 December 2006 as determined by the Board and his emoluments are subject to the approval from time to time in general meeting of the Company. His emoluments for the financial year ending 31 December 2007 will be determined by the Board with reference to his performance and duties as well as the prevailing market conditions shortly before the annual general meeting of the Company to be held in 2008.

Mr. Lo is not connected with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Lo does not have any interest in shares of the Company within the meaning of Part XV of the SFO. Mr. Lo has not held any directorship in other listed companies in the last three years.

MS. JIANG YAN - EXECUTIVE DIRECTOR, aged 50, was appointed as an Executive Director of the Company on 17 July 2006. She has been appointed as a Director of CTS Holdings since October 2001. She is a deputy general manager of CTS Holdings. Prior to joining CTS Holdings, Ms. Jiang worked in State Oceanic Administration and All-China Women's Federation of the PRC. She was also the Senior Assistant of the Director General of Personnel Office and Division Chief of The Liaison office of the Central People's Government in HKSAR. Ms. Jiang obtained a Master's degree in Business Administration from University of South Australia.

There is no service contract between the Company and Ms. Jiang. She is not appointed for a specific term but shall be subject to retirement and re-election at the annual general meeting in accordance with the articles of association of the Company. Ms. Jiang received a director's fee of HK\$225,000 for the year ended 31 December 2006 as determined by the Board and her emoluments are subject to the

approval from time to time in general meeting of the Company. Her emoluments for the financial year ending 31 December 2007 will be determined by the Board with reference to her performance and duties as well as the prevailing market conditions shortly before the annual general meeting of the Company to be held in 2008.

Ms. Jiang is not connected with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Ms. Jiang does not have any interest in shares of the Company within the meaning of Part XV of the SFO. Ms. Jiang has not held any directorship in other listed companies in the last three years.

MR. MAO JIANJUN - EXECUTIVE DIRECTOR, aged 57, was appointed as an Executive Director of the Company on 17 July 2006. Mr. Mao has been appointed as a Director of CTS Holdings since July 2000. He is also a deputy general manager of CTS Holdings. Prior to joining CTS Holdings, Mr. Mao was the Section Chief of General Office of Jinan Municipal Government, the Chief of General Office of Shan Dong Provincial Government, the Chief of General Office of Ministry of Construction of the PRC, the Assistant Mayor of Xiamen Municipal Government and the deputy general manager of China Construction International Corporation. Mr. Mao graduated from Tongji University with a Master's Degree in Business Management.

There is no service contract between the Company and Mr. Mao. He is not appointed for a specific term but shall be subject to retirement and re-election at the annual general meeting in accordance with the articles of association of the Company. Mr. Mao received a director's fee of HK\$225,000 for the year ended 31 December 2006 as determined by the Board and his emoluments are subject to the approval from time to time in general meeting of the Company. His emoluments for the financial year ending 31 December 2007 will be determined by the Board with reference to his performance and duties as well as the prevailing market conditions shortly before the annual general meeting of the Company to be held in 2008.

Mr. Mao is not connected with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Mao does not have any interest in shares of the Company within the meaning of Part XV of the SFO. Mr. Mao has not held any directorship in other listed companies in the last three years.

DR. FONG YUN WAH *S.B.S., M.B.E., J.P.* **INDEPENDENT NON-EXECUTIVE DIRECTOR**, aged 82, was appointed as an Independent Non-Executive Director of the Company on 10 December 1998. Dr. Fong is the Chairman of The Hip Shing Hong Group, Kam Wah Investment Co., Ltd., Fong Shu Fook Tong Foundation and Fong's Family Foundation. Dr. Fong is also the honorary adviser of the Real Estate Developers Association of Hong Kong and the council member of United College at the Chinese University of Hong Kong. He has been appointed as honorary professor and honorary adviser of a number of Universities in the PRC and has also served as the chairman and council member of many charitable organisations in Hong Kong. He was a member of the Selection Committee for the First Government of the HKSAR and was awarded the Silver Bauhinia Star in 2000 by the Government of the HKSAR.

There is no service contract between the Company and Dr. Fong. He is not appointed for a specific term but shall be subject to retirement and re-election at the annual general meeting in accordance with the articles of association of the Company. Dr. Fong received a director's fee of HK\$235,000 for the year ended 31 December 2006 as determined by the Board and his emoluments are subject to the approval from time to time in general meeting of the Company. His emoluments for the financial year ending 31 December 2007 will be determined by the Board with reference to his performance and duties as well as the prevailing market conditions shortly before the annual general meeting of the Company to be held in 2008.

