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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)

DISCLOSEABLE TRANSACTION
PROVISION OF LOANS

The Board is pleased to announce that on 9 July 2012, Finance Company, a subsidiary of the Company, has entered into the Loan Agreements with Kunlun Hotel (which comprised of two separate loan agreements). Pursuant to the Loan Agreements, Finance Company agreed to provide loans in an aggregate principal amount of RMB327,500,000 to Kunlun Hotel.

A 52.5% equity interest in Kunlun Hotel is held by Shanghai International Group, which is the controlling shareholder of SIG Management. SIG Management is a substantial shareholder of Sofitel Hyland and Jian Guo Hotel, which are the subsidiaries of the Company, therefore Kunlun Hotel is a connected person of the Company pursuant to the Listing Rules. As such, the transaction in relation to the provision of loans by Finance Company to Kunlun Hotel under the Loan Agreements constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Given that: (1) the Loan Agreements were entered into by the Company on normal commercial terms; (2) Kunlun Hotel is a connected person of the Company only at subsidiary level; and (3) each of the aggregate value of the total assets, profits and revenue of Sofitel Hyland and Jian Guo Hotel represents less than 5% under the relevant applicable percentage ratios set out in the Listing Rules for the year ended 31 December 2011, Kunlun Hotel satisfies the requirements under Rule 14A.31(9)(b)(ii) of the Listing Rules. Therefore, the transaction under the Loan Agreements is exempt from the reporting, announcement and independent shareholders' approval requirements set out in Chapter 14A of the Listing Rules.

As previously announced by the Company on 9 November 2011, Finance Company, a subsidiary of the Company, has entered into a loan agreement with Kunlun Hotel, pursuant to which, Finance Company agreed to provide a loan in the principal amount of RMB120,000,000 to Kunlun Hotel. Pursuant to Rule 14.22 of the Listing Rules, the previous transaction mentioned above has been aggregated with the transaction under the Loan Agreements. As the relevant applicable percentage ratios set out in the Listing Rules for the transaction under the Loan Agreements (as aggregated as aforesaid) exceed 5%, but are less than 25%, the transaction under the Loan Agreements constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules.

A. BACKGROUND

The Board is pleased to announce that on 9 July 2012, Finance Company, a subsidiary of the Company, has entered into the Loan Agreements with Kunlun Hotel (which comprised of two separate loan agreements). Pursuant to the Loan Agreements, Finance Company agreed to provide loans in an aggregate principal amount of RMB327,500,000 to Kunlun Hotel.

A 52.5% equity interest in Kunlun Hotel is held by Shanghai International Group, which is the controlling shareholder of SIG Management. SIG Management is a substantial shareholder of Sofitel Hyland and Jian Guo Hotel, which are the subsidiaries of the Company, therefore Kunlun Hotel is a connected person of the Company pursuant to the Listing Rules.

B. LOAN AGREEMENTS

Date:	9 July 2012
Parties:	(1) Kunlun Hotel (as the borrower) (2) Finance Company (as the lender)
Principal amount of the loans:	An aggregate amount of RMB327,500,000
Term of the loans:	The loans are for a term of 12 months from 9 July 2012 to 8 July 2013. Interests are settled monthly.
Interest rate for the loans:	Interest rate for the loans is 5.000% per month, which is determined by Finance Company and Kunlun Hotel upon arm's length negotiation based on the RMB loan benchmark lending interest rate for the same period announced by the People's Bank of China.
Guarantee:	Kunlun Hotel provides its own real estates as a security of the guarantee for the principal amount of the loans and interests in favour of Finance Company.

C. REASONS AND BENEFITS FOR THE TRANSACTION

The loans will be used to satisfy the working capital requirements of Kunlun Hotel, which will help the Group to fully centralise its existing cash resources and improve its capital efficiency, as well as providing interest income to the Group.

The Board (including the independent non-executive Directors) considers that the terms of the Loan Agreements are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole. Mr. Han Min, being the Company's executive Director and a director of Kunlun Hotel, has abstained from voting in the Board meeting in relation to the Loan Agreements. No Director has a material interest in the transaction under the Loan Agreements.

D. IMPLICATIONS UNDER THE LISTING RULES

A 52.5% equity interest in Kunlun Hotel is held by Shanghai International Group, which is the controlling shareholder of SIG Management. SIG Management is a substantial shareholder of Sofitel Hyland and Jian Guo Hotel, which are the subsidiaries of the Company, therefore Kunlun Hotel is a connected person of the Company pursuant to the Listing Rules. As such, the transaction in relation to provision of loans by Finance Company to Kunlun Hotel under the Loan Agreements constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Given that: (1) the Loan Agreements were entered into by the Company on normal commercial terms; (2) Kunlun Hotel is a connected person of the Company only at subsidiary level; (3) each of the aggregate value of the total assets, profits and revenue of Sofitel Hyland and Jian Guo Hotel represents less than 5% under the relevant applicable percentage ratios set out in the Listing Rules for the year ended 31 December 2011, Kunlun Hotel satisfies the requirements under Rule 14A.31(9)(b)(ii) of the Listing Rules. Therefore, the transaction under the Loan Agreements is exempt from the reporting, announcement and independent shareholders' approval requirements set out in Chapter 14A of the Listing Rules.

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E. GENERAL

The Group is principally engaged in star-rated hotel operation and management, budget hotel operation and franchising, restaurant operation and other hotel and tourism related businesses.

Kunlun Hotel is principally engaged in the provision of hotel accommodations, catering and banquets services, etc.

F. DEFINITIONS

Unless the context otherwise requires, the terms used in this announcement shall have the following meanings:

“Board”	the board of directors of the Company
“China” or “PRC”	the People’s Republic of China
“Company”	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 PRC, the H shares of which are listed on the Stock Exchange

“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Finance Company”	Jin Jiang International Finance Company Limited
“Group”	the Company and its subsidiaries
“Jian Guo Hotel”	Shanghai Jian Guo Hotel Company Limited
“Kunlun Hotel”	Beijing Kunlun Hotel Company Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreements”	two working capital loan agreements entered into between Kunlun Hotel and Finance Company on 9 July 2012
“percentage ratio”	has the meaning ascribed thereto under the Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai International Group”	Shanghai International Group Co., Ltd.
“SIG Management”	SIG Asset Management Co., Ltd. (formerly known as SIG Investment Management Co., Ltd.)
“Sofitel Hyland”	Sofitel Hyland Shanghai Company Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“%”	per cent
“‰”	per thousand

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

Shanghai, the PRC, 9 July 2012

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”.*