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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 company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 02006)**

**ANNOUNCEMENT  
INSIDE INFORMATION  
ANNOUNCEMENT OF PROPOSAL FOR PRIVATE PLACING OF SHARES  
AND ENTERING INTO OF THE  
CONDITIONAL PRIVATE PLACING SHARE SUBSCRIPTION  
AGREEMENT BY A SUBSIDIARY**

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

Reference is made to the announcements published by the Company on 3 June 2014 and 9 June 2014, respectively, in relation to the proposed private placing of shares by Jin Jiang Hotels Development, a subsidiary of the Company. Trading in the shares of Jin Jiang Hotels Development has been suspended from 3 June 2014 and the suspension has been extended from 10 June 2014.

The Board of the Company is pleased to announce that: (1) the resolution on the proposed private placing was considered and approved by the board of directors of Jin Jiang Hotels Development on 13 June 2014; (2) on the same date, the Company, Jin Jiang Hotels Development and Hony Investment Fund entered into the "conditional private placing share subscription agreement". Pursuant to the said resolution and the Share Subscription Agreement, Jin Jiang Hotels Development proposed to conduct a private placing of 201,277,000 A shares at an issue price of RMB15.08 per share to Hony Investment Fund, a strategic investor, and the Company. Hony Investment Fund and the Company will be issued 100,000,000 shares and 101,277,000 shares, respectively. Trading in the shares of Jin Jiang Hotels Development will resume on 16 June 2014. The Company's interest in Jin Jiang Hotels Development as a percentage of Jin Jiang Hotels Development's total issued share capital will be maintained at 50.32% before and after the completion of the private placing of shares by Jin Jiang Hotels Development.

**The proposed private placing of shares by Jin Jiang Hotels Development is subject to consideration and approval at the general meeting of Jin Jiang Hotels Development, respective approvals of the Shanghai SASAC and MOC and sanction by the CSRC and therefore may or may not proceed. Shareholders of the Company and public investors should exercise caution when dealing in the Company's shares. The Board will make further announcement(s) on any progress in relation to the proposed private placing of shares by Jin Jiang Hotels Development in due course pursuant to the relevant requirements of the Listing Rules.**

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the announcements published by Shanghai Jin Jiang International Hotels (Group) Company Limited (the “**Company**”) on 3 June 2014 and 9 June 2014, respectively, in relation to the proposed private placing of shares by Shanghai Jin Jiang International Hotels Development Company Limited (“**Jin Jiang Hotels Development**”), which is a joint stock limited company established in the People's Republic of China (the “**PRC**”) with its A shares and B shares listed on the Shanghai Stock Exchange and being a subsidiary of the Company. Trading in the shares of Jin Jiang Hotels Development has been suspended from 3 June 2014 and the suspension has been extended from 10 June 2014.

The board of directors (the “**Board**”) of the Company is pleased to announce that: (1) the resolution on the proposed private placing was considered and approved by the board of directors of Jin Jiang Hotels Development on 13 June 2014; (2) on the same date, the Company, Jin Jiang Hotels Development and Hony (Shanghai) Equity Interest Investment Fund Centre (Limited Partnership) (弘毅(上海)股權投資基金中心(有限合夥), “**Hony Investment Fund**”) entered into a conditional private placing share subscription agreement (the “**Share Subscription Agreement**”). Pursuant to the said resolution and the Share Subscription Agreement, Jin Jiang Hotels Development proposed to conduct a private placing of 201,277,000 A shares at an issue price of RMB15.08 per share to Hony Investment Fund, a strategic investor, and the Company. Hony Investment Fund and the Company will be issued 100,000,000 shares and 101,277,000 shares, respectively. Trading in the shares of Jin Jiang Hotels Development will resume on 16 June 2014. The Company's interest in Jin Jiang Hotels Development as a percentage of Jin Jiang Hotels Development's total issued share capital will be maintained at 50.32% before and after the completion of the private placing of shares by Jin Jiang Hotels Development.

The principal terms of the proposed private placing of shares by Jin Jiang Hotels Development are as follows:

#### **1. CLASS AND NOMINAL VALUE OF SHARES TO BE ISSUED**

Shares to be issued under the private placing are domestic-listed RMB ordinary shares (A shares) with a nominal value of RMB1.00 per share.

## **2. METHOD AND TIMING OF ISSUE**

The share issue will be conducted by way of private placing to designated placees. It will be launched at an opportune timing in accordance with relevant regulations of China Securities Regulatory Commission (“CSRC”) after receiving CSRC approval.

## **3. ISSUE PRICE AND PRICING PRINCIPLE**

The record date for determining the pricing of the private placing is the date of announcement of the resolutions of the 22nd meeting of the 7th session of the board of directors of Jin Jiang Hotels Development, i.e., 14 June 2014.

