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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 TRANSACTIONS

On 7 May 2020, Plaza Great Wall, a wholly-owned subsidiary of the Company, entered into the Buyout Agreement of Plaza Great Wall Guest Rooms and Related Services with Jin Jiang International, pursuant to which, Jin Jiang International agreed to purchase the guest rooms and related services from Plaza Great Wall that are expropriated by the government for prevention of the COVID-19 epidemic.

On the same date, Wuhan Jin Jiang, a wholly-owned subsidiary of the Company, entered into the Buyout Agreement of Wuhan Jin Jiang Guest Rooms and Related Services with Jin Jiang International, pursuant to which, Jin Jiang International agreed to purchase the guest rooms and related services from Wuhan Jin Jiang that are expropriated 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 transactions contemplated under the Buyout Agreement of Plaza Great Wall Guest Rooms and Related Services and the Buyout Agreement of Wuhan Jin Jiang Guest Rooms and Related Services constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Buyout Agreement of Plaza Great Wall Guest Rooms and Related Services and the Buyout Agreement of Wuhan Jin Jiang Guest Rooms and Related Services shall be aggregated. Meanwhile, those two transactions shall be aggregated with the transactions conducted previously under the Buyout Agreement of Guest Rooms and Related Services. Details of the Buyout Agreement of Guest Rooms and Related Services conducted previously are set forth in the announcement of the Company dated 27 March 2020. As the highest applicable percentage ratio of the transactions contemplated under the Buyout Agreement of Plaza Great Wall Guest Rooms and Related Services and the Buyout Agreement of Wuhan Jin Jiang Guest Rooms and Related Services exceeds 0.1% but is lower than 5% after aggregation, the transactions contemplated under the Buyout Agreement of Plaza Great Wall Guest Rooms and Related Services and the Buyout Agreement of Wuhan Jin Jiang Guest Rooms and Related Services (after aggregation) 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 7 May 2020, Plaza Great Wall, a wholly-owned subsidiary of the Company, entered into the Buyout Agreement of Plaza Great Wall Guest Rooms and Related Services with Jin Jiang International, pursuant to which, Jin Jiang International agreed to purchase the guest rooms and related services from Plaza Great Wall that are expropriated by the government for prevention of the COVID-19 epidemic.

On the same date, Wuhan Jin Jiang, a wholly-owned subsidiary of the Company, entered into the Buyout Agreement of Wuhan Jin Jiang Guest Rooms and Related Services with Jin Jiang International, pursuant to which, Jin Jiang International agreed to purchase the guest rooms and related services from Wuhan Jin Jiang that are expropriated by the government for prevention of the COVID-19 epidemic.

II. BUYOUT AGREEMENT OF PLAZA GREAT WALL GUEST ROOMS AND RELATED SERVICES AND BUYOUT AGREEMENT OF WUHAN JIN JIANG GUEST ROOMS AND RELATED SERVICES

1. Buyout Agreement of Plaza Great Wall Guest Rooms and Related Services

The key terms of the Buyout Agreement of Plaza Great Wall Guest Rooms and Related Services are summarised as follows:

Date: 7 May 2020

Parties: (1) Plaza Great Wall (as the service provider)

(2) Jin Jiang International (as the service purchaser)

Term: The buyout period commenced on 23 January 2020 and expired on 31 March 2020. If the local government requires to continue expropriating the guest rooms and related services of Plaza Great Wall after 31 March 2020, the buyout period of the guest rooms under the Buyout Agreement of Plaza Great Wall Guest Rooms and Related Services can be extended by mutual agreement between both parties.

The Buyout Agreement of Plaza Great Wall Guest Rooms and Related Services shall terminate upon the expiration of the buyout period of the guest rooms or upon the completion of full settlement of fees receivable and payable (including buyout price and Expropriation Compensation) between both parties, whichever is later.

Nature of transaction: Jin Jiang International purchases the guest rooms and related services that are expropriated by the government for prevention of the COVID-19 epidemic from Plaza Great Wall.

Total transaction amount: The total transaction amount under the Buyout Agreement of Plaza Great Wall Guest Rooms and Related Services shall be computed according to the number of guest room brought out, market price of guest room and the buyout period.

The guest rooms that are bought out include a total of 288 guest rooms of Plaza Great Wall during the period from 23 January 2020 to 31 March 2020.

The total transaction amount under the Buyout Agreement of Plaza Great Wall Guest Rooms and Related Services is RMB15,370,400.

Payment: Jin Jiang International shall settle the payment in full with Plaza Great Wall within five days upon the signing of the Buyout Agreement of Plaza Great Wall Guest Rooms and Related Services.

Compensation arrangement of government expropriation: In the event of any Expropriation Compensation received by Plaza Great Wall from local governments for expropriation of guest rooms, Plaza Great Wall will transfer the Expropriation Compensation received in full to Jin Jiang International.

2. Buyout Agreement of Wuhan Jin Jiang Guest Rooms and Related Services

The key terms of the Buyout Agreement of Wuhan Jin Jiang Guest Rooms and Related Services are summarised as follows:

Date: 7 May 2020

Parties: (1) Wuhan Jin Jiang (as the service provider)
(2) Jin Jiang International (as the service purchaser)

Term: The buyout period commenced on 23 January 2020 and expired on 31 March 2020. If the local government requires to continue expropriating the guest rooms and related services of Wuhan Jin Jiang after 31 March 2020, the buyout period of the guest rooms under the Buyout Agreement of Wuhan Jin Jiang Guest Rooms and Related Services can be extended by mutual agreement between both parties.

The Buyout Agreement of Wuhan Jin Jiang Guest Rooms and Related Services shall terminate upon the expiration of the buyout period of the guest rooms or upon the completion of full settlement of fees receivable and payable (including buyout price and Expropriation Compensation) between both parties, whichever is later.

