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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)**

**DISCLOSEABLE TRANSACTION**

**EXTENSION ARRANGEMENTS FOR  
The 2013 SBLC ISSUING AGREEMENTS**

Reference is made to the announcement of the Company dated 25 September 2013 in relation to the 2013 First SBLC Issuing Agreement and the 2013 Second SBLC Issuing Agreement (collectively the “**2013 SBLC Issuing Agreements**”) entered into between the Company and ICBC Shanghai.

IHR entered into the 2013 First ICBC Loan Agreement and the 2013 Second ICBC Loan Agreement with ICBC New York (collectively the “**2013 ICBC Loan Agreements**”), pursuant to which ICBC New York provided the banking loan facilities (the “**2013 Loan Facilities**”) in the aggregate amount of USD128,000,000 to IHR. As required under the 2013 ICBC Loan Agreements, ICBC Shanghai provided the 2013 First SBLC and the 2013 Second SBLC (collectively the “**2013 SBLCs**”) to ICBC New York as security for the 2013 Loan Facilities. In consideration of the issuance of the 2013 SBLCs, the Company entered into the 2013 SBLC Issuing Agreements with ICBC Shanghai on 25 September 2013. In consideration of the Company entering into the 2013 SBLC Issuing Agreements, IHR entered into the 2013 Fee Letter with the Company on 25 September 2013, pursuant to which IHR agreed to reimburse the arrangement fee, the bank commissions and all legal fees paid by the Company in relation to the issuance of the 2013 SBLCs. The 2013 SBLCs will expire no later than 20 April 2016.

For the purposes of refinancing the 2013 Loan Facilities, IHR entered into certain extension arrangements for the 2013 ICBC Loan Agreements with ICBC New York to extend the term of the 2013 Loan Facilities for six months. On 31 March 2016, the Company would like to announce that it has entered into the following arrangements: (i) the extension arrangement for the 2013 First SBLC Issuing Agreement with ICBC Shanghai; (ii) the extension arrangement for the 2013 Second SBLC Issuing Agreement with ICBC Shanghai; and (iii) the 2016 Fee Letter with IHR.

IHR, through its wholly owned subsidiary IHR Europe, indirectly holds a 49% equity interest in IHR China, a subsidiary of the Company. Given that: (i) IHR is only connected with IHR China, a subsidiary of the Company; and (ii) the value of IHR China's total assets, profits and revenue respectively represents less than 5% under the relevant applicable percentage ratios set out in the Listing Rules for the year ended 31 December 2015, IHR China satisfies the requirements of "insignificant subsidiary" under Rule 14A.09 of the Listing Rules. Therefore, IHR is not regarded as a connected person under Chapter 14A of the Listing Rules.

As the relevant applicable percentage ratios for entering into the extension arrangement for the 2013 SBLC Issuing Agreements by the Company exceed 5%, but are less than 25%, they constitute discloseable transactions of the Company under Rule 14.06(2) of the Listing Rules and are subject to the reporting and announcement requirements under the Listing Rules.

## **BACKGROUND**

In addition to the extension arrangements for the 2013 ICBC Loan Agreements, the extension arrangements for the 2013 SBLC Issuing Agreements and the 2016 Fee Letter mentioned above, THI V has also entered into the extension arrangements for the pledge and security agreement with ICBC Shanghai, to pledge its 50% shareholding interest in HAC to ICBC Shanghai to secure 50% of the aggregate amount of the extension arrangements for the 2013 SBLCs.

### **I. EXTENSION ARRANGEMENT FOR THE 2013 FIRST SBLC ISSUING AGREEMENT**

The main terms of the Extension Arrangement for the 2013 First SBLC Issuing Agreement are summarised as follows:

1. Parties: (a) the Company; and  
(b) ICBC Shanghai
2. Beneficiary of the extension arrangement for the 2013 First SBLC: ICBC New York
3. Amount of the extension arrangement for the 2013 First SBLC: USD69,750,000
4. Term of the extension arrangement for the 2013 First SBLC:  
Six months from 31 March 2016 to 30 September 2016.
5. Purpose of the extension arrangement for the 2013 First SBLC:

The extension arrangement for the 2013 First SBLC will be used as security for the banking loan facilities under the extension arrangement for the 2013 First ICBC Loan Agreement provided by ICBC New York to IHR.

