



Shanghai Jin Jiang International Hotels (Group) Company Limited*
上海錦江國際酒店（集團）股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 02006)

RIGHTS OVER EXCLUDED HOTEL BUSINESSES AND NEW UNION

The Board is pleased to announce that, in accordance with the arrangements disclosed in the Prospectus, a meeting of the INEDs was held on 25 June 2008 to consider whether or not to exercise the relevant Rights granted to the Company over the Excluded Hotel Businesses and New Union under the Deed of Non-Competition by Jin Jiang International.

The INEDs present at the meeting decided not to exercise the relevant Rights granted to the Company over the Excluded Hotel Businesses and New Union under the Deed of Non-Competition for reasons set out below.

In accordance with the arrangements disclosed in the Prospectus, the INEDs held the second independent board committee meeting for the year 2008 on 25 June 2008 to review the proposal in respect of the latest situation of the Excluded Hotel Businesses and New Union as at the end of the first quarter of 2008 and to consider whether or not to exercise the relevant Rights granted to the Company over the Excluded Hotel Businesses and New Union under the Deed of Non-Competition by Jin Jiang International.

Having considered the proposal presented by the Company, the INEDs present at the meeting decided not to exercise the relevant Rights granted to the Company over the Excluded Hotel Businesses and New Union under the Deed of Non-Competition for reasons detailed below:

EASTERN JIN JIANG:

Jin Jiang International entered into an agreement with the other shareholders of Eastern Jin Jiang on 12 December 2007, pursuant to which the shareholders had agreed to convert Eastern Jin Jiang into a limited liability company in accordance with the Company Law of the People's Republic of China as soon as possible and to ascertain their respective capital contributions to Eastern Jin Jiang upon its conversion into a limited liability company. Jin Jiang International has, however, advised that it would not be able to transfer its interests in Eastern Jin Jiang to the Company prior to the successful conversion of Eastern Jin Jiang into a limited liability company. Jin Jiang International will use its reasonable efforts to procure the conversion of Eastern Jin Jiang into a limited liability company and issue a written notice to the Company as soon as practicable upon the completion of relevant procedures, so that the Company may determine whether or not to exercise its Rights to purchase Jin Jiang International's 50% direct and indirect equity interests in Eastern Jin Jiang.

As the conversion of Eastern Jin Jiang has not yet been completed, the Company is currently not able to exercise the relevant Rights. The Company will make further announcements on Eastern Jin Jiang as and when appropriate.

JC MANDARIN:

Pursuant to the joint venture contract and business licence of JC Mandarin, the joint venture term of operation of JC Mandarin shall expire in August 2008, whereupon Jin Jiang International shall have the right to acquire all buildings and facilities of JC Mandarin at nil consideration. As advised by Jin Jiang International, a written notice will be issued to the Company upon the withdrawal of the foreign shareholder of JC Mandarin and the completion of relevant legal procedures, notifying that the Company has the right to purchase the entire equity interests held by Jin Jiang International.

As the liquidation of JC Mandarin has not yet commenced and the foreign shareholder has not yet withdrawn, the relevant legal procedures have yet to be completed. Accordingly, the Company is currently not able to exercise the relevant Rights. The Company will make further announcements on JC Mandarin as and when appropriate.

PACIFIC SHANGHAI:

The joint venture term of operation of Pacific Shanghai has not expired and Jin Jiang International has not yet obtained any of the assets of this company.

GARDEN HOTEL SHANGHAI:

The joint venture term of operation of Garden Hotel Shanghai has not expired and Jin Jiang International has not yet obtained any of the buildings or facilities of this company.

NEW JIN JIANG BUSINESS TRAVELLERS:

The Company has not been granted any Rights in relation to this company under the Deed of Non-Competition.

JINYUAN INN AND JIAOZHOU ROAD INN:

In compliance with its undertaking under the Deed of Non-Competition regarding Jinyuan Inn and Jiaozhou Road Inn, on 10 December 2007, 上海市食品（集團）有限公司 (Shanghai Foods (Group) Limited), a subsidiary of Jin Jiang International, entered into a legally binding letter of intent with an independent third party to transfer its indirect equity interests in Jinyuan Inn and Jiaozhou Road Inn to such independent third party. The parties to the letter of intent have agreed to use their best endeavours to enter into a transfer agreement within 90 working days from the date of signing of the letter of intent (or such later date as agreed by the parties). The letter of intent shall lapse if a transfer agreement has not been entered into by the parties within 90 working days from the date of signing of the letter of intent (or such later date as agreed by the parties). As of the date of this announcement, the parties to the letter of intent have not entered into any transfer agreement within 90 working days from the date of signing of the letter of intent (or such later date as agreed by the parties). Accordingly, the letter of intent has lapsed.

