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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)**

**RIGHTS OVER EXCLUDED HOTEL BUSINESSES AND NEW UNION**

The Board is pleased to announce that, in accordance with the arrangements disclosed in the Prospectus, the INEDs held a meeting on 29 December 2015 to consider whether to exercise the relevant Rights over the Excluded Hotel Businesses and New Union under the Deed of Non-Competition granted to the Company by Jin Jiang International.

The INEDs present at the meeting decided not to exercise the relevant Rights over the Excluded Hotel Businesses and New Union under the Deed of Non-Competition granted to the Company by Jin Jiang International at this stage.

In accordance with the arrangements disclosed in the Prospectus, the INEDs of the Company held the fifth independent board committee meeting for 2015 on 29 December 2015 to review the proposal in respect of the latest situation of the Excluded Hotel Businesses and New Union as at the end of the third quarter of 2015 and the financial statements of the relevant Excluded Hotel Businesses and New Union, and to consider whether to exercise the relevant Rights over the Excluded Hotel Businesses and New Union under the Deed of Non-Competition granted to the Company by Jin Jiang International.

Having considered the proposal and relevant financial statements presented by the Company, the INEDs present at the meeting decided not to exercise the relevant Rights over the Excluded Hotel Businesses and New Union under the Deed of Non-Competition granted to the Company by Jin Jiang International at this stage for reasons detailed below:

**EASTERN JIN JIANG:**

As notified by Jin Jiang International in writing, Eastern Jin Jiang has been converted into a limited liability company and has obtained the business licence of a limited liability company. The respective capital contributions of the shareholders of Eastern Jin Jiang have been ascertained upon its conversion into a limited liability company. As at the date of this announcement, Jin Jiang International has transferred its 90% equity interests in Eastern Jin Jiang to its wholly-owned subsidiary, Jin Jiang International Investment. Jin Jiang International Investment currently holds 90% equity interests in Eastern Jin Jiang. Jin

Jiang International Investment is in a position to transfer its interests in Eastern Jin Jiang to the Company. It is the Company's decision whether to exercise its Right to purchase Jin Jiang International Investment's 90% direct and indirect equity interests in Eastern Jin Jiang.

In accordance with the relevant arrangements disclosed in the Prospectus, an internationally recognized independent valuer will be jointly appointed by the Company and Jin Jiang International to issue a valuation report that would determine the consideration for the purchase of the 90% equity interests in Eastern Jin Jiang. In accordance with the relevant PRC laws, Jin Jiang International will appoint another valuer qualified under the PRC laws to issue a second valuation report. Upon issuance of the two valuation reports, the INEDs shall convene a meeting to make a final decision, after considering all factors, on whether to exercise its Right to purchase Jin Jiang International Investment's 90% equity interests in Eastern Jin Jiang. The Company will make further announcement(s) in respect of the INEDs' decision on whether to exercise the relevant Right.

#### **PACIFIC SHANGHAI:**

As at the date of this announcement, Jin Jiang International Investment owns 70% equity interests in Pacific Shanghai.

Since the term of operation of Pacific Shanghai has not expired, the Company is currently unable to exercise the relevant Right.

#### **GARDEN HOTEL SHANGHAI:**

As at the date of this announcement, Jin Jiang International has transferred its Right to acquire all the buildings and facilities of Garden Hotel Shanghai after the expiration of its joint venture term of operation to Jin Jiang International Investment. Jin Jiang International Investment currently owns the above-mentioned Right to acquire all the buildings and facilities of Garden Hotel Shanghai.

The joint venture term of operation of Garden Hotel Shanghai has not expired and Jin Jiang International Investment has not yet obtained any of the buildings or facilities of this company. Accordingly, the Company is currently unable to exercise the relevant Right.

#### **JIAOZHOU ROAD INN:**

Legal and valid land use right certificates and building ownership certificates for the land and buildings being used by Jiaozhou Road Inn have not yet been obtained. Therefore, the Company is legally unable to exercise the relevant Right. The Company will make further announcement(s) in respect of Jiaozhou Road Inn as and when appropriate.

#### **NEW UNION:**

The development project of New Union has received all necessary operational licenses. In accordance with the relevant arrangements disclosed in the Prospectus, the Company and Jin Jiang International will engage an internationally recognized independent valuer to issue a valuation report that will determine the consideration for the purchase of the equity interests in New Union. In accordance with the relevant PRC laws, Jin Jiang International will appoint another valuer qualified under the PRC laws to issue a second valuation report. Upon issuance of the two valuation reports, the INEDs shall convene a meeting to make a final decision, after

considering all factors, on whether to exercise its Right to purchase Jin Jiang International's equity interests in New Union. The Company will make further announcement(s) in respect of the INEDs' decision on whether to exercise the relevant Right.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors.
“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 1,391,500,000 H shares of which are listed on The Stock Exchange of Hong Kong Limited.
“Deed of Non-Competition”	the deed of non-competition dated 20 November 2006 entered into between the Company and Jin Jiang International.
“Directors”	the directors of the Company.
“Eastern Jin Jiang”	上海東錦江大酒店有限公司 (Shanghai Eastern Jin Jiang Hotel Company Limited).
“Excluded Hotel Businesses”	Eastern Jin Jiang, Pacific Shanghai, Garden Hotel Shanghai and Jiaozhou Road Inn.
“Garden Hotel Shanghai”	花園飯店(上海) (Garden Hotel Shanghai), a sino-foreign cooperative joint venture enterprise established jointly by Jin Jiang International and Nomura China Investment Company Limited.
“INEDs”	the independent non-executive Directors.
“Jiaozhou Road Inn”	上海食品集團酒店管理有限公司膠州度假旅館 (Jiaozhou Road Inn of Shanghai Foods Group Hotel Management Company Limited).
“Jin Jiang International”	錦江國際(集團)有限公司 (Jin Jiang International Holdings Company Limited), the controlling shareholder of the Company.
“Jin Jiang International Investment”	上海錦江國際投資管理有限公司 (Shanghai Jin Jiang International Investment and Management Company Limited), a wholly-owned subsidiary of Jin Jiang International.
“New Union”	上海新聯誼大廈有限公司 (Shanghai New Union Building Co., Ltd.).
“Pacific Shanghai”	上海太平洋大飯店有限公司 (Pacific Shanghai Hotel Company Limited).
“PRC”	the People's Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan.
“Prospectus”	the prospectus of the Company dated 30 November 2006.

“Right(s)”

the rights under the Deed of Non-Competition granted to the Company by Jin Jiang International to purchase, or in the case of Jiaozhou Road Inn, to purchase or lease, all (but not part only, unless otherwise agreed by Jin Jiang International) of the direct and indirect equity interests of Jin Jiang International or its subsidiaries in the Excluded Hotel Businesses and New Union.

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

Shanghai, the PRC, 29 December 2015

*As at the date of this announcement, the executive Directors are Mr. Yu Minliang, Ms. Guo Lijuan, Mr. Chen Liming, Mr. Xu Ming, Mr. Zhang Qian, Mr. Zhang Xiaoqiang, Mr. Han Min and Mr. Kang Ming; and the independent non-executive Directors are Mr. Ji Gang, Dr. Rui Mingjie, Dr. Tu Qiyu, Dr. Xu Jianxin, Mr. Xie Hongbing and Dr. He Jianmin.*

\* *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”.*