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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**

#### **(1) CONNECTED TRANSACTION RELATING TO THE PROVISION OF ENTRUSTED LOANS**

#### **(2) CONTINUING CONNECTED TRANSACTION RELATING TO THE PROVISION OF OPERATING PROPERTY LOANS UNDER RULE 14A.60 OF THE LISTING RULES**

##### **(1) CONNECTED TRANSACTION RELATING TO THE PROVISION OF ENTRUSTED LOANS**

Reference is made to the announcement of a discloseable transaction published by the Company on 9 March 2020 in relation to, among others, the Previous Entrusted Loan Agreement. On 9 March 2021, the Company, Finance Company and Kunlun Hotel entered into the Entrusted Loan Extension Agreement, pursuant to which, the Company has agreed to entrust Finance Company to provide loans with a principal amount of RMB87,500,000 to Kunlun Hotel during the period from 9 March 2021 to 8 March 2022.

As at the date of this announcement, Kunlun Hotel is a subsidiary of Jin Jiang International. As Jin Jiang International is the controlling shareholder of the Company, Kunlun Hotel constitutes an associate of Jin Jiang International and thus constitutes a connected person of the Company under Chapter 14A of the Listing Rules. The Provision of Entrusted Loans constitutes a connected transaction under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio of the Provision of Entrusted Loans exceeds 0.1% but is less than 5%, the Provision of Entrusted Loans is subject to the reporting and announcement requirements, but is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

**(2) CONTINUING CONNECTED TRANSACTION RELATING TO THE PROVISION OF OPERATING PROPERTY LOANS UNDER RULE 14A.60 OF THE LISTING RULES**

Reference is made to the announcement of a discloseable transaction published by the Company on 30 September 2020 in relation to the provision of operating property loans, pursuant to which, Finance Company agreed to provide loans with a principal amount of RMB550,000,000 to Kunlun Hotel for a term of ten years from 30 September 2020 to 29 September 2030, and Kunlun Hotel mortgaged its self-owned operating hotel properties to Finance Company as security. Kunlun Hotel did not constitute a connected person of the Company as at 30 September 2020 (namely the date of the entering into of the Operating Property Loan Agreement). The shareholding structure of Kunlun Hotel was subsequently changed. As at the date of this announcement, Kunlun Hotel constitutes a connected person of the Company.

In accordance with Rule 14A.60(1) of the Listing Rules, the Company is required to comply with the annual review and disclosure requirements (including publishing an announcement and annual reporting) under Chapter 14A of the Listing Rules in respect of the continuing connected transaction of the provision of operating property loans under the Operating Property Loan Agreement. In the event of any subsequent amendment or renewal of the Operating Property Loan Agreement, the Company shall further comply with all applicable reporting, disclosure and (if applicable) independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

**1. CONNECTED TRANSACTION RELATING TO THE PROVISION OF ENTRUSTED LOANS**

**1.1 Background**

Reference is made to the announcement of a discloseable transaction published by the Company on 9 March 2020 in relation to, among others, the Previous Entrusted Loan Agreement, pursuant to which, the Company has agreed to entrust Finance Company to provide loans with a principal amount of RMB87,500,000 to Kunlun Hotel during the period from 10 March 2020 to 9 March 2021.

As the expiry date of the Previous Entrusted Loan Agreement is 9 March 2021, the Company, Finance Company and Kunlun Hotel entered into the Entrusted Loan Extension Agreement on 9 March 2021 to extend the term of the Previous Entrusted Loan Agreement to 8 March 2022, pursuant to which, the Company has agreed to entrust Finance Company to provide loans with a principal amount of RMB87,500,000 to Kunlun Hotel during the period from 9 March 2021 to 8 March 2022.