Dr. Fong is not connected with any other directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Dr. Fong is interested in 50,000 ordinary shares, representing approximately 0.001% in the share capital of the Company within the meaning of Part XV of the SFO. Dr. Fong has not held any directorship in other listed companies in the last three years.

MR. WONG MAN KONG, PETER *B.B.S., J.P., BSc, F.C.I.T., MRINA* – **INDEPENDENT NON-EXECUTIVE DIRECTOR**, aged 58, was appointed as an Independent Non-Executive Director of the Company on 10 December 1998, and is the Chairman of the Audit Committee and the Remuneration Committee of the Company. Mr. Wong has over 25 years of experience in industrial, commercial and public service. He is the Chairman of M.K. Corporation Ltd. and North West Development Ltd., as well as the director of Hong Kong Ferry (Holdings) Co. Ltd., Glorious Sun Enterprises Limited, Sun Hung Kai & Co., Limited and Chinney Investments Limited and Sino Hotels (Holdings) Limited. Mr. Wong serves as a deputy of the Tenth National People's Congress of the PRC. He graduated from the University of California at Berkeley in U.S.A. with a Bachelor of Science degree in Mechanical Engineering (Naval Architecture).

There is no service contract between the Company and Dr. Fong. He is not appointed for a specific term but shall be subject to retirement and re-election at the annual general meeting in accordance with the articles of association of the Company. Dr. Fong received a director's fee of HK\$235,000 for the year ended 31 December 2006 as determined by the Board and his emoluments are subject to the approval from time to time in general meeting of the Company. His emoluments for the financial year ending 31 December 2007 will be determined by the Board with reference to his performance and duties as well as the prevailing market conditions shortly before the annual general meeting of the Company to be held in 2008.

Mr. Wong is not connected with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Wong does not have any interest in shares of the Company within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Wong has not held any directorship in other listed companies in the last three years.

In relation to the re-election of Messrs. Xiong Weiping, Zheng Heshui, Lo Sui On, Ms. Jiang Yan, Mao Jianjun, Dr. Fong Yun Wah and Wong Man Kong, Peter as directors of the Company, save as disclosed above there is no matter that needs to be brought to the attention of the Shareholders or other information that should be disclosed under rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

The following is the Explanatory Statement required to be sent to the Shareholders under the Listing Rules in connection with the general mandate for repurchase of Shares and Warrants and, together with the letter from the board contained in this circular, also constitutes the memorandum of the terms of the repurchase required under section 49BA(3)(b) of the Companies Ordinance.

GENERAL MANDATE FOR REPURCHASE OF SHARES

(a) Share Capital

As at 25 April 2007 (the “Latest Practicable Date”), being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular, the issued share capital of the Company was HK\$ 569,535,552.5 divided into 5,695,355,525 Shares. Subject to the passing of the resolution granting the proposed Repurchase Mandate and on the basis that no further Shares will be issued or repurchased before the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 569,535,552 Shares (representing 10 % of the said total number of issued Shares) during the period ending on the earlier of (i) the conclusion of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting of the Company is required to be held by the articles of association of the Company or by the laws of Hong Kong; or (iii) the date upon which such authority is revoked or varied by a resolution of the shareholders of the Company in general meeting.

(b) Reasons for Repurchases

The Directors believe that it is in the best interests of the Company and its shareholders to have a general authority from the Shareholders to enable the Directors to repurchase securities in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the value of the Company’s securities and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its shareholders.

(c) Funding of Repurchases

Repurchases of Shares and Warrants must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association of the Company and the laws of Hong Kong, being profits available for distribution or the proceeds of a fresh issue of shares made for the purpose of the repurchases, and it is envisaged that the funds required for any repurchase would be derived from such sources.

There could be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements as at 31 December 2006) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

(d) Disclosure of Interests

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules), has any present intention to sell Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Company is authorised to make repurchases of Shares.

(e) Undertaking of the Directors

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the laws of Hong Kong and the Articles.

(f) Market Prices of Shares

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

	Shares	
	Highest HK\$	Lowest HK\$
2006		
April	2.325	1.990
May	2.200	1.770
June	1.890	1.690
July	1.900	1.710
August	1.930	1.730
September	1.940	1.710
October	1.930	1.730
November	2.180	1.770
December	2.670	2.010
2007		
January	3.750	2.370
February	4.170	3.000
March	3.560	2.880
April (<i>up to the Lasts Practicable Date</i>)	4.000	3.280

(g) General

Upon the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company will increase. Such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). As a result, a Shareholder or a group of Shareholders, acting in concert could, depending on the level of increase of shareholding interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, China Travel Service (Holdings) Hong Kong Limited ("CTS Holdings") beneficially owned approximately 52.56% of the issued share capital of the Company. If the Repurchase Mandate is exercised in full, the beneficial interests of CTS Holdings in the Company may be increased to approximately 58.4% of the issued share capital of the Company. The Directors consider that such repurchases made under the Repurchase Mandate will not give rise to an obligation for CTS Holdings to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. Moreover, the Directors have no present intention to exercise the power of the Company to repurchase Shares to such an extent as would result in the number of Shares in public hands falling below 25 per cent.

