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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 DISCLOSEABLE TRANSACTIONS EQUITY RESTRUCTURING AND SWAP PROJECT OF SUBSIDIARIES

Reference is made to the inside information announcement published by the Company on 31 July 2020 regarding the signing of the Cooperation Framework Agreement in relation to equity restructuring and swap project of subsidiaries by the Company, Shanghai International and its subsidiary and Jin Jiang International and its subsidiary, pursuant to which a series of equity restructuring and swaps of the Group's relevant equity interests in Sofitel Hyland, Jian Guo Hotel and Kunlun Hotel was proposed, among others.

EQUITY RESTRUCTURING AND SWAP OF SUBSIDIARIES

The Company and SIGAM plan for the swap of 12.50% equity interests in Kunlun Hotel held by SIGAM with 22.68% equity interests in Sofitel Hyland held by the Company as consideration. On 26 October 2020, the Company and SIGAM entered into the Kunlun Hotel Asset and Equity Transaction Contract, pursuant to which SIGAM agreed to transfer and the Company agreed to acquire 12.50% equity interests in Kunlun Hotel for a transaction amount of RMB421,043,879.01. On the same date, the Company and SIGAM entered into the Sofitel Hyland Asset and Equity Transaction Contract I, pursuant to which the Company agreed to transfer and SIGAM agreed to acquire 22.68% equity interests in Sofitel Hyland for a transaction amount of RMB421,040,679.42.

The Company and SIGAM plan for the swap of 35% equity interests in Jian Guo Hotel held by SIGAM with 28.80% equity interests in Sofitel Hyland held by the Company as consideration. On 26 October 2020, the Company and SIGAM entered into the Jian Guo Hotel Asset and Equity Transaction Contract, pursuant to which SIGAM agreed to transfer and the Company agreed to acquire 35% equity interests in Jian Guo Hotel for a transaction amount of RMB534,569,655.20. On the same date, the Company and SIGAM entered into the Sofitel Hyland Asset and Equity Transaction Contract II, pursuant to which the Company agreed to transfer and SIGAM agreed to acquire 28.80% equity interests in Sofitel Hyland for a transaction amount of RMB534,654,831.00.

LISTING RULES IMPLICATIONS

In accordance with Rule 14.22 of the Listing Rules, the Acquisition Transactions contemplated under the Kunlun Hotel Asset and Equity Transaction Contract and the Jian Guo Hotel Asset and Equity Transaction Contract shall be aggregated, and the Disposal Transactions contemplated under Sofitel Hyland Asset and Equity Transaction Contract I and Sofitel Hyland Asset and Equity Transaction Contract II shall also be aggregated. After aggregation, the respective highest applicable percentage ratio of the Acquisition Transactions and the Disposal Transactions is more than 5% but lower than 25%. Accordingly, the Acquisition Transactions and the Disposal Transactions are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules, respectively.

The Board would like to emphasise that the transactions contemplated under the Asset and Equity Transaction Contracts are subject to the approval from Shanghai Municipal State-owned Assets Supervision and Administration Commission. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

I. INTRODUCTION

Reference is made to the inside information announcement published by the Company on 31 July 2020 regarding the signing of the Cooperation Framework Agreement in relation to equity restructuring and swap project of subsidiaries by the Company, Shanghai International and its subsidiary and Jin Jiang International and its subsidiary, pursuant to which a series of equity restructuring and swap of the Group's relevant equity interests in Sofitel Hyland, Jian Guo Hotel and Kunlun Hotel was proposed, among others.

The Company and SIGAM plan for the swap of 12.50% equity interests in Kunlun Hotel held by SIGAM with 22.68% equity interests in Sofitel Hyland held by the Company as consideration. On 26 October 2020, the Company and SIGAM entered into the Kunlun Hotel Asset and Equity Transaction Contract, pursuant to which SIGAM agreed to transfer and the Company agreed to acquire 12.50% equity

interests in Kunlun Hotel for a transaction amount of RMB421,043,879.01. On the same date, the Company and SIGAM entered into the Sofitel Hyland Asset and Equity Transaction Contract I, pursuant to which the Company agreed to transfer and SIGAM agreed to acquire 22.68% equity interests in Sofitel Hyland for a transaction amount of RMB421,040,679.42.

