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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)

**ANNOUNCEMENT
INSIDE INFORMATION
ANNOUNCEMENT OF PROPOSAL FOR PRIVATE PLACING OF SHARES
AND ENTERING INTO OF THE
CONDITIONAL PRIVATE PLACING SHARE SUBSCRIPTION
AGREEMENT 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 Listing Rules.

Reference is made to the announcements published by the Company on 21 October 2015 and 28 October 2015, respectively, in relation to the proposed private placing of shares by Jin Jiang Hotels Development, a subsidiary of the Company. Trading in the shares of Jin Jiang Hotels Development has been suspended from 22 October 2015 and the suspension has been extended from 29 October 2015.

The Board of the Company is pleased to announce that: (1) the resolution on the proposed private placing was considered and approved by the board of directors of Jin Jiang Hotels Development on 30 October 2015; (2) on the same date, the Company and Jin Jiang Hotels Development entered into the "conditional private placing share subscription agreement". Pursuant to the said resolution, Jin Jiang Hotels Development proposed to conduct a private placing of 150,958,260 A shares at an issue price of RMB29.93 per share to the Company, Hony Investment Fund, Guosheng Group, Great Wall Asset Management, Future Asset and SIGAM, among which the Company, Hony Investment Fund, Guosheng Group, Great Wall Asset Management, Future Asset and SIGAM will be issued 75,958,260 shares, 20,000,000 shares, 15,000,000 shares, 15,000,000 shares, 15,000,000 shares and 10,000,000 shares, respectively. The Company's interest in Jin Jiang Hotels Development as a percentage of Jin Jiang Hotels Development's total issued share capital will be maintained at 50.32% before and after the completion of the private placing of shares by Jin Jiang Hotels Development.

Trading in the shares of Jin Jiang Hotels Development will resume on 2 November 2015.

The proposed private placing of shares by Jin Jiang Hotels Development is subject to consideration and approval at the general meeting of Jin Jiang Hotels Development, respective approvals of the Shanghai SASAC and MOC and sanction by the CSRC and therefore may or may not proceed. Shareholders of the Company and public investors should exercise caution when dealing in the Company's shares. The Board will make further announcement(s) on any progress in relation to the proposed private placing of shares by Jin Jiang Hotels Development in due course pursuant to the relevant requirements of the Listing Rules.

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 published by Shanghai Jin Jiang International Hotels (Group) Company Limited (the "**Company**") on 21 October 2015 and 28 October 2015, respectively, in relation to the proposed private placing of shares by Shanghai Jin Jiang International Hotels Development Company Limited ("**Jin Jiang Hotels Development**"), which is a joint stock limited company established in the People's Republic of China (the "**PRC**") with its A shares and B shares listed on the Shanghai Stock Exchange and being a subsidiary of the Company. Trading in the shares of Jin Jiang Hotels Development has been suspended from 22 October 2015 and the suspension has been extended from 29 October 2015.

The board of directors (the "**Board**") of the Company is pleased to announce that: (1) the resolution on the proposed private placing was considered and approved by the board of directors of Jin Jiang Hotels Development on 30 October 2015; (2) on the same date, the Company and Jin Jiang Hotels Development entered into the "conditional private placing share subscription agreement" (the "**Share Subscription Agreement**"). Pursuant to the said resolution, Jin Jiang Hotels Development proposed to conduct a private placing of 150,958,260 A shares at an issue price of RMB29.93 per share to the Company, Hony (Shanghai) Equity Interest Investment Fund Centre (Limited Partnership) ("**Hony Investment Fund**"), Shanghai Guosheng Group Co. Ltd. ("**Guosheng Group**"), China Great Wall Asset Management Corporation ("**Great Wall Asset Management**"), "Huai Jin Bao Yu Stable Growth No. 2 Asset Management Plan" managed by HuaAn Future Asset Management (Shanghai) Co., Ltd ("**Future Asset**") and SIG Asset Management Co., Ltd ("**SIGAM**"), among which the Company, Hony Investment Fund, Guosheng Group, Great Wall Asset Management, Future Asset and SIGAM will be issued 75,958,260 shares, 20,000,000 shares, 15,000,000 shares, 15,000,000 shares, 15,000,000 shares and 10,000,000 shares, respectively. The Company's interest in Jin Jiang Hotels Development as a percentage of Jin Jiang Hotels Development's total issued share capital will be maintained at 50.32% before and after the completion of the private placing of shares by Jin Jiang Hotels Development.

Trading in the shares of Jin Jiang Hotels Development will resume on 2 November 2015.

The principal terms of the proposed private placing of shares by Jin Jiang Hotels Development are as follows:

1. CLASS AND NOMINAL VALUE OF SHARES TO BE ISSUED

Shares to be issued under the private placing are domestic-listed RMB ordinary shares (A shares) with a nominal value of RMB1.00 per share.

