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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)*

(Stock Code: 308)

**BUSINESS UPDATE-**  
**THE ENTERING INTO OF STRATEGIC FRAMEWORK AGREEMENT**  
**IN RESPECT OF**  
**JOINT DEVELOPMENT OF TOURISM RESOURCES IN DALI**

The board of directors (the “Board”) of China Travel International Investment Hong Kong Limited (the “Company”) would like to provide a business update to the shareholders and potential investors of the Company in respect of its development of tourism resources.

The Company is pleased to announce that on 15 June 2016, the Company entered into the Strategic Framework Agreement (the “Strategic Framework Agreement”) with Dali Bai Autonomous Prefecture People’s Government (“Dali People’s Government”) and Yunnan Tourism Investment Company Limited (“Yunnan Tourism Investment”) to jointly develop the tourism resources in Dali.

Dali has a long history with diversified ethnic groups, a superior natural environment and unique tourism resources. In recent years, Dali People’s Government has been striving to diversify the development of Dali’s tourism from mainstream sightseeing to in-depth sightseeing, leisure holiday and special purpose tourism, with a view to transforming and upgrading Dali’s tourism and developing it into a pillar industry. In accordance with the principle of “sharing existing resources and developing new resources” and on the basis of reaching an agreement in the negotiation, the parties will use Dali Tourism Group Company Limited (“Dali Tourism Group”) as an entry point for cooperation in which the Company will invest and hold an equity stake. The Company will participate in the existing tourism resources and take a leading role in developing new tourism resources, cooperate with the other parties and jointly develop the tourism resources in Dali.

Dali Tourism Group is a leading tourism enterprise in Dali which is owned as to 50% by Dali People’s Government through intermediate company and 50% by Yunnan Tourism Investment. Dali Tourism Group controls core tourism resources such as Butterfly Spring, Chongsheng Temple and the Three-Pagoda, Jizushan, Erhai Lake Cruise and Cangshan Cable Car, etc.

The Company considers that the tourism development in Dali complements the business development of the Company strongly at a strategic level and the entering into of the Strategic Framework Agreement will create win-win situations for all parties.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Dali People's Government and Yunan Tourism Investment are third parties independent of the Company and connected persons of the Company. The entering into of the Strategic Framework Agreement does not constitute a notifiable transaction and/or a connected transaction for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). If any transaction contemplated under the Strategic Framework Agreement constitutes notifiable transaction and/or connected transaction for the Company under the Listing Rules, the Company will comply with the relevant requirements of the Listing Rules.

By Order of the Board  
**China Travel International Investment Hong Kong Limited**  
**Xu Muhan**  
*Chairman*

Hong Kong, 15 June 2016

*As at the date of this announcement, the Board of the Company comprises five executive Directors, namely Mr. Xu Muhan, Mr. Lo Sui On, Mr. Zhang Fengchun, Mr. Fu Zhuoyang and Mr. Qu, Simon Tao and and four independent non-executive Directors, namely Dr. Fong Yun Wah, Mr. Wong Man Kong, Peter, Mr. Sze, Robert Tsai To and Mr. Chan Wing Kee.*