The Company and SIGAM plan for the swap of 35% equity interests in Jian Guo Hotel held by SIGAM with 28.80% equity interests in Sofitel Hyland held by the Company as consideration. On 26 October 2020, the Company and SIGAM entered into the Jian Guo Hotel Asset and Equity Transaction Contract, pursuant to which SIGAM agreed to transfer and the Company agreed to acquire 35% equity interests in Jian Guo Hotel for a transaction amount of RMB534,569,655.20. On the same date, the Company and SIGAM entered into the Sofitel Hyland Asset and Equity Transaction Contract II, pursuant to which the Company agreed to transfer and SIGAM agreed to acquire 28.80% equity interests in Sofitel Hyland for a transaction amount of RMB534,654,831.00.

II. THE ASSET AND EQUITY TRANSACTION CONTRACTS

1. Kunlun Hotel Asset and Equity Transaction Contract

The principal terms of the Kunlun Hotel Asset and Equity Transaction Contract are summarised as follows:

Date:	26 October 2020
Parties:	(1) SIGAM (as transferor) (2) the Company (as transferee)
Target:	SIGAM agreed to transfer and the Company agreed to acquire 12.50% equity interests in Kunlun Hotel valued at RMB421,043,879.01, subject to the terms and conditions under the Kunlun Hotel Asset and Equity Transaction Contract.
Transaction amount:	The transaction amount shall be RMB421,043,879.01, which is determined on the basis of the value of the 12.50% equity interests in Kunlun Hotel. Such value is determined on the basis of the enterprise value of Kunlun Hotel (i.e., value of the owners' equity) of RMB3,368,351,032.11 as at the Valuation Benchmark Date as set out in the Kunlun Hotel Valuation Report prepared by the Appraiser using the asset-based approach.

Payment: The transaction amount shall be settled between the Company and SIGAM over-the-counter of SUAEE.

Handover of asset and equity: The benchmark date of the transaction is 30 April 2020.

The two parties shall collaborate and work with Kunlun Hotel to process change in industrial and commercial registration within 15 business days after receiving the asset and equity transaction certificate from SUAEE. Where the transaction involves filing with or approval from relevant authorities, the two parties shall jointly fulfill the obligation of making submissions to relevant authorities.

Profit or loss attributable to the 12.50% equity interests in Kunlun Hotel generated or incurred during the period from the benchmark date of the transaction (i.e., 30 April 2020) to the completion of transfer of rights by the two parties to the transaction shall be attributed to or borne by the Company.

2. Sofitel Hyland Asset and Equity Transaction Contract I

The principal terms of Sofitel Hyland Asset and Equity Transaction Contract I are summarised as follows:

Date: 26 October 2020

Parties: (1) the Company (as transferor)
(2) SIGAM (as transferee)

Target: The Company agreed to transfer and SIGAM agreed to acquire 22.68% equity interests in Sofitel Hyland valued at RMB421,040,679.42, subject to the terms and conditions under the Sofitel Hyland Asset and Equity Transaction Contract I.

Transaction amount: The transaction amount shall be RMB421,040,679.42, which is determined on the basis of the value of the 22.68% equity interests in Sofitel Hyland. Such value is determined on the basis of the enterprise value of Sofitel Hyland (i.e., value of the owners' equity) of RMB1,856,440,385.43 as at the Valuation Benchmark Date as set out in the Sofitel Hyland Valuation Report prepared by the Appraiser using the asset-based approach.

Payment: The transaction amount shall be settled between the Company and SIGAM over-the-counter of SUAEE.

Handover of asset and equity: The benchmark date of the transaction is 30 April 2020.

The two parties shall collaborate and work with Sofitel Hyland to process change in industrial and commercial registration within 15 business days after receiving the asset and equity transaction certificate from SUAEE. Where the transaction involves filing with or approval of relevant authorities, the two parties shall jointly fulfill the obligation of making submissions to relevant authorities.

