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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)

DISCLOSEABLE TRANSACTION
2013 FIRST SBLC ISSUING AGREEMENT
AND 2013 SECOND SBLC ISSUING AGREEMENT

Reference is made to the announcement of the Company dated 29 March 2011 in relation to the First SBLC Issuing Agreement and the Second SBLC Issuing Agreement (as defined therein and collectively referred to as the “**2011 SBLC Issuing Agreements**” herein) entered into between the Company and ICBC Shanghai.

On 29 March 2011, IHR, a connected person of the Company, entered into the First ICBC Loan Agreement and the Second ICBC Loan Agreement with ICBC Europe (as defined therein and collectively referred to as the “**2011 ICBC Loan Agreements**” herein), pursuant to which ICBC Europe provides banking loan facilities (the “**2011 Loan Facilities**”) in the aggregate amount of USD128,000,000 to IHR. As required under the 2011 ICBC Loan Agreements, ICBC Shanghai has provided the First SBLC and the Second SBLC (as defined therein and collectively referred to as the “**2011 SBLCs**” herein) to ICBC Europe as security for the 2011 Loan Facilities. In consideration of the issuance of the 2011 SBLCs, the Company entered into the 2011 SBLC Issuing Agreements (as defined therein) with ICBC Shanghai and the Fee Letter (as defined therein) with IHR. The 2011 Loan Facilities will expire in April 2014.

For the purposes of refinancing the 2011 Loan Facilities, the Company would like to announce that on 25 September 2013, it entered into the following agreements: (i) the 2013 First SBLC Issuing Agreement with ICBC Shanghai; (ii) the 2013 Second SBLC Issuing Agreement with ICBC Shanghai; and (iii) the 2013 Fee Letter with IHR.

IHR entered into the 2013 First ICBC Loan Agreement and the 2013 Second ICBC Loan Agreement with ICBC New York, under which ICBC New York will provide the 2013 Banking Loan Facilities in the aggregate amount of USD128,000,000 to IHR. As required under the 2013 First ICBC Loan Agreement and the 2013 Second ICBC Loan Agreement, ICBC Shanghai has provided the 2013 First SBLC and the 2013 Second SBLC to ICBC New York as security for the 2013 Banking Loan Facilities respectively. The 2013 First SBLC and the 2013 Second SBLC will expire no later than 20 April 2016. In consideration of the issuance of the 2013 First SBLC and the 2013 Second SBLC, the Company has entered into the 2013 First SBLC Issuing Agreement and the 2013 Second SBLC Issuing Agreement respectively with ICBC Shanghai.

In consideration of the Company entering into the 2013 First SBLC Issuing Agreement and the 2013 Second SBLC Issuing Agreement, IHR has entered into the 2013 Fee Letter with the Company. Under the 2013 Fee Letter, IHR has agreed to reimburse the arrangement fee, the bank commissions and all legal fees paid by the Company in relation to the issuance of the 2013 First SBLC and the 2013 Second SBLC.

IHR, through its wholly owned subsidiary IHR Europe, indirectly holds a 49% equity interest in IHR China, a subsidiary of the Company. As such, the provision of indirect financial assistance to IHR under the 2013 First SBLC Issuing Agreement and the 2013 Second SBLC Issuing Agreement by the Company as described above constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. The reimbursement of the abovementioned fees from IHR to the Company under the 2013 Fee Letter also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Given that: (1) the 2013 First SBLC Issuing Agreement, the 2013 Second SBLC Issuing Agreement and the 2013 Fee Letter were entered into by the Company on normal commercial terms; (2) IHR is only a connected person of the Company at its subsidiary level; and (3) the value of IHR China's total assets, profits and revenue respectively represents less than 5% under the relevant applicable percentage ratios set out in the Listing Rules for the year ended 31 December 2012, IHR China satisfies the requirements under Rule 14A.31(9)(b)(ii) of the Listing Rules. Therefore, the entering into of such agreements by the Company are fully exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the relevant applicable percentage ratios set out in the Listing Rules for entering into the 2013 First SBLC Issuing Agreement and the 2013 Second SBLC Issuing Agreement by the Company exceed 5%, but are less than 25%, they constitute discloseable transactions of the Company under Rule 14.06(2) of the Listing Rules.

BACKGROUND

In addition to the 2013 First ICBC Loan Agreement, the 2013 Second ICBC Loan Agreement, the 2013 First SBLC Issuing Agreement, the 2013 Second SBLC Issuing Agreement and the 2013 Fee Letter mentioned above, THI V has also on the date of this announcement entered into a pledge and security agreement with ICBC Shanghai, to pledge its 50% shareholding interest in HAC to ICBC Shanghai to secure 50% of the aggregate amount of the 2013 First SBLC and the 2013 second SBLC.

