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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
EQUITY ACQUISITION

Reference is made to the announcement of the Company dated 25 April 2013 in relation to the Letter of Intent entered into between Jin Jiang Hotels Development and the Vendors in respect of the acquisition of 100% equity interest in the Target Company in aggregate.

The Board is pleased to announce that, on 14 June 2013, Jin Jiang Hotels Development and the Vendors entered into the Equity Transfer Agreement, pursuant to which Jin Jiang Hotels Development will acquire 100% equity interest in the Target Company from the Vendors, at a cash consideration of RMB710,000,000 in aggregate. Upon completion of the acquisition of the Target Equity, the Target Company will become a wholly-owned subsidiary of Jin Jiang Hotels Development.

As the applicable percentage ratios for the acquisition of the Target Equity are more than 5%, but less than 25%, the entering into of the Equity Transfer Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

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A. EQUITY TRANSFER AGREEMENT

Date: 14 June 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 Equity Transfer Agreement, each of the Vendors agrees to transfer its 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:

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

The total consideration for the acquisition of the Target Equity is RMB710,000,000, which is subject to adjustment in accordance with the mechanism as set out in the paragraph headed "Price Adjustment Mechanism" of this announcement.

Jin Jiang Hotels Development will satisfy such consideration in cash in the following manner:

- (i) Jin Jiang Hotels Development shall remit RMB76,500,000 (together with the deposit of RMB30,000,000 mentioned in the Announcement being 15% of the consideration) into the escrow account within 3 working days from effectiveness of the Equity Transfer Agreement; and
- (ii) the remaining balance of the consideration (i.e. RMB603,500,000) will be paid by Jin Jiang Hotels Development to the bank account designated by the Vendors after completion of the acquisition of the Target Equity.

The total consideration was determined based on arm's length negotiations between the Vendors and Jin Jiang Hotels Development with reference to the appraised value of the Target Company as at 31 December 2012 (i.e., valuation date). Such consideration will be funded by the internal resources of Jin Jiang Hotels Development.

The appraised value of the Target Company is made by independent and duly qualified PRC valuer using the asset-based approach. As at the valuation date, the appraised value of the Target Company is RMB765,305,887.60. The audited net assets value of the Target Company as at 31 December 2012 was RMB302,916,719.30.

Provision of Shareholder's Loan

Subject to certain conditions, Jin Jiang Hotels Development shall:

- (i) provide the Target Company with a shareholder's loan of RMB635,535,000, which will be used to repay its entrusted loan due to Huasheng Tourism, after the date of completion of the acquisition of the Target Equity; and
- (ii) provide shareholder's loan(s) or procure a bank to provide loans to the Target Company, which will be used to settle the account payable of RMB349,790,460.22 to the hotel property seller, after the date of completion of the acquisition of the Target Equity.

Jin Jiang Hotels Development will fulfill the aforementioned obligations by its internal resources.

Price Adjustment Mechanism

If the net asset value of the Target Company on the date of completion of the acquisition of the Target Equity exceeds the net asset value of the Target Company as at 31 December 2012, Jin Jiang Hotels Development will pay to the Vendors an amount equal to such excess. If the net asset value of the Target Company on the date of completion of the acquisition of the Target Equity is less than the net asset value of the Target Company as at 31 December 2012, the Vendors will pay to Jin Jiang Hotels Development an amount equal to such shortfall. If audited non-operating liabilities of the Target Company on the date of completion of the acquisition of the Target Equity is less than RMB351,695,927.71, Jin Jiang Hotels Development will pay to the Vendors an amount equal to such shortfall. If audited non-operating liabilities of the Target Company on the date of completion of the acquisition of the Target Equity exceeds RMB351,695,927.71, the Vendors will pay to Jin Jiang Hotels Development an amount equal to such excess. After considering the adjustment mechanism, the Company believes that the maximum adjustment to the consideration shall not exceed RMB351,695,927.71.

Conditions Precedent

The acquisition of the Target Equity shall be completed upon satisfaction of the following conditions:

- (a) the new business license of the Target Company having been obtained; and
- (b) all materials in the completion documentation list according to the Equity Transfer Agreement having been provided by the Vendors.

Change in Registration with the Administration for Industry and Commerce

Jin Jiang Hotels Development and the Vendors will procure to complete the change in registration with the administration for industry and commerce of the Target Company within 7 working days upon the effectiveness of the Equity Transfer Agreement.

Effectiveness

The Equity Transfer Agreement will take effect from the date when the parties affix their company stamps and respective legal representative or authorised representative signs. Upon completion of the acquisition of the Target Equity, Jin Jiang Hotels Development will hold 100% equity interest in the Target Company, which will become a wholly-owned subsidiary of Jin Jiang Hotels Development.

B. INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated 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 at 31 March 2013, the Target Company owned 21 hotel properties.

Set out below is the audited financial information of the Target Company prepared in accordance with China Accounting Standards for Business Enterprises for the two financial years ended 31 December 2012:

	For the year ended 31 December 2011	For the year ended 31 December 2012
	<i>RMB</i>	<i>RMB</i>
Profit (loss) before taxation	(7,453,214.04)	15,305,542.37
Profit (loss) after taxation	(5,599,094.31)	10,868,742.84

C. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Target Company has 21 PRC hotel properties, which are located in the downtown and sub-central areas of 18 cities including Shaoxing, Fuzhou, Hefei, Guangzhou, and Wuhan.

The acquisition of the Target Equity may help to foster the establishment of the Group's hotel brand structure, accelerating the expansion of the brand "Jin Jiang Metropole" (錦江都城) of Jin Jiang Hotels Development into selected-service commercial hotel business and then seize its leading position in this market. Upon completion of the acquisition of the Target Equity, the "Fashion Journey" (時尚旅) hotels will integrate with "Jin Jiang Metropole" hotels in order to boost the influence of the "Jin Jiang Metropole" brand.

The Directors (including the independent non-executive Directors) consider that the terms of the Equity Transfer Agreement (including the consideration) are fair and reasonable and conducted on normal commercial terms and in the interests of the Company and its shareholders as a whole.

D. GENERAL INFORMATION

The Group is principally engaged in hotel investment, operation and related activities, vehicle and logistics and related businesses, as well as travel agency and related businesses.

Jin Jiang Hotels Development is principally engaged in selected-service hotels (including budget hotels) investment, operation and franchising and chain restaurants operation with its A shares and B shares listed on the Shanghai Stock Exchange. As at the date of this announcement, the Company holds a 50.32% equity interest in Jin Jiang Hotels Development.

Huasheng Tourism incorporated in July 2011, is principally engaged in the investment in the Target Company.

Wallink Holding incorporated in September 2000 is an investment holding company, which together with its subsidiaries has formed a comprehensive operation entity involved in real estate, tourism, and health care (as its core operations), infrastructure, energy and mining industries.

E. 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.

As the applicable percentage ratios for the acquisition of the Target Equity are more than 5%, but less than 25%, the entering into of the Equity Transfer Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

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
“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
“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 Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement entered into between Jin Jiang Hotels Development and the Vendors on 14 June 2013
“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, PRC, 14 June 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”.*