The issue price has been determined at RMB15.08 per share through negotiations between Jin Jiang Hotels Development and the placees by reference to the average trading price of Jin Jiang Hotels Development shares for the 20 trading days prior to the record date (the average share trading price for the 20 trading days prior to the record date = total amount of share transaction for the 20 trading days prior to the record date/total volume of share transaction for the 20 trading days prior to the record date).

In the event that Jin Jiang Hotels Development conducts any bonus share issue, transfer of capital reserves to share capital or any matters affecting share rights, or dividend payment or any matters affecting dividend, during the period from the record date to the date of issue, the issue price of the private placing will be adjusted accordingly (save that no adjustment will be made in respect of the 2013 dividend payment approved at the general meeting convened on 28 May 2014).

## **4. SIZE OF PLACING**

The size of the private placing will be 201,277,000 A shares, of which Hony Investment Fund and the Company will be issued 100,000,000 shares and 101,277,000 shares, respectively.

In the event that Jin Jiang Hotels Development conducts any bonus share issue, transfer of capital reserves to share capital or any matters affecting share rights, or dividend payment or any matters affecting dividend, during the period from the record date to the date of issue, the issue volume of the private placing will be adjusted accordingly (save that no adjustment will be made in respect of the 2013 dividend payment approved at the general meeting convened on 28 May 2014).

## **5. PLACEES AND METHOD OF SUBSCRIPTION**

The placees of the private placing include Hony Investment Fund, a strategic investor, and the Company. The placees will subscribe for the A shares issued in cash, of which Hony Investment Fund will subscribe for 100,000,000 shares in cash, while the Company will subscribe for 101,277,000 shares in cash.

## **6. MORATORIUM ARRANGEMENTS**

Shares subscribed for by each of Hony Investment Fund and the Company under the private placing shall not be transferable within 36 months from the completion date of the placing.

## **7. PLACE OF LISTING**

Upon the conclusion of the moratorium, an application will be made for the listing of the shares under the private placing on the Shanghai Stock Exchange.

## **8. AMOUNT AND USE OF PROCEEDS**

The private placing is intended to raise total proceeds of not more than RMB3,035,257,160. Net proceeds (after deduction of issue expenses) amounting to RMB2,035,257,160 will be used to provide additional capital required for the development in the business scale and outlets of select-service hotels, the principal business of Jin Jiang Hotels Development, in the coming three years in order to enhance financial capabilities; RMB1,000,000,000 will be used to finance repayments of short-term bank borrowings at an opportune timing to enhance its asset quality and improve its financial conditions. To the extent that the actual net proceeds raised from the issue fall short of its funding requirements, Jin Jiang Hotels Development will meet such shortfalls through other financing means.

## **9. DISTRIBUTION OF RETAINED PROFIT OF JIN JIANG HOTELS DEVELOPMENT PRIOR TO THE PLACING**

Retained profit of Jin Jiang Hotels Development prior to the placing will be shared among new and old shareholders following the completion of the issue.

## **10. EFFECTIVE PERIOD OF THE RESOLUTION APPROVING THE PLACING**

The resolution approving the proposed private placing will be effective for a period of 12 months from the date on which the resolution is considered and approved at the general meeting of Jin Jiang Hotels Development.

Pursuant to the Share Subscription Agreement, the agreement shall be established on 13 June 2014 upon signatures by the respective legal representatives or authorized representatives of the parties endorsed by the corporate seals of the respective parties, and shall come into effect on the date on which precedent conditions, including but not limited to completion of the respective internal approval procedures of the Company, Jin Jiang Hotels Development and Hony Investment Fund in respect of the private placing of shares with approvals granted, the respective approvals of the State-owned Asset Supervision and Administration Commission of Shanghai Municipal Government (“**Shanghai SASAC**”), PRC Ministry of Commerce (“**MOC**”) and the sanction of CSRC, are fulfilled.

**The proposed private placing of shares by Jin Jiang Hotels Development is subject to consideration and approval at the general meeting of Jin Jiang Hotels Development, respective approvals of the Shanghai SASAC and MOC and sanction by the CSRC and therefore may or may not proceed. Shareholders of the Company and public investors should exercise caution when dealing in the Company’s shares. The Board will make further announcement(s) on any progress in relation to the proposed private placing of shares by Jin Jiang Hotels Development in due course pursuant to the relevant requirements of the Listing Rules.**

For further details of the proposed private placing of shares by Jin Jiang Hotels Development, please visit the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

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

Shanghai, the PRC, 13 June 2014

*As at the date of this announcement, the executive directors of the Company 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 of the Company 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 as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) under its Chinese name and the English name “Shanghai Jin Jiang International Hotels (Group) Company Limited”.*