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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)

SECOND FURTHER ANNOUNCEMENT ON DISCLOSEABLE TRANSACTION GROUP REORGANISATION

Reference is made to the announcements of the Company dated 30 August 2009 and 29 September 2009 in relation to the entering into of the Reorganisation Agreement and the Supplemental Reorganisation Agreement respectively for the proposed group reorganisation.

This announcement is to provide further information in relation to the valuations of Hotel Management and Jin Jiang Inn as mentioned in the Further Announcement, and to set out the letter from the Board and two reports issued by the Company's auditors, PricewaterhouseCoopers and Deloitte Touche Tohmatsu CPA Ltd. respectively pursuant to Rules 14.60A and 14.62 of the Listing Rules.

Reference is made to the announcement of Shanghai Jin Jiang International Hotels (Group) Company Limited (the "Company") dated 30 August 2009 in relation to the entering into of the Reorganisation Agreement (the "Announcement") and the announcement dated 29 September 2009 in relation to the entering into of the Supplemental Reorganisation Agreement ("Further Announcement") for the proposed group reorganisation. Capitalized terms used in this announcement shall have the same meanings as in the Announcement and the Further Announcement unless otherwise defined.

As disclosed in the Further Announcement, the valuations of one of the Acquired Companies and one of the Disposed Companies, namely Hotel Management and Jin Jiang Inn respectively, were prepared by Orient Appraisal Co., Ltd. (上海東洲資產評估有限公司), an independent and qualified PRC appraiser, based on discounted future estimated cash flows under the income approach, and therefore constitute profit forecasts under Rule 14.61 of the Listing Rules.

According to the Asset Valuation Reports, the valuations of Hotel Management and Jin Jiang Inn as at the Valuation Reference Date are RMB400.25 million (equivalent to approximately HK\$454.36 million) and RMB1,508.61 million (equivalent to approximately HK\$1,712.58 million) respectively; whereas the valuations of 99% equity interests of Hotel Management

and 71.225% equity interest of Jin Jiang Inn are RMB396.25 million (equivalent to approximately HK\$449.82 million) and RMB1,074.51 million (equivalent to approximately HK\$1,219.79 million) respectively.

The principal assumptions as contained, inter alia, in the Further Announcement, upon which the preparation of the Asset Valuation Report of Hotel Management is based, are set out as follows:

1. there would be no material changes in the current taxation, policy-imposed levies and laws;
2. there would be no material changes in the management and mode of operation of the relevant businesses;
3. the operation of Hotel Management will not be affected by government actions, industry and labour disputes; and
4. the 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 principal assumptions as contained, inter alia, in the Further Announcement, upon which the preparation of the Asset Valuation Report of Jin Jiang Inn is based, are set out as follows:

1. there would be no material changes in the current taxation, policy-imposed levies and laws;
2. there would be no material changes in the management and mode of operation of the relevant businesses;
3. it 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
4. 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.

PricewaterhouseCoopers and Deloitte Touche Tohmatsu CPA Ltd., the auditors of the Company, have reviewed the calculations of the discounted future estimated cash flows, which do not involve the adoption of accounting policies, used by Orient Appraisal Co., Ltd. (上海東洲資產評估有限公司) 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 following are the qualifications of the experts who have given their opinion or advice included in this announcement:

Name	Qualification
PricewaterhouseCoopers	Certified Public Accountants
Deloitte Touche Tohmatsu CPA Ltd.	Certified Public Accountants

As at 29 September 2009 and up to the date of this announcement, none of PricewaterhouseCoopers and Deloitte Touche Tohmatsu CPA Ltd. has any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of PricewaterhouseCoopers and Deloitte Touche Tohmatsu CPA Ltd. has given and has not withdrawn its written consent to the publication of this announcement with the inclusion of its report and all reference to its name in the form and context in which it is included.

A letter from the Board confirming its view that the valuations prepared by Orient Appraisal Co., Ltd. in respect of Hotel Management and Jin Jiang Inn have been made after due and careful enquiry, a report from PricewaterhouseCoopers relating to discounted future estimated cash flows in connection with the business valuation in respect of the appraisal of the fair value of the 100% equity interests in Hotel Management and a report from Deloitte Touche Tohmatsu CPA Ltd. relating to cash flow forecast in respect of the valuation of the 71.225% equity interest in Jin Jiang Inn, which are prepared pursuant to Rules 14.60A and 14.62 of the Listing Rules, are set out in the appendices to this announcement.

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 RMB0.8809 for illustration only.

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

Shanghai, China, 16 October 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".*

APPENDIX

A. LETTER FROM THE BOARD

Date: 29/9/2009

The Listing Division
The Stock Exchange of Hong Kong Limited
11/F One International Finance Centre
1 Harbour View Street
Central, Hong Kong

Dear Madams/Sirs,

Re: Shanghai Jin Jiang International Hotels (Group) Company Limited (Stock Code: 2006) (the “Company”)

Rules 14.61 and 14.62 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

We refer to the asset valuation reports both dated 29th September 2009 as prepared by Orient Appraisal Co., Ltd (上海東洲資產評估有限公司) (the “Appraiser”) in relation to the valuations of 錦江國際酒店管理有限公司 (Jin Jiang International Hotel Management Company Limited) (“Hotel Management”) and 錦江之星旅館有限公司 (Jin Jiang Inn Company Limited) (“Jin Jiang Inn”). The valuations of Hotel Management of the Acquired Companies and Jin Jiang Inn of Disposed Companies were prepared based on discounted cash flows method, which are regarded as profit forecasts under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company discussed with the Appraiser on different aspects including the bases and assumptions upon which the valuations have been prepared and reviewed the valuations of Hotel Management and Jin Jiang Inn for which the Appraiser is responsible. We have also considered the reports from our auditors, PricewaterhouseCoopers and Deloitte Touche Tohmatsu CPA Ltd., regarding whether the valuations were compiled properly so far as the calculations are concerned.

