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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 REVISION OF ANNUAL CAP FOR THE EXISTING CONTINUING CONNECTED TRANSACTIONS**

#### **REVISION OF ANNUAL CAP FOR THE EXISTING CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the announcement of the Company dated 18 August 2020 in relation to the revision of the annual cap of payment to Jin Jiang International Group by the Group under the Master Provision of Catering Services and Food Agreement for procurement of catering services and food from Jin Jiang International Group for the year of 2020 to an annual cap of RMB30 million.

On 20 November 2020, taking into consideration that the actual amount paid to the Group by Jin Jiang International Group for procurement of catering services and food from the Group under the Master Provision of Catering Services and Food Agreement as at the date of this announcement was close to the original annual cap of RMB10 million for the year of 2020 under such agreement, the Board passed a resolution to revise the original annual cap of payment to the Group under the Master Provision of Catering Services and Food Agreement for procurement of catering services and food by Jin Jiang International Group from the Group for the year of 2020 to an annual cap of RMB30 million.

#### **LISTING RULES IMPLICATIONS**

Jin Jiang International is the controlling shareholder of the Company. Jin Jiang International and its associates are therefore connected persons of the Company under the Listing Rules.

The transactions under the Master Provision of Catering Services and Food Agreement are carried out on a continuing or recurring basis in the ordinary and usual course of business of the Group and accordingly constitute continuing connected transactions of the Company under the Listing Rules.

Since the highest applicable percentage ratio (other than the profit ratio) for the revised annual cap for the year of 2020 for the payment to the Group by Jin Jiang International Group for procurement of catering services and food under the Master Provision of Catering Services and Food Agreement is more than 0.1% but less than 5%, the continuing connected transactions under such agreement are only subject to the disclosure and annual review requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **I. BACKGROUND**

Reference is made to the announcement of the Company dated 18 August 2020 in relation to the revision of the annual cap of payment to Jin Jiang International Group by the Group under the Master Provision of Catering Services and Food Agreement for procurement of catering services and food from Jin Jiang International Group for the year of 2020 to an annual cap of RMB30 million.

## **II. REVISION OF ANNUAL CAP FOR THE EXISTING CONTINUING CONNECTED TRANSACTIONS**

Taking into consideration that the actual amount paid to the Group by Jin Jiang International Group for procurement of catering services and food from the Group under the Master Provision of Catering Services and Food Agreement as at the date of this announcement was close to the original annual cap of RMB10 million for the year of 2020 under such agreement as a result of supporting the initiatives in relation to fighting against the COVID-19 pandemic, the Company expects that Jin Jiang International Group will continue to procure catering services and food from the Group for the rest of 2020.

Considering the above factors as a whole, on 20 November 2020, the Board passed a resolution to revise the original annual cap of payment to the Group under the Master Provision of Catering Services and Food Agreement for procurement of catering services and food by Jin Jiang International Group from the Group for the year of 2020 to an annual cap of RMB30 million.

For avoidance of doubt, save for the revision of the original annual cap of payment to the Group by Jin Jiang International Group under the Master Provision of Catering Services and Food Agreement for procurement of catering services and food from the Group for the year of 2020, all other terms of the Master Provision of Catering Services and Food Agreement remain unchanged. For details of the Master Provision of Catering Services and Food Agreement, please refer to the announcement of the Company dated 18 August 2020.

### **III. REASONS FOR AND BENEFITS OF THE REVISION OF ANNUAL CAP FOR THE EXISTING CONTINUING CONNECTED TRANSACTIONS**

The Board is of the view that the revision of the original annual cap of payment to the Group by Jin Jiang International Group under the Master Provision of Catering Services and Food Agreement for procurement of catering services and food from the Group for the year of 2020 is conducive to fulfilling social responsibilities by the Group and supporting the initiatives in relation to fighting against the COVID-19 pandemic, as well as increasing the Group's revenue of the catering business.

The Board (including the independent non-executive Directors) considers that the transactions under the Master Provision of Catering Services and Food Agreement are conducted on normal commercial terms or on terms no less favourable to the Company than those available to or from independent third parties, and are entered into on a continuing or recurring basis in the ordinary and usual course of business of the Company, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Board (including the independent non-executive Directors) further considers that, the revised annual cap for the transactions under the Master Provision of Catering Services and Food Agreement for the year ending 31 December 2020 is fair and reasonable. Mr. Yu Minliang, Ms. Guo Lijuan, Mr. Chen Liming, Mr. Ma Mingju, Ms. Zhou Wei and Mr. Sun Yu, holding positions at Jin Jiang International, have abstained from voting on the relevant resolution of the Board in respect of the approval of the revision of annual cap for the year of 2020 under the Master Provision of Catering Services and Food Agreement. Save as disclosed above, none of the other Directors has a material interest in the transaction or is required to abstain from voting on the relevant resolution of the Board.

### **IV. LISTING RULES IMPLICATIONS**

Jin Jiang International is the controlling shareholder of the Company. Jin Jiang International and its associates are therefore connected persons of the Company under the Listing Rules.

The transactions under the Master Provision of Catering Services and Food Agreement are carried out on a continuing or recurring basis in the ordinary and usual course of business of the Group and accordingly constitute continuing connected transactions of the Company under the Listing Rules.

Since the highest applicable percentage ratio (other than the profit ratio) for the revised annual cap for the year of 2020 for the payment to the Group by Jin Jiang International Group for procurement of catering services and food under the Master Provision of Catering Services and Food Agreement is more than 0.1% but less than 5%, the continuing connected transactions under such agreement are only subject to the disclosure and annual review requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **V. INFORMATION ON THE COMPANY AND JIN JIANG INTERNATIONAL**

### **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 Jin Jiang International**

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

## **VI. DEFINITIONS**

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

|                           |  |
|---------------------------|--|
| “associate(s)”            | has the meaning ascribed to such term under the Listing Rules  |
| “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  |
| “Directors”               | the directors of the Company   |

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| “Group”  | the Company and its subsidiaries  |
| “Hong Kong”  | the Hong Kong Special Administrative Region of the PRC  |
| “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 which is interested in 75% issued share capital of the Company   |
| “Jin Jiang International Group”                            | Jin Jiang International and/or its subsidiaries and associates (excluding the Group)  |
| “Listing Rules”  | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited  |
| “Master Provision of Catering Services and Food Agreement” | the master provision of catering services and food agreement entered into by the Company and Jin Jiang International on 26 April 2018, details of which are disclosed in the announcement of the Company dated 18 August 2020 |
| “percentage ratio”   | 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  |
| “%”  | per cent  |

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

Shanghai, the PRC, 20 November 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**”.*