## 1.2 Principal Terms of the Provision of Entrusted Loans

Save as supplemented, amended or modified by the Entrusted Loan Extension Agreement, other terms of the Previous Entrusted Loan Agreement will remain unchanged with full effect. The Entrusted Loan Extension Agreement constitutes a part of the Previous Entrusted Loan Agreement. The principal terms of the Provision of Entrusted Loans to Kunlun Hotel by Finance Company as entrusted by the Company are summarised as follows:

<b>Date of the Entrusted Loan Extension Agreement:</b>	9 March 2021
<b>Parties:</b>	(1) the Company (as principal) (2) Finance Company (as appointee) (3) Kunlun Hotel (as borrower)
<b>Subject matter:</b>	<p>The Company entrusts its self-owned funds of RMB87,500,000 to Finance Company. Finance Company shall provide such funds to Kunlun Hotel as loans to supplement its working capital on behalf of the Company according to the purpose, amount and currency, terms and interest rate as designated by the Company.</p> <p>The Company shall pay to Finance Company a commission equivalent to 0.05% of the actual amount utilised by Kunlun Hotel per annum.</p>
<b>Term of the entrusted loans:</b>	<p>The expiry date of the Previous Entrusted Loan Agreement is 9 March 2021.</p> <p>Pursuant to the Entrusted Loan Extension Agreement, the term of the Previous Entrusted Loan Agreement is extended to 8 March 2022, namely, the term of the entrusted loans is from 9 March 2021 to 8 March 2022.</p>
<b>Interest rate of the loans:</b>	3.915%. Kunlun Hotel shall settle the interest on a quarterly basis.
<b>Repayment:</b>	Kunlun Hotel may advance loan repayments within the term of the Previous Entrusted Loan Agreement as extended by the Entrusted Loan Extension Agreement.

### **1.3 Reasons for and Benefits of the Provision of Entrusted Loans**

The Board is of the view that the Provision of Entrusted Loans to Kunlun Hotel by Finance Company as entrusted by the Company will fulfil the working capital requirements of Kunlun Hotel and help Kunlun Hotel resume production and operation under the impact of COVID-19, thereby safeguarding sound and stable business development. It will also facilitate the centralised application of the Group's existing funding resources to improve its fund application efficiency and generate interest income for the Group.

The Board (including the independent non-executive Directors) is of the view that the terms of the Entrusted Loan Extension Agreement are fair and reasonable, on normal commercial terms, and are in the interest of the Company and its shareholders as a whole. As Mr. Yu Minliang, Ms. Guo Lijuan, Mr. Chen Liming, Mr. Ma Mingju, Ms. Zhou Wei and Mr. Sun Yu hold positions at Jin Jiang International, they abstained from voting in respect of the Board resolution approving the Entrusted Loan Extension Agreement. Save as disclosed above, none of the other Directors had a material interest in the relevant transactions or was required to abstain from voting on the relevant resolution of the Board.

### **1.4 Information of the Company, Finance Company and Kunlun Hotel**

#### ***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 Finance Company***

Finance Company is a subsidiary of the Company principally engaged in the provision of financial services to member units of Jin Jiang, including the settlement of transactional payments, provision of entrusted loans and entrusted investment services; acceptance of deposits and provision of loans, etc.

As at the date of this announcement, Finance Company is held as to 90.5% by the Group and 9.5% by Jin Jiang International.

#### ***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.

### *Information of Kunlun Hotel*

Kunlun Hotel is principally engaged in the provision of hotel accommodation, food and beverage and banquet services, etc.

As at the date of this announcement, Kunlun Hotel is held as to (i) 8.45% by Jin Jiang International's wholly-owned subsidiary, Jin Jiang International Investment, (ii) 60% by the Group and its wholly-owned subsidiary, Jin Jiang HK, and (iii) 31.55% by Shanghai International and its wholly-owned subsidiary, SIGAM. As Jin Jiang International through the Company and Jin Jiang International Investment has the right to appoint or remove a majority of the board of directors of Kunlun Hotel, Jin Jiang International has control over Kunlun Hotel and therefore, Kunlun Hotel is a subsidiary of Jin Jiang International. As Jin Jiang International is the controlling shareholder of the Company, Kunlun Hotel constitutes an associate of Jin Jiang International and thus constitutes a connected person of the Company under Chapter 14A of the Listing Rules.

#### **1.5 Listing Rules Implications**

The Provision of Entrusted Loans constitutes a connected transaction under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio of the Provision of Entrusted Loans exceeds 0.1% but is less than 5%, the Provision of Entrusted Loans is subject to the reporting and announcement requirements, but is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

#### **2. CONTINUING CONNECTED TRANSACTION RELATING TO THE PROVISION OF OPERATING PROPERTY LOANS UNDER RULE 14A.60 OF THE LISTING RULES**

Reference is made to the announcement of a discloseable transaction published by the Company on 30 September 2020 in relation to the provision of operating property loans (the "**Operating Property Loan Announcement**"). On 30 September 2020, Finance Company and Kunlun Hotel entered into the Operating Property Loan Agreement, pursuant to which, Finance Company agreed to provide a loan with a principal amount of RMB550,000,000 to Kunlun Hotel for a term of ten years from 30 September 2020 to 29 September 2030. Kunlun Hotel mortgaged its self-owned operating hotel properties to Finance Company as security. For details of the provision of operating property loans, please refer to the Operating Property Loan Announcement.