2. METHOD AND TIMING OF ISSUE

The share issue will be conducted by way of private placing to designated placees. It will be launched at an opportune timing in accordance with relevant regulations of China Securities Regulatory Commission (“CSRC”) after receiving CSRC’s approval.

3. ISSUE PRICE AND PRICING PRINCIPLE

The record date for determining the pricing of the private placing is the date of announcement of the resolutions of the 5th meeting of the 8th session of the board of directors of Jin Jiang Hotels Development, i.e., 31 October 2015.

The issue price has been determined at RMB29.93 per share through negotiations between Jin Jiang Hotels Development and the placees by reference to 90% of the average trading price of Jin Jiang Hotels Development shares for the 20 trading days prior to the record date (the average share trading price for the 20 trading days prior to the record date = total amount of share transaction for the 20 trading days prior to the record date/total volume of share transaction for the 20 trading days prior to the record date).

In the event that Jin Jiang Hotels Development conducts any bonus share issue, transfer of capital reserves to share capital or any matters affecting share rights, or dividend payment or any matters affecting dividend, during the period from the record date to the date of issue, the issue price of the private placing will be adjusted accordingly.

4. PLACEES AND METHOD OF SUBSCRIPTION

The placees of the private placing include the Company, Hony Investment Fund, Guosheng Group, Great Wall Asset Management, Future Asset and SIGAM.

The placees will subscribe for the A shares to be issued in cash.

5. SIZE OF PLACING

The size of the private placing will be 150,958,260 A shares, of which the Company, Hony Investment Fund, Guosheng Group, Great Wall Asset Management, Future Asset and SIGAM will be issued 75,958,260 shares, 20,000,000 shares, 15,000,000 shares, 15,000,000 shares, 15,000,000 shares and 10,000,000 shares, respectively.

In the event that Jin Jiang Hotels Development conducts any bonus share issue, transfer of capital reserves to share capital or any matters affecting share rights, or dividend payment or any matters affecting dividend, during the period from the record date to the date of issue, the issue volume of the private placing will be adjusted accordingly.

6. MORATORIUM ARRANGEMENTS

Shares subscribed for by each of the Company, Hony Investment Fund, Guosheng Group, Great Wall Asset Management, Future Asset and SIGAM under the private placing shall not be transferable within 36 months from the completion date of the placing.

7. PLACE OF LISTING

Upon the conclusion of the moratorium, an application will be made for the listing of the shares under the private placing on the Shanghai Stock Exchange.

8. AMOUNT AND USE OF PROCEEDS

The private placing is intended to raise total proceeds of not more than RMB4,518,180,800. The net proceed (after deduction of issue expenses) will be used in its entirety for repayment of the borrowing of Jin Jiang Hotels Development in order to enhance financial capabilities, enhance its asset quality and improve its financial conditions.

9. DISTRIBUTION OF RETAINED PROFIT OF JIN JIANG HOTELS DEVELOPMENT PRIOR TO THE PLACING

Retained profit of Jin Jiang Hotels Development prior to the placing will be shared among new and old shareholders following the completion of the issue.

10. EFFECTIVE PERIOD OF THE RESOLUTION APPROVING THE PLACING

The resolution approving the proposed private placing will be effective for a period of 12 months from the date on which the resolution is considered and approved at the general meeting of Jin Jiang Hotels Development.

The proposed private placing of shares by Jin Jiang Hotels Development is subject to consideration and approval at the general meeting of Jin Jiang Hotels Development, respective approvals of the Shanghai State-owned Assets Supervision and Administration Commission (“Shanghai SASAC”) and MOC and sanction by the CSRC and therefore may or may not proceed. Shareholders of the Company and public investors should exercise caution when dealing in the Company’s shares. The Board will make further announcement(s) on any progress in relation to the proposed private placing of shares by Jin Jiang Hotels Development in due course pursuant to the relevant requirements of the Listing Rules.

For further details of the proposed private placing of shares by Jin Jiang Hotels Development, please visit the website of the Shanghai Stock Exchange (www.sse.com.cn).

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

Shanghai, the People’s Republic of China, 30 October 2015

As at the date of this announcement, the executive directors of the Company are Mr. Yu Minliang, Ms. Guo Lijuan, Mr. Chen Liming, Mr. Xu Ming, Mr. Zhang Qian, Mr. Zhang Xiaoqiang, Mr. Han Min and Mr. Kang Ming; and the independent non-executive directors of the Company are Mr. Ji Gang, Dr. Rui Mingjie, Dr. Tu Qiyu, Dr. Xu Jianxin, Mr. Xie Hongbing and Dr. He Jianmin.

* *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”.*