Profit or loss attributable to the 22.68% equity interests in Sofitel Hyland generated or incurred during the period from the benchmark date of the transaction (i.e., 30 April 2020) to the completion of transfer of rights by the two parties to the transaction shall be attributed to or borne by SIGAM.

3. Jian Guo Hotel Asset and Equity Transaction Contract

The principal terms of the Jian Guo Hotel Asset and Equity Transaction Contract are summarised as follows:

Date: 26 October 2020

Parties: (1) SIGAM (as transferor)
(2) the Company (as transferee)

Target:	SIGAM agreed to transfer and the Company agreed to acquire 35% equity interests in Jian Guo Hotel valued at RMB534,569,655.20, subject to the terms and conditions under the Jian Guo Hotel Asset and Equity Transaction Contract.
Transaction amount:	The transaction amount shall be RMB534,569,655.20, which is determined on the basis of the value of the 35% equity interests in Jian Guo Hotel. Such value is determined on the basis of the enterprise value of Jian Guo Hotel (i.e., value of the owners' equity) of RMB1,527,341,872.01 as at the Valuation Benchmark Date as set out in the Jian Guo Hotel Valuation Report prepared by the Appraiser using the asset-based approach.
Payment:	The transaction amount shall be settled between the Company and SIGAM over-the-counter of SUAEE.
Handover of asset and equity:	<p>The benchmark date of the transaction is 30 April 2020.</p> <p>The two parties shall collaborate and work with Jian Guo Hotel to process change in industrial and commercial registration within 15 business days after receiving the asset and equity transaction certificate from SUAEE. Where the transaction involves filing with or approval of relevant authorities, the two parties shall jointly fulfill the obligation of making submissions to relevant authorities.</p> <p>Profit or loss attributable to the 35% equity interests in Jian Guo Hotel generated or incurred during the period from the benchmark date of the transaction (i.e., 30 April 2020) to the completion of transfer of rights by the two parties to the transaction shall be owned or borne by the Company.</p>

4. Sofitel Hyland Asset and Equity Transaction Contract II

The principal terms of Sofitel Hyland Asset and Equity Transaction Contract II are summarised as follows:

- Date:** 26 October 2020
- Parties:** (1) the Company (as transferor)
(2) SIGAM (as transferee)
- Target:** The Company agreed to transfer and SIGAM agreed to acquire 28.80% equity interests in Sofitel Hyland valued at RMB534,654,831.00, subject to the terms and conditions under the Sofitel Hyland Asset and Equity Transaction Contract II.
- Transaction amount:** The transaction amount shall be RMB534,654,831.00, which is determined on the basis of the value of the 28.80% equity interests in Sofitel Hyland. Such value is determined on the basis of the enterprise value of Sofitel Hyland (i.e., value of the owners' equity) of RMB1,856,440,385.43 as at the Valuation Benchmark Date as set out in the Sofitel Hyland Valuation Report prepared by the Appraiser using the asset-based approach.
- Payment:** The transaction amount shall be settled between the Company and SIGAM over-the-counter of SUAEE.

Handover of asset and equity: The benchmark date of the transaction is 30 April 2020.

The two parties shall collaborate and work with Sofitel Hyland to process change in industrial and commercial registration within 15 business days after receiving the asset and equity transaction certificate from SUAEE. Where the transaction involves filing with or approval of relevant authorities, the two parties shall jointly fulfill the obligation of making submissions to relevant authorities.

Profit or loss attributable to the 28.80% equity interests in Sofitel Hyland generated or incurred during the period from the benchmark date of the transaction (i.e., 30 April 2020) to the completion of transfer of rights by the two parties to the transaction shall be attributed to or borne by SIGAM.