During the previous six months preceding the date of this circular, neither the Company nor any of its subsidiaries repurchased any of its securities (whether on the Stock Exchange or otherwise).

NOTICE OF ANNUAL GENERAL MEETING



CHINA TRAVEL INTERNATIONAL INVESTMENT HONG KONG LIMITED

香港中旅國際投資有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00308)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of China Travel International Investment Hong Kong Limited (the “Company”) will be held at Cafe du Parc, 2nd Floor, Metropark Hotel Causeway Bay Hong Kong, 148 Tung Lo Wan Road, Causeway Bay, Hong Kong on Friday, 15 June 2007 at 2:30 p.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the Directors and of the Auditors for the year ended 31 December 2006.
2. To declare a final dividend.
3. To re-elect retiring directors and authorize the board of directors to fix the remuneration of the directors.
4. To re-appoint Ernst & Young as auditors and to authorise the board of directors to fix their remuneration.

As special business to consider and, if thought fit, to pass with or without amendments, the following resolutions as ordinary resolutions:

5. **“THAT:**
 - (A) subject to paragraph (B) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company be and is hereby generally and unconditionally approved;
 - (B) the aggregate nominal amount of the shares which may be repurchased on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange recognized for this purpose by the Securities and Futures Commission of Hong Kong (the “SFC”) and the Stock Exchange under the Hong Kong Code on Share Repurchases (the “Repurchase Code”) pursuant to the approval in paragraph (A) of this Resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, and the said approval shall be limited accordingly;

NOTICE OF ANNUAL GENERAL MEETING

- (C) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or by the laws of Hong Kong to be held; or
 - (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting.”

6. **“THAT:**

- (A) subject to paragraph (C) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements, options and warrants which might require the exercise of such power be and it is hereby generally and unconditionally approved;
- (B) the approval in paragraph (A) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements, options and warrants which might require the exercise of such power after the end of the Relevant Period;
- (C) the aggregate nominal amount of share capital allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option, warrant or otherwise) by the Directors of the Company pursuant to the approval in paragraph (A) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or right to acquire shares of the Company, (iii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed the aggregate of:
 - (a) 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of shares of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the shares of the Company in issue at the date of passing this Resolution), and the said approval shall be limited accordingly;

(D) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or by the laws of Hong Kong to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; and

“Rights Issue” means an offer of shares or securities open for a period fixed by the Directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

7. **“THAT** the Directors of the Company be and are hereby authorised to exercise the powers of the Company referred to in paragraph (A) of the resolution set out as Resolution No. 6 in the notice convening this Meeting in respect of the nominal amount of shares of the Company referred to in sub-paragraph (b) of paragraph (C) of such resolution.”

By Order of the Board
Woo Wai See, Alice
Company Secretary

Hong Kong, 30 April 2007

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) A member entitled to attend and vote at the meeting convened by this notice is entitled to appoint more than one proxy to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
- (2) A form of proxy for use at the meeting will be enclosed with the 2006 Annual Report to be despatched to the Shareholders. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting or poll concerned if he so wishes. In the event of a member who has lodged a form of proxy attending the meeting, his form of proxy will be deemed to have been revoked.
- (3) In order to be valid, the instrument appointing a proxy together with a power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's share registrar, Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for the holding of the meeting (or adjourned meeting or of the poll, as the case may be).
- (4) In the case of joint holders of a share, any one of such holders may vote at the meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of such holders so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.
- (5) The Register of Members of the Company will be closed from Tuesday, 12 June 2007 to Friday, 15 June 2007 (both days inclusive), for the purposes of determining entitlements to the proposed final dividends. In order to qualify for the proposed dividends, all transfers documents accompanied by the relevant share certificates must be lodged with the Company's Registrar, 26th Floor Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 11 June 2007.
- (6) In relation to agenda item 3 in the Notice regarding election of retiring Directors, Messrs. Xiong Weiping, Zheng Heshui, Lo Sui On, Mao Jianjun, Wong Man Kong, Peter, Ms. Jiang Yan and Dr. Fong Yun Wah, will retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election in accordance with the articles of association of the Company. The biographical details and interests in the shares of the Company of the said directors to be re-elected at the Annual General Meeting are set out in the circular of the Company dated 30 April 2007.