I. THE 2013 FIRST SBLC ISSUING AGREEMENT

The main terms of the 2013 First SBLC Issuing Agreement are summarised as follows:

1. Date: 25 September 2013
2. Parties: (a) the Company; and
(b) ICBC Shanghai
3. Beneficiary of the 2013 First SBLC: ICBC New York
4. Amount of the 2013 First SBLC: USD69,750,000 (equivalent to HK\$539,167,500)
5. Term of the 2013 First SBLC:
Commence on the date of issuance of the 2013 First SBLC and expire no later than 20 April 2016
6. Purpose of the 2013 First SBLC:
The 2013 First SBLC will be used as security for the banking loan facilities under the 2013 First ICBC Loan Agreement provided by ICBC New York to IHR.
7. Bank commissions to be paid by the Company to ICBC Shanghai in relation to the issuance of the 2013 First SBLC:
 - (a) Initial fees: to be paid on the date of issuance of the 2013 First SBLC in an amount of RMB7,824,500 (equivalent to HK\$9,904,430);
 - (b) Subsequent fees: to be paid, if the loan under the 2013 First ICBC Loan Agreement is not fully prepaid on or before 6 October 2015, in a balance as calculated pursuant to the 2013 First SBLC Issuing Agreement

II. THE 2013 SECOND SBLC ISSUING AGREEMENT

The main terms of the 2013 Second SBLC Issuing Agreement are summarised as follows:

1. Date: 25 September 2013
2. Parties: (a) the Company; and
(b) ICBC Shanghai
3. Beneficiary of the 2013 Second SBLC: ICBC New York

4. Amount of the 2013 Second SBLC: USD65,000,000 (equivalent to HK\$502,450,000)

5. Term of the 2013 Second SBLC:

Commence on the date of issuance of the 2013 Second SBLC and expire no later than 20 April 2016

6. Purpose of the 2013 Second SBLC:

The 2013 Second SBLC will be used as security for the banking loan facilities under the 2013 Second ICBC Loan Agreement provided by ICBC New York to IHR.

7. Bank commissions to be paid by the Company to ICBC Shanghai in relation to the issuance of the 2013 Second SBLC:

(a) Initial fees: to be paid on the date of issuance of the 2013 Second SBLC in an amount of RMB7,291,600 (equivalent to HK\$9,229,873);

(b) Subsequent fees: to be paid, if the loan under the 2013 Second ICBC Loan Agreement is not fully prepaid on or before 6 October 2015, in a balance as calculated pursuant to the 2013 Second SBLC Issuing Agreement

III. THE 2013 FEE LETTER

The main terms of the 2013 Fee Letter are summarised as follows:

1. Date: 25 September 2013
2. Parties: (a) the Company; and
(b) IHR
3. Reimbursement:

IHR will reimburse the arrangement fee, the bank commissions and all legal fees (not to exceed the amount specified in the 2013 Fee Letter) paid by the Company in relation to the issuance of the 2013 First SBLC and the 2013 Second SBLC.

IV. REASONS AND BENEFITS FOR ENTERING INTO THE 2013 FIRST SBLC ISSUING AGREEMENT, THE 2013 SECOND SBLC ISSUING AGREEMENT AND THE 2013 FEE LETTER

The purposes of entering into the 2013 First SBLC Issuing Agreement, the 2013 Second SBLC Agreement and the 2013 Fee Letter are to refinance the loans under the 2011 ICBC Loan Agreements and cope with the financial needs for IHR's future project developments.

The Directors (including the independent non-executive Directors) are of the view that the terms of the 2013 First SBLC Issuing Agreement, the 2013 Second SBLC Agreement and the 2013 Fee Letter are fair and reasonable and in the interest of the Shareholders as a whole. No Director has a material interest in the transactions under the 2013 First SBLC Issuing Agreement, the 2013 Second SBLC Issuing Agreement and the 2013 Fee Letter.

V. FINANCIAL EFFECTS

The entering into the 2013 First SBLC Issuing Agreement, the 2013 Second SBLC Issuing Agreement and the 2013 Fee Letter has no immediate material financial effect on the Group's earnings, net assets and liabilities.

VI. GENERAL INFORMATION

The Group is principally engaged in full service hotel operation and management, select service hotel operation and franchising, restaurant operation and other hotel-related businesses.

IHR is a leading hotel management company in North America. IHR and its affiliates manage and/or have a total of 357 hotel properties with more than 68,000 rooms, which are respectively situated in the United States, China, Netherlands, Russia, India, Belgium, Canada, Ireland and England.

ICBC Shanghai is a branch of ICBC which is one of the largest commercial banks in the PRC.

VII. IMPLICATION UNDER THE LISTING RULES

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, ICBC Shanghai and its ultimate beneficial owner is not a connected person and is independent of any director, chief executive or substantial shareholder or the controlling shareholder of the Company or its subsidiaries or any of their respective associates.