III. SHAREHOLDING STRUCTURES OF THE TARGET COMPANIES

1. Shareholding Structures of the Target Companies before the Acquisition Transactions and Disposal Transactions

As at the date of this announcement, the respective shareholding structures of the Target Companies are as follows:

Target Companies	Shareholders of the respective Target Companies and their respective shareholding percentages			
	The Group	Shanghai International	SIGAM	Total
Sofitel Hyland	66.67%	—	33.33%	100%
Jian Guo Hotel	65%	—	35%	100%
Kunlun Hotel ^{Note}	47.5%	10%	42.5%	100%

Note: On 26 October 2020, Jin Jiang International Investment and Shanghai International entered into an agreement, pursuant to which, Shanghai International agreed to transfer and Jin Jiang International Investment agreed to acquire 8.45% equity interests in Kunlun Hotel. As at the date of this announcement, the closing of and change of registration in connection with the aforesaid transaction have yet to be completed and no change has occurred yet to the equity structure of Kunlun Hotel.

2. Shareholding Structures of the Target Companies after the Acquisition Transactions and Disposal Transactions

The respective shareholding structures of the Target Companies upon the completion of the Acquisition Transactions and Disposal Transactions are as follows:

Target Companies	Shareholders of the respective Target Companies and their respective shareholding percentages				
	Group	Jin Jiang		SIGAM	Total
International Investment		Shanghai International			
Sofitel Hyland	15.19%	—	—	84.81%	100%
Jian Guo Hotel	100%	—	—	—	100%
Kunlun Hotel	60%	8.45%	1.55%	30%	100%

IV. GENERAL INFORMATION

1. Information on the Parties to the Asset and Equity Transaction Contracts

Information on 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 on SIGAM

SIGAM is principally engaged in various types of domestic and foreign investment, asset operation and management, corporate management, financial advisory (subject to prohibition from engagement in book-keeping agency) and investment consultation (subject to prohibition from engagement in brokerage) businesses. SIGAM is a wholly-owned subsidiary of Shanghai International, which is in turn 100% held by Shanghai Municipal State-owned Assets Supervision and Administration Commission.

2. Information on the Target Companies

Sofitel Hyland

The principal business of Sofitel Hyland is provision of accommodation, food and beverage as well as banquet services.

Set out below is the audited financial information of Sofitel Hyland prepared in accordance with the PRC Accounting Standards for Business Enterprises:

	Year ended 31 December	
	2018 (RMB)	2019 (RMB)
Revenue	150,879,023.46	147,700,673.93
Profit before taxation	22,142,660.22	20,858,085.46
Profit after taxation	16,569,771.73	15,655,044.95

According to the audited financial statements of Sofitel Hyland prepared in accordance with the PRC Accounting Standards for Business Enterprises, Sofitel Hyland's audited book value of net assets was RMB114,921,009.75 as at 31 December 2019 and RMB104,534,704.47 as at the Valuation Benchmark Date. Based on the Sofitel Hyland Valuation Report prepared by the Appraiser using the asset-based approach, Sofitel Hyland's entire owners' equity was valued at RMB1,856,440,385.43 as at the Valuation Benchmark Date.

The main reasons for the significant premium of Sofitel Hyland's appraised value over its book value of net assets are as follows:

There is significant premium of the appraised value of Sofitel Hyland's fixed assets over their book value, mainly attributable to the significant increment in the value of its buildings and constructions upon valuation. The appraised net value of its buildings and constructions carries a substantial premium of 15,317.74%. This is primarily due to the fact that: (1) the properties of Sofitel Hyland were purchased or built in earlier years; (2) its properties were located in the prime business district of Shanghai, where the value of similar properties in the vicinity has increased continuously in recent years; and (3) the appraised value of the buildings and constructions comprised the value of land use rights.

The Board (including independent non-executive Directors), taking into consideration of the aforesaid reasons and upon reviewing the Sofitel Hyland Valuation Report, is of the view that the valuation result on Sofitel Hyland arrived at by the Appraiser using the asset-based approach is fair and reasonable.

Jian Guo Hotel

The principal business of Jian Guo Hotel is provision of accommodation, food and beverage as well as banquet services.

