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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 IN RELATION TO THE PROGRESS OF
THE MATERIAL ASSET REORGANISATION AND
CONTINUED SUSPENSION OF TRADING OF A SUBSIDIARY**

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the 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 (i) the announcements of Shanghai Jin Jiang International Hotels (Group) Company Limited* (the “**Company**”) dated 8 July 2015 and 14 July 2015 in relation to the suspension of trading in the shares of Shanghai Jin Jiang International Hotels Development Company Limited (“**Jin Jiang Hotels Development**”), a joint stock limited company incorporated in the People’s Republic of China (the “**PRC**”) with its A shares and B shares listed on the Shanghai Stock Exchange and a subsidiary of the Company, with effect from 8 July 2015 at the request of Jin Jiang Hotels Development in connection with its plan of a material investment relating to its principal business; (ii) the announcement of the Company dated 20 July 2015 in relation to the material asset reorganisation of a subsidiary which stated that trading in the shares of Jin Jiang Hotels Development will remain in suspension from 21 July 2015 for a period of not more than 30 days; and (iii) the announcements of the Company dated 27 July 2015, 3 August 2015, 10 August 2015 and 17 August 2015 in relation to the progress of the material asset reorganisation of a subsidiary.

The board of directors (the “**Board**”) of the Company announces that Jin Jiang Hotels Development made an announcement in relation to the progress of the material asset reorganisation and the continued suspension of trading in its shares on the Shanghai Stock Exchange on 19 August 2015. Set out below are the main contents of such announcement:

I. FRAMEWORK OF THE REORGANISATION

1. Principal counterparties to the transaction

The counterparties to the transaction are third parties. Jin Jiang Hotels Development is currently engaged in deliberations and communication with a number of parties and the counterparties to the transaction have yet to be finalised.

2. Method of transaction

The transaction has been initially planned to be in the form of acquisition of assets by cash (the “**Target Assets**”).

3. Information on the Target Assets

The Target Assets to be acquired in the transaction are related to the principal business of Jin Jiang Hotels Development. Jin Jiang Hotels Development is currently engaged in deliberations and communication with a number of parties and the scope of the Target Assets has yet to be finalised.

II. PROGRESS OF WORK RELATING TO THE MATERIAL ASSET REORGANISATION

1. Since the suspension of trading in connection with the material asset reorganisation, various parties have been engaged in active deliberations on matters relating to the material asset reorganisation to facilitate progress in various tasks involved in the material asset reorganisation. As of now, the parties are still engaged in deliberations and communication concerning the specific reorganisation plan, counterparties to the transaction and scope of the Target Assets, and thus have yet to enter into a reorganisation agreement.
2. The material asset reorganisation involves massive works in relation to due diligence, audit and appraisal etc. Jin Jiang Hotels Development and relevant intermediaries are stepping up with their efforts to finalise relevant documents.
3. During the period of suspension, Jin Jiang Hotels Development has organised various parties to facilitate the tasks involved in the material asset reorganisation in a proactive and systematic manner in strict accordance with “Measures for the Administration of Material Asset Reorganisations of Listed Companies” (《上市公司重大資產重組管理辦法》) and relevant provisions of the Shanghai Stock Exchange, and will fulfill its obligations in information disclosure in a timely manner and publish an announcement on the progress of the relevant matters for every five trading days.

III. REASONS FOR NOT BEING ABLE TO RESUME TRADING AS SCHEDULED

As the scope of the Target Assets under the reorganisation and their appraised values have yet to be finalised, pending further study and deliberation by various parties and uncertainties remain in relation to the reorganisation, therefore Jin Jiang Hotels Development is unable to announce a proposal (or report) for material asset reorganisation which is in compliance with the requirements of “Standards for Contents and Format of Information Disclosure by Public Issuers of Securities No. 26 — Application Documents for Material Asset Reorganisation of Listed Companies” (《公開發行證券的公司信息披露內容與格式準則第26號 — 上市公司重大資產重組申請文件》) and request the resumption of trading of its shares prior to 20 August 2015, as previously scheduled.

IV. PERIOD OF CONTINUED SUSPENSION

To ensure smooth progress of the reorganisation, avoid unusual movement of the share prices of Jin Jiang Hotels Development and protect the interests of the investors, trading in the shares of Jin Jiang Hotels Development will remain in suspension for not more than one month from 20 August 2015 at the request of Jin Jiang Hotels Development.

During the suspension, Jin Jiang Hotels Development will facilitate communication and coordination with its shareholders and fulfill its obligations of information disclosure in a timely manner and publish an announcement on the progress of material asset reorganisation for every five trading day in accordance with relevant provisions of the “Measures for the Administration of Material Asset Reorganisations of Listed Companies” (《上市公司重大資產重組管理辦法》) and “Guidelines for Information Disclosure, Suspension of Trading and Resumption of Trading in relation to Material Asset Reorganisation of Listed Companies” (《上市公司重大資產重組信息披露及停復牌業務指引》) published by the Shanghai Stock Exchange. Investors should beware of investment risks and their attention is drawn to the future announcements of Jin Jiang Hotels Development.

Given significant uncertainties associated with the material asset reorganisation, shareholders of the Company and public investors are advised to exercise caution when dealing in the shares of the Company. The Board will make further announcement(s) to inform the market on the progress of such material business as and when appropriate in accordance with the requirements of the Listing Rules.

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

Shanghai, the PRC, 19 August 2015

As at the date of this announcement, the executive directors of the Company are Mr. Yu Minliang, Ms. Guo Lijuan, Ms. Chen Wenjun, 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”.*