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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.

The board of directors (the “**Board**”) of Shanghai Jin Jiang International Hotels (Group) Company Limited (the “**Company**”, together with its subsidiaries, collectively, the “**Group**”) is pleased to announce that, after a negotiation between the shareholders of Shanghai Hua Ting Hotel and Towers Company Limited (“**Hua Ting Hotel**”), due to certain amendments to the articles of association of Hua Ting Hotel, the Company is allowed to (i) appoint an additional director to the board of directors of Hua Ting Hotel (the “**Board of Hua Ting**”) so that a majority of the Board of Hua Ting can be appointed by the Company; and (ii) being authorized by the Board of Hua Ting, the general manager, who is appointed by the Company, is responsible for decisions making on financial and operational policies of Hua Ting Hotel as well as for dealing with the matters arising from the ordinary course of operation and production of Hua Ting Hotel (the “**Amendments to Articles**”). The Amendments to Articles have become effective on 27 December 2011.

The Company holds a 50% equity interest in Hua Ting Hotel. Prior to the Amendments to Articles, Hua Ting Hotel was a jointly controlled entity of the Company. Upon completion of the Amendments to Articles, according to the relevant rules under Hong Kong Accounting Standard 27 (revised) “Consolidated and Separate Financial Statements”, the Company has obtained the control of Hua Ting Hotel, and Hua Ting Hotel has become a subsidiary of the Company. Pursuant to the relevant rules under Hong Kong Financial Reporting Standard 3 (revised) “Business Combinations” and Hong Kong Accounting Standard 31 “Interests in Joint Ventures”, from the date on which the Company obtained the control of Hua Ting Hotel, the method of accounting for Hua Ting Hotel will be changed from proportionate consolidation to consolidation.

Since Hua Ting Hotel is one of the key hotels that the Group is responsible for managing and in which the Group has a material interest, the Company believes that this action is in line with the Group’s development strategy. Through implementing measures to optimize its structure, the market competitiveness of Hua Ting Hotel will be further enhanced, thereby facilitating the long-term growth of Hua Ting Hotel.

In addition, pursuant to the relevant rules under Hong Kong Financial Reporting Standard 3 (revised) “Business Combinations”, the Company is required to re-measure its equity interest in Hua Ting Hotel held before the date of obtaining the control based on its fair value, and any difference between the fair value and the carrying amount would be charged to the Company’s profit or loss for the current period. According to an asset valuation report prepared on the asset-based approach by an independent qualified valuer in the People’s Republic of China for the purpose of financial reporting, the fair value of the 50% equity interest in Hua Ting Hotel as at 30 September 2011 held by the Company is approximately RMB769 million. The carrying amount of the 50% equity interest in Hua Ting Hotel as at 30 September 2011 held by the Company is approximately RMB226 million.

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

Shanghai, People’s Republic of China, 27 December 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**”.*