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Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the prospectus dated 30 November 2006 (the "**Prospectus**") issued by the Company.



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: 2006)

EXERCISE OF OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option referred to in the Prospectus was exercised in full by the Joint Global Coordinators on behalf of the International Underwriters on 18 December 2006 in respect of an aggregate of 165,000,000 H Shares, representing 15% of the initial size of the Global Offering. The 165,000,000 H Shares will be issued and allotted by the Company at HK\$2.20 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%), being the Offer Price per H Share under the Hong Kong Public Offering and the International Placing.

According to approvals issued by SSF dated 10 April 2006, the Promoters are required to have 16,500,000 Domestic Shares, representing 10% of the number of H Shares issued by the Company pursuant to the exercise of the Over-allotment Option, converted into an equal number of H Shares and to transfer such H Shares to SSF. Neither the Promoters nor the Company will receive any proceeds from the transfer of the H Shares to SSF or from any subsequent disposal of such H Shares by SSF. It is expected that relevant share certificates will be issued to SSF by 20 December 2006.

The Company announces that the Over-allotment Option referred to in the Prospectus was exercised in full by the Joint Global Coordinators on behalf of the International Underwriters on 18 December 2006 in respect of an aggregate of 165,000,000 H Shares (the "**Over-allotment Shares**"), representing 15% of the initial size of the Global Offering. The Over-allotment Shares will be issued and allotted by the Company at HK\$2.20 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%), being the Offer Price per H Share under the Hong Kong Public Offering and the International Placing. The Over-allotment Shares will be used to cover, among other things, over-allocations in the International Placing.

According to approvals issued by SSF dated 10 April 2006, the Company is required to have 16,500,000 Domestic Shares, representing 10% of the number of H Shares issued by the Company pursuant to the exercise of the Over-allotment Option, converted into an equal number of H Shares and to transfer such H

Shares to SSF. Neither the Promoters nor the Company will receive any proceeds from the transfer of the H Shares to SSF or from any subsequent disposal of such H Shares by SSF. It is expected that the relevant share certificates will be issued to SSF by 20 December 2006.

Immediately after the issuance and allotment of the Over-allotment Shares and the completion of the Conversion, the number of H Shares in public hands represents 30.48% of the total issued share capital of the Company and the number of shares of the Company held in public hands will represent at least 25% of the total issued share capital of the Company.

Listing of and permission to deal in the Over-allotment Shares and the H shares to be held by SSF upon the completion of the Conversion (the “**Converted H Shares**”) have already been granted by the Listing Committee of the Stock Exchange. Listing of and dealings in the Over-allotment Shares are expected to commence on the Main Board of the Stock Exchange at 9:30 a.m. on 20 December 2006, whereas the Listing of and dealings in the Converted H Shares are expected to commence on the Main Board of the Stock Exchange by 22 December 2006.

The shareholding structure of the Company immediately before the issue by the Company of the Over-allotment Shares and after the issuance and allotment of the Over-allotment Shares and the completion of the Conversion are as follows:

	Immediately before the issue of the Over-allotment Shares		Immediately after the issue of the Over-allotment Shares and the completion of the Conversion	
	Number of Shares	Percentage of the Company’s issued share capital	Number of Shares	Approximate percentage of the Company’s enlarged issued share capital
Domestic Shares in issue	3,190,000,000	72.50%	3,173,500,000	69.52%
H Shares converted from Domestic Shares and held by SSF	110,000,000	2.5%	126,500,000	2.77%
H Shares issued and/or offered under the Global Offering	1,100,000,000	25.0%	1,265,000,000	27.71%
Total number of Shares	4,400,000,000	100.00%	4,565,000,000	100.00%

The net proceeds of approximately HK\$353.9 million from the issue of 165,000,000 H Shares by the Company pursuant to the exercise of the Over-allotment Option will be used by the Company in the manner set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

By Order of the Board
Shanghai Jin Jiang International Hotels (Group) Company Limited*
Chen Wenjun
Executive Director

PRC, 18 December 2006

As at the date of this announcement, the executive Directors are Mr. Yu Minliang, Ms. Chen Wenjun, Mr. Yang Weimin, Mr. Chen Hao, Mr. Yuan Gongyao, Mr. Xu Zurong, Mr. Han Min and Mr. Kang Ming, the non-executive Director is Mr. Shen Maoxing, and the independent non-executive Directors are Mr. Ji Gang, Mr. Xia Dawei, Mr. Sun Dajian, Mr. Rui Mingjie, Mr. Yang Menghua, Mr. Tu Qiyu, Mr. Shen Chengxiang and Mr. Lee Chung Bo.

* *The Company is registered as an oversea company under Part XI of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) under its Chinese name and the English name “Shanghai Jin Jiang International Hotels (Group) Company Limited”.*

*Please also refer to the published version of this announcement in **South China Morning Post**.*