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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 Price Sensitive Information

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

On 29 September 2009, Shanghai Jin Jiang International Hotels Development Company Limited (“Jin Jiang Hotels Development”), a subsidiary of Shanghai Jin Jiang International Hotels (Group) Company Limited (the “Company”) whose A shares and B shares are listed on the Shanghai Stock Exchange, issued its pro-forma consolidated profit forecast information for the years 2009 and 2010 and the pro-forma consolidated profit forecast information of its acquired interests (including 71.225% equity interests in Jin Jiang Inn Company Limited (“Jin Jiang Inn”), 80% equity interests in Shanghai Jin Jiang International Hotel Investment Company Limited (“Jin Jiang Hotel Investment”) and 99% equity interests in Shanghai Jin Jiang Da Hua Hotel Co., Ltd. (“Da Hua Hotel”) (collectively the “Acquired Interests”)) prepared in accordance with the accounting standards of The People’s Republic of China (“PRC”) in respect of the proposed group reorganisation announced by the Company on 30 August 2009 pursuant to the requirements of the China Securities Regulatory Commission.

The key pro-forma consolidated profit forecast information of Jin Jiang Hotels Development for the years 2009 and 2010 according to the pro-forma consolidated profit forecast report reviewed by a qualified PRC accountant are set out as follows:

| | 2008 | 2009 | 2010 | | |
|---|----------------|-----------------------|----------------------|-----------------------|----------------|
| | January to | January to | August to | January to | January to |
| | December | July | December | December | December |
| | Audited | Actual | Forecast | Total | Forecast |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Turnover | 793,626 | 416,898 | 371,173 | 788,071 | 1,706,959 |
| Less: Operating cost | 248,546 | 127,639 | 116,000 | 243,639 | 195,338 |
| Business tax and surcharges | 32,658 | 18,547 | 15,808 | 34,355 | 92,695 |
| Sales and administrative expenses | 405,604 | 257,941 | 212,876 | 470,817 | 1,280,776 |
| Finance cost | (17,455) | (8,385) | (6,455) | (14,840) | 7,894 |
| Asset impairment loss | 317 | 147 | — | 147 | — |
| Add: Investment gains | 179,088 | 214,441 | 64,358 | 278,799 | 113,170 |
| Including: Gains from investments in jointly controlled entities and associates | 74,483 | 31,366 | 22,488 | 53,854 | 75,887 |
| Operating profit | 303,044 | 235,450 | 97,302 | 332,752 | 243,426 |
| Add: Non-operating income | 19,013 | 5,361 | — | 5,361 | 5,056 |
| Less: Non-operating expenses | 818 | 322 | — | 322 | — |
| Total profit | 321,239 | 240,489 | 97,302 | 337,791 | 248,482 |
| Less: Income tax expenses | 32,691 | 36,475 | 17,127 | 53,602 | 35,917 |
| Net profit | <u>288,548</u> | <u>204,014</u> | <u>80,175</u> | <u>284,189</u> | <u>212,565</u> |
| Comprising | | | | | |
| Net profit attributable to: | | | | | |
| Equity holders of the parent company | 273,195 | 200,331 | 75,305 | 275,636 | 201,362 |
| Minority interests | <u>15,353</u> | <u>3,683</u> | <u>4,870</u> | <u>8,553</u> | <u>11,203</u> |

Pro-forma consolidated net profit after extraordinary gain/loss:

| | 2008 | 2009 | 2010 |
|---|----------------|---------------|----------------|
| | January to | January to | January to |
| | December | July | December |
| | Audited | Actual | Forecast |
| | RMB'000 | RMB'000 | RMB'000 |
| Consolidated net profit | 288,548 | 204,014 | 212,565 |
| Add (less): Gains from disposal of non-current assets | (3,189) | (132,362) | — |
| Staff settlement expenses | 2,046 | — | — |
| Investment gains from disposal of available-for-sale financial assets | (16,695) | — | — |
| Other non-operating income and expenses, net and excluding the above | (18,225) | (4,589) | (5,056) |
| Fund appropriation fee received from non-financial enterprises | (181) | (286) | — |
| | 252,304 | 66,777 | 207,509 |
| Income tax effect of extraordinary gain/loss | 4,668 | 27,232 | 33 |
| Consolidated net profit after extraordinary gain/loss | <u>256,972</u> | <u>94,009</u> | <u>207,542</u> |

