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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

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.

A subsidiary of Shanghai Jin Jiang International Hotels (Group) Company Limited (the "Company"), Shanghai Jin Jiang International Hotels Development Company Limited ("Jin Jiang Hotels Development", Shanghai Stock Exchange Stock Code: 600754/900934), in which the Company holds a 50.32% interest, will publish its unaudited interim results for the first half of 2010 on 28 August 2010, the principal financial data and indicators of which are cited as follows:

	As at the end of the reporting period (30 June 2010)		As at the end of the same period in the previous year (30 June 2009)		Increase/ decrease over the previous year (%)
	RMB		RMB		
	Per accounting standards	Pro-forma basis	Per accounting standards	Pro-forma basis	
Total assets	5,487,746,318	5,511,759,341	7,519,021,120	4,762,436,207	-27.02
Owners' equity (or shareholders' equity) attributable to shareholders of Jin Jiang Hotels Development	4,149,141,845	4,165,509,964	5,468,292,235	3,912,423,340	-24.12
Net assets per share attributable to shareholders of Jin Jiang Hotels Development (<i>Yuan/share</i>)	6.8781	6.9052	9.0649	6.4857	-24.12

Note: Per accounting standards

	Reporting period (January–June 2010) RMB		Comparative period in previous year (January–June 2009) RMB		Increase/ (decrease) of the reporting period against comparative period
	Per accounting standards	Pro-forma basis	Per accounting standards	Pro-forma basis	
Operating profit	263,888,745	192,630,343	236,764,988	219,227,404	11.46
Total profit	278,304,170	203,619,829	248,072,990	223,804,171	12.19
Net profit attributable to shareholders of Jin Jiang Hotels Development	230,659,047	184,390,421	198,591,455	184,372,857	16.15
Including: the net profit realised prior to the merger by the merged party to a merger of enterprises under common control	45,823,189	—	17,003,203	—	169.50
Net profit after deducting non- recurring profit/loss attributable to shareholders of Jin Jiang Hotels Development	174,170,264	176,065,931	71,746,243	79,156,311	142.76
Basic earnings per share (<i>Yuan</i>)	0.3824	0.3057	0.3292	0.3056	16.15
Basic earnings per share after deducting non-recurring profit/loss (<i>Yuan</i>)	0.2887	0.2919	0.1189	0.1312	142.76
Diluted earnings per share (<i>Yuan</i>)	0.3824	0.3057	0.3292	0.3056	16.15
Weighted average return on net assets (%)	4.47	4.78	4.24	5.43	Increase by 0.23 percentage points
Net cash flow generated from operating activities	280,973,028	134,196,127	195,073,964	12,719,358	44.03
Net cash flow generated from operating activities per share (<i>Yuan</i>)	0.4658	0.2225	0.3234	0.0211	44.03

Note: The decrease in “Total assets”, “Owners’ equity (or shareholders’ equity) attributable to shareholders of the Jin Jiang Hotels Development” and “Net assets per share attributable to shareholders of Jin Jiang Hotels Development” prepared under accounting standards at the end of the reporting period compared with that of the previous year was mainly due to the changes in the fair value of financial assets available for sale and the disposition of 11 related equity interests, assets and liabilities etc. pursuant to the above proposal of Jin Jiang Hotels Development on material assets replacement and purchase and affiliated transactions.

Note:

1. The interim financial statements of Jin Jiang Hotels Development for the first half of 2010 prepared in accordance with PRC accounting standards have been audited by Deloitte Touche Tohmatsu CPA Ltd., which has issued an unqualified audit report (De Shi Bao (Shen) Zi (10) No. S0076 德師報(審)字(10)第S0076號) signed by registered accountants Mr. Tang Lianjiong (唐戀炯) and Mr. Ni Min (倪敏).
2. At the first extraordinary general meeting of 2009 of Jin Jiang Hotels Development held on 23 October 2009, the “Proposal of Jin Jiang Hotels Development on material assets replacement and purchase and affiliated transactions” was considered and passed. Taking into account the nature and operational requirements of their respective businesses and with a view to reducing connected transactions and avoiding competition, Jin Jiang Hotels Development and the Company proposed to conduct a reorganisation of the assets and businesses of both parties through relevant assets replacement and the completion of certain supplemental transactions, so that the respective advantages in management and resources of each party will be more effectively leveraged, while assets and fund utilisation rates will be maximised and greater value will be created for shareholders. Under the transaction, the assets replaced and acquired by Jin Jiang Hotels