6. Bank commissions to be paid by the Company to ICBC Shanghai in relation to the extension arrangement for the issuance of the 2013 First SBLC:
  - (a) Initial fees: USD231,700 payable on 31 March 2016, which covers the credit period from 31 March 2016 to 30 June 2016;
  - (b) Subsequent fees: USD231,700 payable on 1 July 2016, which covers the credit period from 1 July 2016 to 30 September 2016.

## **II. EXTENSION ARRANGEMENT FOR THE 2013 SECOND SBLC ISSUING AGREEMENT**

The main terms of the Extension Arrangement for the 2013 Second SBLC Issuing Agreement are summarised as follows:

1. Parties:
  - (a) the Company; and
  - (b) ICBC Shanghai
2. Beneficiary of the extension arrangement for the 2013 Second SBLC: ICBC New York
3. Amount of the extension arrangement for the 2013 Second SBLC: USD65,000,000
4. Term of the extension arrangement for the 2013 Second SBLC:

Six months from 31 March 2016 to 30 September 2016.

5. Purpose of the extension arrangement for the 2013 Second SBLC:

The extension arrangement for the 2013 Second SBLC will be used as security for the banking loan facilities under the extension arrangement for the 2013 Second ICBC Loan Agreement provided by ICBC New York to IHR.

6. Bank commissions to be paid by the Company to ICBC Shanghai in relation to the extension arrangement for the issuance of the 2013 Second SBLC:
  - (a) Initial fees: USD215,900 payable on 31 March 2016, which covers the credit period from 31 March 2016 to 30 June 2016;
  - (b) Subsequent fees: USD215,900 payable on 1 July 2016, which covers the credit period from 1 July 2016 to 30 September 2016.

## **III. THE 2016 FEE LETTER**

The main terms of the 2016 Fee Letter are summarised as follows:

1. Date: 31 March 2016
2. Parties:
  - (a) the Company; and
  - (b) IHR

### 3. Reimbursement:

IHR will reimburse the bank commissions and all legal fees (not to exceed the amount specified in the 2016 Fee Letter) paid by the Company in relation to the extension arrangements for the issuance of the 2013 SBLCs.

## **IV. REASONS AND BENEFITS FOR THE EXTENSION ARRANGEMENTS FOR THE 2013 SBLC ISSUING AGREEMENTS**

The purposes of the extension arrangements for the 2013 SBLC Issuing Agreements are to refinance the banking loan facilities under the 2013 ICBC Loan Agreements and cope with the financial needs for IHR's future project developments.

The Directors (including the independent non-executive Directors) are of the view that the extension arrangements for the 2013 SBLC Issuing Agreements are fair and reasonable and in the interest of the Shareholders as a whole. No Director has a material interest in the transactions under the extension arrangements for the 2013 SBLC Issuing Agreements.

## **V. FINANCIAL EFFECTS**

The extension arrangement for the 2013 SBLC Issuing Agreements has no immediate material financial effect on the Group's earnings, net assets and liabilities.

## **VI. GENERAL INFORMATION**

The Group is principally engaged in the businesses of operation, management and franchising of hotels, restaurant operation, passenger transportation and logistics, travel agency and etc..

IHR is a leading hotel management company in North America. IHR and its affiliates manage and/or have a total of 427 hotel properties with more than 76,000 rooms, which are respectively situated in the United States, China, England, Russia, Belgium, Canada, Ireland and etc..

ICBC Shanghai is a branch of ICBC which is one of the largest commercial banks in the PRC.