The pro-forma consolidated net profit after extraordinary gain/loss for 2010 above does not take into account the income received from dividends of available-for-sale financial assets (2008: RMB50,931,000, 2009: RMB10,484,000).

BASIS OF PREPARATION OF THE PRO-FORMA CONSOLIDATED PROFIT FORECAST OF JIN JIANG HOTELS DEVELOPMENT

On the assumption that the transactions relating to the proposed group reorganisation will be completed on 1 January 2010 and the completion date for the transactions will be 1 January 2010, the Acquired Interests are included in the scope of the pro-forma consolidated profit forecast report, and the disposed interests (including 99% equity interests in Jin Jiang International Hotel Management Company Limited, 100% interests in Shanghai Jin Jiang International Management College, 66.67% equity interests in Sofitel Hyland Shanghai, 65% equity interests in Shanghai Jian Guo Hotel Company Limited, 50% equity interests in Thayer Jin Jiang Interactive Company Limited, 50% equity interests in Wuhan Jin Jiang International

Hotel Co., Ltd., 50% equity interests in Shanghai Jin Jiang Tomson Hotel Company Limited, 40% equity interests in Shanghai Yangtze Hotel Company Limited, 15% equity interests in Wenzhou Dynasty Hotel Company Limited, net assets and liabilities of New Asia Hotel of Shanghai Jin Jiang International Hotels Development Company Limited and Metropole Hotel of Shanghai Jin Jiang International Hotels Development Company Limited (collectively the “Disposed Interests”)) are no longer included in the scope of the pro-forma consolidated profit forecast report.

The forecast information regarding the 2009 pro-forma consolidated profit forecast report has been prepared on the basis of the 2009 pro-forma consolidated profit forecast of Jin Jiang Hotels Development.

The forecast information regarding the 2010 pro-forma consolidated profit forecast report has been prepared on the basis that the Disposed Interests are excluded from the 2010 consolidated profit forecast of Jin Jiang Hotels Development and the Acquired Interests are taken into account and combined accordingly.

The pro-forma consolidated profit forecast of Jin Jiang Hotels Development has been prepared on the basis of the following assumptions:

1. There will be no material changes in the relevant national laws, regulations, departmental rules or taxation policies with which Jin Jiang Hotels Development and its subsidiaries (collectively “Jin Jiang Hotels Development Group”) have to comply in their production and operations, or in the current social and economic conditions of the regions in which Jin Jiang Hotels Development Group operates, and the movements of the loan interest rates and foreign exchange market rates relevant to their production and operations will be within a normal range;
2. there will be no material changes in the policies for the hotel and food and beverages industries in the PRC, and the sales and purchase contracts between Jin Jiang Hotels Development Group and its customers and suppliers will be performed as scheduled in accordance with the contract provisions without material adjustments;
3. the production and operation plans, sales plans, fixed asset investment plans and financing plans of Jin Jiang Hotels Development Group will be implemented as scheduled without material changes;
4. changes in the market demand and prices for the hotel services, as well as food and beverage products of Jin Jiang Hotels Development Group will be within the forecast range; and changes in the supply and prices of materials and utilities required in production and operations as well as labour costs will be within the forecast range;
5. the impact of the global financial crisis will be gradually alleviated and the market for the principal hotel services and food and beverage products of Jin Jiang Hotels Development Group will gradually resume its normal level of business during the period from 1 August 2009 to 31 December 2009 and the full year of 2010 (the “Forecast Period”);
6. the hotels currently operated by Jin Jiang Hotels Development Group, the “New Asia Snacks” Chinese chain restaurants and the Jin Jiang Inn chain budget hotels and franchised hotels will be engaged in ongoing operation during the period from August 2009 to December 2009 and the full year of 2010, and financial support will be provided by Jin Jiang Hotels Development Group to the hotels in operation;

