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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)

LETTER OF INTENT FOR EQUITY ACQUISITION

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.09 of the Listing Rules.

The Board is pleased to announce that, on 25 April 2013, Jin Jiang Hotels Development and the Vendors entered into the Letter of Intent, whereby Jin Jiang Hotels Development proposed to acquire 100% equity interest in the Target Company in aggregate from the Vendors at a consideration of RMB710,000,000 in cash. The acquisition price shall not exceed the fair value of the Target Equity appraised by qualified asset valuator recognized by the purchaser and Vendors, and the base date of valuation is 31 December 2012.

The formal implementation of the Equity Acquisition is subject to factors such as the outcomes of due diligence and conditions of the Letter of Intent, and all parties thereto shall enter into relevant formal equity transfer agreement or contract and carry out their respective preliminary procedures such as relevant decision-making, review and approval. The Equity Acquisition is subject to uncertainties and therefore, the Company's shareholders and public investors shall exercise caution when dealing in the shares of the Company. If Jin Jiang Hotels Development's Equity Acquisition is successful, it is expected that such acquisition will constitute a notifiable transaction of the Company under the Listing Rules. Upon entering into of any written agreement in relation to the Equity Acquisition, the Board will publish the relevant information in the market under the requirements of the Listing Rules.

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A. LETTER OF INTENT

Date: 25 April 2013

Parties

Vendors: Huasheng Tourism, Wallink Holding

Purchaser: Jin Jiang Hotels Development

To the best of the Directors' knowledge and belief, after making all reasonable inquiries, the Vendors and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

Target Equity

Pursuant to the Letter of Intent, each of the Vendors agrees to transfer the equity interest in the Target Company to Jin Jiang Hotels Development in the following proportion, accounting for 100% equity interest in the Target Company in aggregate:

	Equity interest proposed to be transferred to Jin Jiang Hotels Development as a percentage of the Target Company
Vendors	
Huasheng Tourism	99%
Wallink Holding	1%

Consideration

The total consideration for the acquisition of the Target Equity is RMB710,000,000, which is payable by Jin Jiang Hotels Development in cash. The acquisition price shall not exceed the fair value of the Target Equity appraised by qualified asset valuator recognized by the purchaser and Vendors, and the base date of valuation is 31 December 2012.

Deposits

The purchaser and Vendors agreed to enter into a fund escrow agreement with China Minsheng Banking Corp., Ltd. and open an escrow account. On the date of execution of the Letter of Intent, Jin Jiang Hotels Development will deposit RMB30,000,000 into the escrow account as deposits. The relevant terms of the deposits will have guarantee and binding effect on the performance of the purchaser and Vendors.

Due Diligence

After the execution of the Letter of Intent, the purchaser and its appointed professional adviser will conduct due diligence on the Target Company and its hotel assets. The due diligence shall be completed by 31 May 2013 with the full cooperation of the Vendors.

Effectiveness

The terms of the deposits will take effect from the date on which the Letter of Intent is executed. The other terms will become effective from the date on which the resolution on discharging the Conditional Equity Transfer Agreement is passed at the extraordinary general meeting of Beijing Tourism.

B. INFORMATION OF THE TARGET COMPANY

The Target Company is a company established in the PRC with limited liability on 25 January 2010, and is principally engaged in accommodation, catering services, hotel management, project investment, investment management; engineering and technical consultancy, economic information consultancy; sales of daily necessities, hardware, electronics, metal materials, conference services; motor vehicle public parking services. The equity interests in the Target Company are owned as to 99% and 1% by Huasheng Tourism and Wallink Holding respectively. As of 31 March 2013, the Target Company owned 21 hotel properties. Please see the section headed “Reasons for and Benefits of the Acquisition” for particulars of the hotel properties.

C. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Target Company owns 21 hotel properties, 15 of which have duly commenced operation. The hotel assets span across 18 cities, including Shaoxing, Fuzhou, Hefei, Guangzhou, Wuhan, Zhenjiang, Shijiazhuang, Langfang, Taizhou, Changzhou, Changsha, Shenyang, Nanchang, Ningde, Wuhu, Jinjiang, Zhengzhou and Jiangyin.

The Equity Acquisition helps to foster the establishment of the Group’s hotel brand structure, speeding up Jin Jiang Hotels Development’s development of selected-service commercial hotel business.

D. IMPLICATIONS OF THE LISTING RULES

To the best of the Directors’ knowledge and belief, after making all reasonable inquiries, the Vendors and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

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F. DEFINITIONS

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

“Beijing Tourism”	Beijing Jingxi Tourism Development Co., Ltd. (北京京西風光旅遊開發股份有限公司), a joint stock limited company established in the PRC, the A shares of which are listed on the Shenzhen Stock Exchange
“Board”	the board of directors of the Company
“Company”	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 established in the PRC, the H shares of which are listed on the Stock Exchange
“Conditional Equity Transfer Agreement”	the conditional “Equity Transfer Agreement of Smart Hotels Management Co., Ltd.” executed on 8 March 2012 by Beijing Tourism (as one party) and Huasheng Tourism and Wallink Holding (as the other party), under which Huasheng Tourism and Wallink Holding proposed to transfer the Target Equity to Beijing Tourism
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Equity Acquisition”	proposed acquisition of 100% equity interest in the Target Company by Jin Jiang Hotels Development from the Vendors as agreed in the Letter of Intent
“Group”	the Company and its subsidiaries
“Huasheng Tourism”	Tianjin Huasheng Tourism Equity Investment Partners (LLP) (天津華勝旅業股權投資合夥企業(有限合夥)), a limited partnership established in the PRC
“Jin Jiang Hotels Development”	Shanghai Jin Jiang International Hotels Development Company Limited (上海錦江國際酒店發展股份有限公司), a subsidiary of the Company which is incorporated as a joint stock limited company in the PRC. As at the date of this announcement, the Company holds 50.32% equity interest in Jin Jiang Hotels Development, and the A shares and B shares of the latter are listed on the Shanghai Stock Exchange
“Letter of Intent”	“Letter of Intent on Equity Transfer” entered into between Jin Jiang Hotels Development and the Vendors on 25 April 2013
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target Company”	Smart Hotels Management Co., Ltd. (時尚之旅酒店管理有限公司), a company established in the PRC with limited liability on 25 January 2010
“Target Equity”	100% equity interest in Smart Hotels Management Co., Ltd.
“Vendors”	Huasheng Tourism and Wallink Holding, which hold 99% and 1% equity interest in the Target Company respectively
“Wallink Holding”	China Wallink Holding Group Co., Ltd. (中國華力控股集團有限公司), a company established in the PRC with limited liability
“%”	per cent

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

Shanghai, the PRC, 25 April 2013

As at the date of this announcement, the executive Directors are Mr. Yu Minliang, Ms. Chen Wenjun, Mr. Yang Weimin, Mr. Yang Yuanping, Mr. Shao Xiaoming, Mr. Han Min and Mr. Kang Ming, and the independent non-executive Directors are Mr. Ji Gang, Mr. Sun Dajian, Dr. Rui Mingjie, Mr. Yang Menghua, Dr. Tu Qiyu and Mr. Shen Chengxiang.

* *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”.*