IHR, through its wholly owned subsidiary IHR Europe, indirectly holds a 49% equity interest in IHR China, a subsidiary of the Company. As such, the provision of indirect financial assistance to IHR under the 2013 First SBLC Issuing Agreement and the 2013 Second SBLC Issuing Agreement by the Company as described above constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. The reimbursement of the abovementioned fees from IHR to the Company under the 2013 Fee Letter also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Given that: (1) the 2013 First SBLC Issuing Agreement, the 2013 Second SBLC Issuing Agreement and the 2013 Fee Letter were entered into by the Company on normal commercial terms; (2) IHR is only a connected person of the Company at its subsidiary level; and (3) the value of IHR China's total assets, profits and revenue respectively represents less than 5% under the relevant applicable percentage ratios set out in the Listing Rules for the year ended 31 December 2012, IHR China satisfies the requirements under Rule 14A.31(9)(b)(ii) of the Listing Rules. Therefore, the entering into of such agreements by the Company are fully exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the relevant applicable percentage ratios set out in the Listing Rules for entering into the 2013 First SBLC Issuing Agreement and the 2013 Second SBLC Issuing Agreement by the Company exceed 5%, but are less than 25%, they constitute discloseable transactions of the Company under Rule 14.06(2) of the Listing Rules.

VIII. DEFINITIONS

Unless the context otherwise requires, the terms used in this announcement shall have the following meanings:

“2013 Banking Loan Facilities”	a banking loan facilities to be provided by ICBC New York to IHR in the principal amount of USD128,000,000 (equivalent to HK\$989,440,000)
“2013 Fee Letter”	a fee letter dated 25 September 2013 entered into between the Company and IHR
“2013 First ICBC Loan Agreement”	a loan agreement entered into between ICBC New York and IHR, under which ICBC New York will provide to IHR a loan in the principal amount of USD66,250,000 (equivalent to HK\$512,112,500)
“2013 First SBLC”	the stand-by letter of credit to be issued by ICBC Shanghai to ICBC New York, as contemplated under the 2013 First SBLC Issuing Agreement
“2013 First SBLC Issuing Agreement”	a stand-by letter of credit issuing agreement dated 25 September 2013 entered into between the Company and ICBC Shanghai in consideration of the issuance of the 2013 First SBLC
“2013 Second ICBC Loan Agreement”	a loan agreement entered into between ICBC New York and IHR, under which ICBC New York will provide to IHR a loan in the principal amount of USD61,750,000 (equivalent to HK\$477,327,500)
“2013 Second SBLC”	the stand-by letter of credit to be issued by ICBC Shanghai to ICBC New York, as contemplated under the 2013 Second SBLC Issuing Agreement
“2013 Second SBLC Issuing Agreement”	a stand-by letter of credit issuing agreement dated 25 September 2013 entered into between the Company and ICBC Shanghai in consideration of the issuance of the 2013 Second SBLC
“Company”	上海錦江國際酒店(集團)股份有限公司 (Shanghai Jin Jiang International Hotels (Groups) Company Limited), a joint stock limited company established in the PRC, the H shares of which are listed on the Stock Exchange of Hong Kong Limited
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries
“HAC”	Hotel Acquisition Company, LLC, a Delaware limited liability company and the parent company of IHR
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC

“ICBC”	Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司)
“ICBC Europe”	Industrial and Commercial Bank of China (Europe) SA
“ICBC New York”	Industrial and Commercial Bank of China Limited, New York Branch
“ICBC Shanghai”	Industrial and Commercial Bank of China Limited, Shanghai Branch (中國工商銀行股份有限公司上海市分行)
“IHR”	Interstate Hotels & Resorts, Inc., a Delaware limited liability company
“IHR China”	Interstate (China) Hotels and Resorts Co., Ltd. (州際(中國)酒店和度假村有限公司), a limited liability company incorporated in Hong Kong
“IHR Europe”	Interstate Hotels & Resorts (Europe), Inc., a direct shareholder of IHR China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China (for the purpose of this announcement only, excluding Hong Kong, Macau and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“THI V”	THI V Inca LLC, a Delaware limited liability company and an indirect shareholder of IHR
“USD”	United States dollars, the lawful currency of the United States

By Order of the Board
Shanghai Jin Jiang International (Group) Company Limited
Kang Ming
Executive Director and Joint Company Secretary

Shanghai, the PRC, 25 September 2013

As at the date of this announcement, the executive directors are Mr. Yu Minlang, Ms. Chen Wenjun, Mr. Yang Weimin, Mr. Yang Yuanping, Mr. Shao Xiaoming, Mr. Han Min and Mr. Kang Ming, and the independent non-executive directors are Mr. Ji Gang, Mr. Sun Dajian, Dr. Rui Mingjie, Mr. Yang Menghua, Dr. Tu Qiyu and Mr. Shen Chengxiang.

The exchange rates adopted in this announcement for illustration purposes only are USD 1.00 = HK\$7.73 and HK\$1.00 = RMB0.79

** 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".*