7. the business commencement plans made by Jin Jiang Hotels Development Group regarding Jin Jiang Inn brand chain budget hotels can be completed during the Forecast Period and 10 hotels will be opened in 2010;
8. the number of New Asia Snacks Chinese food chain outlets anticipated by Jin Jiang Hotels Development Group will remain unchanged during the Forecast Period;
9. the initial franchise services anticipated to be provided by Jin Jiang Hotels Development Group to the franchisees of Jin Jiang Inn brand chain budget hotels during the Forecast Period will be completed within the Forecast Period and approximately 60 new franchised Jin Jiang Inn budget hotels will be engaged in 2010;
10. no fraud or illegal acts will be committed by the senior management of Jin Jiang Hotels Development Group that would result in material adverse impact on Jin Jiang Hotels Development Group;
11. there will be no material changes in the corporate body and related organisations as well as the accounting entity of Jin Jiang Hotels Development Group;
12. Jin Jiang Hotels Development Group currently does not have any other plans regarding substantial asset transactions and hence, the profit forecast does not take into consideration of any possible impact resulting therefrom;
13. there will be no other force majeure or unforeseeable factors that will have a material adverse impact on Jin Jiang Hotels Development Group.

The key pro-forma consolidated profit forecast information of the Acquired Interests for the years 2009 and 2010 according to the pro-forma consolidated profit forecast report reviewed by a qualified PRC accountant are set out as follows:

| | 2008 | 2009 | | 2010 | |
|---|---|--|---|---|--|
| | January to December Audited <i>RMB'000</i> | January to July Actual <i>RMB'000</i> | August to December Forecast <i>RMB'000</i> | January to December Total <i>RMB'000</i> | January to December Forecast <i>RMB'000</i> |
| Turnover | 918,825 | 613,560 | 513,809 | 1,127,369 | 1,382,313 |
| Less: Operating cost | 74,071 | 43,307 | 33,585 | 76,892 | 90,644 |
| Business tax and surcharges | 50,821 | 34,937 | 28,683 | 63,620 | 77,805 |
| Sales expenses | 513,559 | 358,674 | 292,626 | 651,300 | 808,746 |
| Administrative expenses | 171,649 | 118,993 | 115,534 | 234,527 | 255,558 |
| Finance cost | 30,900 | 24,904 | 14,535 | 39,439 | 33,819 |
| Asset impairment loss | 91 | 11 | — | 11 | — |
| Add: Investment gains | 251 | 188 | — | 188 | — |
| Operating profit | 77,985 | 32,922 | 28,846 | 61,768 | 115,741 |
| Add: Non-operating income | 22,621 | 7,322 | — | 7,322 | — |
| Less: Non-operating expenses | 1,643 | 620 | — | 620 | — |
| Total profit | 98,963 | 39,624 | 28,846 | 68,470 | 115,741 |
| Less: Income tax expenses | 24,316 | 7,569 | 9,549 | 17,118 | 28,735 |
| Net profit | <u>74,647</u> | <u>32,055</u> | <u>19,297</u> | <u>51,352</u> | <u>87,006</u> |
| Comprising: | | | | | |
| Net profit attributable to: | | | | | |
| Equity holders of the parent company | 71,255 | 30,596 | 18,174 | 48,770 | 83,270 |
| Minority interests | <u>3,392</u> | <u>1,459</u> | <u>1,123</u> | <u>2,582</u> | <u>3,736</u> |

