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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 limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 02006)

**VERY SUBSTANTIAL ACQUISITION AND
CONNECTED TRANSACTION
ACQUISITIONS OF SHARES IN JIN JIANG INVESTMENT AND
JIN JIANG TRAVEL INVOLVING ISSUE OF NEW DOMESTIC SHARES
AND
PROPOSED AMENDMENTS
TO THE ARTICLES OF ASSOCIATION
AND
RESUMPTION OF TRADING**

Financial Adviser



A. THE ACQUISITIONS

The Board is pleased to announce that on 13 August 2010, the Company entered into the Share Transfer Agreement with Jin Jiang International to acquire (i) 212,586,460 shares in Jin Jiang Investment (representing approximately 38.54% of the total registered share capital of Jin Jiang Investment); and (ii) 66,556,270 shares in Jin Jiang Travel (representing approximately 50.21% of the total registered share capital of Jin Jiang Travel). The acquisition of 212,586,460 shares in Jin Jiang Investment and the acquisition of 66,556,270 shares in Jin Jiang Travel are inter-conditional.

The consideration payable for the acquisition of 212,586,460 shares in Jin Jiang Investment is RMB 2,081,221,443 (equivalent to approximately HK\$2,392,208,555.17) and the consideration payable for the acquisition of 66,556,270 shares in Jin Jiang Travel is RMB612,798,553 (equivalent to approximately HK\$704,366,152.87). The aggregate consideration for the Acquisitions in the amount of RMB2,694,019,996 (equivalent to approximately HK\$3,096,574,708.04) will be satisfied by way of the Company (i) transferring to Jin Jiang International a security deposit in the amount of RMB231,872,641.20 (equivalent to approximately HK\$266,520,277.24) previously paid by the Company and its bank interests as part of the Cash Consideration on the date when all the Condition Precedents are satisfied; (ii) paying to Jin Jiang International balance of the Cash Consideration after satisfaction of all the Condition Precedents and before the date of Completion; and (iii) issuing and allotting to Jin Jiang International 1,001,000,000 new Domestic Shares at a price of HK\$2.2 per Consideration Share (i.e. RMB1.919192 per Consideration Share, taking an exchange rate of HK\$1.00 = RMB0.87236) after satisfaction of all the Condition Precedents and before the date of Completion. The issue of the Consideration Shares is subject to the approvals of a specific mandate to be sought from the Independent Shareholders at the EGM and the H Shareholders' Class Meeting. If the specific mandate is granted at the EGM and the H Shareholders' Class Meeting, the registered share capital of the Company will be increased upon Completion and the Articles of Association will also need to be amended accordingly. The proposed amendments to the Articles of Association are conditional upon the Acquisitions being approved by the Independent Shareholders. As the Company currently holds approximately 2.22% of the total registered share capital of Jin Jiang Investment, upon Completion, each of Jin Jiang Investment and Jin Jiang Travel will become a 40.76% owned subsidiary and a 50.21% owned subsidiary of the Company.

Upon Completion, 1,391,500,000 H shares of the Company, representing 25% of the total registered share capital of the Company after Completion, will be held by the public shareholders of the Company.

As the relevant applicable percentage ratios set out in the Listing Rules for the Acquisitions (after aggregation) exceed 100%, the Acquisitions constitute a very substantial acquisition for the Company under Rule 14.06(5) of the Listing Rules. In addition, as Jin Jiang International is the Controlling Shareholder of the Company, it is a connected person of the Company. Accordingly, the Acquisitions constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and are subject to the Independent Shareholders' approval requirement as required under Rule 14A.48 of the Listing Rules.

An Independent Financial Adviser will be appointed to advise the Independent Board Committee, and the Independent Board Committee has been established to advise the Independent Shareholders, in respect of the Acquisitions. Each member of the Independent Board Committee does not have any material interest in the Acquisitions.

B. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board has proposed certain amendments to the Articles of Association consequential to the Acquisitions. The proposed amendments are subject to the consideration and approval by way of special resolution of the Shareholders at the EGM, and the completion of relevant approval, registration or filing procedures in the PRC.

