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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 TRANSACTION PROVISION OF LOANS AND ENTRUSTED LOANS**

On 9 March 2020, Finance Company and Kunlun Hotel entered into a Loan Agreement, pursuant to which, Finance Company agreed to provide loans with a principal amount of RMB31,250,000 to Kunlun Hotel.

On the same date, the Company, Finance Company and Kunlun Hotel entered into an Entrusted Loan Agreement, pursuant to which, the Company agreed to entrust Finance Company to provide loans with a principal amount of RMB87,500,000 to Kunlun Hotel.

Since May 2019, Finance Company and Kunlun Hotel have successively entered into Previous Loan Agreements, and the transaction under each individual Previous Loan Agreement does not constitute a discloseable transaction of the Company. However, in accordance with Rule 14.22 of the Listing Rules, transactions contemplated under the Previous Loan Agreements, the Loan Agreement and the Entrusted Loan Agreement shall be aggregated. When aggregated, the highest applicable percentage ratio of the transactions contemplated under the Previous Loan Agreements, the Loan Agreement and the Entrusted Loan Agreement exceeds 5% but is less than 25%. Accordingly, transactions contemplated under the Previous Loan Agreements, the Loan Agreement and the Entrusted Loan Agreement (when aggregated) are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## I. INTRODUCTION

On 9 March 2020, Finance Company and Kunlun Hotel entered into a Loan Agreement, pursuant to which, Finance Company agreed to provide loans with a principal amount of RMB31,250,000 to Kunlun Hotel.

On the same date, the Company, Finance Company and Kunlun Hotel entered into an Entrusted Loan Agreement, pursuant to which, the Company agreed to entrust Finance Company to provide loans with a principal amount of RMB87,500,000 to Kunlun Hotel.

## II. THE LOAN AGREEMENT AND THE ENTRUSTED LOAN AGREEMENT

### 1. The Loan Agreement

The key terms of the Loan Agreement are summarised as follows:

<b>Date:</b>	9 March 2020
<b>Parties:</b>	(1) Kunlun Hotel (as borrower) (2) Finance Company (as lender)
<b>Principal amount of the loans:</b>	RMB31,250,000 in aggregate
<b>Term of the loans:</b>	From 10 March 2020 to 26 November 2020. Kunlun Hotel may receive the loans in one lump sum or several drawdowns before 15 March 2020.
<b>Interest rate of the loans:</b>	3.915%. Kunlun Hotel shall settle the interest monthly.
<b>Security:</b>	Kunlun Hotel provides its self-owned property as a security of the guarantee for the principal amount of the loans and interests in favour of Finance Company.
<b>Repayment:</b>	Upon the maturity of the loans, Kunlun Hotel shall repay the principal amount in one lump sum and settled interest as scheduled.

## 2. The Entrusted Loan Agreement

The key terms of the Entrusted Loan Agreement are summarised as follows:

<b>Date:</b>	9 March 2020
<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 loans:</b>	12 months from 10 March 2020 to 9 March 2021.
<b>Interest rate of the loans:</b>	3.915%. Kunlun Hotel shall settle the interest quarterly.
<b>Security:</b>	Kunlun Hotel provides its self-owned property as a security of the guarantee for the principal amount of the loans and interests in favour of the Company.
<b>Repayment:</b>	Upon the maturity of the loan, Kunlun Hotel shall repay the principal amount in one lump sum and settled interest as scheduled.

### **III. REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT AND THE ENTRUSTED LOAN AGREEMENT**

The Board is of the view that entering into the Loan Agreement and the Entrusted Loan Agreement will fulfil the working capital requirements of Kunlun Hotel. On the one hand, it will be conducive to expediting the development of Kunlun Hotel and improving the quality of the hotel. On the other hand, it will also facilitate the centralised application of the Group's existing funding resources to improve the 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 Loan Agreement and the Entrusted Loan Agreement are fair and reasonable and based on normal commercial terms, and are in the interest of the Company and its shareholders as a whole. None of the Directors has a material interest in the transactions or is required to abstain from voting on the relevant resolution of the Board.

### **IV. 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 wholly-owned 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.

#### **Information of Kunlun Hotel**

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

Kunlun Hotel is a non wholly-owned subsidiary of Shanghai International. Shanghai International holds 52.5% of its equity interest and the Company holds the remaining equity interest. Shanghai International is also the controlling shareholder of SIGAM. SIGAM holds 35% equity interests in Jian Guo Hotel and 33.33% equity interests in Sofitel Hyland, both non wholly-owned subsidiaries of the Company, and is a substantial shareholder of each of Jian Guo Hotel and Sofitel Hyland. As (1) Shanghai International is only connected with Jian Guo Hotel and Sofitel Hyland; and (2) the aggregated total assets, profits and revenue ratios of Jian Guo Hotel and Sofitel Hyland for the year ended 31 December 2018 calculated in

accordance with the relevant applicable percentage ratios under the Listing Rules are lower than 5%, Jian Guo Hotel and Sofitel Hyland meet the criteria of “insignificant subsidiaries” under Rule 14A.09 of the Listing Rules. Hence, in accordance with Chapter 14A of the Listing Rules, Shanghai International does not constitute a connected person of the Company. Accordingly, neither does Kunlun Hotel constitute a connected person of the Company.

## V. LISTING RULES IMPLICATIONS

Since May 2019, Finance Company and Kunlun Hotel have successively entered into Previous Loan Agreements, and the transaction under each individual Previous Loan Agreement does not constitute a discloseable transaction of the Company. However, in accordance with Rule 14.22 of the Listing Rules, transactions contemplated under the Previous Loan Agreements, the Loan Agreement and the Entrusted Loan Agreement shall be aggregated. When aggregated, the highest applicable percentage ratio of the transactions contemplated under the Previous Loan Agreements, the Loan Agreement and the Entrusted Loan Agreement exceeds 5% but is less than 25%. Accordingly, transactions contemplated under the Previous Loan Agreements, the Loan Agreement and the Entrusted Loan Agreement (when aggregated) are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## 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
“Directors”	the directors of the Company
“Entrusted Loan Agreement”	the entrusted loan agreement entered into among the Company, Finance Company and Kunlun Hotel on 9 March 2020
“Finance Company”	Jin Jiang International Finance Company Limited, a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jian Guo Hotel”	Shanghai Jian Guo Hotel Company Limited
“Kunlun Hotel”	Beijing Kunlun Hotel Company Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan Agreement”	the working capital loan agreement entered into between Kunlun Hotel and Finance Company on 9 March 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 Loan Agreement(s)”	the previous working capital loan agreements entered into between Kunlun Hotel and Finance Company since May 2019
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai International”	Shanghai International Group Co., Ltd.

“SIGAM”	SIG Asset Management Co., Ltd
“Sofitel Hyland”	Sofitel Hyland Shanghai Co., Ltd.
“%”	per cent

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

Shanghai, the PRC, 9 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**”.*