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Shanghai Jin Jiang Capital Company Limited*

上海錦江資本股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 02006)

ANNOUNCEMENT CONNECTED TRANSACTION

On 26 March 2020, Jin Jiang Automobile, a subsidiary of Jin Jiang Investment (which is a subsidiary of the Company) entered into the Vehicle Rental Contract with Jin Jiang International, pursuant to which, Jin Jiang International agreed to purchase the vehicle leasing services from Jin Jiang Automobile during the period from 21 January 2020 to 31 March 2020 for the vehicle services organised by the government for prevention of the COVID-19 epidemic.

As at the date of this announcement, Jin Jiang International is the controlling shareholder of the Company. Therefore, the transaction contemplated under the Vehicle Rental Contract constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio of the transaction contemplated under the Vehicle Rental Contract exceeds 0.1% but is lower than 5%, the transaction contemplated under the Vehicle Rental Contract shall comply with the reporting and announcement requirements but is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

I. INTRODUCTION

On 26 March 2020, Jin Jiang Automobile, a subsidiary of Jin Jiang Investment (which is a subsidiary of the Company) entered into the Vehicle Rental Contract with Jin Jiang International, pursuant to which, Jin Jiang International agreed to purchase the vehicle leasing services from Jin Jiang Automobile during the period from 21 January 2020 to 31 March 2020 for the vehicle services organized by the government for prevention of the COVID-19 epidemic.

II. VEHICLE RENTAL CONTRACT

The key terms of the Vehicle Rental Contract are summarised as follows:

Date:	26 March 2020
Parties:	(1) Jin Jiang Automobile (as the service provider) (2) Jin Jiang International (as the service purchaser)
Term:	71 days from 21 January 2020 to 31 March 2020.
Nature of transaction:	Jin Jiang International purchases the vehicle leasing services from Jin Jiang Automobile for the vehicle services organized by the government for prevention of the COVID-19 epidemic. Jin Jiang Automobile agrees to rent out relevant vehicles to Jin Jiang International and to assign dedicated drivers to provide related services. Vehicles that Jin Jiang Automobile agrees to rent out shall include 20-seater vehicles (or smaller vehicles) and 30-seater vehicles (or larger vehicles).
Total transaction amount:	The total transaction amount under the Vehicle Rental Contract shall be computed according to the duration of the Vehicle Rental Contract, the rental fees of different vehicle models and the number of vehicles rented. The total transaction amount under the Vehicle Rental Contract is RMB54,847,500.
Payment:	Jin Jiang International shall settle the payment in one lump sum with Jin Jiang Automobile within five days upon the signing of the Vehicle Rental Contract.

Compensation arrangement of government expropriation:

In the event that the government units expropriate vehicle services of Jin Jiang Automobile for prevention of the COVID-19 epidemic, including but not limited to vehicle services for work or production resumption, airports, bus terminals and piers and require deployment of the vehicles rented by Jin Jiang International, Jin Jiang International shall cooperate with such arrangement. During the period of expropriation, the government units will directly settle the compensation for such expropriation with Jin Jiang International.

III. REASONS FOR AND BENEFITS OF ENTERING INTO THE VEHICLE RENTAL CONTRACT

The Board is of the view that entering into the Vehicle Rental Contract is conducive to the stable and healthy business development of the Group and its subsidiary.

The Board (including the independent non-executive Directors) is of the view that the terms of the Vehicle Rental Contract (including the consideration) are fair and reasonable and based on normal commercial terms, and are in the interest of the Company and its shareholders as a whole. Mr. Yu Minliang, Ms. Guo Lijuan, Mr. Chen Liming, Mr. Ma Mingju, Ms. Zhou Wei and Mr. Sun Yu who are holding positions at Jin Jiang International have abstained from voting on the relevant resolution of the Board in respect of the approval of the Vehicle Rental Contract. Save as disclosed above, none of the other Directors has a material interest in the transactions or is required to abstain from voting on the relevant resolution of the Board.

IV. LISTING RULES IMPLICATIONS

As at the date of this announcement, Jin Jiang International is the controlling shareholder of the Company. Therefore, the transaction contemplated under the Vehicle Rental Contract constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio of the transaction contemplated under the Vehicle Rental Contract exceeds 0.1% but is lower than 5%, the transaction contemplated under the Vehicle Rental Contract shall comply with the reporting and announcement requirements but is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

V. INFORMATION OF THE COMPANY, JIN JIANG AUTOMOBILE AND JIN JIANG INTERNATIONAL

Information of the Company

The Company is principally engaged in full service hotel operation and management, select service hotel operation and franchising, restaurant operation, passenger transport logistics, travel agency and other related businesses.

Information of Jin Jiang Automobile

Jin Jiang Automobile, a subsidiary of Jin Jiang Investment which is a subsidiary of the Company, is a large-scale comprehensive passenger transportation service provider in Shanghai principally engaged in the reception of national guests, passenger transportation for tourism, car rental, lease of business vehicles, vehicle sales and maintenance and drivers' training, etc.

Information of Jin Jiang International

Jin Jiang International is one of the largest hotel and tourism conglomerates in the PRC, which is 100% held by Shanghai State-owned Assets Supervision and Management Commission.

VI. DEFINITIONS

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

“Board”	the board of directors of the Company
“Company”	Shanghai Jin Jiang Capital Company Limited* (上海錦江資本股份有限公司), a joint stock limited company established in the PRC, the H shares of which are listed on The Stock Exchange of Hong Kong Limited
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“COVID-19”	a novel coronavirus discovered in 2019
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Jin Jiang Automobile”	Shanghai Jin Jiang Automobile Services Co., Ltd. (上海錦江汽車服務有限公司), a limited liability company incorporated in the PRC and a subsidiary of Jin Jiang Investment, held as to 95% by Jin Jiang Investment and 5% by Jin Jiang International
“Jin Jiang International”	Jin Jiang International Holding Company Limited (錦江國際(集團)有限公司), the controlling shareholder of the Company interested in 75% of the issued share capital of the Company
“Jin Jiang Investment”	Shanghai Jin Jiang International Industrial Investment Company Limited (上海錦江國際實業投資股份有限公司), a company listed on the Shanghai Stock Exchange (A share stock code: 600650, B share stock code: 900914) and a subsidiary of the Company in which the Company holds 39.26% equity interests
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“percentage ratio(s)”	has the meaning ascribed thereto under the Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Vehicle Rental Contract”	the vehicle rental contract entered into between Jin Jiang Automobile and Jin Jiang International on 26 March 2020, the details of which are disclosed in this announcement
%	per cent

By Order of the Board
Shanghai Jin Jiang Capital Company Limited*
Zhang Jue
Joint Company Secretary

Shanghai, the PRC, 26 March 2020

As at the date of this announcement, the executive Directors are Mr. Yu Minliang, Ms. Guo Lijuan, Mr. Chen Liming, Mr. Ma Mingju, Ms. Zhou Wei and Mr. Sun Yu; and the independent non-executive Directors are Mr. Ji Gang, Dr. Rui Mingjie and Mr. Shen Liqiang.

* *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 Capital Company Limited”.*