C. CIRCULAR

A circular containing, among other things: (a) details of the Acquisitions as set out in this announcement; (b) financial information on the Group and the unaudited pro forma financial information of the Enlarged Group; (c) accountants' reports of the Target Companies and their respective subsidiaries; (d) a letter from the Independent Financial Adviser to the Independent Board Committee containing its advice on the Acquisitions; (e) the recommendation of the Independent Board Committee in respect of the Acquisitions; (f) details of the proposed amendments to the Articles of Association; and (g) notice of each of the EGM and the H Shareholders' Class Meeting, is expected to be dispatched to the Shareholders on or before 30 September 2010, taking into account the time expected to be required to compile the necessary information for the circular.

D. SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the H shares on the Stock Exchange has been suspended from 9:30 a.m. on 2 August 2010 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the H shares with effect from 9:30 a.m. on 16 August 2010.

A. THE ACQUISITIONS

Share Transfer Agreement

1. *Date:* 13 August 2010
2. *Parties*

Purchaser:	the Company
Vendor:	Jin Jiang International
Target Companies:	(i) Jin Jiang Investment; and (ii) Jin Jiang Travel

3. *Shares to be Acquired*

Subject to the satisfaction of the Condition Precedents, the Company will acquire 212,586,460 shares in Jin Jiang Investment (representing approximately 38.54% of the total registered share capital of Jin Jiang Investment) and 66,556,270 shares in Jin Jiang Travel (representing approximately 50.21% of the total registered share capital of Jin Jiang Travel) from Jin Jiang International under the Share Transfer Agreement.

4. *Consideration*

Pursuant to the Share Transfer Agreement, the consideration payable for the acquisition of 212,586,460 shares in Jin Jiang Investment is RMB 2,081,221,443 (equivalent to approximately HK\$2,392,208,555.17) and the consideration payable for the acquisition of 66,556,270 shares in Jin Jiang Travel is RMB612,798,553 (equivalent to approximately HK\$704,366,152.87). The aggregate consideration for the Acquisitions in the amount of RMB2,694,019,996 (equivalent to approximately HK\$3,096,574,708.04) will be satisfied by way of the Company (i) transferring to Jin Jiang International a security deposit in the amount of RMB231,872,641.20 (equivalent to approximately HK\$266,520,277.24) previously paid by the Company and its bank interests as part of the Cash Consideration on the date when all the Condition Precedents are satisfied; (ii) paying to Jin Jiang International balance of the Cash Consideration after satisfaction of all the Condition Precedents and before the date of Completion; and (iii) issuing and allotting to Jin Jiang International 1,001,000,000 new Domestic Shares at a price of HK\$2.2 per Consideration Share (i.e. RMB1.919192 per Consideration Share, taking an exchange rate of HK\$1.00 = RMB0.87236) after satisfaction of all the Condition Precedents and before the date of Completion.

The Cash Consideration will be funded by internal resources of the Company and financing. The Consideration Shares are proposed to be issued pursuant to the specific mandate to be sought from the Independent Shareholders at the EGM and the H Shareholders' Class Meeting. There is no special restriction applied to the subsequent sale of the Consideration Shares compared with the Domestic Shares in issue as at the date of this announcement.

The Share Transfer Agreement shall become effective on the date when it is (i) duly signed by the legal representative or authorised representative of each of the parties to the Share Transfer Agreement; (ii) approved by the respective internal decision-making bodies of the parties to the Share Transfer Agreement; and (iii) approved by the decision-making bodies of the government (including the China Securities Regulatory Commission, the State-owned Assets Supervision and Administration Commission of the State Council and the State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government).

The Share Transfer Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration payable for the acquisition of 212,586,460 shares in Jin Jiang Investment was determined with reference to 90% of the arithmetic average of daily weighted average prices of the A shares of Jin Jiang Investment as quoted on the Shanghai Stock Exchange for 30 trading days before the date of signing of the Share Transfer Agreement (i.e. RMB9.79 per share (equivalent to approximately HK\$11.25 per share)) and the consideration payable for the acquisition of 66,556,270 shares in Jin Jiang Travel was determined with reference to 90% of the arithmetic average of daily weighted average prices of the B shares of Jin Jiang Travel as quoted on the Shanghai Stock Exchange for 30 trading days before the date of signing of the Share Transfer Agreement (i.e. US\$1.359 per share (equivalent to approximately HK\$10.57 per share or RMB9.207225, taking an exchange rate of US\$1.00 = RMB6.775)).

