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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)

FURTHER ANNOUNCEMENT ON DISCLOSEABLE TRANSACTION GROUP REORGANISATION

Reference is made to the announcement of the Company dated 30 August 2009 in relation to the proposed group reorganisation.

The Board wishes to announce that the Asset Valuation Reports have been completed and, accordingly, the Company and Jin Jiang Hotels Development entered into the Supplemental Reorganisation Agreement on 29 September 2009 to confirm the considerations for the relevant transactions under the Reorganisation Agreement, subject to the filing of the Asset Valuation Reports with the Shanghai State-owned Assets Supervision and Administration Commission.

Reference is made to the announcement dated 30 August 2009 (the "Announcement") of Shanghai Jin Jiang International Hotels (Group) Company Limited (the "Company") in relation to the proposed group reorganisation. Capitalized terms used in this announcement shall have the same meanings as in the Announcement unless otherwise defined.

Orient Appraisal Co., Ltd. (上海東洲資產評估有限公司), an independent and qualified PRC appraiser, has prepared in accordance with the terms of the Reorganisation Agreement the asset valuation reports (the "Asset Valuation Reports", or individually "Asset Valuation Report") appraising the asset valuations of the Disposed Interests, the Acquired Interests and each of the Acquired Companies and the Disposed Companies as at the Valuation Reference Date. According to the Asset Valuation Reports, the valuations of Jin Jiang International Hotel Management Company Limited ("Hotel Management"), one of the Acquired Companies, and Jin Jiang Inn Company Limited ("Jin Jiang Inn"), one of the Disposed Companies, were prepared based on discounted cash flows under the income approach. The Asset Valuation Reports of both companies were prepared on the principal assumptions that there would be no material changes in the current taxation, policy-imposed levies, laws as well as the management and mode of operation of the relevant businesses. In addition, the valuation of Hotel Management was based on the assumptions that its operation will not be affected by government actions, industry and labour disputes, and material operation management contracts or agreements currently in force will continue to be valid without being affected by the implementation of the Proposed Transaction. The valuation of Jin Jiang Inn has not taken into account the revenues and the related operational risks arising from the

future expansion of Jin Jiang Inn budget hotels other than those which are currently under development, and the valuation of the franchising of Jin Jiang Inn budget hotels has not taken into account the number of additional franchised Jin Jiang Inn budget hotels that might be established after the Valuation Reference Date. Under Rule 14.61 of the Listing Rules, any valuation based on discounted cash flows will be regarded as a profit forecast. PricewaterhouseCoopers and Deloitte Touche Tohmatsu CPA Ltd., the auditors of the Company, have reviewed the calculations of the discounted cash flows, which do not involve the adoption of accounting policies, used by Orient Appraisal Co., Ltd. as the basis of preparing the valuations of Hotel Management and Jin Jiang Inn respectively. The Directors confirm that the two sets of forecast have been made after due and careful enquiry.

The Board wishes to announce that the Asset Valuation Reports have been completed and, accordingly, the Company and Jin Jiang Hotels Development entered into a supplemental reorganisation agreement (the “Supplemental Reorganisation Agreement”) on 29 September 2009 to confirm the considerations for the relevant transactions under the Reorganisation Agreement, subject to the filing of the Asset Valuation Reports with the Shanghai State-owned Assets Supervision and Administration Commission.

Pursuant to the Supplemental Reorganisation Agreement and subject to the filing of the Asset Valuation Reports with the Shanghai State-owned Assets Supervision and Administration Commission, the Disposed Interests will be transferred from the Company to Jin Jiang Hotels Development at a consideration of RMB2,727.08 million (equivalent to approximately HK\$3,095.09 million), and the Acquired Interests will be transferred from Jin Jiang Hotels Development to the Company at a consideration of RMB3,067.03 million (equivalent to approximately HK\$3,480.91 million). The shortfall of the considerations of the Disposed Interests and the Acquired Interests of RMB339.95 million (equivalent to approximately HK\$385.82 million) will be combined with the difference in profit or loss for the Relevant Period between the Disposed Interests and the Acquired Interests and paid in cash in RMB in accordance with the Reorganisation Agreement on a one-off basis by the Company to Jin Jiang Hotels Development within 30 days following the profit or loss for the Relevant Period being confirmed by an auditor jointly engaged by both parties.

In addition, pursuant to the Reorganisation Agreement and the Supplemental Reorganisation Agreement, the Company shall procure its subsidiary, Shanghai Jin Jiang Hotel, to transfer its 1% equity interest in Da Hua Hotel to Jin Jiang Hotels Development, and to confirm that, subject to the filing of the Asset Valuation Reports with the Shanghai State-owned Assets Supervision and Administration Commission, the consideration of RMB1.17 million (equivalent to approximately HK\$1.33 million) is to be paid in cash in RMB by Jin Jiang Hotels Development into the designated bank account of Shanghai Jin Jiang Hotel. Jin Jiang Hotels Development shall procure its subsidiary, Min Hang Hotel, to transfer its 1% equity interest in Hotel Management to the Company, and to confirm that, subject to the filing of the Asset Valuation Reports with the Shanghai State-owned Assets Supervision and Administration Commission, the consideration of RMB4.00 million (equivalent to approximately HK\$4.54 million) is to be paid in cash in RMB by the Company into the designated bank account of Min Hang Hotel.

The Supplemental Reorganisation Agreement shall become an integral part of the Reorganisation Agreement upon execution by the authorized representatives of the Company and Jin Jiang Hotels Development, and shall take effect simultaneously with the Reorganisation Agreement.

In addition, pursuant to Article 33 of the Administrative Measures on Substantial Asset Reorganisation of Listed Companies issued by the CSRC, Jin Jiang International Holdings Company Limited (“Jin Jiang International”), the controlling shareholder of the Company, entered into a profit forecast compensation agreement with Jin Jiang Hotels Development on 29 September 2009, pursuant to which Jin Jiang International agrees to provide to Jin Jiang Hotels Development a cash compensation of the shortfall, where the actual net profit of Jin Jiang Inn generated during (1) the year of the Reorganisation Completion Date, (2) the first financial year thereafter and (3) the second financial year thereafter, falls short of the forecasted net profit for the corresponding periods as set out in the relevant Asset Valuation Report of Jin Jiang Inn. According to the aforesaid Asset Valuation Report and the audited net profit for the period from January to July 2009, the forecasted net profit of Jin Jiang Inn for 2009, 2010, 2011 and 2012 would be RMB21.72 million (equivalent to approximately HK\$24.65 million), RMB32.11 million (equivalent to approximately HK\$36.44 million), RMB41.18 million (equivalent to approximately HK\$46.74 million) and RMB50.03 million (equivalent to approximately HK\$56.78 million) respectively. Pursuant to Chapter 14A of the Listing Rules, the abovementioned compensation is considered as a financial assistance and the transaction thereof shall constitute a connected transaction of the Company which is exempted from the reporting, announcement and independent shareholders’ approval requirements under the Listing Rules.

Unless otherwise specified, the RMB amounts set out in this announcement have been translated to Hong Kong dollars at the exchange rate of HK\$1 to RMB0.8811 for illustration only.

By order of the Board
Shanghai Jin Jiang International Hotels (Group) Company Limited
Kang Ming
Joint Company Secretary

Shanghai, China, 29 September 2009

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”.*