

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

**RIGHTS OVER EXCLUDED HOTEL BUSINESSES AND NEW UNION**

The Board is pleased to announce that, in accordance with the arrangements disclosed in the Prospectus, a meeting of the INEDs was held on 17 June 2011 to consider whether to exercise the relevant Rights over the Excluded Hotel Businesses and New Union under the Deed of Non-Competition granted to the Company by Jin Jiang International.

The INEDs present at the meeting decided not to exercise the relevant Rights over the Excluded Hotel Businesses and New Union under the Deed of Non-Competition granted to the Company by Jin Jiang International at this stage.

In accordance with the arrangements disclosed in the Prospectus, the INEDs of the Company held the third independent board committee meeting for 2011 on 17 June 2011 to review the proposal in respect of the latest situation of the Excluded Hotel Businesses and New Union as at the end of the first quarter of 2011 and the financial statements of the relevant Excluded Hotel Businesses and New Union, and to consider whether to exercise the relevant Rights over the Excluded Hotel Businesses and New Union under the Deed of Non-Competition granted to the Company by Jin Jiang International.

Having considered the proposal and relevant financial statements presented by the Company, the INEDs present at the meeting decided not to exercise the relevant Rights over the Excluded Hotel Businesses and New Union under the Deed of Non-Competition granted to the Company by Jin Jiang International at this stage for reasons detailed below:

**EASTERN JIN JIANG:**

Pursuant to the written notice of Jin Jiang International, Eastern Jin Jiang has been converted into a limited liability company and has obtained the business licence of a limited liability company. The respective capital contributions of the shareholders of Eastern Jin Jiang have been ascertained upon its conversion into a limited liability company. Jin Jiang International is in a position to transfer its interests in Eastern Jin Jiang to the Company. It is up to the Company's decision whether to exercise its Right to purchase Jin Jiang International's 50% direct and indirect equity interests in Eastern Jin Jiang.

In accordance with the relevant arrangements disclosed in the Prospectus, an internationally recognised independent valuer has been jointly appointed by the Company and Jin Jiang International to issue a valuation report that would determine the consideration for the purchase of the 50% equity interests in Eastern Jin Jiang. At present, the international valuer has not yet completed the said valuation report. In accordance with the relevant PRC laws, Jin Jiang International will appoint another valuer qualified under the PRC laws to issue a second valuation report. Upon issuance of the two valuation reports, the INEDs shall convene a meeting to make a final decision, after considering all factors, on whether to exercise its Right to purchase Jin Jiang International's 50% equity interests in Eastern Jin Jiang. The Company will make further announcement(s) in respect of the INEDs' decision on whether to exercise the relevant Right.

#### **JC MANDARIN:**

As notified by Jin Jiang International in writing, JC Mandarin has completed the relevant legal procedures and accordingly, Jin Jiang International may transfer its equity rights in JC Mandarin to the Company.

In accordance with the relevant arrangements disclosed in the Prospectus, the Company and Jin Jiang International will engage an internationally recognized independent valuer to issue a valuation report that will determine the consideration for the purchase of the 100% equity interests in JC Mandarin. In accordance with the relevant PRC laws, Jin Jiang International will appoint another valuer qualified under the PRC laws to issue a second valuation report. Upon issuance of the two valuation reports, the INEDs shall convene a meeting to make a final decision, after considering all factors, on whether to exercise its Right to purchase Jin Jiang International's 100% equity interests in JC Mandarin. The Company will make further announcement(s) in respect of the INEDs' decision on whether to exercise the relevant Right.

#### **PACIFIC SHANGHAI:**

The joint venture term of operation of Pacific Shanghai has not expired and Jin Jiang International has not yet obtained any of the assets of this company. Accordingly, the Company is currently unable to exercise the relevant Right.

#### **GARDEN HOTEL SHANGHAI:**

The joint venture term of operation of Garden Hotel Shanghai has not expired and Jin Jiang International has not yet obtained any of the buildings or facilities of this company. Accordingly, the Company is currently unable to exercise the relevant Right.

#### **NEW JIN JIANG BUSINESS TRAVELLERS:**

As Jin Jiang Investment, the parent company of New Jin Jiang Business Travellers, has become a subsidiary of the Company, New Jin Jiang Business Travellers has also become a member of the Group. As such, the businesses of New Jin Jiang Business Travellers no longer constitute part of the Excluded Hotel Businesses.