The issue price of HK\$2.2 per Consideration Share (i.e. RMB1.919192 per Consideration Share, taking an exchange rate of HK\$1.00 = RMB0.87236) to be issued by the Company was determined after arm's length negotiations between Jin Jiang International and the Company and is equal to the average closing price of approximately HK\$2.2 per H share of the Company as quoted on the Stock Exchange for the trading days of the H shares of the Company in the 12 months prior to and including 30 July 2010 (the "Last Trading Day"), being the last trading day before the date on which the Share Transfer Agreement was signed. The issue price represents:

- (i) a premium of approximately 6.3% over HK\$2.07, being the closing price per H share of the Company as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 12.01% over HK\$1.964, being the daily weighted average prices of the H share of the Company for the 5 trading days before the Last Trading Day.

The financial information of the Target Companies is set out in the following table:

Target Companies	Audited net asset value of the Target Companies attributable to the shares to be acquired as at 31 December 2009 (RMB) (See Note below)	Audited net profit before taxation and extraordinary items of the Target Companies attributable to the shares to be acquired for the financial year ended 31 December 2008 (RMB) (See Note below)	Audited net profit before taxation and extraordinary items of the Target Companies attributable to the shares to be acquired for the financial year ended 31 December 2009 (RMB) (See Note below)	Audited net profit after taxation and extraordinary items of the Target Companies attributable to the share to be acquired for the financial year ended 31 December 2008 (RMB) (See Note below)	Audited net profit after taxation and extraordinary items of the Target Companies attributable to the shares to be acquired for the financial year ended 31 December 2009 (RMB) (See Note below)
Jin Jiang Investment	approximately 811,147,058.88 (equivalent to approximately HK\$932,352,941.24)	approximately 161,439,131.73 (equivalent to approximately HK\$185,562,220.38)	approximately 133,809,414.99 (equivalent to approximately HK\$153,803,925.28)	approximately 148,784,156.52 (equivalent to approximately HK\$171,016,271.86)	approximately 119,105,382.58 (equivalent to approximately HK\$136,902,738.60)
Jin Jiang Travel	approximately 574,140,320.67 (equivalent to approximately HK\$659,931,403.07)	approximately 13,312,384.99 (equivalent to approximately HK\$15,301,591.94)	approximately 23,385,401.56 (equivalent to approximately HK\$26,879,771.91)	approximately 9,934,939.21 (equivalent to approximately HK\$11,419,470.36)	approximately 19,762,270.17 (equivalent to approximately HK\$22,715,253.07)

Note: The above financial figures were prepared under CASBE and relevant regulations.

5. *Condition Precedents*

The Share Transfer Agreement shall be completed upon satisfaction of the following conditions:

- (i) all the approvals, consents and permissions of the government authorities required for the Acquisitions and all the approvals, consents and permissions required for the related matters are obtained. Such approvals, consents and permissions include:
 - a) the approval of the State-owned Assets Supervision and Administration Committee of Shanghai Municipal Government;
 - b) the approval of the State-owned Assets Supervision and Administration Commission of the State Council; and

- c) the approval of the China Securities Regulatory Commission.
- (ii) the approvals, consents and permissions have made no material amendments or changes to the terms, conditions or contents of the Share Transfer Agreement (including but not limited to the shares of Jin Jiang Investment and Jin Jiang Travel to be transferred under the Share Transfer Agreement and the consideration etc.);
 - (iii) Jin Jiang International and the Company have completed internal approval procedures (including but not limited to the Independent Shareholders' approval and the H Shareholders' approval of the Company) for the Acquisitions;
 - (iv) Jin Jiang International and the Company have not breached their respective warranties under the Share Transfer Agreement;
 - (v) Jin Jiang International and the Company have not breached their respective obligations under the Share Transfer Agreement;
 - (vi) the shares of Jin Jiang Investment and Jin Jiang Travel held by Jin Jiang International are true, legal, not subject to charges and are in a good condition for transfer.

6. Security Deposit

The Company will pay a security deposit in the sum of RMB231,872,641.20 (equivalent to approximately HK\$266,520,277.24) to a bank account jointly held by Jin Jiang International and the Company within 5 Working Days after the date of signing of the Share Transfer Agreement. This security deposit and its bank interests will be transferred to a bank account designated by Jin Jiang International on the date when all the Condition Precedents are satisfied, as part of the Cash Consideration.

