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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)

**REVISION OF THE EXISTING ANNUAL CAPS FOR
MASTER PROPERTY LEASING AGREEMENT**

Reference is made to the announcement of the Company dated 23 December 2011 in relation to the Master Property Leasing Agreement entered into between the Company and Jin Jiang International, pursuant to which Jin Jiang International agreed to lease some properties legally owned by it to the Group and provide other property leasing related services to the Group for a term of the three years ending 31 December 2014.

Based on internal estimation, the Directors are of the view that the existing 2013 and 2014 annual caps for the transactions under the Master Property Leasing Agreement will not be sufficient for the Group's current requirements. Therefore, the Board proposes to revise the 2013 and 2014 annual caps to RMB 40,000,000 and RMB 50,000,000, respectively. Other than the above change, all existing terms and conditions of the Master Property Leasing Agreement have remained unchanged. In arriving at such revised annual caps, the Directors have considered certain factors.

As Jin Jiang International is the controlling shareholder of the Company and thus Jin Jiang International and its associates are connected persons of the Company. Therefore, the transactions under the Master Property Leasing Agreement between the Company and Jin Jiang International constitute continuing connected transactions of the Company.

Since the applicable percentage ratios (other than the profit ratio) for the higher proposed revised annual cap for the two years ending 31 December 2014 for the transactions under the Master Property Leasing Agreement exceed 0.1% but are all less than 5%, the continuing connected transactions under the Master Property Leasing Agreement are subject to reporting, annual review and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

A. BACKGROUND

Reference is made to the announcement of the Company dated 23 December 2011.

On 23 December 2011, the Company entered into the Master Property Leasing Agreement with Jin Jiang International, pursuant to which Jin Jiang International agreed to lease some properties legally owned by it to the Group and provide other property leasing related services to the Group for a term of the three years ending 31 December 2014.

The existing annual caps for the two years ending 31 December 2014 for the transactions under the Master Property Leasing Agreement are RMB 32,000,000 and RMB 34,000,000, respectively.

Based on internal estimation, the Directors are of the view that the existing 2013 and 2014 annual caps for the transactions under the Master Property Leasing Agreement will not be sufficient for the Group's current requirements. Therefore, the Board proposes to revise the 2013 and 2014 annual caps to RMB 40,000,000 and RMB 50,000,000, respectively. Other than the above change, all existing terms and conditions of the Master Property Leasing Agreement have remained unchanged. In arriving at such revised annual caps, the Directors have considered the following factors:

- (i) the historical figure for the ten months ended 31 October 2013 was approximately RMB 29,235,600;
- (ii) the new property leasing transactions are expected to be entered into between the Group and Jin Jiang International; and
- (iii) the rental payments and utility charges are expected to increase.

The existing annual cap for the year ending 31 December 2013 for transactions under the Master Property Leasing Agreement has not been exceeded as at the date of this announcement.

B. REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS

Due to the long-term relationship between the Company and Jin Jiang International Group, the Company considers that it is beneficial to continue to enter into the Master Property Leasing Agreement as these transactions will or will continue to facilitate the operation and growth of the Group's business.

The Board (including independent non-executive Directors) considers that the transactions under the Master Property Leasing Agreement are conducted on normal commercial terms or on terms no less favourable to the Company than those available to or from independent third parties, and are entered into on a continuing and regular basis in the ordinary and usual course of business of the Company, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Board (including independent non-executive Directors) further considers that, the proposed revised annual caps for the transactions under the Master Property Leasing Agreement for the two years ending 31 December 2014 are fair and reasonable.

Mr. Yu Minliang (being an executive Director) and Ms. Chen Wenjun (being an executive Director) who also act as the director and senior management of Jin Jiang International, respectively, have abstained from the voting of the Board in relation to the revision of the existing annual caps for Master Property Leasing Agreement. No other Director has a

material interest in the transactions conducted under the Master Property Leasing Agreement and hence no other Directors has abstained from voting on such board resolution.

C. LISTING RULES IMPLICATIONS

As Jin Jiang International is the controlling shareholder of the Company and thus Jin Jiang International and its associates are connected persons of the Company. Therefore, the transactions under the Master Property Leasing Agreement between the Company and Jin Jiang International constitute continuing connected transactions of the Company.

Since the applicable percentage ratios (other than the profit ratio) for the higher proposed revised annual cap for the two years ending 31 December 2014 for the transactions under the Master Property Leasing Agreement exceed 0.1% but are all less than 5%, the continuing connected transactions under the Master Property Leasing Agreement are subject to reporting, annual review and announcement requirements, but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

D. GENERAL INFORMATION

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

Jin Jiang International Group is principally engaged in hotel operation and management, travel, passenger transportation, as well as food and beverages.

E. DEFINITIONS

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

“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“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 limited company established in the PRC, the H shares of which are listed on the Stock Exchange
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the same meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“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 International Group”	Jin Jiang International and its associates (excluding the Group)
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Master Property Leasing Agreement”	the Master Property Leasing Agreement dated 23 December 2011 entered into between the Company and Jin Jiang International
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percent

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

Shanghai, the PRC, 26 November 2013

As at the date of this announcement, the executive Directors are Mr. Yu Minliang, 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 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”.*