As disclosed in the Operating Property Loan Announcement, as at 30 September 2020 (namely the date of the entering into of the Operating Property Loan Agreement), Kunlun Hotel was a non-wholly owned subsidiary of Shanghai International. Shanghai International and its wholly-owned subsidiary, SIGAM,

together held 52.5% equity interests in Kunlun Hotel, and the Company held its remaining 47.5% equity interests. In accordance with the “insignificant subsidiary exemption” pursuant to Rule 14A.09 of the Listing Rules, Shanghai International and SIGAM did not constitute connected persons of the Company. Therefore, Kunlun Hotel did not constitute a connected person of the Company as at 30 September 2020 (namely the date of the entering into of the Operating Property Loan Agreement).

The shareholding structure of Kunlun Hotel was subsequently changed, and the change in industrial and commercial registration was completed on 29 December 2020. As stated above in this announcement, as at the date of this announcement, Kunlun Hotel is held as to (i) 8.45% by Jin Jiang International’s wholly-owned subsidiary, Jin Jiang International Investment, (ii) 60% by the Group and its wholly-owned subsidiary, Jin Jiang HK, and (iii) 31.55% by Shanghai International and its wholly-owned subsidiary, SIGAM. As Jin Jiang International has the right to appoint or remove a majority of the board of directors of Kunlun Hotel, Jin Jiang International through the Company and Jin Jiang International Investment has control over Kunlun Hotel and therefore, Kunlun Hotel is a subsidiary of Jin Jiang International and constitutes a connected person of the Company under Chapter 14A of the Listing Rules.

In accordance with Rule 14A.60(1) of the Listing Rules, the Company is required to comply with the annual review and disclosure requirements (including publishing an announcement and annual reporting) under Chapter 14A of the Listing Rules in respect of the continuing connected transaction of the provision of operating property loans under the Operating Property Loan Agreement. For details of the provision of operating property loans, please refer to the Operating Property Loan Announcement. In the event of any subsequent amendment or renewal of the Operating Property Loan Agreement, the Company shall further comply with all applicable reporting, disclosure and (if applicable) independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

### **3. 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

“Directors”	the directors of the Company
“Entrusted Loan Extension Agreement”	the agreement for the extension of the Previous Entrusted Loan Agreement entered into by the Company, Finance Company and Kunlun Hotel on 9 March 2021, pursuant to which, the expiry date of the Previous Entrusted Loan Agreement was extended to 8 March 2022
“Finance Company”	Jin Jiang International Finance Company Limited, a subsidiary of the Company, which is held as to 90.5% by the Group and 9.5% by Jin Jiang International as at the date of this announcement
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jin Jiang HK”	Shanghai Jin Jiang International Hotels Group (HK) Company Limited (上海錦江國際酒店集團(香港)有限公司), a wholly-owned subsidiary of the Company
“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% of the issued share capital of 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 Company Limited (北京崑崙飯店有限公司), a subsidiary of Jin Jiang International as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Operating Property Loan Agreement”	the operating property loan agreement entered into between Finance Company and Kunlun Hotel on 30 September 2020
“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
“Previous Entrusted Loan Agreement”	the entrusted loan agreement entered into among the Company, Finance Company and Kunlun Hotel on 9 March 2020
“Provision of Entrusted Loans”	the provision of loans with a principal amount of RMB87,500,000 to Kunlun Hotel by Finance Company as agreed and entrusted by the Company, the term of which is from 9 March 2021 to 8 March 2022, pursuant to the Entrusted Loan Extension Agreement
“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), a company 100% held by Shanghai State-owned Assets Supervision and Management Commission
“SIGAM”	SIG Asset Management Co., Ltd (上海國際集團資產管理有限公司), a wholly-owned subsidiary of Shanghai International
“%”	per cent

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

Shanghai, the PRC, 9 March 2021

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