Nature of transaction: Jin Jiang International purchases the guest rooms and related services that are expropriated by the government for prevention of the COVID-19 epidemic from Wuhan Jin Jiang.

Total transaction amount: The total transaction amount under the Buyout Agreement of Wuhan Jin Jiang Guest Rooms and Related Services shall be computed according to the number of guest room brought out, market price of guest room and the buyout period.

The guest rooms that are bought out include a total of 407 guest rooms of Wuhan Jin Jiang during the period from 23 January 2020 to 31 March 2020.

The total transaction amount under the Buyout Agreement of Wuhan Jin Jiang Guest Rooms and Related Services is RMB28,120,800.

Payment: Jin Jiang International shall settle the payment in full with Wuhan Jin Jiang within five days upon the signing of the Buyout Agreement of Wuhan Jin Jiang Guest Rooms and Related Services.

Compensation arrangement of government expropriation: In the event of any Expropriation Compensation received by Wuhan Jin Jiang from local governments for expropriation of guest rooms, Wuhan Jin Jiang will transfer the Expropriation Compensation received in full to Jin Jiang International.

III. REASONS FOR AND BENEFITS OF ENTERING INTO THE BUYOUT AGREEMENT OF PLAZA GREAT WALL GUEST ROOMS AND RELATED SERVICES AND BUYOUT AGREEMENT OF WUHAN JIN JIANG GUEST ROOMS AND RELATED SERVICES

The Board is of the view that entering into the Buyout Agreement of Plaza Great Wall Guest Rooms and Related Services and the Buyout Agreement of Wuhan Jin Jiang Guest Rooms and Related Services is conducive to the stable and health business development of the Company and its subsidiaries.

The Board (including the independent non-executive Directors) is of the view that the terms of the Buyout Agreement of Plaza Great Wall Guest Rooms and Related Services and the Buyout Agreement of Wuhan Jin Jiang Guest Rooms and Related Services (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 resolutions of the Board in respect of the approval of the Buyout Agreement of Plaza Great Wall Guest Rooms and Related Services and the Buyout Agreement of Wuhan Jin Jiang Guest Rooms and Related Services. 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 resolutions 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 transactions contemplated under the Buyout Agreement of Plaza Great Wall Guest Rooms and Related Services and the Buyout Agreement of Wuhan Jin Jiang Guest Rooms and Related Services constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Buyout Agreement of Plaza Great Wall Guest Rooms and Related Services and the Buyout Agreement of Wuhan Jin Jiang Guest Rooms and Related Services shall be aggregated. Meanwhile, those two transactions shall be aggregated with the transactions conducted previously under the Buyout Agreement of Guest Rooms and Related Services. Details of the Buyout Agreement of Guest Rooms and Related Services conducted previously are set forth in the announcement of the Company dated 27 March 2020. As the highest applicable percentage ratio of the transactions contemplated under the Buyout Agreement of Plaza Great Wall Guest Rooms and Related Services and the Buyout Agreement of Wuhan Jin Jiang Guest Rooms and Related Services exceeds 0.1% but is lower than 5% after aggregation, the transactions contemplated under the Buyout Agreement of Plaza Great Wall Guest Rooms and Related Services and the Buyout Agreement of Wuhan Jin Jiang Guest Rooms and Related Services (after aggregation) 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, PLAZA GREAT WALL, WUHAN JIN JIANG 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 Plaza Great Wall

Plaza Great Wall is a wholly-owned subsidiary of the Company. It is principally engaged in the operation of Holiday Inn Downtown Shanghai in Shanghai, providing services related to hotels and restaurants.

Information of Wuhan Jin Jiang

Wuhan Jin Jiang is a wholly-owned subsidiary of the Company. It is principally engaged in the operation of Wuhan Jin Jiang International Hotel in Wuhan, providing services related to hotels and restaurants.

Information of Jin Jiang International

Jin Jiang International is one of the largest hotel and tourism conglomerates in terms of scales in the PRC, which 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:

“Board”	the board of directors of the Company
“Buyout Agreement of Guest Rooms and Related Services”	the buyout agreement of guest rooms and related services entered into between Jin Jiang International and Shanghai Jin Jiang Hotels Company Limited* (上海錦江國際酒店股份有限公司) on 27 March 2020, details of which are disclosed in the announcement dated 27 March 2020 of the Company
“Buyout Agreement of Plaza Great Wall Guest Rooms and Related Services”	the buyout agreement of guest rooms and related services entered into between Jin Jiang International and Plaza Great Wall on 7 May 2020, details of which are disclosed in this announcement
“Buyout Agreement of Wuhan Jin Jiang Guest Rooms and Related Services”	the buyout agreement of guest rooms and related services entered into between Jin Jiang International and Wuhan Jin Jiang on 7 May 2020, details of which are disclosed in this announcement
“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 epidemic”	the epidemic of pneumonia caused by COVID-19
“Directors”	the directors of the Company
“Expropriation Compensation”	any expropriation subsidy or compensation paid by local government to Plaza Great Wall and/or Wuhan Jin Jiang due to the expropriation of guest rooms by local government
“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 interested in 75% of the issued share capital of the Company
“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
“Plaza Great Wall”	Shanghai New Asia Plaza Great Wall Hotel Company Limited, a company incorporated in the PRC with limited liability, and a wholly-owned subsidiary of the Company as at the date of this announcement
“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
“Wuhan Jin Jiang”	Wuhan Jin Jiang International Hotel Co., Ltd., a company incorporated in the PRC with limited liability, and a wholly-owned subsidiary of the Company as at the date of this announcement
“%”	per cent

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

Shanghai, the PRC, 7 May 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**”.*