## **VII. IMPLICATION UNDER THE LISTING RULES**

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, ICBC Shanghai and IHR and their respective ultimate beneficial owner is not a connected person and is independent of any director, chief executive or substantial shareholder or the controlling shareholder of the Company or its subsidiaries or any of their respective associates.

IHR, through its wholly owned subsidiary IHR Europe, indirectly holds a 49% equity interest in IHR China, a subsidiary of the Company. Given that: (i) IHR is only connected with IHR China, a subsidiary of the Company; and (ii) the value of IHR China's total assets, profits and revenue respectively represents less than 5% under the relevant applicable percentage ratios set out in the Listing Rules for the year ended 31 December

2015, IHR China satisfies the requirements of “insignificant subsidiary” under Rule 14A.09 of the Listing Rules. Therefore, IHR is not regarded as a connected person under Chapter 14A of the Listing Rules.

As the relevant applicable percentage ratios for entering into the extension arrangements for the 2013 SBLC Issuing Agreements by the Company exceed 5%, but are less than 25%, they constitute discloseable transactions of the Company under Rule 14.06(2) of the Listing Rules and are subject to the reporting and announcement requirements under the Listing Rules.

## VIII. DEFINITIONS

Unless the context otherwise requires, the terms used in this announcements shall have the following meanings:

“2013 Banking Loan Facilities”	a banking loan facilities provided by ICBC New York to IHR in the principal amount of USD128,000,000
“2013 Fee Letter”	a fee letter dated 25 September 2013 entered into between the Company and IHR
“2013 First ICBC Loan Agreement”	a loan agreement entered into between ICBC New York and IHR, under which ICBC New York provided to IHR a loan in the principal amount of USD66,250,000
“2013 First SBLC”	the stand-by letter of credit issued by ICBC Shanghai to ICBC New York, as contemplated under the 2013 First SBLC Issuing Agreement
“2013 First SBLC Issuing Agreement”	a stand-by letter of credit issuing agreement dated 25 September 2013 entered into between the Company and ICBC Shanghai in consideration of the issuance of the 2013 First SBLC
“2013 Second ICBC Loan Agreement”	a loan agreement entered into between ICBC New York and IHR, under which ICBC New York provided to IHR a loan in the principal amount of USD61,750,000
“2013 Second SBLC”	the stand-by letter of credit issued by ICBC Shanghai to ICBC New York, as contemplated under the 2013 Second SBLC Issuing Agreement
“2013 Second SBLC Issuing Agreement”	a stand-by letter of credit issuing agreement dated 25 September 2013 entered into between the Company and ICBC Shanghai in consideration of the issuance of the 2013 Second SBLC
“2016 Fee Letter”	a fee letter dated 31 March 2016 entered into between the Company and IHR
“Company”	上海錦江國際酒店(集團)股份有限公司 (Shanghai Jin Jiang International Hotels (Groups) Company Limited), a joint stock limited company established in the PRC, the H shares of which are listed on the Stock Exchange of Hong Kong Limited

“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries
“HAC”	Hotel Acquisition Company, LLC, a Delaware limited liability company and the parent company of IHR
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC
“ICBC”	Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司)
“ICBC New York”	Industrial and Commercial Bank of China Limited, New York Branch
“ICBC Shanghai”	Industrial and Commercial Bank of China Limited, Shanghai Branch (中國工商銀行股份有限公司上海市分行)
“IHR”	Interstate Hotels & Resorts, Inc., a Delaware limited liability company
“IHR China”	Interstate (China) Hotels and Resorts Co., Ltd. (州際(中國)酒店和度假村有限公司), a limited liability company incorporated in Hong Kong
“IHR Europe”	Interstate Hotels & Resorts (Europe), Inc., a direct shareholder of IHR China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China (for the purpose of this announcement only, excluding Hong Kong, Macau and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“THI V”	THI V Inca LLC, a Delaware limited liability company and an indirect shareholder of IHR
“USD”	United States dollars, the lawful currency of the United States

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

Shanghai, the PRC, 31 March 2016

*As at the date of this announcement, the executive directors of the Company 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 of the Company 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**”.*