If any Condition Precedent is not satisfied or all the Condition Precedents other than the completion of the internal approval procedures of Jin Jiang International and the Company (including but not limited to the Independent Shareholders' approval and the H Shareholders' approval of the Company) are not satisfied within 1 year from the date when such internal approval procedures are completed, the aforesaid security deposit and its bank interests will be returned back to the bank account designated by the Company within 2 Working days from the date after any of the aforesaid circumstances takes place.

7. Completion

Completion of the Share Transfer Agreement shall take place when the China Securities Depository and Clearing Company Limited Shanghai Branch issues a confirmation for registration of transfer of shares.

Reasons for and Benefits of The Acquisitions

The reasons and benefits of the Acquisitions are:

1. the Acquisitions will help the Company to build a listed platform with the Company acting as the core corporation and to extend its hotel and tourism business chain: in addition to the star-rated hotel business and the budget hotel business owned and operated by the Company, the Company will, after Completion, extend its operation to the upstream and downstream business sectors, including passenger transportation and logistics business and travel agencies business, so that its core business of hotel and tourism will cover the entire industry chain and enhance the brand image of “Jin Jiang” in the hotel and tourism service sectors;
2. the Acquisitions will help the Company to create synergy effect and develop new business models: hotel operations, passenger transportation and logistics operations and travel agencies are highly complementary and associated businesses and are parts of the tourism industry chain. Integration of these businesses can create significant synergy effects in the areas of customer sources, marketing channels and brand building etc. and provide the Company with flexibility in developing new business models. After Completion, the Company can, through associated business relationships and common shareholding management, centralize allocation of resources, increase its revenue and reduce its cost; and
3. the Acquisitions will help the Company to expand its scale and enhance its overall competitiveness and shareholders’ value: after Completion, the total assets and net assets of the Company will be increased and the revenue and net profit of the Company will be significantly increased.

General Information

1. *Principal Business Activities*

a) *the Group*

The Group is principally engaged in star-rated hotel operation and management, budget hotel operation and franchising, restaurant operation and other hotel-related businesses.

b) *Jin Jiang International*

Jin Jiang International is the Controlling Shareholder of the Company and is one of the largest integrated hotel and travel conglomerates in the PRC.

c) *Jin Jiang Investment*

Jin Jiang Investment is principally engaged in the passenger transportation service, modern logistics and logistics and warehousing businesses.

d) *Jin Jiang Travel*

Jin Jiang Travel is principally engaged in the travelling agencies business.

2. *Public Float*

Upon Completion, 1,391,500,000 H shares of the Company, representing 25% of the total registered share capital of the Company after Completion, will be held by the public shareholders of the Company. The following is the shareholding structure of the Company immediately before and after Completion:

Shareholders	Current Shareholding		Shareholding upon Completion	
	Shares	% of total share capital (approximately)	Shares	% of total share capital (approximately)
Jin Jiang International	3,014,825,000 Domestic Shares	66.04%	4,015,825,000 Domestic Shares (after allotment of 1,001,000,000 new Domestic Shares)	72.15%
Shanghai Jin Jiang International Investment and Management Company Limited	158,675,000 Domestic Shares	3.48%	158,675,000 Domestic Shares	2.85%
Public	1,391,500,000 H shares	30.48%	1,391,500,000 H shares	25%
Total	4,565,000,000 shares	100%	5,566,000,000 shares	100%

3. *Implications under the Listing Rules*

As the relevant applicable percentage ratios set out in the Listing Rules for the Acquisitions (after aggregation) exceed 100%, the Acquisitions constitute a very substantial acquisition for the Company under Rule 14.06(5) of the Listing Rules. In addition, as Jin Jiang International is the Controlling Shareholder of the Company, it is a connected person of the Company. Accordingly, the Acquisitions constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and are subject to the Independent Shareholders' approval requirement as required under Rule 14A.48 of the Listing Rules.

The Board (other than the independent non-executive Directors) believes that the terms of the Acquisitions contemplated under the Share Transfer Agreement (including the consideration) are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole. The Independent Board Committee will form a view on the Acquisitions after taking into account the advice from the Independent Financial Adviser, which will be set out in the circular to be dispatched to the shareholders of the Company.

4. *Independent Board Committee*

An Independent Financial Adviser will be appointed to advise the Independent Board Committee, and the Independent Board Committee has been established to advise the Independent Shareholders, in respect of the Acquisitions. Each member of the Independent Board Committee does not have any material interest in the Acquisitions.

B. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

On 13 August 2010, a resolution was passed by the Board, proposing to amend the Articles of Association consequential to the Acquisitions. The proposed amendments to the Articles of Association are conditional upon the Acquisitions being approved by the Independent Shareholders. Details of the proposed amendments are as follows:

1. Article 3.5 shall be amended as “As approved by the corporate approval department authorised by the State Council, the total number of ordinary shares issued by the Company shall be 5,566,000,000 shares. Upon incorporation, 3,300,000,000 shares were issued to the promoters, representing approximately 59.29% of the total number of ordinary shares issued by the Company. 1,265,000,000 overseas-listed foreign shares (H shares) (including the shares issued under the 15% over-allotment option) were issued by the Company after incorporation of the Company, representing approximately 22.73% of the total number of ordinary shares issued by the Company. 1,001,000,000 new domestic shares were issued by the Company following the issue of overseas-listed foreign shares (H shares), representing approximately 17.98% of the total number of ordinary shares issued by the Company.”
2. Article 3.6 shall be amended as “The Company was, by way of promotion method, converted from the original Shanghai Jin Jiang International Hotels (Group) Company Limited into a joint stock limited company by Jin Jiang International Holdings Company Limited and Shanghai Jin Jiang International Investment and Management Company Limited (as joint promoters) with the approval of the People’s Government of Shanghai Municipality.

Upon incorporation, the share capital structure of the Company comprised a total of 3,300,000,000 ordinary shares, of which 3,135,000,000 shares were held by the promoter, Jin Jiang International Holdings Company Limited, representing 95% of the total shares of the Company, and 165,000,000 shares were held by Shanghai Jin Jiang International Investment and Management Company Limited, representing 5% of the total shares of the Company. According to the capital verification issued by a capital verification institution duly established under law, as at 22 December 2005, the promoters of the Company had fully paid up all their respective capital contribution.

The Company issued 1,265,000,000 new shares (including 165,000,000 shares issued under the over-allotment option) under its initial public offering. Jin Jiang International Holdings Company Limited and Shanghai Jin Jiang International Investment and Management Company Limited, the holders of State-owned shares of the Company, had allocated to the National Council for Social Security Fund 126,500,000 State-owned shares, representing 10% of the actual number of new shares issued and such shares had converted into overseas-listed foreign shares.

Following the exercise of the over-allotment option in full, the issue of overseas-listed foreign shares under the Company's initial public offering, the reduction of State-owned shares and the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited, the share capital structure of the Company was 4,565,000,000 ordinary shares, comprising 3,173,500,000 domestic shares which are promoters' shares and 1,391,500,000 overseas-listed foreign shares (including 126,500,000 shares held by the National Council for Social Security Fund).

Following the Company's initial public offering of new shares, the Company issued 1,001,000,000 new domestic shares to Jin Jiang International Holdings Company Limited.

In respect of each of the aforesaid changes in the registered capital of the Company, the Company shall determine the actual amount of the registered capital of the Company according to the capital verification report issued by registered accountants, process corresponding registration of changes in the registered capital with the Shanghai Municipal Administration of Industry and Commerce, and file with the corporate approval department authorised by the State Council and the securities regulatory authorities of the State Council for record at the same time."

3. Article 3.9 shall be amended as "Following the completion of the issue of new domestic shares as described in the foregoing Article 3.6, the registered capital of the Company was increased to RMB5,566,000,000."

The Articles of Association are written in Chinese and there is no official English translation in respect thereof. Accordingly, the English translation above is for reference only. In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

The proposed amendments are subject to the consideration and approval by way of special resolution of the Shareholders at the EGM, and the completion of relevant approval, registration or filing procedures in the PRC.

C. CIRCULAR

A circular containing, among other things: (a) details of the Acquisitions as set out in this announcement; (b) financial information on the Group and the unaudited pro forma financial information of the Enlarged Group; (c) accountants' reports of the Target Companies and their respective subsidiaries; (d) a letter from the Independent Financial Adviser to the Independent Board Committee containing its advice on the Acquisitions; (e) the recommendation of the Independent Board Committee in respect of the Acquisitions; (f) details of the proposed amendments to the Articles of Association; and (g) notice of each of the EGM and the H Shareholders' Class Meeting, is expected to be dispatched to the Shareholders on or before 30 September 2010, taking into account the time expected to be required to compile the necessary information for the circular.

D. SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the H shares on the Stock Exchange has been suspended from 9:30 a.m. on 2 August 2010 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the H shares with effect from 9:30 a.m. on 16 August 2010.

E. DEFINITIONS

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

“Acquisitions”	the acquisition of 212,586,460 shares in Jin Jiang Investment from Jin Jiang International and the acquisition of 66,556,270 shares in Jin Jiang Travel from Jin Jiang International, pursuant to the Share Transfer Agreement
“Articles of Association”	articles of association of the Company
“Board”	the board of Directors
“CASBE”	financial reporting standards and interpretations for business enterprises issued by the China Accounting Standards Committee of the China Ministry of Finance
“Cash Consideration”	RMB772,908,804 (equivalent to approximately HK\$888,400,924.14) to be paid to Jin Jiang International in cash for the settlement of part of the consideration payable for the Acquisitions pursuant to the Share Transfer Agreement
“Company”	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
“Completion”	completion of the Acquisitions
“Condition Precedents”	the condition precedents to Completion, as set out under the section headed “Condition Precedents” in this announcement
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Consideration Shares”	1,001,000,000 new Domestic Shares to be issued at the issue price of HK\$2.2 per share (i.e. RMB1.919192, taking an exchange rate of HK\$1.00 = RMB0.87236) for the settlement of part of the consideration payable for the Acquisitions pursuant to the Share Transfer Agreement
“Controlling Shareholder”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Domestic Shares”	domestic shares of book value of RMB1.00 each in the share capital of the Company

“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering, among others, the Share Transfer Agreement and the proposed amendments to the Articles of Association, the notice of which will be set out in a circular to be despatched to the Shareholders
“Enlarged Group”	the Company and its subsidiaries after Completion
“Group”	the Company and its subsidiaries
“H Shareholders”	holders of H shares of the Company
“H Shareholders’ Class Meeting”	the class meeting of the H Shareholders to be convened on or immediately after the conclusion of the EGM held earlier on the same date for the purposes of approving issue of new Domestic Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	a committee of the Board comprising all the independent non-executive Directors, namely, 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
“Independent Financial Adviser”	an independent financial adviser to be appointed to advise the Independent Board Committee in respect of the Acquisitions
“Independent Shareholders”	the shareholders of the Company, except Jin Jiang International and its associates
“Jin Jiang International”	錦江國際(集團)有限公司 (Jin Jiang International Holdings Company Limited), the Controlling Shareholder of the Company
“Jin Jiang Investment”	上海錦江國際實業投資股份有限公司 (Shanghai Jin Jiang International Industrial Investment Co., Ltd.), a joint stock limited company established in the PRC whose A shares and B shares are listed on the Shanghai Stock Exchange
“Jin Jiang Travel”	上海錦江國際旅遊股份有限公司 (Shanghai Jinjiang International Travel Co., Ltd.), a joint stock limited company established in the PRC whose B shares are listed on the Shanghai Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the meaning ascribed to such term under the Listing Rules
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC

“Share Transfer Agreement”	the share transfer agreement dated 13 August 2010 entered into between Jin Jiang International and the Company, pursuant to which Jin Jiang International agreed to sell 212,586,460 shares in Jin Jiang Investment and 66,556,270 shares in Jin Jiang Travel to the Company
“Shareholders”	holders of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	Jin Jiang Investment and Jin Jiang Travel
“Working Day(s)”	a day other than (i) Saturday or Sunday; or (ii) public holiday in the PRC; or (iii) a day when banks in the PRC can or must be closed in accordance with PRC laws. A Working Day must at the same time be a trading day of the Shanghai Stock Exchange

By order of the board of directors
Shanghai Jin Jiang International Hotels (Group) Company Limited
Kang Ming
Executive Director and Joint Company Secretary

Shanghai, the PRC, 13 August 2010

As at the date of this announcement, the executive Directors are Mr. Yu Minliang, Ms. Chen Wenjun, Mr. Yang Weimin, Mr. Chen Hao, 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 exchange rate adopted in this announcement for illustration purposes only is HK\$1.00 = RMB0.87 and US\$1.00 = HK\$7.78

* *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”.*