Set out below is the audited financial information of Jian Guo Hotel prepared in accordance with the PRC Accounting Standards for Business Enterprises:

	Year ended 31 December	
	2018 (RMB)	2019 (RMB)
Revenue	119,304,490.24	108,473,070.66
Profit before taxation	25,976,156.25	13,273,578.72
Profit after taxation	19,639,791.33	10,079,444.56

According to the audited financial statements of Jian Guo Hotel prepared in accordance with the PRC Accounting Standards for Business Enterprises, Jian Guo Hotel's audited book value of net assets was RMB123,028,726.00 as at 31 December 2019 and RMB117,547,305.85 as at the Valuation Benchmark Date. Based on the Jian Guo Hotel Valuation Report prepared by the Appraiser using the asset-based approach, Jian Guo Hotel's entire owners' equity was valued at RMB1,527,341,872.01 as at the Valuation Benchmark Date.

The main reasons for the significant premium of Jian Guo Hotel's appraised value over its book value of net assets are as follows:

There is significant premium of the appraised value of Jian Guo Hotel's fixed assets over their book value, mainly attributable to the significant increment in the value of its buildings and constructions upon valuation. The appraised net value of its buildings and constructions carries a substantial premium of 45,489.50%. This is primarily due to the fact that: (1) the properties of Jian Guo Hotel were located in the prime business district of Shanghai with higher property prices; (2) there has been increase in the costs of labour, raw materials and others, and the period of accounting depreciation was shorter than the economic life for the purpose of valuation; and (3) the appraised value of the buildings and constructions comprised the value of land use rights.

The Board (including independent non-executive Directors), taking into consideration of the aforesaid reasons and upon reviewing the Jian Guo Hotel Valuation Report, is of the view that the valuation result on Jian Guo Hotel arrived at by the Appraiser using the asset-based approach is fair and reasonable.

Kunlun Hotel

The principal business of Kunlun Hotel is provision of accommodation, food and beverage as well as banquet services.

As at the date of this announcement, Kunlun Hotel is a non wholly-owned subsidiary of Shanghai International, with Shanghai International and SIGAM holding in aggregate 52.5% of its equity interests and the Group holding its remaining equity interests. Shanghai International is the controlling shareholder of SIGAM. As at the date of this announcement, SIGAM is also a substantial shareholder of each of Jian Guo Hotel and Sofitel Hyland, which are non wholly-owned subsidiaries of the Company, holding 35% and 33.33% equity interests in Jian Guo Hotel and Sofitel Hyland, respectively. As (1) Shanghai International and SIGAM are related only to Jian Guo Hotel and Sofitel Hyland; and (2) the relevant applicable percentage ratios under the Listing Rules in relation to the aggregated total assets, profit and revenue of Jian Guo Hotel and Sofitel Hyland for the year ended 31 December 2019 are lower than 5%, Jian Guo Hotel and Sofitel Hyland fall within the definition of “insignificant subsidiaries” under Rule 14A.09 of the Listing Rules. Therefore, Shanghai International and SIGAM do not constitute connected persons of the Company and, accordingly, neither does Kunlun Hotel constitute a connected person of the Company under Chapter 14A of the Listing Rules.

Set out below is the audited financial information of Kunlun Hotel prepared in accordance with the PRC Accounting Standards for Business Enterprises:

	Year ended 31 December	
	2018	2019
	<i>(RMB)</i>	<i>(RMB)</i>
Revenue	323,916,938.77	308,878,423.47
Profit before taxation	-14,725,132.39	-5,719,794.15
Profit after taxation	-14,725,132.39	-5,719,794.15

According to the audited financial statements of Kunlun Hotel prepared in accordance with the PRC Accounting Standards for Business Enterprises, Kunlun Hotel’s audited book value of net assets was RMB36,172,654.45 as at 31 December 2019 and RMB-3,275,407.64 as at the Valuation Benchmark Date. Based on the Kunlun Hotel Valuation Report prepared by the Appraiser using the asset-based approach, Kunlun Hotel’s entire owners’ equity was valued at RMB3,368,351,032.11 as at the Valuation Benchmark Date.

