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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)

**AMENDMENTS TO THE TERMS OF A DISCLOSEABLE TRANSACTION
IN RELATION TO THE EQUITY TRANSFER AGREEMENT**

On 29 May 2015, the Company and Sheng Pu Investment entered into the Agreement under the coordination of the Arbitration Committee to amend the Equity Transfer Agreement as follows.

Reference is made to the announcements of the Company dated 8 April 2014, 9 May 2014 and 5 June 2014 (the “**Announcements**”) in relation to the transfer by the Company of its 90% equity interest in Galaxy Hotel to Sheng Pu Investment. Unless the context requires otherwise, capitalized items used herein shall have the same meanings as those defined in the Announcements.

Pursuant to the Equity Transfer Agreement (i.e. Shanghai Equity Transaction Contract), upon receipt of 51% of the consideration for the transaction by the Company, the Company and Sheng Pu Investment shall cooperate to complete the registration of change with the industry and commerce administration authority in relation to the transfer of 90% equity interest in Galaxy Hotel. As at the date of this announcement, the Company has received 51% of the consideration for transaction from Sheng Pu Investment. However, the registration of change with the industry and commerce administration authority of Galaxy Hotel has not been processed yet. On 7 May 2015, the Company filed a request for arbitration to the Shanghai Arbitration Committee (“**Arbitration Committee**”) to require the continued performance of the Equity Transfer Agreement and the provision of documents for the registration of change with the industry and commerce administration authority by Sheng Pu Investment.

On 29 May 2015, the Company and Sheng Pu Investment entered into a settlement agreement (the “**Agreement**”) under the coordination of the Arbitration Committee to amend the Equity Transfer Agreement as follows:

- (a) Subject matter: The Company shall transfer 50% equity interest in Galaxy Hotel to Sheng Pu Investment. Upon completion of the Equity Transfer Agreement and the Agreement, the shareholding percentage of the Company and its subsidiaries in Galaxy Hotel shall decrease from 100% to 50%. As such, Galaxy Hotel shall cease to be a subsidiary of the Company.
- (b) Consideration: The consideration for transfer of 50% equity interest in Galaxy Hotel shall be RMB421,678,002.41 (equivalent to approximately HK\$533,769,623.30). Other than the first two instalments of the consideration which had been paid by Sheng Pu Investment pursuant to the Equity Transfer Agreement, the remaining balance of the consideration shall be RMB34,577,596.20 (equivalent to approximately HK\$43,769,109.11) (the “**Remaining Consideration**”). The basis for determining the consideration above is consistent with the basis for determining the consideration set out in the Equity Transfer Agreement.
- (c) Payment: The Remaining Consideration shall be paid by Sheng Pu Investment within three working days after submission of the arbitration award of change of the subject matter to 50% equity interest in Galaxy Hotel to SHUAEE. Interest shall be payable to the Company by Sheng Pu Investment in respect of the Remaining Consideration at the loan interest rate quoted by banks for the same period.
- (d) Registration of the change with the industry and commerce administration authority: After Sheng Pu Investment has paid in full the total consideration of RMB421,678,002.41 (equivalent to approximately HK\$533,769,623.30) to the Company, the Company and Sheng Pu Investment shall cooperate to complete the registration of change with the industry and commerce administration authority in relation to the transfer of 50% equity interest in Galaxy Hotel.

The Company and Sheng Pu Investment undertake that, upon the Agreement taking effect, each of them will forthwith waive any and all petition of rights and demand for compensation that each of them owns or may own against the other (including its parent company, associated companies, shareholders, directors, employees and nominees) under the Equity Transfer Agreement; each of the two parties shall relinquish and waive any and all legal actions, petitions, rights and claims arising from or incidental to the Equity Transfer Agreement that have been or may be taken against the other party (including its parent company, associated companies, shareholders, directors, employees and nominees) in the PRC or other jurisdictions, whether known or unknown. In case that there are any discrepancies

between the rights and obligations of the two parties under the Equity Transfer Agreement and the Agreement, the Agreement shall prevail. The two parties shall not have any further dispute in respect thereof.

Other than the amendments above, all other principal terms and conditions of the Equity Transfer Agreement shall remain unchanged and in full force and effect. Except under circumstances where submission to the approving authorities for approval is required under the laws and administrative regulations in order for the Agreement to be valid, the Agreement shall become effective after the Agreement is signed or sealed by the Company and Sheng Pu Investment and approved by: (i) the Board; (ii) the board of directors of Yang Guang Company; and (iii) the shareholders' meeting of Yang Guang 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 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. As at the date of this announcement, the transfer of 100% equity interest in Jin Yun Company to Sheng Yu Company has been completed. The Company believes that the retention of 50% equity interest in Galaxy Hotel by the Company will be beneficial to the subsequent construction and operation of the podium building of Galaxy Hotel.

For illustration purposes only, an exchange rate of RMB0.79 to HK\$1 is used in this announcement. No representation is made that any amount in HK\$ or RMB is or could have been or could be converted at such rate or at any other rate or at all.

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

Shanghai, the PRC, 29 May 2015

As at the date of this notice, 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, Dr. Rui Mingjie, Mr. Yang Menghua, Mr. Sun Dajian, 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”.*