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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)**

**PROPOSED EQUITY TRANSFER TRANSACTION**

This announcement is made pursuant to Part XIVA of the SFO and Rule 13.09 of the Listing Rules.

The Board is pleased to announce that, on 8 April 2014 (after trading hours), the Company published information on the official website of Shanghai United Assets and Equity Exchange in relation to the transfer of 90% equity interest in Galaxy Hotel through an open listing process. As at the date of this announcement, the Company and its subsidiary in aggregate hold 100% equity interest in Galaxy Hotel.

As at the date of this announcement, the Company has not entered into any agreement or agreed on any material terms in respect of the Proposed Equity Transfer. In the event that the Company enters into any agreement in writing in respect of the Proposed Equity Transfer, the Board will publish any relevant information in the market in accordance with the provisions of the Listing Rules. If the Proposed Equity Transfer constitutes a notifiable transaction of the Company and/or a connected transaction of the Company, the Company will comply with the disclosure requirements and other requirements under Chapters 14 and 14A of the Listing Rules.

**As the open listing process has yet to be completed and the Proposed Equity Transfer may or may not proceed, shareholders of the Company and public investors are advised to exercise caution when dealing in the Company's shares.**

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**A. MAJOR TERMS RELATING TO THE OPEN LISTING PROCESS ON SHANGHAI UNITED ASSETS AND EQUITY EXCHANGE ARE AS FOLLOWS:**

Date of commencement of listing:	8 April 2014
Publication period for listing:	20 business days from the date of announcement of listing
Listed price:	RMB759,020,404.34
Qualifications of the transferee:	<ol style="list-style-type: none"><li>1. The potential transferee shall be a validly subsisting domestic corporate legal person established under the law.</li><li>2. The potential transferee shall be financially sound and solvent.</li><li>3. The potential transferee shall have good business credibility without any records of illicit operations.</li><li>4. The potential transferee shall fulfill qualifications stipulated under national laws, regulations, rules and relevant provisions.</li><li>5. Joint transferees shall not be accepted.</li></ol>

Upon confirmation as the final transferee, the potential transferee shall enter into an asset and equity transaction contract with the Company within three working days.

Upon completion of the Proposed Equity Transfer, the Company and its subsidiary will hold 10% equity interest in Galaxy Hotel in aggregate.

**B. INFORMATION ON GALAXY HOTEL**

Galaxy Hotel was incorporated as a limited liability company in the PRC on 22 August 1990 with a registered capital of RMB19,884,700. The equity interest in Galaxy Hotel is held as to 99% by the Company and 1% by Jin Jiang Hotel, a subsidiary of the Company. Galaxy Hotel currently owns Houses No. 2–9 located at No. 888 Zhongshan West Road, Shanghai (the Galaxy Hotel podium complex) and their land use rights. The gross floor area of Houses No. 2–9 is 31,806.39 square metres in aggregate.

The title to House No. 1 located at No. 888 Zhongshan West Road, Shanghai (the main building of Galaxy Hotel) together with its land use rights is owned by Jin Yun Company, whose 100% equity interest has been transferred to 上海晟域資產管理有限公司 (Shanghai Sheng Yu Assets Management Co., Ltd.) through an open listing process at Shanghai United Assets and Equity Exchange. For details of the said transaction, please refer to the announcements published by the Company on 30 December 2013, 28 January 2014 and 21 February 2014, respectively.

According to the financial statements of Galaxy Hotel prepared in accordance with the Accounting Standards for Business Enterprises in the PRC and audited by BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所 (特殊普通合夥)), the owners' equity of Galaxy Hotel was RMB51,755,432.58 as at 28 February 2014.

According to a valuation report in respect of partial shareholders' equity issued by Shanghai Oriank Assets Appraisal Co. Ltd (上海財瑞資產評估有限公司), the value of the entire shareholders' equity of Galaxy Hotel as at the valuation date (i.e. 28 February 2014) was RMB843,356,004.82. The listed price for transfer of 90% equity interest in Galaxy Hotel has been determined at RMB759,020,404.34.

#### **C. REASONS FOR AND BENEFITS OF THE PROPOSED EQUITY TRANSFER**

The Proposed Equity Transfer is in line with the strategic planning of the Group and the interests of the Company's shareholders as a whole, improving the Group's assets liquidity and financial positions and optimizing the Group's assets allocation. The Company intends to utilise net proceeds received from the Proposed Equity Transfer as the Group's general working capital.

#### **D. GENERAL INFORMATION**

As at the date of this announcement, the Company has not entered into any agreement or agreed on any material terms in respect of the Proposed Equity Transfer. In the event that the Company enters into any agreement in writing in respect of the Proposed Equity Transfer, the Board will publish any relevant information in the market in accordance with the provisions of the Listing Rules. If the Proposed Equity Transfer constitutes a notifiable transaction of the Company and/or a connected transaction of the Company, the Company will comply with the disclosure requirements and other requirements under Chapters 14 and 14A of the Listing Rules.

**As the open listing process has yet to be completed and the Proposed Equity Transfer may or may not proceed, shareholders of the Company and public investors are advised to exercise caution when dealing in the Company's shares.**

For further information on the Proposed Equity Transfer, please visit the website of Shanghai United Assets and Equity Exchange ([www.suaee.com](http://www.suaee.com)).

#### **E. DEFINITIONS**

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

“Board”	the board of directors of the Company
“Company”	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 established in the PRC, the H shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Galaxy Hotel”	上海銀河賓館有限公司 (Shanghai Galaxy Hotel Co., Ltd.), a limited liability company incorporated in the PRC

“Group”	the Company and its subsidiaries
“Jin Jiang Hotel”	上海錦江飯店有限公司 (Shanghai Jin Jiang Hotel Co., Ltd.), a limited liability company incorporated in the PRC
“Jin Yun Company”	上海錦贇資產管理有限公司 (Shanghai Jin Yun Assets Management Co., Ltd.), a limited liability company incorporated in the PRC
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Proposed Equity Transfer”	the proposed transfer of 90% equity interest in Galaxy Hotel by the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Shanghai, the PRC, 8 April 2014

*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 as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) under its Chinese name and the English name “**Shanghai Jin Jiang International Hotels (Group) Company Limited**”.*