On the basis of the foregoing, we are of the opinion that the valuations prepared by the Appraiser have been made after due and careful enquiry.

Yours faithfully

By order of the Board of Directors

Shanghai Jin Jiang International Hotels (Group) Company Limited

Yang Weimin

Executive Director and Chief Executive Officer

B. REPORT FROM PRICEWATERHOUSECOOPERS

Set out below is the text of the report received from the independent auditor, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, relating to the discounted future estimated cash flows in connection with the business valuation in respect of the appraisal of the fair value of the 100% equity interest in Jin Jiang International Hotel Management Company Limited, for the purpose of inclusion in this announcement.



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22nd Floor, Prince's Building
Central, Hong Kong

REPORT FROM INDEPENDENT AUDITOR ON DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF JIN JIANG INTERNATIONAL HOTEL MANAGEMENT COMPANY LIMITED

TO THE DIRECTORS OF SHANGHAI JIN JIANG INTERNATIONAL HOTELS (GROUP) COMPANY LIMITED

We have been engaged to report on the calculations of the discounted future estimated cash flows on which the business valuation (the “Valuation”) dated 29 September 2009, prepared by Orient Appraisal Co., Ltd (上海東洲資產評估有限公司) in respect of the appraisal of the fair value of the 100% equity interests in Jin Jiang International Hotel Management Company Limited (“Jin Jiang International Hotel Management”), is based. The Valuation is prepared in connection with the reorganization transaction between Shanghai Jin Jiang International Hotels (Group) Company Limited (the “Company”) and Shanghai Jin Jiang International Hotels Development Company Limited. The Valuation which is determined based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Directors’ Responsibility for the Discounted Future Estimated Cash Flows

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors and as set out in the Valuation (the “Bases and Assumptions”). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

It is our responsibility to report, as required by Rule 14.62(2) of the Listing Rules, on the calculations of the discounted future estimated cash flows on which the Valuation is based. We are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future estimated cash flows are based and our work does not constitute any valuation of Jin Jiang International Hotel Management.

We conducted our work in accordance with the Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, has been properly compiled in accordance with the Bases and Assumptions. We reviewed the arithmetical calculations and the compilation of the discounted future estimated cash flows in accordance with the Bases and Assumptions.

The discounted future estimated cash flows do not involve the adoption of accounting policies. The discounted future estimated cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.62(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

Opinion

Based on the foregoing, in our opinion, the discounted future estimated cash flows, so far as the calculations are concerned, has been properly compiled in all material respects in accordance with the Bases and Assumptions.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 September 2009

C. REPORT FROM DELOITTE TOUCHE TOHMATSU CPA LTD.

Set out below is the text of the report received from the independent auditor, Deloitte Touche Tohmatsu CPA Ltd., Certified Public Accountants, People's Republic of China, relating to discounted future estimated cash flows in respect of the valuation of the 71.225% equity interest in Jin Jiang Inn Co., Ltd., for the purpose of inclusion in this announcement.

Deloitte.
德勤

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The Board of Directors
Shanghai Jin Jiang International Hotels (Group) Company Limited

Dear Sirs,

INDEPENDENT ASSURANCE REPORT

We have examined the calculations of the underlying discounted future estimated cash flows (the "Underlying Forecast") used by Orient Appraisal Co., Ltd. (上海東洲資產評估有限公司) in their preparation of business valuation (the "Valuation") dated 29 September 2009, in respect of the valuation of the 71.225% equity interest in Jin Jiang Inn Co., Ltd. ("Jin Jiang Inn"). The valuation is prepared in connection with the reorganization transaction between Shanghai Jin Jiang International Hotels (Group) Company Limited (the "Company") and Shanghai Jin Jiang International Hotels Development Company Limited (the "Transaction"). The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Responsibilities

The directors of the Company are solely responsible for the preparation of the Underlying Forecast including a set of assumptions (the "Assumptions") for the purpose of business valuation of Jin Jiang Inn based on discounted cash flow method. The Underlying Forecast prepared by the directors of the Company is a cash flow model and no accounting policies of the Company have been adopted in the preparation of the Underlying Forecast. The Underlying Forecast has been prepared using the Assumptions that include hypothetical assumptions about future events and management's actions that are not necessarily expected to occur. Even if the events anticipated occur, actual results are still likely to be different from the Underlying Forecast and the variation may be material. The directors of the Company are responsible for the reasonableness and validity of the Assumptions.

It is our responsibility to form an opinion, based on our work on the Underlying Forecast and to report our opinion solely to you, as a body, solely for the purpose of reporting under Rule 14.62(2) of the Listing Rules and for no other purpose. We have not reviewed,

considered or conducted any work on the reasonableness and the validity of the Assumptions and express no opinion on the reasonableness and validity of the Assumptions on which the Underlying Forecast is based. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

Summary of our work

We conducted our work in accordance with the International Standard on Assurance Engagement 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the International Auditing and Assurance Standards Board. We examined the arithmetical accuracy of the Underlying Forecast. Our work has been undertaken solely to assist the directors of the Company in evaluation whether the Underlying Forecast, so far as the calculations are concerned, has been properly compiled in accordance with the Assumptions made by the directors of the Company. Our work does not constitute any valuation of the 71.225% equity interest in Jin Jiang Inn.

Opinion

Based on the examination of the arithmetical accuracy of the Underlying Forecast, nothing came to our attention to indicate that, the Underlying Forecast, so far as the calculations are concerned, has not been properly compiled in accordance with the Assumptions made by the directors of the Company.

Yours faithfully,
Deloitte Touche Tohmatsu CPA Ltd.

29 September 2009