The Company will make further announcements on Jiuyuan Inn and Jiaozhou Road Inn as and when appropriate.

NEW UNION:

The development project of New Union has not yet been completed. At present, New Union remains a real estate development company, which does not accord with the Group's current development strategy of focusing on hotel investment and hotel management.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	means the board of directors of the Company
“Company”	means 上海錦江國際酒店（集團）股份有限公司 (Shanghai Jin Jiang International Hotels (Group) Company Limited), a joint stock company established in the People's Republic of China, the 1,391,500,000 H shares of which are listed on The Stock Exchange of Hong Kong Limited
“Deed of Non-Competition”	means the deed of non-competition dated 20 November 2006 entered into between the Company and Jin Jiang International
“Directors”	means the directors of the Company
“Eastern Jin Jiang”	means 上海東錦江大酒店有限公司 (Shanghai Eastern Jin Jiang Hotel Company Limited)
“Excluded Hotel Businesses”	means Eastern Jin Jiang, JC Mandarin, Pacific Shanghai, Garden Hotel Shanghai, New Jin Jiang Business Travellers, Jinyuan Inn and Jiaozhou Road Inn
“Garden Hotel Shanghai”	means 花園飯店(上海), a sino-foreign cooperative joint venture enterprise established jointly by Jin Jiang International and Nomura China Investment Company Limited
“Group”	means the Company and its subsidiaries
“INEDs”	means the independent non-executive Directors of the Company
“JC Mandarin”	means 上海錦滄文華大酒店有限公司 (Shanghai Jin Cang Mandarin Hotel Company Limited)
“Jiaozhou Road Inn”	means 上海食品集團酒店管理有限公司膠州度假旅館 (Jiaozhou Road Inn), a subsidiary of Shanghai Foods Group Hotel Management Company Limited

“Jin Jiang International”	means 錦江國際（集團）有限公司 (Jin Jiang International Holdings Company Limited), the controlling shareholder of the Company
“Jinyuan Inn”	means 上海食品集團酒店管理有限公司晉元大酒店 (Jinyuan Inn of Shanghai Foods Group Hotel Management Company Limited)
“New Jin Jiang Business Travellers”	means 上海錦江國際實業投資股份有限公司新錦江商旅酒店（分公司） (New Jin Jiang Business Travellers Hotels (branch company) of Shanghai Jin Jiang International Industrial Investment Company Limited)
“New Union”	means 上海新聯誼大廈有限公司 (Shanghai New Union Building Co., Ltd.)
“Pacific Shanghai”	means 上海太平洋大飯店有限公司 (Pacific Shanghai Hotel Company Limited)
“Prospectus”	means the prospectus dated 30 November 2006 of the Company
“Rights”	means the rights granted by Jin Jiang International under the Deed of Non-Competition to the Company to purchase or, in the case of Jinyuan Inn and Jiaozhou Road Inn, to purchase or lease, all (but not only a part thereof, unless otherwise agreed by Jin Jiang International) of Jin Jiang International’s direct and indirect equity interests in the Excluded Hotel Businesses (excluding New Jin Jiang Business Travellers) and New Union

By Order of the Board of
Shanghai Jin Jiang International Hotels (Group) Company Limited*
Kang Ming, Yuen Chin Yau
Joint Company Secretaries

Shanghai, the People’s Republic of China
25 June 2008

As at the date of this announcement, the executive directors are Mr. Yu Minliang, Ms. Chen Wenjun, Mr. Yang Weimin, Mr. Chen Hao, Mr. Yuan Gongyao, Mr. Xu Zurong, Mr. Han Min and Mr. Kang Ming, the non-executive director is Mr. Shen Maoxing, and the independent non-executive directors are Mr. Ji Gang, Mr. Xia Dawei, Mr. Sun Dajian, Dr. Rui Mingjie, Mr. Yang Menghua, Dr. Tu Qiyu, Mr. Shen Chengxiang and Mr. Lee Chung Bo.

* *The Company is registered as a non-Hong Kong company under Part XI of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) under its Chinese name and the English name “Shanghai Jin Jiang International Hotels (Group) Company Limited”.*