Development included a 71.225% equity interest in Jin Jiang Inn Company Limited, a 80% equity interest in Shanghai Jin Jiang International Hotel Investment Company Limited and a 100% equity interest in Shanghai Jin Jiang Da Hua Hotel Co., Ltd. The assets disposed of and sold by Jin Jiang Hotels Development included all assets and liabilities of Branch — New Asia Hotel and Branch — Metropole Hotel, all interests in Shanghai Jin Jiang International Management College, a 100% equity interest in Jin Jiang International Hotel Management Company Limited, a 66.67% equity interest in Sofitel Hyland Shanghai, a 65% equity interest in Shanghai Jian Guo Hotel Company Limited, a 50% equity interest in Shanghai Jin Jiang Tomson Hotel Company Limited, a 50% equity interest in Wuhan Jin Jiang International Hotel Co., Ltd., a 50% equity interest in Thayer Jin Jiang Interactive Company Limited, a 40% equity interest in Shanghai Yangtze Hotel Company Limited and a 15% equity interest in Wenzhou Dynasty Hotel Company Limited. The aforesaid proposal of material assets replacement and purchase and affiliated transactions was officially approved by the China Securities Regulatory Commission (“CSRC”) on 12 May 2010. Pursuant to the “Assets Replacement and Reorganisation Agreement” made between Jin Jiang Hotels Development and the Company dated 28 August 2009, the closing date for the assets transaction between the parties shall be “the last day of the month on which the assets reorganisation and replacement contemplated under the agreement is approved by the CSRC”, i.e. 31 May 2010.

The aforesaid material assets reorganisation constitutes a merger of enterprises under common control. According to the relevant provisions of the Accounting Standards for Business Enterprises, the acquired assets are deemed to have been acquired at the beginning of the year during the preparation of the interim financial statements for the first half of 2010 by Jin Jiang Hotels Development, and the closing balance for the previous year shall be adjusted accordingly in the consolidated balance sheet, while the income statement and cash flow statement of the relevant acquired assets for the period from the beginning of the year to the completion date shall be included in the consolidated income statement and consolidated cash flow statement of Jin Jiang Hotels Development and the comparative figures for the same period last year shall be adjusted accordingly. This method of preparing the interim financial statements of Jin Jiang Hotels Development is referred to as the “per accounting standards.”

For the convenience of investors’ perusal and comparison of the assets and liabilities of Jin Jiang Hotels Development as at 30 June 2010 versus the end of the previous year as well as the operating results and cash flow for the first half of the year, a consolidated accounting statement which includes the relevant acquired assets in the scope of consolidation only as from 1 June 2010 has been prepared in the “Pro-forma Financial Statements” set out in chapter seven of the year 2010 interim report of Jin Jiang Hotels Development. This method of preparing the interim accounting statements of Jin Jiang Hotels Development is referred to as the “pro-forma basis.”

3. The full text of the year 2010 interim report of Jin Jiang Hotels Development will be published on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>). The summary of the year 2010 interim report will be published in Shanghai Securities News on 28 August 2010. An original copy of the year 2010 interim report is filed with Jin Jiang Hotels Development.

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

Shanghai, the People’s Republic of China, 27 August 2010

As at the date of this announcement, the executive directors are Mr. Yu Minliang, Ms. Chen Wenjun, Mr. Yang Weimin, Mr. Chen Hao, 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 Chungbo.

* *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”.*