## **JINYUAN INN AND JIAOZHOU ROAD INN:**

Legal and valid land use right certificates and building ownership certificates for the land and buildings being used by Jinyuan Inn and Jiaozhou Road Inn have not yet been obtained and, therefore, it is not legally possible for the Company to exercise the relevant Right. The Company will make further announcement(s) in respect of Jinyuan Inn and Jiaozhou Road Inn as and when appropriate.

## **NEW UNION:**

The development project of New Union has received all necessary operational licenses. In accordance with the relevant arrangements disclosed in the Prospectus, the Company and Jin Jiang International will engage an internationally recognized independent valuer to issue a valuation report that will determine the consideration for the purchase of the 100% equity interests in New Union. In accordance with the relevant PRC laws, Jin Jiang International will appoint another valuer qualified under the PRC laws to issue a second valuation report. Upon issuance of the two valuation reports, the INEDs shall convene a meeting to make a final decision, after considering all factors, on whether to exercise its Right to purchase Jin Jiang International's 100% equity interests in New Union. The Company will make further announcement(s) in respect of the INEDs' decision on whether to exercise the relevant Right.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	means	the board of directors of the Company
“Company”	means	上海錦江國際酒店(集團)股份有限公司 (Shanghai Jin Jiang International Hotels (Group) Company Limited), a joint stock company established in the People's Republic of China, the 1,391,500,000 H shares of which are listed on The Stock Exchange of Hong Kong Limited
“Deed of Non-Competition”	means	the deed of non-competition dated 20 November 2006 entered into between the Company and Jin Jiang International
“Directors”	means	the directors of the Company
“Eastern Jin Jiang”	means	上海東錦江大酒店有限公司 (Shanghai Eastern Jin Jiang Hotel Company Limited)
“Excluded Hotel Businesses”	means	Eastern Jin Jiang, JC Mandarin, Pacific Shanghai, Garden Hotel Shanghai, New Jin Jiang Business Travellers, Jinyuan Inn and Jiaozhou Road Inn
“Garden Hotel Shanghai”	means	花園飯店(上海), (Garden Hotel Shanghai), a sino-foreign cooperative joint venture enterprise established jointly by Jin Jiang International and Nomura China Investment Company Limited
“Group”	means	the Company and its subsidiaries

“INEDs”	means	the independent non-executive Directors of the Company
“JC Mandarin”	means	上海錦滄文華大酒店有限公司 (Shanghai Jin Cang Mandarin Hotel Company Limited)
“Jiaozhou Road Inn”	means	上海食品集團酒店管理有限公司膠州度假旅館 (Jiaozhou Road Inn), a subsidiary of Shanghai Foods Group Hotel Management Company Limited
“Jin Jiang International”	means	錦江國際(集團)有限公司 (Jin Jiang International Holdings Company Limited), the controlling shareholder of the Company
“Jin Jiang Investment”	means	上海錦江國際實業投資股份有限公司 (Shanghai Jin Jiang International Industrial Investment Company Limited), a subsidiary of the Company
“Jinyuan Inn”	means	上海食品集團酒店管理有限公司晉元大酒店 (Jinyuan Inn of Shanghai Foods Group Hotel Management Company Limited)
“New Jin Jiang Business Travellers”	means	錦江投資新錦江商旅酒店(分公司) (New Jin Jiang Business Travellers Hotels, a branch of Jin Jiang Investment)
“New Union”	means	上海新聯誼大廈有限公司 (Shanghai New Union Building Co., Ltd.)
“Pacific Shanghai”	means	上海太平洋大飯店有限公司 (Pacific Shanghai Hotel Company Limited)
“Prospectus”	means	the prospectus of the Company dated 30 November 2006
“Right(s)”	means	the rights under the Deed of Non-Competition granted to the Company by Jin Jiang International to purchase, or in the case of Jinyuan Inn and Jiaozhou Road Inn, to purchase or lease, all (but not part, unless otherwise agreed by Jin Jiang International) of Jin Jiang International’s direct and indirect equity interests in the Excluded Hotel Businesses (excluding New Jin Jiang Business Travellers) and New Union

By Order of the Board  
**Shanghai Jin Jiang International Hotels (Group) Company Limited\***  
**Yang Weimin**  
*Executive Director & Chief Executive Officer*

Shanghai, the People’s Republic of China, 17 June 2011

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