The main reasons for the significant premium of Kunlun Hotel's appraised value over its book value of net assets are as follows:

There is significant premium of the appraised value of Kunlun Hotel's fixed assets over their book value, mainly attributable to the significant increment in the value of its buildings and constructions upon valuation. The appraised net value of its buildings and constructions carries a substantial premium of 1,178.82%. This is primarily due to the fact that: (1) the buildings and constructions of Kunlun Hotel were located in the prime business district of Beijing with higher property prices; (2) the market prices of properties have been increased in recent years; and (3) the appraised value of the buildings and constructions comprised the value of land use rights.

The Board (including independent non-executive Directors), taking into consideration of the aforesaid reasons and upon reviewing the Kunlun Hotel Valuation Report, is of the view that the valuation result on Kunlun Hotel arrived at by the Appraiser using the asset-based approach is fair and reasonable.

V. REASONS FOR AND BENEFITS OF ENTERING INTO THE ASSET AND EQUITY TRANSACTION CONTRACTS

The Board is of the view that the Acquisition Transactions and Disposal Transactions contemplated under the Asset and Equity Transaction Contracts are conducted in accordance with the Company's strategic positioning of "capital, assets, funds and resources" and requirements for deepening reforms and focusing on core business development. The Acquisition Transactions and Disposal Transactions will be beneficial to streamlining and integrating the Company's dispersed equity interests in relevant subsidiaries for further enhancing its management mechanism, focusing on its core business and increasing its capability in market-oriented operation and management. In the meantime, the Company's hotel assets will be further optimised, the development of Jin Jiang hotels as a high-end brand will be advanced and its overall strengths in the market will be enhanced.

The Board (including independent non-executive Directors) is of the view that the terms of the Asset and Equity Transaction Contracts (including the considerations) are fair and reasonable and based on normal commercial terms and in the interest of the Company and its Shareholders as a whole but the transactions are not conducted in the Group's ordinary and usual course of business due to their nature. No Directors have material interest in the Acquisition Transactions or Disposal Transactions or are required to abstain from voting on the relevant resolutions of the Board.

As the disposal of a total of 51.48% equity interests in Sofitel Hyland will result in the Company losing control over Sofitel Hyland, the Company will recognise gains based on the value of the entire 66.67% equity interests in Sofitel Hyland held by the Company. Based on the difference between the book value and the appraised value of 66.67% equity interests in Sofitel Hyland, the Company expects to record gains before taxation of approximately RMB1.17 billion. The Company plans to apply the proceeds in the acquisition of 12.50% equity interests in Kunlun Hotel and 35% equity interests in Jian Guo Hotel.

VI. LISTING RULES IMPLICATIONS

In accordance with Rule 14.22 of the Listing Rules, the Acquisition Transactions contemplated under the Kunlun Hotel Asset and Equity Transaction Contract and the Jian Guo Hotel Asset and Equity Transaction Contract shall be aggregated, and the Disposal Transactions contemplated under Sofitel Hyland Asset and Equity Transaction Contract I and Sofitel Hyland Asset and Equity Transaction Contract II shall also be aggregated. After aggregation, the respective highest applicable percentage ratio of the Acquisition Transactions and the Disposal Transactions is more than 5% but lower than 25%. Accordingly, the Acquisition Transactions and the Disposal Transactions are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules, respectively.

Upon completion of the Disposal Transactions, Sofitel Hyland will cease to be a subsidiary of the Company. Upon completion of the Acquisition Transactions, Jian Guo Hotel will become a wholly-owned subsidiary of the Company. Upon the completion of the Acquisition Transactions and the transaction regarding Kunlun Hotel between Jin Jiang International Investment and Shanghai International, Kunlun Hotel will become a non wholly-owned subsidiary of Jin Jiang International.

