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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)

**ANNOUNCEMENT
INSIDE INFORMATION
RECEIPT OF LETTER OF GRANT OF RIGHT OF PARTICIPATION
FROM JIN JIANG INTERNATIONAL INVESTMENT
AND
ANNOUNCEMENT IN RELATION TO THE PROGRESS OF
SIGNIFICANT ASSET REORGANISATION
BY A SUBSIDIARY**

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the announcements of Shanghai Jin Jiang International Hotels (Group) Company Limited* (the “**Company**”) dated 12 November 2014, 21 November 2014, 28 November 2014, 5 December 2014, 12 December 2014, 19 December 2014, 23 December 2014 and 30 December 2014, respectively, in relation to the receipt by each of the Company and Shanghai Jin Jiang International Hotels Development Company Limited (“**Jin Jiang Hotels Development**”), which is a joint stock limited company incorporated in the People’s Republic of China (the “**PRC**”) with its A shares and B shares listed on the Shanghai Stock Exchange and a subsidiary of the Company, from Jin Jiang International Holdings Company Limited (“**Jin Jiang International**”) of a letter of enquiry, which stated that Jin Jiang International and Starwood Capital Group (a U.S. investment fund) had, through their respective subsidiaries, entered into an agreement in relation to the disposal of 100% equity interests in Groupe du Louvre and Louvre Hotels Group, a wholly-owned subsidiary of Groupe du Louvre, by Starwood Capital Group. Jin Jiang International requested the Company and Jin Jiang Hotels Development to assess and confirm whether they would participate in the transaction as acquiring parties.

On 6 January 2015, the Company and Jin Jiang Hotels Development respectively received the “Letter of Grant of Right of Participation” from Shanghai Jin Jiang International Investment and Management Co., Ltd. (“**Jin Jiang International Investment**”, a wholly-owned subsidiary of Jin Jiang International), the main contents of which are as follows:

In November 2014, Jin Jiang International Investment entered into the Put Option Agreement with Star SDL Investment Co S.à r.l. (the “**Vendor**”) (its attachments consisting of the Share Purchase Agreement, the Closing Escrow Agreement and the Receivable Assignment Agreement which are proposed to be entered into), and Jin Jiang International Investment entered into the Deposit Escrow Agreement with the Vendor and Maître Edouard Mourgue-Molines (the “**Escrow Agent**”). Jin Jiang International Investment had placed a deposit with the Escrow Agent, and the Vendor is entitled to exercise a put option for the disposal of 100% equity interests in Groupe du Louvre (the “**Target Interests**”) pursuant to the terms and conditions of the aforesaid agreements. Jin Jiang International Investment has a right to designate its related party to be the acquirer of the aforesaid equity interests, and upon the exercise of the said put option by the Vendor, such related party shall execute the aforesaid agreements (i.e. the Share Purchase Agreement, the Closing Escrow Agreement and the Receivable Assignment Agreement) as the acquirer of the equity interests.

Jin Jiang International Investment agrees to grant the Company and Jin Jiang Hotels Development (including their respective subsidiaries, the same hereinafter) the right of participation in the transaction for the transfer of the aforesaid equity interests, the contents of which are as follows:

1. If the Company or Jin Jiang Hotels Development agrees to acquire the Target Interests, upon the exercise of the said put option by the Vendor, the Company or Jin Jiang Hotels Development, as the acquirer of the equity interests, shall have the right to enter into the aforesaid agreements (i.e. the Share Purchase Agreement, the Closing Escrow Agreement and the Receivable Assignment Agreement) with the Vendor and its related parties, and shall be entitled to the rights and assume the obligations under the aforesaid three agreements. In view of the fact that the deposit placed by Jin Jiang International Investment shall be credited towards the consideration for the transfer of the equity interests, the Company or Jin Jiang Hotels Development shall pay to Jin Jiang International Investment an amount equal to such deposit upon the execution of the aforesaid three agreements.

If the Company or Jin Jiang Hotels Development agrees to acquire the Target Interests but the Vendor fails to exercise the said put option which results in the equity interests becoming non-transferable, or if the Company or Jin Jiang Hotels Development fails to satisfy the legal condition to acquire the Target Interests, Jin Jiang International Investment and the Vendor shall enjoy their respective rights and assume their respective obligations under the Put Option Agreement and the Deposit Escrow Agreement, and the Company or Jin Jiang Hotels Development will neither be entitled to any rights nor assume any obligations.

2. If both the Company and Jin Jiang Hotels Development give up the right to acquire the Target Interests, upon the exercise of the said put option by the Vendor, Jin Jiang International Investment shall continue to perform the obligations under the agreements previously entered into with the Vendor, and the Company and Jin Jiang Hotels Development shall not assume any legal liabilities.

The board of directors of each of the Company and Jin Jiang Hotels Development will make decisions on whether to exercise the aforesaid right of participation upon conducting deliberations and discussions on the aforesaid matters.

Jin Jiang Hotels Development published an announcement in relation to a significant asset reorganisation and continuous suspension of trading in its shares, an announcement in relation to the progress of significant asset reorganisation and continued suspension of trading in its shares, five announcements in relation to the progress of significant asset reorganisation and an indicative announcement in relation to the progress of significant asset reorganisation and the receipt of the “Letter of Grant of Right of Participation” on the Shanghai Stock Exchange on 21 November 2014, 28 November 2014, 5 December 2014, 12 December 2014, 19 December 2014, 23 December 2014, 30 December 2014 and 6 January 2015, respectively. Trading in the shares of Jin Jiang Hotels Development has remained in suspension as from 24 December 2014. The suspension shall last no more than 30 days. During the period of suspension, Jin Jiang Hotels Development will fulfill its obligations regarding the disclosure of information in a timely manner and publish an announcement on the progress of the event on a weekly basis.

Given significant uncertainties associated with the aforesaid material event, shareholders of the Company and public investors are advised to exercise caution when dealing in the shares of the Company. The board of directors will make further announcement(s) to inform the market on the progress of such material event as and when appropriate in accordance with the provisions of the Listing Rules.

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

Shanghai, the PRC, 6 January 2015

As at the date of this announcement, the executive directors of the Company 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 of the Company 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”.*