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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
ACQUISITION OF 81.0034% EQUITY INTEREST IN KEYSTONE
LODGING HOLDINGS LIMITED
ANNOUNCEMENT ON COMPLETION OF CLOSING**

A. BACKGROUND

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 the circular of Shanghai Jin Jiang International Hotels (Group) Company Limited (the “**Company**”) dated 23 October 2015 (the “**Circular**”) as well as the announcements of the Company dated 18 September 2015, 20 October 2015 and 27 October 2015 in relation to, among others, the proposed acquisition of 81.0034% equity interest in Keystone Lodging Holdings Limited by Jin Jiang Hotels Development, a subsidiary of the Company. Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meaning as those defined in the Circular.

On 18 September 2015, Jin Jiang Hotels Development entered into the Acquisition Agreements in relation to the acquisition of 81.0034% equity interest in Keystone Lodging Holdings Limited (the “**Transaction**”) with 13 counterparties, namely Prototal Enterprises Limited (寶全企業有限公司), Ever Felicitous Limited, Keystone Asia Holdings Limited, SCC Growth 2010-Peak Holdco, Ltd., Sequoia Capital Global Growth Fund, L.P., Sequoia Capital Global Growth Principals Fund, L.P., Happy Travel Limited, Happy Boat Lodging Limited, Jaguar Investment Pte Ltd., Ctrip Investment Holding Ltd., Smartech Resources Limited, Chien Lee and Minjian Shi (the “**Counterparties**”).

As at 26 February 2016, all the matters relating to Closing have been completed. Jin Jiang Hotels Development is carrying out various transitional arrangements orderly as planned, and will be implementing various integration measures in accordance with the “Material Asset Purchase Report of Shanghai Jin Jiang International Hotels Development Company Limited” as disclosed by Jin Jiang Hotels Development.

B. CLOSING OF THE TRANSACTION

On 26 February 2016, the total Closing Consideration of the Transaction was RMB8,554,920,000 which was equivalent to (i) the difference between the enterprise value of the Target Company of RMB10.8 billion and the Closing Adjustment of RMB238,814,000; and (ii) multiplied by 81.0034%. An amount of RMB6,746,746,000 of the total Closing Consideration has been paid to the Counterparties, and the remaining RMB1,808,174,000 of the total Closing Consideration has been transferred to the escrow accounts as the Escrow Amounts which included the reserved compensation amount of the Counterparties, the Reserved EBITDA Adjustment of the Counterparties and the estimated transfer taxes of the Counterparties on the transfer of shares. The Reserved EBITDA Adjustment attributable to the Counterparties in the Escrow Amounts was RMB523,445,000. Final Closing Consideration may be subject to adjustment under the price adjustment mechanism set out in the Acquisition Agreements.

On 26 February 2016, the transfer of 81.0034% equity interest in Keystone Lodging Holdings Limited to Jin Jiang Hotels Development was approved and Jin Jiang Hotels Development became a shareholder of Keystone Lodging Holdings Limited in accordance with the foreign legal opinion issued by OGIER, a law firm in the Cayman Islands.

As at the date of this announcement, the Closing has been completed.

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

Shanghai, the PRC, 26 February 2016

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”.*