The pro-forma consolidated profit forecast of the Acquired Interests has been prepared on the basis of the following assumptions:

1. There will be no material changes in the relevant national laws, regulations, departmental rules or taxation policies with which the Acquired Interests have to comply in their production and operations, or in the current social and economic conditions of the regions in which the Acquired Interests operate, and the movements of the loan interest rates relevant to their production and operations will be within a normal range;
2. there will be no material changes in the policies for the hotel and food and beverages industries in the PRC;
3. the sales plans, fixed asset investment plans and financing plans of the Acquired Interests will be implemented as scheduled without material changes;

4. changes in the market demand and prices for the hotel services, as well as food and beverage products of the Acquired Interests will be within the forecast range; and changes in the supply and prices of materials and utilities required in production and operations as well as labour costs will be within the forecast range;
5. the impact of the global financial crisis will be gradually alleviated and the market for the principal hotel services and food and beverage products of the Acquired Interests will gradually resume its normal level of business during the Forecast Period;
6. the hotels currently operated by the Acquired Interests will be engaged in ongoing operation during the Forecast Period and financial support will be provided by the controlling parent company of the Acquired Interests to the hotels in operation;
7. the business commencement plans made by the Acquired Interests regarding Jin Jiang Inn brand chain budget hotels can be completed during the Forecast Period (the Acquired Interests expected to open 15 outlets during the period from 1 August 2009 to 31 December 2009, including 11 local-style restaurants, and 10 outlets in 2010, including 9 local-style restaurants);
8. the initial franchise services anticipated to be provided by the Acquired Interests to the franchisees of Jin Jiang Inn brand chain budget hotels during the Forecast Period will be completed within the Forecast Period (the Acquired Interests expected that no new franchised outlets will be opened during the period from 1 August 2009 to 31 December 2009 and expected to open 60 new franchised outlets in 2010);
9. no fraud or illegal acts will be committed by the senior management of Jin Jiang Inn, Jin Jiang Hotel Investment and Da Hua Hotel comprising in the Acquired Interests that would result in material adverse impact on the Acquired Interests;
10. there will be no material changes in the corporate body and related organisations as well as the accounting entity of Jin Jiang Inn, Jin Jiang Hotel Investment and Da Hua Hotel comprising in the Acquired Interests;
11. the Acquired Assets currently does not have any other plans regarding substantial asset transactions and hence, the profit forecast does not take into consideration of any possible impact resulting therefrom;
12. there will be no other force majeure or unforeseeable factors that will have a material adverse impact on the Acquired Interests.

The financial statements of the Company are prepared in accordance with Hong Kong Financial Reporting Standards. The financial information of the subsidiary and the Acquired Interests as disclosed in this announcement have been prepared in accordance with PRC accounting standards and have not been reviewed by any independent financial adviser or accountant in Hong Kong, and might have to be adjusted had they been prepared in accordance with Hong Kong Financial Reporting Standards. Investors should note that reliance on the assumptions of the profit forecasts involves risks and uncertainties and should therefore exercise caution when dealing in the shares of the Company without undue reliance on the profit forecasts.

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

Shanghai, China, 29 September 2009

As at the date of this announcement, the executive directors are Mr. Yu Minliang, Ms. Chen Wenjun, Mr. Yang Weimin, Mr. Chen Hao, Mr. Yuan Gongyao, Mr. Xu Zurong, Mr. Han Min and Mr. Kang Ming, the non-executive director is Mr. Shen Maoxing, and the independent non-executive directors are Mr. Ji Gang, Mr. Xia Dawei, Mr. Sun Dajian, Dr. Rui Mingjie, Mr. Yang Menghua, Dr. Tu Qiyu, Mr. Shen Chengxiang and Mr. Lee Chung Bo.

* *The Company is registered as a non-Hong Kong company under Part XI of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) under its Chinese name and the English name "Shanghai Jin Jiang International Hotels (Group) Company Limited".*