The Board would like to emphasise that the transactions contemplated under the Asset and Equity Transaction Contracts are subject to the approval from Shanghai Municipal State-owned Assets Supervision and Administration Commission. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

VII. DEFINITIONS

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

“Acquisition Transactions”	collectively, the acquisitions of 12.50% equity interests in Kunlun Hotel and 35% equity interests in Jian Guo Hotel by the Company from SIGAM
“Appraiser”	Shanghai Cai Rui Assets Evaluation Co., Ltd. (上海財瑞資產評估有限公司)
“Asset and Equity Transaction Contracts”	collectively, the Jian Guo Hotel Asset and Equity Transaction Contract, Kunlun Hotel Asset and Equity Transaction Contract, Sofitel Hyland Asset and Equity Transaction Contract I and Sofitel Hyland Asset and Equity Transaction Contract II
“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 to such term under the Listing Rules
“Cooperation Framework Agreement”	the cooperation framework agreement in relation to equity restructuring and swap project of subsidiaries entered into by the Company, Shanghai International and its subsidiary, and Jin Jiang International and its subsidiary on 31 July 2020, details of which are set out in the inside information announcement of the Company dated 31 July 2020
“Directors”	the directors of the Company
“Disposal Transactions”	collectively, the transfers of 51.48% equity interests in Sofitel Hyland in aggregate by the Company to SIGAM
“Group”	the Company and its subsidiary
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jian Guo Hotel”	Shanghai Jian Guo Hotel Co., Ltd. (上海建國賓館有限公司)

“Jian Guo Hotel Asset and Equity Transaction Contract”	the “Shanghai Asset and Equity Transaction Contract” in relation to the acquisition of 35% equity interests in Jian Guo Hotel entered into by the Company and SIGAM on 26 October 2020
“Jian Guo Hotel Valuation Report”	the valuation report on the owners’ equity of Jian Guo Hotel as at the Valuation Benchmark Date dated 20 October 2020 furnished by the Appraiser
“Jin Jiang International”	Jin Jiang International Holding Company Limited, which owns 75% of equity interests in the Company
“Jin Jiang International Investment”	Shanghai Jin Jiang International Investment and Management Company Limited (上海錦江國際投資管理有限公司), a wholly-owned subsidiary of Jin Jiang International
“Kunlun Hotel”	Beijing Kunlun Hotel Co., Ltd. (北京崑崙飯店有限公司)
“Kunlun Hotel Asset and Equity Transaction Contract”	the “Shanghai Asset and Equity Transaction Contract” in relation to the acquisition of 12.50% equity interests in Kunlun Hotel entered into by the Company and SIGAM on 26 October 2020
“Kunlun Hotel Valuation Report”	the valuation report on the owners’ equity of Kunlun Hotel as at the Valuation Benchmark Date dated 20 October 2020 furnished by the Appraiser
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“percentage ratios”	has the meaning ascribed to such term under the Listing Rules
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai International”	Shanghai International Group Co., Ltd. (上海國際集團有限公司)
“SIGAM”	SIG Asset Management Co., Ltd. (上海國際集團資產管理有限公司)
“Sofitel Hyland”	Sofitel Hyland Shanghai Co., Ltd. (上海海侖賓館有限公司)

“Sofitel Hyland Asset and Equity Transaction Contract I”	the “Shanghai Asset and Equity Transaction Contract” in relation to the acquisition of 22.68% equity interests in Sofitel Hyland entered into by the Company and SIGAM on 26 October 2020
“Sofitel Hyland Asset and Equity Transaction Contract II”	the “Shanghai Asset and Equity Transaction Contract” in relation to the acquisition of 28.80% equity interests in Sofitel Hyland entered into by the Company and SIGAM on 26 October 2020
“Sofitel Hyland Valuation Report”	the valuation report on the owners’ equity of Sofitel Hyland as at the Valuation Benchmark Date dated 20 October 2020 furnished by the Appraiser
“SUAEE”	Shanghai United Assets and Equity Exchange
“Target Companies”	Sofitel Hyland, Jian Guo Hotel and Kunlun Hotel, collectively
“Valuation Benchmark Date”	30 April 2020
“%”	per cent

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

Shanghai, the PRC, 26 October 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**”.*