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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**  
**CONNECTED TRANSACTION**  
**FURTHER ANNOUNCEMENT ON THE ESTABLISHMENT OF**  
**JOINT VENTURE WEHOTEL**

Reference is made to the announcement on connected transaction published by Shanghai Jin Jiang International Hotels (Group) Company Limited (the “**Company**”) on 5 December 2016 (the “**Announcement**”) in relation to the shareholders’ agreement on the establishment of joint venture WeHotel (the “**Previous Shareholders’ Agreement**”). Unless the context otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board hereby announces that, in order to expedite the progress of the establishment of WeHotel, the Company, Jin Jiang Hotels Development, Jin Jiang Capital, UnionPay Venture, Tibet Hony and Guosheng Investment entered into a shareholders’ agreement in connection with the establishment of Shanghai Qi Cheng Network Technology Co., Ltd. (上海齊程網絡科技有限公司) (which is the formal name of joint venture WeHotel approved by the authorities of the administration for industry and commerce) on 6 February 2017 to adjust the terms of the Previous Shareholders’ Agreement. Pursuant to such agreement, the share of investment to be contributed by the Qualified Investors under the Previous Shareholders’ Agreement shall be contributed by Jin Jiang Capital, which shall also hold the corresponding equity interests in WeHotel. Upon the establishment of joint venture WeHotel, the Qualified Investors shall be entitled to subscribe for the increase in the registered capital of WeHotel, the procedures and requirements of which shall be subject to the provisions of laws then applicable (including but not limited to pertinent regulations announced by authorities in charge of the supervision of state-owned assets) and of the articles of association of WeHotel. The amount of capital

contribution and shareholding percentage of each of the Company, Jin Jiang Hotels Development, UnionPay Venture, Tibet Hony and Guosheng Investment shall remain unchanged. Information on the amount of capital contribution and shareholding percentage of joint venture WeHotel, as adjusted, is set out as follows:

<b>Amount of capital contribution and shareholding percentage:</b>	<b>Amount of subscribed capital contribution (RMB yuan)</b>	<b>Shareholding percentage</b>
Jin Jiang Capital	450,000,000	45%
UnionPay Venture	190,000,000	19%
The Company	100,000,000	10%
Jin Jiang Hotels Development	100,000,000	10%
Tibet Hony	100,000,000	10%
Guosheng Investment	<u>60,000,000</u>	<u>6%</u>
Total	<u><u>1,000,000,000</u></u>	<u><u>100%</u></u>

Save for the aforementioned adjustment, other major terms and conditions of the Previous Shareholders' Agreement set out in the Announcement shall remain unchanged. The Board (including the independent non-executive Directors) is of the view that the terms of the shareholders' agreement executed on 6 February 2017 and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

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 February 2017

*As at the date of this announcement, the executive directors of the Company are Mr. Yu Minliang, Ms. Guo Lijuan, Mr. Chen Liming, Mr. Zhang Qian, 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".*